

Corporate Director - Resources Report	
Reason for Report	As part of the Actions proposed in the Budget Monitoring Report to Cabinet on 13 November 2019, the Corporate Director Resources was requested to set out in the 2019/20 Budget Monitoring Report for the third quarter the budget variances within the directorate and the actions being taken to bring the budget into balance.
Summary of Issues and Actions Taken	<p>The current budget variance is £272k down from last quarter reported £398k.</p> <p>Part of the main cost pressure for the directorate is the funding of the Major Projects Team which in last quarter monitoring was projecting an overspend of £371k.</p> <p>The project team operates on a charging mechanism, recharging their full cost to projects they support. For Local Government Reorganisation (LGR) and the subsequent transformation of the Council to be a success, it will continue to require significant project support. However, LGR funding for the team was only approved up to the end of September 2019. Funding to support LGR phases 1 and 2 of the programme is now fully committed and therefore the team are unfunded until such time as stage 3 (BCP organisation design programme) is approved, which will contain funding for the team for the foreseeable future.</p> <p>Action to date offset the pressure includes looking at the support the team have provided to other services and charging staff time accordingly. So far this has identified an additional £136k, bringing the total overspend down to £235k.</p> <p>Other cost pressure areas include external audit costs which overall will be an overspend of £103k. Grant Thornton, the Councils external auditors continue to face an increased regulatory focus. Due to the increase challenge and depth of work needed, additional costs will be passed onto the Council on top of the agreed core fee. The in-year pressure is a result of additional work carried out in the 2018/19 audit on the three legacy Councils as well as the 2019/20 BCP Council audit. Action to reduce this pressure is limited. The Chief Finance Officer regularly liaises with the external auditors to make sure as a Council we try to make the whole process as efficient as possible.</p> <p>As a directorate a review of work involved with grant funding to make sure we charge appropriate administration costs to fund staff time. An additional £74k will be drawn down from the Brexit Grant to fund in house staff additional time spent on planning arrangements to exit the EU.</p>
Next Steps	<ol style="list-style-type: none"> 1. Continue to review areas where Major Projects Team have supported non LGR work during 2019/20 and look to charge for services provided. 2. Ensure the future programme of transformation that the Major Project Team support are fully funded to avoid similar pressures in future years. 3. Continue to look for opportunities and cost saving in the last quarter of 2019/20 to reduce the overall deficit.