

## FOOD STANDARDS SCOTLAND FINANCIAL PERFORMANCE UPDATE – August 2018

### 1 Purpose of the paper

1.1 This paper is presented to the Board for information and reports on the financial performance of Food Standards Scotland (FSS) up to 30 June 2018.

1.2 For the first quarter we are reporting a variance of 6% against actual spend for the period when compared to the Year to Date (YTD) resource budget of £3.7m. In addition to the YTD performance a full year forecast of £15.38m is being reported against the agreed budget of £15.3m, representing a projected 1% overspend against budget.

1.3 The Board is asked to:

- **Note** the financial information reported as at 30 June 2018.

### 2 Background

2.1 This work supports FSS Strategic Outcome 6: FSS is efficient and effective.

2.2 The FSS resource budget is £15.3m (net). No Annually Managed Expenditure (AME) budget was allocated for 2018/19 but will be included in the transfers that take place at the Spring Budget Revision (SBR).

2.3 At the Board meeting on 27<sup>th</sup> March 2018 the Executive provided a progress update on the delivery of the FSS Strategy and Corporate Plan and presented their plans for this financial year to continue to deliver toward the strategic outcomes. Included in the paper Strategy Delivery, Business Planning and FSS Budget 2018/19 were details of the new Programme Approach being adopted by FSS. Three programmes of work Brexit, Nutrition and Dietary Health, and Regulatory Strategy were agreed alongside our essential core activities.

2.4 The paper provided details of the allocation of the FSS resource budget between each of the three work programmes and the essential core activities. Following the Board meeting the Executive reviewed the work programmes and project allocation which led to some changes in the budget allocation between them. As part of this review, following the experience of the past few years where forecast outturns were frequently less than internally allocated budgets, the decision was taken to over allocate the budget in order to bring within the total resource allocation for the year. The over allocation of budget for 2018/19 is £249k.

2.5 In addition, the changes mentioned in the previous paragraph reduced the overall budget allocated to the work programmes by £95k and increased it against core activities by £344k. The revised budgets allocations for core activities and work programmes are included in this report at Annex A (Tables 1 & 2).

2.6 The Executive will report its financial performance for the core activities against our six strategic objectives to provide an indication on how we are using our resources effectively, to deliver against the Strategy and Corporate Plan. The report on the budget and expenditure for the three work programmes will be included as part of the review of the total FSS budget.

### 3 Financial Performance Summary

3.1 Annex A provides the tables and charts that show the budget, forecast and actual amounts for the financial year 2018-19. The financial performance is based on both the original budget figure and the updated forecast that is reviewed on a monthly basis.

#### YTD Budget v Actual expenditure

3.2 The monthly budget profile presented in the Year to Date Performance (Figure 1) is based on the assessment made by Branches at March 18. The actual spend for the quarter when compared to the budget profile was £235k under budget. All budget categories are contributing to this underspend with the highest values against Capital of £52k and Income of £72k.

3.3 The Allocation of Resource Expenditure (Figure 2b) gives additional detail behind the five budget lines in Figure 1 and also includes the quarterly summary details of the budget and expenditure against the three work programmes. For each element, variances are reported comparing quarterly budget versus actual expenditure and full year budget versus forecast outturn, as well as explanation for any differences.

3.4 Further detail of the quarterly underspend is as follows -

**Capital:** There are three projects contributing to the underspend against budget. Less work has been completed as part of the monthly programme of work to update the Operational Workflow System (OWS) due to reviewing requirements for new modules. There has also been a delay in the start of the development work for the new Shellfish Hygiene System (SHS2) and update to the Scottish National Database (SND). We are working with the contractor to revised timelines to ensure work is delivered this year.

**Income:** The increase in income is from a few sources, work we are doing on behalf of other organisations to deliver service level agreements (SLAs) and contracts, additional unannounced inspections and provision of staff to carry out official controls in Cutting Plants as well as additional Meat Hygiene Inspection fees as a result of further delays in implementing the Poultry Inspection Assistants (PIAs) at Coupar Angus.

#### YTD Spend against Strategic Outcomes

3.5 At the end of the quarter 25.2% of the £12m budget allocated to core activities has been spent delivering the costed Corporate Plan as outlined in Figure 3. The spend was slightly greater for Outcome 3, Consumers Choose a Healthier Diet, Outcome 4 Responsible Food Businesses Flourish and Outcome 5 FSS is a Trusted Organisation than the other outcomes and was related to increases within Staff and Programme budget lines.

3.6 Within Staff there was increased cost allocation to core activities from work programmes due to the delay in implementing the projects within the programmes. The increase in the Programme category is related to additional spend for project activity within Communications and Marketing.

#### Forecast Accuracy v Actual expenditure

3.7 Through our monthly budget monitoring work, a revised forecast is discussed and agreed with each Branch. This is then reflected through an updated full-year-forecast, which is presented on a monthly basis in the form of a waterfall chart (Figure 4). From the chart you can identify how close a given month's forecast value was to the actual outturn.

3.8 The information presented in Figure 4 allows us to quickly identify material variances and drill down into further detail to understand the reasons behind them. Below is a high level overview which seeks to provide context to the Board and explain the drivers behind the YTD variances for each of the last three months.

**April 18:** the overall monthly underspend of 128k was mainly as a result of delays or reprofiling of project activity within Programme amounting to £77k. The Healthy Eating Campaign and Out of Home project under the Diet and Nutrition work programme were delayed and planned expenditure moved by a few months. There was also a £22k underspend in Staff as posts were not filled as per forecast.

**May 18:** the monthly underspend of £54k was mainly as a result changes in project activity within programme amounting to £30k. There were underspends due to delays in project activity for the Brexit (legal support) and Regulatory Strategy (Food Law code of practice and Risk Matrix Model) work programmes, reprofiling of shellfish sampling and testing and overforecast of contracted official veterinarian (cOV) costs in the previous month. These decreases were offset with increases in Communications and Marketing for RHS event and Wave 6 starting earlier than planned. There was also a £19k underspend in Staff as posts were not filled as per forecast.

**June 18:** the monthly underspend of £64k was due to movement in all budget categories except Capital. Accrued legal costs in Admin were transferred to the Brexit work programme following confirmation of spend to date. In Programme the Local Authority training project costs were reprofiled to later in the year and there were further reductions in the cOV costs within Operations, these changes totalled £73k. There was further income of £22k for delivery of SLA and contracts as well as an increase of £31k in Staff costs following the implementation of the pay awards staff which had not been accrued with other pay costs.

3.9 The Year on Year Comparison graph (Figure 5) shows the monthly budget allocation compared with the updated monthly forecast expenditure. The graph is updated with the actual monthly expenditure as it occurs and with revised forecasts (dotted line) to show the performance against the initial budget spend. Explanations for variances have been provided in the previous paragraphs. The budget and actual performance for 2017/18 is provided to enable comparison between financial years.

#### Full Year Forecast

3.10 As per the updated forecast from July the forecast expenditure of £15.38m is an underspend of £167k (1%) for the year against the budget of £15.5m allocated in March 18. In addition, this forecast is indicating a potential 1% overspend against our agreed resource budget by £82k. The FSS budget and forecast summary (Figure 2a) shows the budget allocation to Core Activities and Work Programmes with the latest forecast expenditure and variances against the budget.

3.11 In Figure 2b the Full Year budget and forecast columns gives additional detail behind the budget lines including variances. There are under/over forecasts against each category area and in Core Activities there is additional expenditure of £181k with an overall increase in the forecast staff costs by £385k offset by reductions in Admin, Programme with additional income of £65k.

3.12 The increase in Staff costs are related to extensions of existing fixed term appointments and contingent workers, one new post in Operations Directorate and two new posts for the setup of the Programme Management Office to support the work programmes. The increase in Income was a result of delays by two months of implementing PIAs at Coupar Angus as well as further

income from delivery of SLAs and contracts. The forecast updates are being actively monitored and reviewed on a month basis.

3.13 There is a significant forecast underspend for the Work Programmes against the initial budget allocation. Although there are variances against each individual work programme it is the Regulatory Strategy that has the greatest variance of £342k. This is made up as follows:

**Staff:** decrease of £208k due to staff working on core activities instead of work programmes and also adjusted profile of staff activity over the coming months being recorded against core activities.

**Programme:** decrease of £446k mainly due to Feed Model Delivery project not taking place this financial year.

**Capital:** increase by £80k as planned expenditure for the IT system to deliver the Feed Model moved to capital from programme.

**Income:** decrease by £244k as implementation of Feed Model Delivery project not taking place this financial year.

3.14 In the first quarter of the year staff initially allocated to work programmes have spent more time on core activities than planned. It is this actual spend as well as updated forecast which now includes new and extended posts that are responsible for the increase in forecast spend in core activities.

#### Outstanding payments (debt recovery)

3.15 At the start of July the outstanding level of debt owed to FSS was £478k, where £227k of this debt (47%) is over the accepted 31 day payment term with £76k of this amount over 61 days from date of invoice. The amount of debt over 31 days has decreased by 17% in the period. This is mainly due to the reduced value of the invoices raised during the quarter.

3.16 FSS continues to work with debt recovery agents, Harper Macleod, to reduce the amount of outstanding debt. There are three businesses that are currently in liquidation and Harper Macleod are working with the receiver to recover the outstanding debt from them with a total value of £29.6k. Two businesses are on a payment plan to reduce their older debt; they pay the current invoice and an agreed amount on their debt. There were four businesses that had moved to either simple or ordinary action with a combined debt value is £8k. The businesses have since paid this amount which will reduce the outstanding debt over 61 days in the second quarter.

3.17 FSS will also continue to report updates in the finance performance report and to the Audit and Risk Committee (in relation to debt and significant losses).

## **4 Risks, Issues and Highlights**

4.1 FSS is rolling out the new approach to budgeting this year due to the programme allocation so while not a risk as such, as it's something new we are carefully monitoring and providing additional support to staff as we embed it over this year.

4.2 The impact of Brexit continues to pose a risk with regards to budget management and resource allocation. We requested additional funding in June for work related to Brexit delivery and to a large extent this risk has been mitigated by the outcome of the EU Exit bidding exercise (see para 4.5 below).

4.3 There is an outstanding action to update the financial management plan to show the current position now that we are in a new financial year. This is currently being reviewed and it is the intention to circulate the revised plan via correspondence once it is finalised.

#### 2018/19 Budget

4.4 An AME budget was not included in this budget due to the Scottish Government (SG) timetable for returns. Our AME requirements will be reviewed at the in-year Spring Budget Review (SBR). Other transfers within our budgets lines for capital and depreciation will also take place at SBR.

4.5 FSS bid for funding as part of the SG wide EU Exit Consequentials exercise. We received confirmation in July that we would be allocated £885k, which is specifically ring-fenced for Brexit related work. The budget transfer will take place at the Autumn Budget Review (ABR) with spending to start immediately in line with the pressures identified within our bid.

#### Reporting

4.6 In previous reports we indicated that we would include further information on financial performance, headcount and medium term financial planning as outlined in the Financial Performance targets section of the Financial Management Plan. For this report the first quarter staff headcount information as well as supplier payment performance has been provided.

4.7 At the start of the year 181.8 posts were agreed and budgeted for as part of the business planning exercise for 2018/19. The Staff Compliment table (Figure 6) provides the posts that were filled at the end of June and gives an update to new posts approved for the remainder of the year. From the start of April a number of posts have been vacant and recruitment is currently taking place. There were thirteen vacancies at the end of the period where eight posts were filled by contingent workers on a temporary basis. There were three members of staff on maternity leave during the quarter.

4.8 FSS, along with the whole of SG, has a target to pay all its supplier invoices within ten days of receipt. The Supplier Payments table (Figure 7) gives details of our performance in this area over the quarter. Payment performance can be affected by a number of factors including staff available to process payments and also to approve the invoices for payment. All invoices have been paid with the standard 30 day contract terms.

## **5 Conclusions/Recommendations**

5.1 The Board is asked to:

- **Note** the financial information reported as at 30 June 2018.

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## Annex A Tables and Charts

Budget 2018/19 Allocation	Brexit	Diet and Nutrition	Regulatory Strategy	Essential Core Activities	Total
Staff	686,262	505,130	950,104	6,131,858	8,273,354
Administration	52,296	59,783	131,015	3,428,329	3,671,423
Programme	148,500	574,750	656,250	5,244,332	6,623,832
Capital	0	0	50,000	350,000	400,000
Income	0	0	(243,750)	(3,175,981)	(3,419,731)
<b>Total</b>	<b>887,058</b>	<b>1,139,663</b>	<b>1,543,619</b>	<b>11,978,538</b>	<b>15,548,878</b>

Table 1 – Allocation of 2018/19 Budget

Essential Core Activities Budget and Strategic Outcomes Summary	Food is safe	Food is authentic	Consumers choose a healthier diet	Responsible food businesses flourish	FSS is a trusted organisation	FSS is efficient and effective	Total
Staff	2,930,827	620,690	477,477	520,452	867,834	714,578	6,131,858
Administration	857,063	488,221	470,699	470,397	608,266	533,684	3,428,329
Programme	3,985,939	434,742	0	87,333	522,659	213,659	5,244,332
Capital	175,000	0	0	0	0	175,000	350,000
Income	(2,235,556)	(313,475)	0	0	(313,475)	(313,475)	(3,175,981)
<b>Total</b>	<b>5,713,273</b>	<b>1,230,178</b>	<b>948,175</b>	<b>1,078,182</b>	<b>1,685,284</b>	<b>1,323,445</b>	<b>11,978,538</b>
% of budget allocated	48%	10%	8%	9%	14%	11%	-

Table 2 – Essential Core Activities by Strategic Outcome

**YTD Budget v Actual expenditure**

Figure 1 provides an overview of the financial performance of FSS up to the 30 June 2018. The performance is based on comparing the actual spend for the year with the budget profile as updated during the financial year.

£'000	18/19 Budget	Budget Profile 18/19			YTD	Actual Spend 18/19			YTD	Variance	Var%
		April	May	June		April	May	June			
Staff	8273	691	690	691	<b>2072</b>	668	651	706	<b>2025</b>	<b>(47)</b>	-2%
Administration	3671	309	285	291	<b>884</b>	294	311	236	<b>841</b>	<b>(43)</b>	-5%
Programme	6624	479	470	572	<b>1521</b>	441	529	529	<b>1499</b>	<b>(22)</b>	-1%
Capital	400	8	8	43	<b>60</b>	1	4	4	<b>8</b>	<b>(52)</b>	-86%
Income	(3420)	(298)	(245)	(240)	<b>(784)</b>	(335)	(265)	(256)	<b>(856)</b>	<b>(72)</b>	9%
<b>Total</b>	<b>15549</b>	<b>1188</b>	<b>1208</b>	<b>1356</b>	<b>3753</b>	<b>1068</b>	<b>1230</b>	<b>1219</b>	<b>3517</b>	<b>(235)</b>	-6%

Figure 1: Year-to-Date Performance

Figure 2a provides a summary of the FSS budget and forecast including details for Core Activities and the Work Programmes.

Directorate / Branch	Budget allocated Mar-18	Forecast Jul-18	£'000 Variance	% Variance	Actual Spend to Date	% of Budget Spent
<b>FOOD STANDARDS SCOTLAND</b>	15,548,880	15,382,195	(166,685)	-1%	3,517,438	23%
<b>FSS CORE ACTIVITIES</b>	11,978,539	12,159,797	181,258	2%	3,017,489	25%
<b>WORK PROGRAMMES</b>	3,570,340	3,222,398	(347,942)	-10%	499,949	14%
Brexit	887,059	966,672	79,613	9%	139,618	16%
Diet and Nutrition	1,139,661	1,054,470	(85,191)	-7%	256,578	23%
Reg Strategy	1,543,620	1,201,256	(342,364)	-22%	103,752	7%

Figure 2a – FSS Budget and Forecast



Figures 2b expands the budget lines in Figure 1 to provide detail of expenditure contributing to the totals. The table provides the comparison of Budget v Actual for Quarter 1 and Full Year Budget v YTD Actual

Category	Allocation of Budget	YTD Budget Q1	YTD Actual Q1	Forecast Variance Budget to Actual	%	Explanation for variance	Budget March 18	Full year Forecast	Variance Forecast v Budget	%	Explanation for variance
Staff	Core Activites	1,536,205	1,799,065	262,860	15%	Additional staff costs allocated here due to delay in work programme activity. Increases in some branches due to extensions of staff on temporary or fixed term appointments. Also includes back dated pay and one off payments following pay award.	6,131,858	6,517,110	385,252	6%	Significant increase in forecast as a result of additional staff costs due to delay in work programmes, implementation of pay award, extensions of staff contracts and approval of new posts.
	Brexit Work Programme	171,566	77,482	(94,084)	-121%	Less costs due to staff working on ECA instead of WP.	686,263	597,615	(88,648)	-15%	Less costs due to staff working on ECA instead of WP.
	Nutrition and Dietary Health Work Programme	126,283	60,640	(65,643)	-108%	Less costs due to staff working on ECA instead of WP.	505,130	428,454	(76,676)	-18%	Less costs due to staff working on ECA instead of WP.
	Regulatory Strategy Work Programme	237,536	87,757	(149,779)	-171%	Less costs due to staff working on ECA instead of WP.	950,104	741,117	(208,987)	-28%	Less costs due to staff working on ECA instead of WP.
	<b>Total</b>	<b>2,071,590</b>	<b>2,024,944</b>	<b>(46,646)</b>	<b>-2%</b>	Overall reduction as a number of vacant posts throughout the organisation not been filled by end of quarter.	<b>8,273,355</b>	<b>8,284,296</b>	<b>10,941</b>	<b>0%</b>	Slight increase overall. Underspend to date due to ongoing vacancies where the vacant positions are included in the forecast as well as inclusion of new agreed posts.
Admin	Core Activites	830,341	816,950	(13,391)	-2%	Underspend as quarterly Legal costs transferred to Brexit Programme category offset by greater expenditure for corporate services expenditure across a number of areas e.g. travel and depreciation.	3,428,329	3,330,473	(97,856)	-3%	Under forecast due to transfer of legal costs £175k to Brexit Programme category with increases in other admin costs eg travel £22k and depreciation provision by £50k .
	Brexit Work Programme	11,817	1,138	(10,679)	-938%	Underspend as admin costs reduced due to staff working on core activities.	52,296	45,556	(6,740)	-15%	Less spend forecast due to initial delay in starting work programmes.
	Nutrition and Dietary Health Work Programme	10,405	7,004	(3,401)	-49%	Underspend as admin costs reduced due to staff working on core activities.	59,781	55,685	(4,096)	-7%	Less spend forecast due to initial delay in starting work programmes.
	Regulatory Strategy Work Programme	31,497	15,995	(15,502)	-97%	Underspend as admin costs reduced due to staff working on core activities.	131,016	120,140	(10,876)	-9%	Less spend forecast due to initial delay in starting work programmes.
	<b>Total</b>	<b>884,060</b>	<b>841,087</b>	<b>(42,973)</b>	<b>-5%</b>	Overall reduction for staff admin related activity eg travel due to delay in work programmes	<b>3,671,422</b>	<b>3,551,854</b>	<b>(119,568)</b>	<b>-3%</b>	Overall reduction in forecast mainly related to the transfer of legal costs to Programme which has been reduced by additional costs for corporate services type expenditure eg depreciation.
Programme	Core Activites	1,315,633	1,249,150	(66,483)	-5%	Mainly due to delay in Local Authority Training and Engagement projects being delayed with their costs reprofiled into later months. Also reduction in cOV costs project within Operations and credit for costs related to 17/18.	5,244,333	5,203,276	(41,057)	-1%	Within Operations Delivery there is a underspend of £36k for the supply of cOVs and and cMHLs, £7k on Primary Production and savings for the RHS event of £11k. These were offset with increases for the Living Costs and Food Survey and new Antimicrobial Resistance (AMR) Study.
	Brexit Work Programme	21,249	60,998	39,749	65%	Increase due to transfer of quarterly legal costs for Brexit related work.	148,500	323,500	175,000	54%	Increase in forecast for the legal costs relating to Brexit work.
	Nutrition and Dietary Health Work Programme	162,500	188,934	26,434	14%	Increase due to reprofile of the expenditure on the Intake 24 Scottish Health Survey (SHS) where work was brought work forward and the Out of Home project was delayed by three months.	574,750	570,331	(4,419)	-1%	Slight decrease in forecast related to the Intake 24 SHS project.
	Regulatory Strategy Work Programme	21,800	-	(21,800)	100%	Delays in two projects Food Law Code of Practice, Risk Matrix Model and implementation of Feed Delivery Model project postponed to following year.	656,250	210,000	(446,250)	-213%	Decrease related to Feed Delivery Model project as implementation delayed until the start of the next financial year. Transfer of £80k funding for new related IT project.
	<b>Total</b>	<b>1,521,182</b>	<b>1,499,082</b>	<b>(22,100)</b>	<b>-1%</b>	Legal cost being transferred from CS Admin spend offset by refund of COV costs for FY 17/18 and LA Training cost profiled later in the year.	<b>6,623,833</b>	<b>6,307,107</b>	<b>(316,726)</b>	<b>-5%</b>	Reduction in forecast mainly related to the delay of the Feed Delivery project in Regulatory Strategy which has been partially offset with increase in Brexit project activity.
Capital	Core Activites	50,000	8,303	(41,697)	-502%	Less work completed for the Operations Workflow System (OWS) and delay in starting the development of the new Shellfish Hygiene System (SHS2).	350,000	350,018	18	0%	
	Brexit Work Programme	-	-	-	0%		-	-	-	0%	
	Nutrition and Dietary Health Work Programme	-	-	-	0%		-	-	-	0%	
	Regulatory Strategy Work Programme	10,000	-	(10,000)	100%	Delay in starting work to enhance the Scottish National Database (SND) capability.	50,000	130,000	80,000	0%	Funding for development of the IT system for the Feed Delivery Model project.
	<b>Total</b>	<b>60,000</b>	<b>8,303</b>	<b>(51,697)</b>	<b>-623%</b>	Delays in completing and starting work relating to three IT projects.	<b>400,000</b>	<b>480,018</b>	<b>80,018</b>	<b>17%</b>	Transfer of funding from Programme for new IT project.
Income	Core Activites	(783,944)	(855,978)	(72,034)	8%	Increased income for delivery of SLAs and contracts, audit inspections and official controls in cutting plants, and delay in implementing PIAs at Coupar Angus.	(3,175,981)	(3,241,080)	(65,099)	2%	Increased income for delivery of contracts, audit inspections, delivery of additional M/H hours for delay in implementation PIAs.
	Brexit Work Programme	-	-	-	0%		-	-	-	0%	
	Nutrition and Dietary Health Work Programme	-	-	-	0%		-	-	-	0%	
	Regulatory Strategy Work Programme	-	-	-	0%		(243,750)	-	243,750	100%	Decrease related to Feed Delivery Model project as implementation delayed until the start of the next FY.
	<b>Total</b>	<b>(783,944)</b>	<b>(855,978)</b>	<b>(72,034)</b>	<b>8%</b>	Increase in the first quarter for delivery of official controls work.	<b>(3,419,731)</b>	<b>(3,241,080)</b>	<b>178,651</b>	<b>-6%</b>	Overall reduction following removal of Feed Model project but offset with additional income for delivery of official controls work.
<b>FSS TOTAL</b>	<b>3,752,888</b>	<b>3,517,438</b>	<b>(235,450)</b>	<b>-7%</b>	Overall underspend against budget where the impact on reduced spend on Capital and increased Income has impacted the most during the quarter.	<b>15,548,879</b>	<b>15,382,195</b>	<b>(166,684)</b>	<b>-1%</b>	There has been various movements in the forecast for each budget category. The greatest impact has been from the delay for implementing the Feed Delivery Model until the next FY. Together with the forecasted additional income this accounts for the current underspend against allocated budget.	

Figure 2b – Allocation of resource expenditure

### Core Activities YTD Spend against Strategic Outcomes

Figure 3 provides an overview of the Budget v Actual spend in comparison to the full year budget allocated to each outcome.

Strategic Outcomes	FY 2018-19	Total £'000	Food is Safe	Food is Authentic	Consumers Choose a Healthier Diet	Responsible Food Businesses Flourish	FSS is a Trusted Organisation	FSS is Efficient and Effective
Staff	Budget	6,131,858	2,930,827	620,690	477,477	520,452	867,834	714,578
	Actual	1,799,065	825,030	176,082	144,986	189,071	259,814	204,082
Administration	Budget	3,428,329	857,065	488,221	470,698	470,397	608,266	533,684
	Actual	816,950	194,391	113,809	115,888	113,006	151,013	128,843
Programme	Budget	5,244,306	3,985,935	434,729	0	87,325	522,659	213,659
	Actual	1,249,138	952,379	59,132	200	8,129	183,877	45,422
Capital	Budget	350,000	175,000	0	0	0	0	175,000
	Actual	8,303	4,152	0	0	0	0	4,152
Income	Budget	(3,175,981)	(2,235,556)	(313,475)	-	-	(313,475)	(313,475)
	Actual	(855,978)	(600,714)	(85,088)	-	-	(85,088)	(85,088)
Total	Budget	11,978,513	5,713,271	1,230,165	948,175	1,078,173	1,685,284	1,323,445
	Actual	3,017,478	1,375,238	263,935	261,074	310,206	509,616	297,409
	% of budget spent	25.2%	24.1%	21.5%	27.5%	28.8%	30.2%	22.5%

Figure 3 – YTD Spend compared to Full Year Budget by Strategic Outcome

### Forecast Accuracy v Actual Expenditure

In Figure 4 the financial performance based on both the original budget figure and the updated forecast is reviewed on a monthly basis. Each row shows the total of the monthly forecast values submitted by Branch Heads. Once the actual outturn for the month is available this is shown in the cell highlighted in red, amber or green depending on level of forecast accuracy. This in part explains the variance from the original budget set at the start of the financial year with the remainder being attributed to active re-profiling of spend across the budget lines

FSS Forecast

£000s	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	2018-19 FYF
Budget	1,188,460	1,208,158	1,356,289	1,168,574	1,237,158	1,305,291	1,231,922	1,169,887	1,235,415	1,332,973	1,355,884	1,758,917	15,548,929
April Forecast	1,196,531	1,250,182	1,387,142	1,236,375	1,256,528	1,329,819	1,230,923	1,143,304	1,188,637	1,263,321	1,296,520	1,720,001	15,499,284
May Forecast	1,067,878	1,283,687	1,397,669	1,250,744	1,284,171	1,387,537	1,266,437	1,222,361	1,187,435	1,198,952	1,227,584	1,591,428	15,365,881
June Forecast		1,230,112	1,282,096	1,222,065	1,280,312	1,369,264	1,278,613	1,202,205	1,166,321	1,176,184	1,214,050	1,823,553	15,312,653
July Forecast			1,219,447	1,268,429	1,263,690	1,421,028	1,347,447	1,245,530	1,259,588	1,234,850	1,229,228	1,594,966	15,382,194
August Forecast													0
September Forecast													0
October Forecast													0
November Forecast													0
December Forecast													0
January Forecast													0
February Forecast													0
March Forecast													0
YTD Actual													0

Figure 4 – Full Year Forecast Waterfall

A comparison of the monthly budget v actual performance is provided at Figure 5 to give an overview of relative performance between 2017/18 and 2018/19 financial years. It is important to point out that the Monthly Budget information provided uses the initial budget profiles in each year.

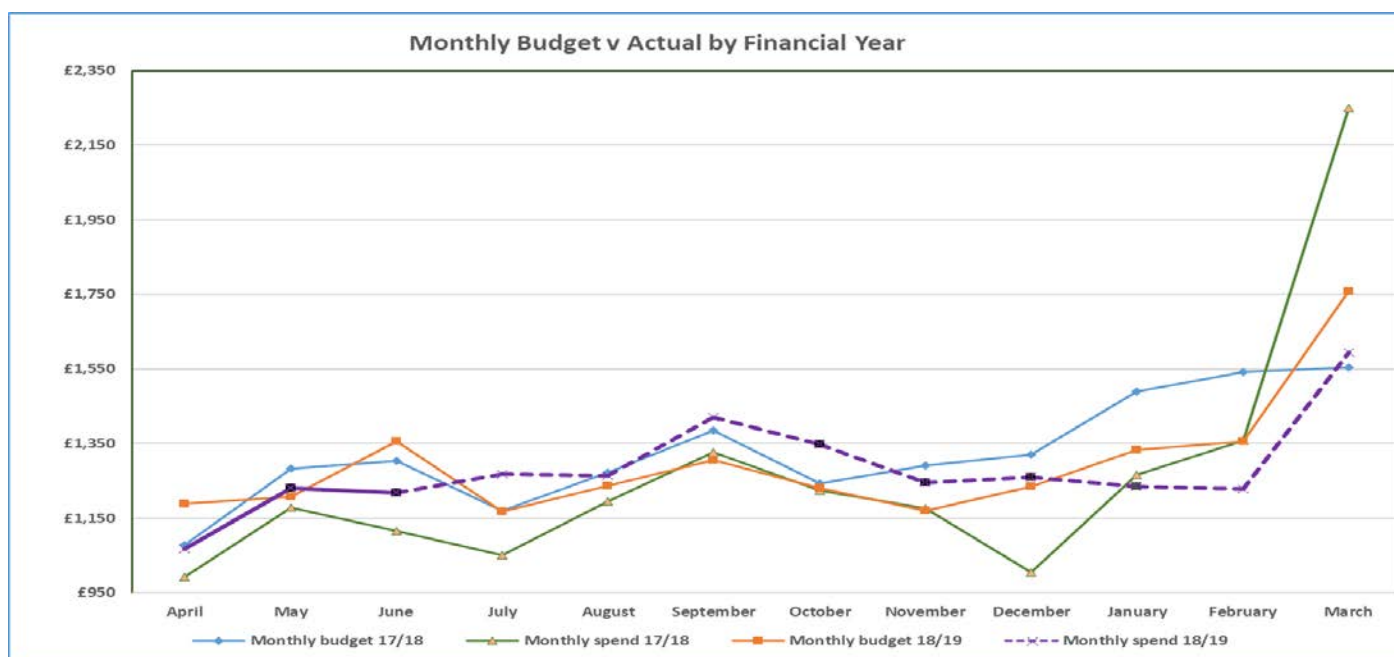


Figure 5 – Year on Year Comparison – monthly budget v actual

Description	Staff Compliment
Budgeted Posts (FTE)	181.8
Total FTE (end June)	171.9
Agreed and Forecast Posts	187.2

Figure 6 – Staff Compliment

Month	Number of invoices	Percentage of Invoices Paid in Ten Days
Apr-18	177	75%
May-18	144	54%
Jun-18	126	82%

Figures 7 – Supplier Payments