

## 5. Outturn 2015-16

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Wards Affected: None  
Report to: CENSUS JOINT COMMITTEE

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### Purpose of Report

1. This report details the end of year financial position for the two services under the remit of the Joint Committee.

### Summary

2. The ICT Service has overspent by £266k mainly due to staffing, termination and agency costs being incurred to ensure service levels are maintained. The Revenues and Benefits Service has overspent by a nominal £1k after transfers to reserves.

### Recommendations

3. **That the Committee note this report.**
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### Background

#### ICT Service

#### 4. Operational

- 4.1 The 2015-16 outturn position for Census ICT is actual operational spend of £2.811m an overall overspend against the annual budget of £266k. The main area of overspend related to contractor costs, however there was also £71k of unbudgeted termination costs for one member of staff as a result of the service restructure. Agency and contractor costs of £284k were incurred during the year to meet the demand in operational resource, these costs were partially offset by vacancy savings of £60k. All but one of the contractors had left by the end of March with the remaining contractor being retained to work solely on projects.

#### 5. Revenue Projects

- 5.1 Expenditure totalling £365k was spent on revenue projects in 2015-16. With the exception of the Implementation of Redhat Linux and the Cloud-based Back up projects, all of the revenue projects were completed. The Security Project was overspent by £73k, this is due to the project being larger than expected when the original budget was set. Previously there had been no schedule for server security patching and therefore it was necessary to take on contractors to patch each of the servers at all of the Census sites to the correct level.
- 5.2 The Implementation of the RedHat Linux project has been put on hold at the moment as Census Revenues and Benefits are not ready to make this transition, for service

reasons. The £14k budget has been carried forward into 2016/17 together with £57k for the Cloud Based Back-up.

## 6. Capital Projects

- 6.1 The capital expenditure for 2015-16 was £99k. The main spend was on the server migration project, this was completed with a £4k overspend against budget. The Disaster Recovery project was almost complete by the end of the financial year and only final residual costs are expected to be paid in 2016-17.
- 6.2 As mentioned above, due to the delay on the commencement of the RedHat Linux project the capital budget of £160k has been carried forward to 2016/17 together with the £27k unspent budget for the Disaster Recovery project.

### Census ICT - April 2015 to March 2016

	Original Budget 2015/16	Actual April to March 2015/16	Variance	Year End Forecast Estimate as at February 2016
	£	£	£	£
<b>Operational Revenue Costs</b>				
Employee Costs	1,385,293	1,680,472	295,179	1,676,947
Transport Costs	3,020	11,289	8,269	11,638
Supplies & Services	612,403	576,308	-36,095	560,562
Central Census Maintenance	544,532	543,009	-1,523	537,893
<b>Total Operational Expenditure</b>	<b>2,545,248</b>	<b>2,811,078</b>	<b>265,830</b>	<b>2,787,040</b>

	Original Budget 2015/16	Budget Carry Forward 2014/15	Actual April to March 2015/16	Variance	Budget carried forward 2016/17
<b>Revenue Projects (Incl carried forward from 14/15)</b>	<b>370,000</b>	<b>84,000</b>	<b>364,810</b>	<b>-89,190</b>	<b>71,000</b>
<b>Capital ( Incl Carried forward from 14/15)</b>	<b>58,000</b>	<b>224,489</b>	<b>99,507</b>	<b>-182,982</b>	<b>187,150</b>

### Revenues and Benefits Service

## 7. Operational

- 7.1 The position outlined shows an over spend against budget for the year of £1K. The staffing budget is overspent, whilst there are savings identified in Transport related costs, Supplies and Services, additional fee income and additional grant income, which mainly mitigate this. The Head of Service for Revenues and Benefits has provided the following explanations for the main variances:

- 7.2 Employee costs – Additional costs are a consequence of the use of agency staff to backfill posts while new recruits are recruited and trained. Additional, temporary (unfunded) posts have been created in both Revenues and Benefits to enable the Service to recruit staff 'in anticipation of turn-over' however, given the volume of leavers during the year, agency staff have been required to maintain performance.
- 7.3 Supplies and services – The outsourcing of Printing and Postage delivered savings of £79K for the year, which helps mitigate the ongoing staffing pressures. The table below shows a net saving for supplies and services of £30K, after including a pressure of £49K in respect of IT costs and Training, met by specific additional grant funding identified below.
- 7.4 Grant Income – Additional grant income has been received for New Burdens in 2015/16 in respect of Implementing Welfare reform; Single Fraud Investigation Service; Migrant access to Benefits; Real Time information; Fraud & Error reduction Incentive Scheme; Universal Credit funding and Local Authority Data Sharing programme.
- 7.5 Fees and Charges – Additional income as a result of increased enforcement activity for the year.
- 7.6 The full year variance reflects a payment to reserves of £50K required to finance capital spend:

#### Revenue

	<b>Original Budget</b>	<b>Actual after prepay / accrual adjs</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Employee Costs	2,597,973	2,842,454	244,481
Transport Costs	71,610	62,769	(8,841)
Supplies and Services	748,410	717,983	(30,427)
Total Expenditure	3,417,993	3,623,206	205,213
Grant Income	0	(168,050)	(168,050)
Fees & Charges	(565,330)	(659,633)	(94,303)
Miscellaneous Income	(10,635)	(2,122)	8,513
Total Income	(575,965)	(829,805)	(253,840)
Payment to reserves to finance Capital		50,000	50,000
Net Expenditure	2,842,028	2,843,401	1,373

#### Capital projects:

	<b>Revised Budget</b>	<b>Actual after prepay / accrual adjs</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Census Capita Modules	50,000	50,600	600

