

## MANAGEMENT BOARD

## 2010/11 ADMINISTRATION ESTIMATE: MONTHLY OUTTURN REPORT

## Note by the Director of Financial Management

Purpose

1. This paper provides an updated forecast outturn for 2010/11 at the end of November. The timescale for completing the exercise this month has been very tight because of the timing of the Board meeting.

Overall position

2. A detailed analysis of the forecast returns are provided in the Annex.
3. The latest forecast shows a resource underspend of £1.2 million after setting aside the Board's reserve of £2 million for investment in the implementation of the Savings Programme. This is broadly in line with the overall position reported last month. Although additional resource underspends have emerged against departmental budgets, these have been franked by changes on some departmental ICT projects.
4. The further reduction in most departmental forecast outturns repeats the pattern of recent years. If this trend was to continue then a significant underspend would be generated. This could be used to frank the increase in pension related costs (see paragraph 7). Alternatively, the growth in underspend could remain static if the forecasts now being provided are realistic.

Department	Underspend end Oct 2010 £000	Underspend end Nov 2010 £000	Monthly change in forecast underspend £000
Speaker's Office	54	33	(21)
DCCS	349	632	283
DF	0	63	63
DIS	(169)	362	531
DR	(257)	(445)	(188)
PICT	1,657	1,626	(31)
OCE	59	55	(4)
SecCoOrd	(34)	17	51
Grant-in-Aid	326	326	0
<b>Total</b>	<b>1,985</b>	<b>2,669</b>	<b>684</b>

5. A similar picture has emerged on capital.

Department	Underspend end Oct 2010 £000	Underspend end Nov 2010 £000	Monthly change in forecast underspend £000
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DCCS	(145)	(83)	62
DF	30	248	218
DIS	(37)	(6)	31
DR	19	22	3
PICT	334	942	608
<b>Total</b>	<b>201</b>	<b>1,171</b>	<b>970</b>

6. There have been budget adjustments following updated business cases on some ICT projects within the Project Provision. This has result in changes to the resource / capital allocations. The net result, after taking account of revised forecasts, has been to decrease the resource underspend reported last month in this area by around £0.45 million. The overall planned forecast for the remainder of the year still appears to be high for certain projects and these have been challenged. FMD are also following up some forecast project overspends (e.g. CPIMF) and need to ensure that project managers are not double counting commitments between projects that are closely linked. FMD has not been able to resolve these issues in the limited time available, but will continue to liaise with departments, and the Lords on shared projects, to ensure clarity around budgetary control and business case approval is maintained.

7. At this stage the potential £8.8 million pension adjustment, offset by the £4 million Estate revaluation write back, has been excluded. The emerging underspend suggests however, that it may be possible to frank the £4.8 million difference if the underspend was to grow towards the year end. Some budgetary flexibility will be required to manage unforeseen accrual adjustments at 31 March. An emerging issue could be costs associated with the change in use of Tothill Street, being discussed with the Parliamentary Estate Directorate, if these were to be agreed in the current year.

8. The forecast is showing a capital underspend of £3.7 million, an increase of £0.7 million against the previous month. This has arisen from further underspends in addition to the reclassification of certain project budgets.

#### Variance analysis

9. The main variances, other than over budgeting, have arisen from:
- Salaries: additional work commitment in DR, together with need to absorb 2010 pay award and cover supernumerary posts in DIS. The recruitment restrictions do not appear to have generated significant savings in departments;
  - Other staff costs: this mainly reflects an adjustment on pension interest costs made earlier in the year following completion of the 2009/10 Resource Accounts;
  - Accommodation: costs incurred on the road stand-off project have been higher than planned;

- Security: includes additional reserves figure of £1.1 million in the Central Provision with the balance of £0.5 million representing savings achieved against the Metropolitan Police Service contract.

### Conclusion

10. In the absence of further significant underspends emerging in the next few weeks the Board would need to consider a Supplementary Estimate, to cover the technical accounting adjustment on pensions, when they next meet in January 2011.

This could be difficult to agree with the Commission in the current economic climate. It is therefore important for departmental finance teams and project managers to ensure realistic forecasts are submitted as part of next month's forecasts. FMD will also be following up the project issues highlighted above, and encouraging departmental finance teams and project managers to work closely together on their forecasts.

C Ridley  
9 December 2010

## ANNEX

**Summary**

Resource	Budget	April to November Actuals	December to March Forecast	Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
Receipts	(10,384)	(5,815)	(4,402)	(10,217)	(167)
Salaries	87,188	56,032	31,514	87,546	(358)
Other Staff Costs	19,569	1,351	21,064	22,415	(2,846)
Travel and Subsistence	2,961	1,045	1,556	2,601	360
Information	14,593	8,687	5,801	14,488	105
Broadcasting	193	54	117	171	22
Communications	6,908	3,896	2,046	5,942	966
Computers	7,098	4,153	2,481	6,634	464
Catering Supplies	3,608	1,991	1,173	3,164	444
Other Supplies	370	189	81	270	100
Office Supplies	1,773	1,051	568	1,619	154
Finance and Professional Services	7,445	2,470	4,843	7,313	133
Grants	3,952	2,772	853	3,625	326
Accommodation	34,624	23,660	11,357	35,017	(393)
Security	23,595	14,565	7,437	22,002	1,593
Non-cash Expenditure	15,504	10,564	4,692	15,256	248
<b>Total</b>	<b>219,000</b>	<b>126,665</b>	<b>91,181</b>	<b>217,846</b>	<b>1,153</b>
<b>Capital</b>					
<b>Total</b>	<b>20,000</b>	<b>8,611</b>	<b>7,723</b>	<b>16,334</b>	<b>3,666</b>

**Speaker's Office**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	-	-	-	-	-
Salaries	427	333	180	513	(86)
Other Staff Costs	13	2	8	10	3
Travel and Subsistence	220	43	80	123	97
Information	6	2	1	3	3
Communications	-	-	-	-	-
Computers	1	-	-	-	1
Catering Supplies	-	-	-	-	-
Office Supplies	11	5	4	9	2
Finance and Professional Services	24	7	3	10	14
Accommodation	3	-	-	-	3
Security	-	-	-	-	-
Non-cash Expenditure	-	1	1	3	(3)
<b>Total</b>	<b>704</b>	<b>394</b>	<b>277</b>	<b>671</b>	<b>33</b>
<b>Capital Expenditure</b>	-	-	-	-	-

**Department Chamber &  
Committee Services**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	(399)	(222)	(180)	(402)	3
Salaries	27,997	18,361	9,606	27,967	30
Other Staff Costs	243	97	134	231	11
Travel and Subsistence	2,074	704	1,217	1,921	153
Information	11,610	6,978	4,820	11,798	(189)
Broadcasting	193	54	117	171	22
Communications	1,245	729	514	1,243	3
Computers	76	48	40	88	(13)
Catering Supplies	-	-	-	-	-
Office Supplies	707	421	258	679	28
Finance and Professional Services	1,344	494	663	1,157	187
Accommodation	24	13	12	25	(2)
Security	22,135	14,472	7,363	21,835	300
Non-cash Expenditure	495	242	155	397	97
<b>Total</b>	<b>67,744</b>	<b>42,393</b>	<b>24,719</b>	<b>67,112</b>	<b>632</b>
<b>Capital Expenditure</b>	<b>858</b>	<b>620</b>	<b>321</b>	<b>941</b>	<b>(83)</b>

**Department of Facilities**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	(9,023)	(4,948)	(3,892)	(8,840)	(183)
Salaries	20,365	13,565	6,820	20,385	(20)
Other Staff Costs	457	158	123	281	175
Travel and Subsistence	210	111	90	201	9
Information	52	26	21	47	5
Communications	3,215	2,009	953	2,962	252
Computers	-	-	-	-	-
Catering Supplies	3,978	2,175	1,254	3,429	549
Office Supplies	742	458	225	683	59
Finance and Professional Services	2,456	520	2,289	2,809	(354)
Accommodation	34,381	23,515	11,295	34,810	(429)
Security	-	-	-	-	-
Non-cash Expenditure	12,103	8,378	3,725	12,103	-
<b>Total</b>	<b>68,935</b>	<b>45,968</b>	<b>22,903</b>	<b>68,871</b>	<b>63</b>
<b>Capital Expenditure</b>	<b>13,690</b>	<b>7,512</b>	<b>5,930</b>	<b>13,442</b>	<b>248</b>

**Department of Information  
Services**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	(962)	(644)	(240)	(884)	(78)
Salaries	13,648	9,085	4,761	13,846	(197)
Other Staff Costs	233	80	108	188	45
Travel and Subsistence	389	169	145	314	75
Information	2,697	1,531	919	2,450	247
Broadcasting	-	-	-	-	-
Communications	86	(105)	21	(84)	170
Computers	214	122	109	231	(17)
Catering Supplies	-	-	-	-	-
Office Supplies	103	90	32	122	(19)
Finance and Professional Services	1,187	362	648	1,010	178
Accommodation	187	113	37	150	37
Security	137	93	74	167	(30)
Non-cash Expenditure	148	90	105	195	(47)
<b>Total</b>	<b>18,067</b>	<b>10,986</b>	<b>6,719</b>	<b>17,705</b>	<b>362</b>
<b>Capital Expenditure</b>	<b>95</b>	<b>77</b>	<b>24</b>	<b>101</b>	<b>(6)</b>

**Department of Resources**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	-	(1)	-	(1)	1
Salaries	6,840	5,066	2,380	7,446	(606)
Other Staff Costs	1,207	769	563	1,332	(125)
Travel and Subsistence	33	6	8	14	19
Information	65	32	12	44	21
Communications	3	3	1	4	(1)
Computers	40	43	12	55	(15)
Catering Supplies	-	-	-	-	-
Office Supplies	60	58	20	78	(18)
Finance and Professional Services	1,930	907	900	1,807	123
Accommodation	-	-	-	-	-
Security	-	-	-	-	-
Non-cash Expenditure	200	25	20	45	155
<b>Total</b>	<b>10,378</b>	<b>6,907</b>	<b>3,916</b>	<b>10,823</b>	<b>(445)</b>
<b>Capital Expenditure</b>	<b>20</b>	<b>(3)</b>	<b>1</b>	<b>(2)</b>	<b>22</b>

**Office of the Chief Executive**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	-	-	-	-	-
Salaries	1,228	815	378	1,193	35
Other Staff Costs	25	13	6	19	6
Travel and Subsistence	5	-	-	-	4
Information	42	26	10	36	6
Communications	1	-	-	-	1
Computers	4	-	-	-	4
Catering Supplies	-	-	-	-	-
Office Supplies	24	11	9	20	4
Finance and Professional Services	291	118	172	290	1
Non-cash Expenditure	-	5	-	5	(5)
<b>Total</b>	<b>1,619</b>	<b>989</b>	<b>575</b>	<b>1,564</b>	<b>55</b>
<b>Capital Expenditure</b>	-	-	-	-	-

**Parliamentary Security  
Coordinator**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Salaries	78	43	38	81	(3)
Other Staff Costs	1	-	1	1	-
Travel and Subsistence	-	-	1	1	(1)
Information	-	-	-	-	-
Communications	-	-	-	-	-
Catering Supplies	-	-	-	-	-
Office Supplies	62	-	1	1	61
Finance and Professional Services	-	-	-	-	-
Non-cash Expenditure	-	-	40	40	(40)
<b>Total</b>	<b>141</b>	<b>43</b>	<b>81</b>	<b>124</b>	<b>17</b>
<b>Capital Expenditure</b>	-	-	-	-	-

**PICT**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	-	-	-	-	-
Salaries	9,689	6,563	3,198	9,761	(72)
Other Staff Costs	318	192	68	260	58
Travel and Subsistence	26	7	11	18	8
Information	113	91	12	103	10
Communications	2,356	1,262	556	1,818	538
Computers	5,096	3,109	1,606	4,715	381
Catering Supplies	-	-	-	-	-
Office Supplies	64	12	19	31	33
Finance and Professional Services	25	12	5	17	8
Accommodation	31	19	13	32	(1)
Non-cash Expenditure	2,557	1,256	640	1,896	661
<b>Total</b>	<b>20,275</b>	<b>12,520</b>	<b>6,128</b>	<b>18,648</b>	<b>1,626</b>
<b>Capital Expenditure</b>	<b>2,232</b>	<b>264</b>	<b>1,026</b>	<b>1,290</b>	<b>942</b>

**Project Provision**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Receipts	-	-	(90)	(90)	90
Salaries	4,916	2,201	2,153	4,354	562
Other Staff Costs	74	39	53	92	(18)
Travel and Subsistence	4	4	3	7	(3)
Information	8	-	6	6	2
Broadcasting	-	-	-	-	-
Communications	2	(2)	1	(1)	3
Computers	1,668	831	714	1,545	123
Catering Supplies	-	-	-	-	-
Office Supplies	1	2	1	3	(2)
Finance and Professional Services	73	50	48	98	(25)
Accommodation	-	-	-	-	-
Security	-	-	-	-	-
Non-cash Expenditure	1	566	6	572	(571)
<b>Total</b>	<b>6,748</b>	<b>3,692</b>	<b>2,896</b>	<b>6,588</b>	<b>160</b>
<b>Capital Expenditure</b>	<b>593</b>	<b>141</b>	<b>421</b>	<b>562</b>	<b>31</b>

**Grants in Aid**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Other Staff Costs	-	-	-	-	-
Catering Supplies	-	-	-	-	-
Office Supplies	-	-	-	-	-
Finance and Professional Services	-	-	-	-	-
Grants	3,951	2,772	853	3,625	326
<b>Total</b>	<b>3,951</b>	<b>2,772</b>	<b>853</b>	<b>3,625</b>	<b>326</b>
<b>Capital Expenditure</b>	-	-	-	-	-

**Central Provision**

	2010/11 Original Budget	April to November Actuals	December to March Forecast	2010/11 Forecast Outturn	Variance
	£000s	£000s	£000s	£000s	£000s
<b>Resource Costs</b>					
Salaries	2,000	-	2,000	2,000	-
Other Staff Costs	17,164	-	20,000	20,000	(2,836)
Travel and Subsistence	-	-	-	-	-
Information	-	-	-	-	-
Communications	-	-	-	-	-
Computers	-	-	-	-	-
Catering Supplies	-	-	-	-	-
Office Supplies	-	-	-	-	-
Finance and Professional Services	115	-	115	115	-
Accommodation	-	-	-	-	-
Other	1,159	-	-	-	1,159
Non-cash Expenditure	-	-	-	-	-
<b>Total</b>	<b>20,438</b>	<b>-</b>	<b>22,115</b>	<b>20,115</b>	<b>(1,677)</b>
<b>Capital Expenditure</b>	<b>2,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,511</b>