

**STAFFORDSHIRE CONNECTS STRATEGIC ADVISORY BOARD**

**CRM 2010/11 Quarter 4 Budget Monitoring and forecast outturn**

**Thursday 3<sup>rd</sup> March 2011**

**1. Purpose of report**

To advise the Strategic Advisory Board of the current budget position for the CRM.

**2. Recommendation**

That the Strategic Advisory Board notes the financial position of the CRM.

**3. 2010/11 Budget**

The 2010/11 net budget for the CRM totals £609,900 and is summarised in the table below. At this stage, forecast expenditure for the year is expected to be £42,300 less than budget.

The variances shown arise out of the following:

- **Staffing Costs**

The under spend reported has arisen principally due to the Technical Manager post being vacant for the first four months of the year.

- **Supplies & Services**

The transfer of the management of the CRM to Staffordshire County Council is anticipated give total savings of £23,000 in internal and external audit fees of which £10,000 lies within the CRM budget, the remainder within the Core Team budget.

- **Oracle LG45/GIS Integration**

The Joint Committee on 17<sup>th</sup> December 2010 approved the use of £17,500 of reserves to fund CRM development work in the areas of Oracle LG45 and GIS integration.

**CRM – Forecast expenditure against budget**

	Budget	Expenditure to 17 <sup>th</sup> February 2011	Forecast for year	(Under)/ over spend
	£	£	£	£
<b>Expenditure - Staffing Costs</b>	206,300	149,083	183,000	<b>(23,300)</b>
Legal Costs	10,000	-	4,000	<b>(6,000)</b>
Travel and Subsistence	7,800	3,515	6,000	<b>(1,800)</b>
Supplies and Services	37,600	5,806	22,800	<b>(14,800)</b>
Hardware	348,200	352,783	351,800	<b>3,600</b>
Oracle L45/ GIS Integration	17,500	12,700	17,500	-
<b>Total Expenditure</b>	<b>627,400</b>	<b>523,887</b>	<b>585,100</b>	<b>(42,300)</b>
Transfer from Reserve	(17,500)	-	(17,500)	-
<b>Net Expenditure</b>	<b>609,900</b>	<b>523,887</b>	<b>567,600</b>	<b>(42,300)</b>

#### 4. Reserves

Staffordshire Connects has a single reserve covering both its Core Team and CRM operations. As at 31<sup>st</sup> March 2010 the balance in that reserve totalled £254,260. Against this sum are approved project funding commitments totalling £105,900. The forecast balance of the reserve to 31<sup>st</sup> March 2011 is as per the table below.

The expenditure commitment for the “Public Protection” project has previously been stated at £10,000 but the costs of this project are now estimated to be higher following the completion of a tender process. Project progress is reported in more detail elsewhere on the agenda.

<b>Staffordshire Connects General Reserve</b>	<b>£</b>	<b>£</b>
Opening Balance at 1 <sup>st</sup> April 2010		254,260
<b>Committed Spend</b>		
Approved Project Funding – Public Protection	11,700	
Shared Services	10,400	
Customer Knowledge	29,900	
Life Events	36,400	
CRM – Oracle LG45/GIS Integration	17,500	105,900
<b>Uncommitted Balance</b>		<b>148,360</b>
<b>Forecast under spend 2010-11</b>		
Core Team	14,500	
CRM	42,300	56,800
<b>Forecast Balance at 31<sup>st</sup> March 2011</b>		<b>205,160</b>

#### 5. Conclusion

Expenditure for the year is expected to be significantly within budget. The largest part of that under spend has arisen through the Technical Manager post being vacant. This variance cannot therefore be regarded as a permanent year on year saving.

Andrew Burns

Director of Finance & Resources

Staffordshire County Council