

Item 4a. STaR Budget Report

Report to: STaR Procurement
Date: 12 September 2014
Report for: Joint Committee Meeting 1st October 2014
Report author: T&R Senior Accountant

STaR Revenue Budget Monitoring 2014/15 – Period 4 (April 2014 – July 2014 inclusive)

1 Outturn

- 1.1 The current approved expenditure revenue budget for the year is £1,232k and the forecasted outturn is £1,150k. This £82k favourable variance is 6.6% of the total expenditure budget.

2 Variations to Budget

- 2.1 The following details the £82k favourable variances and appendix 1 at the end of the report indicates the referred to budgets and reasons to which the variances relate:

£ (104) k favourable, vacancy management (note 1); there have been some delays in recruitment. Between April and July there were at least 5 vacant posts. This underspend has assumed all posts to be filled by the end of October 2014.

£35k adverse, agency, staff advertising, additional resources (note 2); in order to increase the capacity of the STaR it has been necessary to buy in specialist support from another council to support staff in the first half of the year. There are other residual agency and advertising costs resulting from the formation of the shared service.

£ (13) k favourable, running costs (note 3); the running costs budget is forecasted to be underspent mainly due to the lower than anticipated transport and subscription costs £ (17) k. This has been offset by the ICT set up costs for laptops and mobile phones £8k. Other running costs have contributed to a £(4)k favourable variance.

Support Service costs (note 4); for legal, ICT, HR, insurance and Finance are expected to £105k as per budget and no variance is forecasted.

£82k– contribution to earmarked reserve (note 5); due to the favourable forecasted outturn expenditure there is a contribution into the earmarked STaR reserve for future procurement related activity spend.

Period 4 Forecasted Outturn revenue expenditure and income variances

		Full Year Budget £000's	Total Months 1-4 £000's	Projection to End of Year £000's	Forecast Year End Total £000's	Over / (Under) Forecast for Year £000's
Employees	Note (1)	1,005	233	668	901	(104)
Agency	Note (2)	0	0	34	34	34
Staff Advertising	Note (2)	0	1	0	1	1
TOTAL EMPLOYEE COSTS		1,005	234	702	936	(69)
Premises		4	0	3	3	(1)
Transport		20	1	8	9	(11)
Equipment		1	0	1	1	(0)
Catering		4	0	3	3	(1)
Office Equipment		4	0	1	2	(2)
Consultants Fees		49	13	36	49	(0)
ICT Costs including telephones		26	14	21	34	8
Subscriptions		12	0	6	6	(6)
Other		2	0	2	2	(0)
RUNNING COSTS	Note (3)	122	28	81	109	(13)
SUPPORT SERVICES COSTS						
Note (4)		105	0	105	105	0
Reserve Contribution	Note (5)			82	82	82
TOTAL EXPENDITURE		1,232	262	970	1,232	0

Business Reason / Area (Subjective analysis)	P4 Outturn variance (£000's)	Note ref
Management of Vacancies	(104)	1
Agency, staff advertising, additional resources	35	2
Running Costs	(13)	3
Support Services	0	4
Reserve Contribution	82	5
Total	0	