|  |  |
| --- | --- |
| **Directorate** | **Chief Executive** |
| **Combined Tracker Ref.** | **FRB/23/004** |
| **Service Director** | **Dev Gopal** |
| **Service Area** | **Accountancy Services Employee Overspend** |
| **Service Manager** | **Darren Lambert (FT5000 & AC1009) only** |
| **Activity/Cost centres** | **Level 3 FFAC (covers FF1000. FT4100,FT4110, FT5000, FT6000 and FT7000)FT5000 only** |
| **22/23 Budget £’000** | **2,550 -4** |
| **22/23 Outturn £’000** | **2,940 61** |
| **23/24 Budget £’000** | **3,078 0** |
| **Pressure on this activity in 23/24 (based on 22/23 outturn) £’000** | **117 65** |

|  |
| --- |
| **Explain the context behind this pressure and what has caused it**   * **Since when has the budget been in deficit (provide the year, e.g. 2020/21)** * **Provide details of activity levels and the key cost/income drivers and how these have changed (this is needed for each year including the year prior to when the budget was first in deficit)** |
| The budget has been in deficit since 21/22.  Main drivers for this are   * Vacant principal Accountant post that has had to be covered by agency as unable to recruit permanently * Unachieved turnover provision £12k and unachieved historic savings target £12k * Unachieved income target (target is £100k but only get £75k from SEMLEP) |

|  |
| --- |
| **What action(s) can be taken to keep 23/24 spend in line with approved budget?**   * **What needs to be done? If there is more than one option explain each option in detail** * **Are there any barriers or factors beyond your control that will affect your ability to recover the deficit?** * **Explain how the cost/income drivers can be managed** |
| Principal Accountant agency ceased at end of May. Post has been vacant since but is out to advert. Also have an M1 post that is vacant despite 2 recruitment attempts. It is likely that further agency support will be required at the Principal Accountant level for up to 6 months. Once both posts are permanently recruited to, employee costs will be contained but the turnover provision/savings target will not be achieved.  Income – the aim is to top slice and recharge time to grants and projects that the team support, e.g. LUF, UKSPF, BSIP. This will help reduce the shortfall but is not a permanent solution.  There is also the risk that SEMLEP may cease operating which puts the £75k income at risk. |

|  |  |  |
| --- | --- | --- |
| **Timescale for budget deficit recovery**   * **List the key milestones required to deliver the budget recovery, the estimated amount to be delivered and the estimated date for each** | | |
| MILESTONE DETAILS | £ | Date |
| Recruit to M5 and M1 posts and allow 12 weeks of agency support to generate | £18,000 | October 2023 |
| Recharge time to grant schemes quarterly | 2,000 | Sept 23 |
| Recharge time to grant schemes quarterly | 2,000 | Dec 23 |
| Recharge time to grant schemes quarterly | 2,000 | Mar 24 |
| These measures collectively should ensure that the outturn for FT5000 is within budget |  |  |

|  |  |
| --- | --- |
| **Quarterly Monitoring updates**   * **Provide quarterly progress updates against milestone delivery to align with the quarterly budget monitoring reports to executive. Where milestones have not been met please provide an explanation, revised milestone dates, and how delivery can be brought back on track** * **If the recovery plan cannot be delivered, THERE IS NO NEW MONEY AVAILABLE so please provide an alternative proposal as to how budgets can be realigned so that it can be considered by DMT** | |
| **QUARTER 1 (to 30/06/23)** | |
| On Target ? (Yes = GREEN; Partial (e.g. milestones slipped) = AMBER, No = RED) |  |
| Provide narrative below | |
| Trying not to rely on agency to help balance the books until permanent recruitment takes place. Can potentially afford up to 12 weeks at £500 per day if M5 and M1 posts are recruited to from October | |
| **QUARTER 2 (to 30/09/23)** | |
| On Target ? (Yes = GREEN; Partial (e.g. milestones slipped) = AMBER, No = RED) |  |
| Provide narrative below | |
|  | |
| **QUARTER 3 (to 31/12/23)** | |
| On Target ? (Yes = GREEN; Partial (e.g. milestones slipped) = AMBER, No = RED) |  |
| Provide narrative below | |
| 2 agency staff still employed, but interviews for permanent roles are taking place on 14th and 15th March. Agency contracts currently run until end of April and end of June 2024 to support year end process and provide resource until permanent appointment has been made. | |
| **QUARTER 4 (to 31/03/24)** | |
| On Target ? (Yes = GREEN; Partial (e.g. milestones slipped) = AMBER, No = RED) |  |
| Provide narrative below | |
|  | |