

# Resources Directorate Budget Awareness Session

Resources Directorate

*Overview & Scrutiny Board – 1 October 2024*

Adam Richens – Director of Finance

*On behalf of Graham Farrant – Chief Executive*

# Resources Directorate – Budget Awareness Session

## Purpose:

- Part of process of enhanced Member Engagement and Scrutiny of the budget
- Springboard for an Overview & Scrutiny Working Group ([one per Overview & Scrutiny Committee](#))

Focus on a maximum of 3 budget areas within the remit of the Committee

Support to be provided by the relevant Director of the area being scrutinised

*Aim to assist councillors understand pressures and policy area selected for scrutiny to that they can effectively test and challenge options as a critical friend and provide views*

- Potential areas suggested

*Transformation Budget, ICT Licensing Costs, Legal Locum Costs, Climate Change and Ecological Emergency Budget.*

# Resources Directorate - Overview

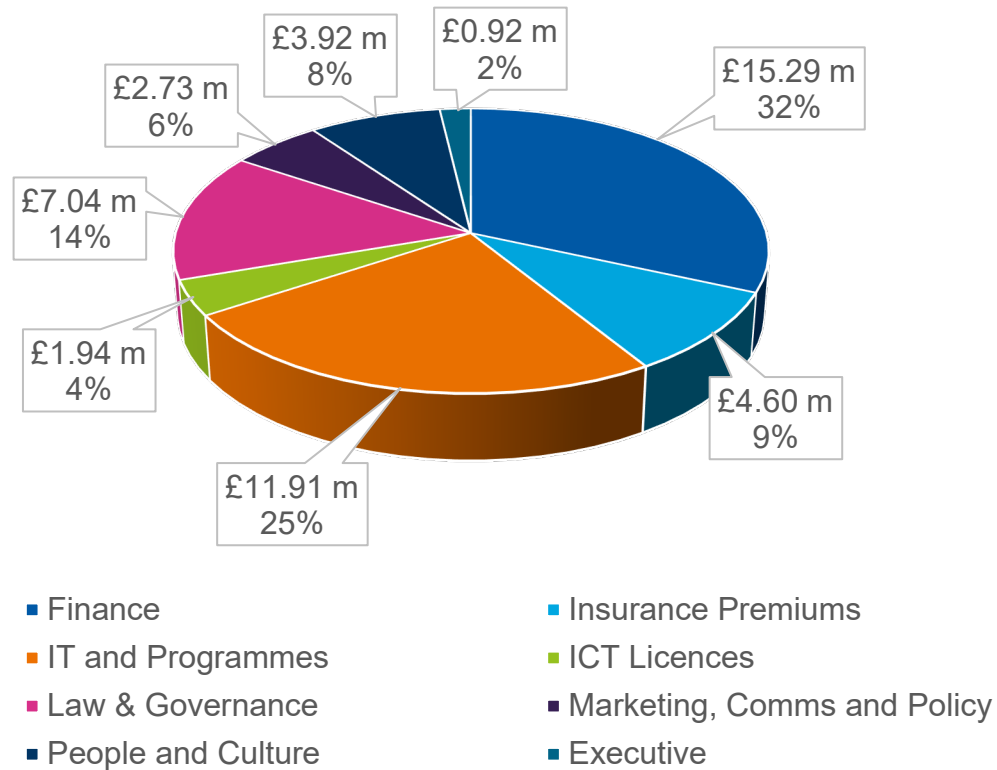
## **Includes the following Service areas:**

- IT & Programmes – Sarah Chamberlain
- Finance – Adam Richens
- Law & Governance – Janie Berry
- People & Culture – Sarah Deane
- Marketing, Communications & Policy – Isla Reynolds
- Executive – Graham Farrant

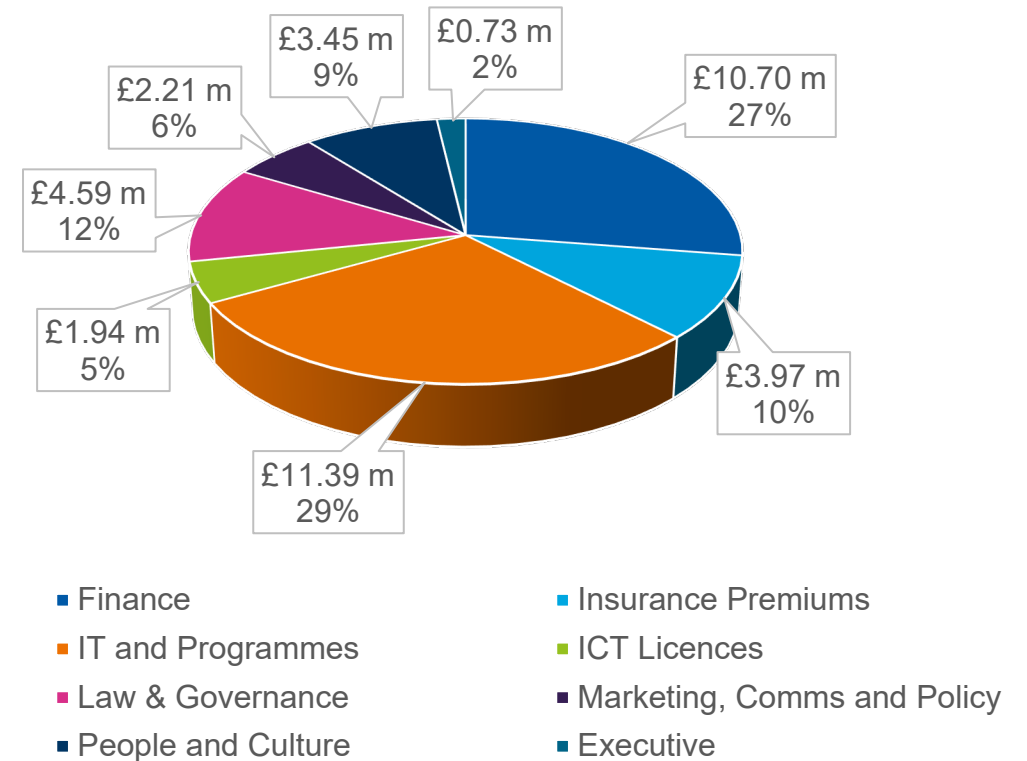
# Resources Directorate Budget 2024/25

## - by Service area

Gross Expenditure budget  
£48.35m



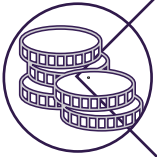
Net Expenditure budget  
£38.99m



(September 2024)



# Resources Directorate – Service Departments



## Finance

- Revenue and Benefits
- Accountancy
- Audit & Assurance
- Estates



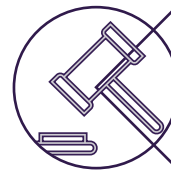
## IT and Programmes

- IT Infrastructure
- Data & Analytics
- Governance & Compliance



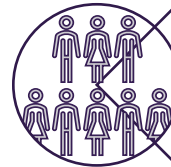
## Marketing, Comms & Policy

- Corporate Communications
- Commercial Marketing
- Policy, Sustainability & Inclusion
  - Climate Action
- Research & Consultation



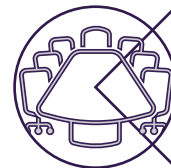
## Law & Governance

- Democratic Services
- Legal Services
- Electoral Services & Land Charges
- Registrars



## People & Culture

- Resourcing ER & Change
- Talent & Business Partnering
- Service Centre, Systems & Payroll



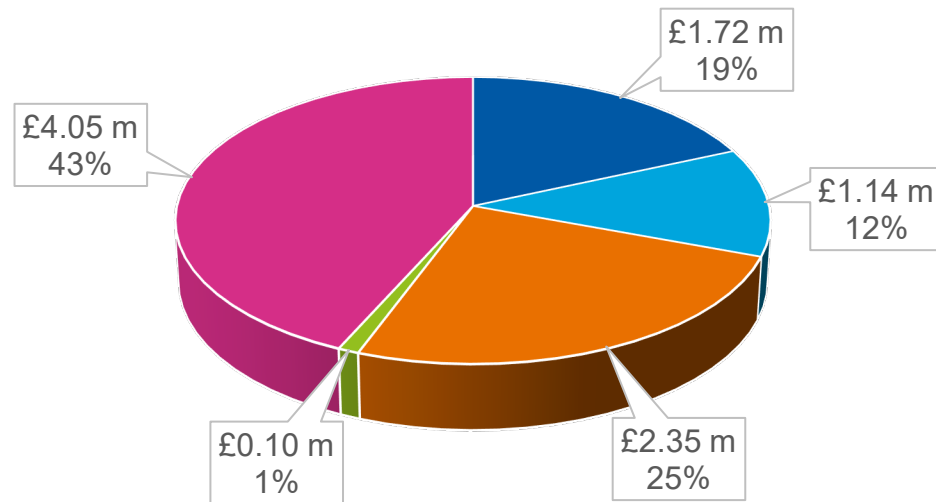
## Executive

- Chief Executive
- Corporate Directors
- Executive overheads

# Resources Directorate Budget 2024/25

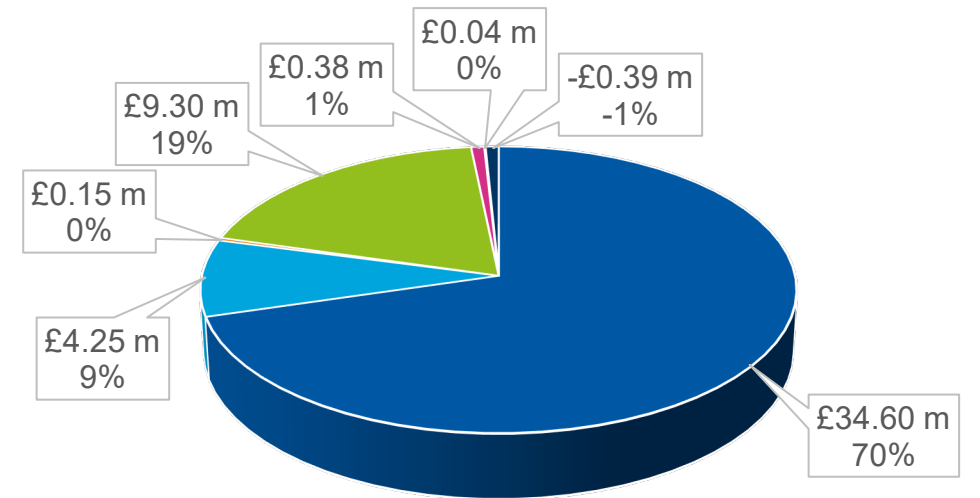
## - Income & Expenditure by type

Total Income by type  
£9.36m



- Government Grants
- Other Grants, Reimbursements & Contributions
- Service Fees & Charges
- Recharges
- Sales

Total Expenditure by type  
£48.35m



- Employees
- Recharge Costs
- Third Party & Transfer Payments
- Other (e.g. Reserve movements)
- Premises
- Supplies and Services
- Transport & Vehicles

(September 2024)

# Resources Directorate: 2024/25 Projected Outturn

2024/25 year-end forecast position as at Quarter 1 (June 2024)

- Projected overspend - £0.8m approximately 1.9%

Service	Working budget £000's	Projected Outturn £000's	Q1 Variance £000's
Executive	733	733	0
Law and Governance	4,588	5,154	566
Marketing, Comms and Policy	2,208	2,341	133
People and Culture	2,524	2,591	67
- Workforce Development – Adults & Children*	981	1,021	40
Finance	15,983	15,983	0
IT and Programmes	13,336	13,282	(55)
<b>Executive &amp; Resources Total</b>	<b>40,354</b>	<b>41,105</b>	<b>751</b>

\*Workforce Development teams transferred to People & Culture from Adults and Children's services, 1 July 2024

# 2024/25 projected outturn

## **£0.8m projected overspend attributable to:**

- Recruitment challenges in Law & Governance, need for Locums – £0.6m
- Marketing, Communications & Policy expecting to underachieve on income – £0.1m
- People & Culture ‘Apprenticeship’ service saving (converting positions to apprenticeship opportunities). Corporate Target but delivered as part of services budgets – £0.07m
- Workforce Development Team transferred from Adults and Children’s Services with a forecast salary overspends – £0.04m

Expectation of Cabinet is that services are expected to implement mitigation strategies to address these emerging operational issues – Quarter 2 report to Cabinet in November.

# Medium Term Financial Plan (MTFP) 2025 to 2028

## Resources Directorate – SUMMARY position (Extract)

	Budget 2024/25 £m	Sept MTFP Position (updated from February 2024)			
		25/26 £m	26/27 £m	27/28 £m	Total £m
Resources Directorate	40.4	0.8	0.3	0.0	1.1
Service Pressures (net of any specific grant changes)	40.4	0.8	0.3	0.0	1.1
Resources Directorate		(0.5)	(0.2)	(0.1)	(0.8)
Transformation		(0.5)	0.0	0.0	(0.5)
Savings, Efficiencies, Fees & Charges		(1.1)	(0.2)	(0.1)	(1.4)

# Medium Term Financial Plan (MTFP) 2025-28

## Executive & Resources – Pressures

		2025/26 £000s	2026/27 £000s	2027/28 £000s
	<b>Resources</b>			
	<b>Law &amp; Governance</b>			
	Legal & Dem - Members' Allowances (Inflation linked to pay award assumptions - 2%, 2%, 2%, 2%?)	33	33	34
	Rebase Land Charges Income Target	74		
	Committee Management System - Procurement	30	(11)	
	<b>Law &amp; Governance - Total Service Pressures</b>	<b>137</b>	<b>22</b>	<b>34</b>
	<b>Marketing, Communications and Policy</b>			
	Contact inflation	4	5	5
	<b>Marketing, Communications &amp; Policy - Total Service Pressures</b>	<b>4</b>	<b>5</b>	<b>5</b>
	<b>People &amp; Culture</b>			
	Contract Inflation	28	16	19
	People and Culture Resourcing Team - Ongoing impact of 2024/25 virement	158		
	People and Culture Resourcing Team - Additional requirement to deliver on objectives	383		
	Payroll System Replacement		234	(96)
	<b>People &amp; Culture- Total Service Pressures</b>	<b>569</b>	<b>250</b>	<b>(77)</b>
	<b>IT &amp; Programmes</b>			
	Contact Inflation - General	46	47	48
	<b>IT &amp; Programmes - Total Service Pressures</b>	<b>46</b>	<b>47</b>	<b>48</b>
	<b>Resources - Total</b>	<b>756</b>	<b>324</b>	<b>10</b>

# MTFP pressures - Key themes

## Challenges

- Inflation linked to pay award
  - 24/25 negotiations ongoing
  - 25/26 onwards assumed at 2%
- Income challenges
  - Land charges shortfall, impact of slow housing market
  - Complexity of increasing advertising sites to increase income (planning, policy etc)
- Contract inflation
  - Based on CPI at 2.2%
  - Only included in budget if linked to a service contract
- System and software procurement
  - Payroll system replacement

# Medium Term Financial Plan (MTFP) 2025-28

## Resources Directorate – Service Based Savings

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2025/26 RAG Rating	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
EXS1	Executive	Service Efficiency	Additional voluntary redundancy saving proposals not included in any other specific saving line	Blue	(75)			(75)
		<b>Saving Total - Executive</b>			(75)	0	0	(75)
L&GS1	Law & Governance	Service Efficiency	Termination of Schools Admissions Appeals Service to non-maintained schools	Blue	(6)			(6)
L&GS2	Law & Governance	Service Efficiency	Legal literature savings (subject to confirmation of cost of additional bolt-ons)	Blue	(9)			(9)
L&GS3	Law & Governance	Fees and Charges	Legal Services Review of Fees and Charges	Amber	(5)	(5)	(5)	(15)
L&GS4	Law & Governance	Fees and Charges	Registrars Service Review of Fees and Charges	Blue	(8)	(8)	(8)	(24)
		<b>Saving Total - Law &amp; Governance</b>			(28)	(13)	(13)	(54)
MC&PS1	Marketing, Comms and Policy	Service Efficiency	Advertising income from on street opportunities with Operations	Amber	(100)	(100)		(200)
		<b>Saving Total - Marketing, Communications and Policy</b>			(100)	(100)	0	(200)
FS1	Finance	Fees and Charges	Accountancy Recharge to Chartered Trustees	Blue	(1)	(1)	(1)	(3)
FS2	Finance	Fees and Charges	Paddle Courts on Creekmoor	Amber	(67)			(67)
FS3	Finance	Service Reduction	Do not take out terrorism insurance cover for the councils buildings (other than where there is a legal requirement)	Amber	(200)			(200)
		<b>Saving Total - Finance</b>			(268)	(1)	(1)	(270)
RS1	Resources - General	Recharges	Recharges to Housing Revenue Account of charges in line with impact of inflation, particularly those associated with the pay award costs. Bournemouth and Poole Neighbourhood Account	Amber	(55)	(55)	(55)	(165)
RS2	Across Authority Savings	Fees and Charges	Increase Staff Car Parking Charges - 1 June 2024	Amber	(3)	(3)	(3)	(9)
RS3	Resources - General	Recharges	Recharges to Dorset Adult Learning	Amber	(11)	(11)	(11)	(33)
RS4	Resources - General	Recharges	Recharges to Bournemouth Companies	Amber	(8)	(8)	(8)	(24)
		<b>Saving Total - Resources General</b>			(77)	(77)	(77)	(231)
		<b>Saving Total - RESOURCES DIRECTORATE</b>			(548)	(191)	(91)	(830)

### RAG Rating Key

Completed - Saving delivered	Blue
Progressing Well - Member / officer decision(s) needed to enable the delivery of the saving have been made. However due to the risk around assumed activity levels the saving, efficiency or additional resources may not be delivered in full.	Green
In Progress - Actions to deliver the required saving have actively started including consultations but have not been concluded.	Amber
Saving unlikely as serious risk to delivery	Red
Saving identified - Preparatory work to deliver the saving not yet to start.	White



# Medium Term Financial Plan (MTFP) 2025-28

## Resources Directorate – Transformation Based Savings

Ref:	Directorate	Category of the Proposal	Description of the Proposal	RAG Rated	2025/26 £000s	2026/27 £000s	2027/28 £000s	Total £000s
FTS1	Finance	Service Transformation	Revenue and Benefits System - Target Operating Model - Vision and Valid savings	Amber	(371)			(371)
FTS2	Finance	Service Transformation	Revenue and Benefits - System rationalisation	Amber	(159)			(159)
		Saving Total - Resources - Finance			(530)	0	0	(530)
	Transformation Total - RESOURCES DIRECTORATE				(530)	0	0	(530)

### RAG Rating Key

Completed - Saving delivered	Blue
Progressing Well - Member / officer decision(s) needed to enable the delivery of the saving have been made. However due to the risk around assumed activity levels the saving, efficiency or additional resources may not be delivered in full.	Green
In Progress - Actions to deliver the required saving have actively started including consultations but have not been concluded.	Amber
Saving unlikely as serious risk to delivery	Red
Saving identified - Preparatory work to deliver the saving not yet to start.	White

# MTFP Savings & Transformation based - Key themes

## Opportunities

- Review of fees and charges
- Reduction in agency workers
  - Consider local market supplements
- Accurate and aligned recharges
- Staffing and restructure opportunities
  - Linked to Compulsory and Voluntary redundancy process
  - Consistent with operating model (including spans on control) and corporate priorities
- Review of non-statutory services
- Systems and working practices
  - Modern, efficient ways of working

# Next steps

- Review and reflect on information from slides
- Consider ideas in preparation for in depth budget scrutiny
- Establish Task and Finish group
- Group to meet during October focussing on up to 3 key issues
- Task and Finish group to feedback recommendations to Overview & Scrutiny Board – 18 November 2024