Overall Narrative - Overall the Directorate is forecast to overspend by £0.93m. This assumes that various actions to make additional savings of £0.8m will be implemented across the Directorate as part of the Directorate's budget action plan. These include reductions to projected supplies and services spend to be agreed with each Service. These savings are currently shown under Resources and Strategy. The projection also assumes that further savings on staffing will be made by a strict control of recruitment and further ELIs during the year.

Economic Development, Employment and Skills, Regeneration and Libraries, Arts and Heritage are expected to spend within budget. There are a number of risk areas and budget actions that still need to be implemented to achieve this position but currently it is felt reasonable to assume that this will be the case. Resources and Strategy currently shows a projected underspend of £0.8m reflecting expected actions to generate savings across the Directorate.

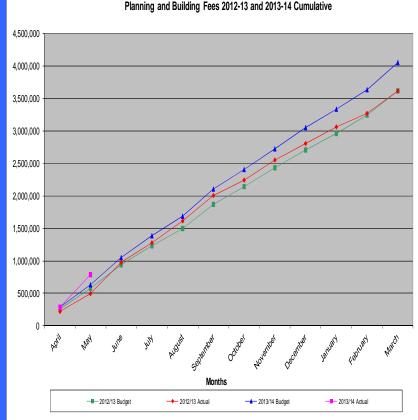
Asset Management shows a projected overspend of £0.5m. This is mainly due to the expected shortfall against the advertising income target. The ability to generate additional advertising income in line with the budget strategy is proving extremely challenging due to difficult economic conditions which impact on the the advertising market and to the time taken to bring new sites and advertising hoardings into a position where they are generating income. It is currently assumed that the void budget will be sufficient to meet demands on it although an increase in the number of void properties could impact on this. It is also assumed that all other income targets will be met. There is a risk that the budgeted income optimism from one off sources will not be met. The projection assumes that the £2.9m debtor for the recovery of arena legal costs will be received.

Planning and Sustainable Development shows a projected overspend of £0.5m. This is due to a projected overspend of £0.4m on staffing. Planning and building income is above the phased budget by £154k for the first quarter of the year but currently it is assumed that income will be on budget for the rest of the year. There is a risk that expenditure on planning appeals exceeds the budget but currently it is forecast to be within budget. FTEs have continued to be reduced in the service although there are some plans to recruit to a small number of posts in areas where workloads have increased. There is also a risk that there is also a shortfall on other income sources.

Sport and Active Recreation is expected to overspend by £0.5m. This is mainly due to a small overspend on staffing and a shortfall on Sport income, reflecting a reduction in pay and play income which was experienced in the last guarter of 2012/13.

Highways and Transportation is forecast to overspend by £0.2m. This position assumes that a number of budget risks are managed. The main budget issue is that the DLO workload is projected to be slightly lower than budgeted leading to a shortfall in income of approximately £300k.

There is a £500k directorate saving target included in Resources and Strategy which will only be achieved by continuing with strict controls over the appointment of new and replacement staff. Additional recruitment is expected to take place in Highways and Transportation, Employment and Skills and Libraries, Arts and Heritage. These are largely funded posts. In addition, the pay award for 2013/14 has yet to be agreed.



## Budget Management - net variations against the approved budget; **Projected Variations** Latest Supplies & Transfer Total (under) / Estimate Staffing Premises Services **Transport** Charges **Providers Payments** Total Expenditure Income overspend £'000 £'000 £,000 £'000 £'000 £'000 £'000 £'000 £'000 £'000 £'000 933 Quarter 1 751 172 (963)41 27 30 63 870 Latest Quarter 1 Month 4 Month 5 Month 6 Month 7 Month 8 Month 9 Month 10 Month 11 Month 12 Outturn **Estimate** £'000 £.000 £,000 £'000 £,000 £,000 £,000 £,000 £.000 £,000 £,000 £,000 Planning and Sustainable Development 3,746 545 Economic Development 1.612 0 9.364 101 Asset Management Highways and Transportation 21.922 189 Regeneration 675 n Resources and Strategy 2.199 Employment ans Skills 2,920 52 Libraries, Arts and Heritage 19,439 2 Sport and Active Recreation 6,202 Total 68,079 934 0