

MANAGEMENT BOARD
2011/12 BUDGET FORECAST OUTTURN REPORT
AND SAVINGS PROGRAMME UPDATE

Note by the Director of Financial Management and Director of Savings

Purpose

1. This note provides the Board with a detailed forecast outturn and variance analysis on the 2011/12 budget. It is based on budget reports to the end of May 2011. In addition, a separate summary update (or flash report) to the end of June has been prepared centrally for inclusion in the monthly Performance and Risk Report.
2. A Savings Programme quarterly update on the delivery of agreed savings to be delivered in 2011/12 has been provided alongside the budget forecast outturn.

Action required

3. The Management Board is asked to note the:
 - Good progress made on delivering the initial savings measures agreed in December 2010 (see Appendix);
 - Extent of the emerging 2011/12 budget underspend and consider how it should be utilised (see paragraphs 22 & 23).

Background

4. It is too early in the financial year to provide a meaningful forecast trend analysis, especially as this report represents the initial full forecast analysis to be provided for 2011/12. The analysis provided therefore reviews the detailed forecast returns provided by departments against the initial 'flash report' summary prepared at the end of May. Departments have taken the opportunity to review their forecast assumptions, with the result that additional surplus funding has potentially been identified.
5. The financial baselines for 2011/12 were set in December 2010. Since then there have been a number of changes which have been reflected in departmental budgets:
 - a. Changes in assumptions which reduce the assumed level of pension contributions from 32.3% to 27.7% and reduce pension interest costs by £1.6 million;
 - b. The Voluntary Exit scheme in March 2011 included staff savings in the following years; and

- c. Human resources staff have been centralised into the Department of Human Resources and Change.

6. Departmental budgets were revised in June 2011 and the flash outturn report for June shows the impact of these changes by comparing actual results to the end of June with the revised budget. This outturn report for May 2011 has had to be restricted to the original budget as that was the only information available for the exercise.

Resource

(i) Previous forecast

7. The outturn for May 2011 was previously reported to the Management Board in an earlier Balanced Scorecard flash report. This showed an underspend on resource of £3.5 million (9.6%).

	Year to May 2011			
	Actual £000s	Budget £000s	Variance £000s	%
Receipts	(1,312)	(1,643)	(331)	20.1%
Salaries	14,072	15,314	1,242	8.1%
Other Staff Costs	336	390	54	13.8%
T&S	252	502	250	49.8%
Information	2,387	2,551	164	6.4%
Broadcasting	(3)	12	15	125.0%
Communications	1,122	1,260	138	11.0%
Computer	2,035	2,438	403	16.5%
Catering Supplies	507	627	120	19.1%
Office Supplies	170	289	119	41.2%
Professional Services	530	1,278	748	58.5%
Grants	341	284	(57)	(20.1%)
Accommodation	6,221	6,761	540	8.0%
Security	3,541	3,618	77	2.1%
Sub-total	30,199	33,681	3,482	10.3%
Non-Cash Expenditure	2,425	2,427	2	0.1%
Contingency	0	0	0	
Total Resource	32,624	36,108	3,484	9.6%

8. Significant variances were:

- a. Receipts were £0.3 million lower than budget principally due to lower catering & retail sales reflecting customers choosing lower price menu items.

- b. An underspend of £1.2 million on salaries due to:
- A reduction in pension contributions from 32.3% to 27.7% - £0.5 million;
 - A reduction due to Voluntary Exits of £0.2 million; and
 - A balance (£0.5 million) is due to lower staff levels than budgeted. Vacancies specifically identified were in catering & retail, accommodation services and tour guides.
- c. An underspend of £0.25 million in travel and subsistence principally in DCCS due to lower than expected expenditure on select committee travel, travel in a representative capacity, and the timing of payments relating to the CPA Centenary Conference.
- d. An underspend of £0.4 million on computer related services principally due to timing of expenditure on ICT programmes (£0.1 million) and timing of expenditure and savings in PICT (£0.2 million).
- e. An underspend of £0.7 million on professional services principally due to the timing of expenditure in DCCS (£0.2 million), DIS (£0.2 million) and DHRC (£0.3 million).
- f. An underspend of £0.5 million on accommodation costs in Facilities due to the timing of expenditure on utilities, rents and maintenance.
9. The analysis of the variances to May 2011 by Department is given below:

	Year to May 2011			
	Actual £000s	Budget £000s	Variance £000s	%
Chamber & Committee Services	10,833	11,717	884	7.5%
Facilities	11,765	12,962	1,197	9.2%
Information Services	2,666	3,201	535	16.7%
Human Resources and Change	861	1,207	346	28.7%
Finance	512	598	86	14.4%
PICT	4,169	4,576	407	8.9%
Office of the Chief Executive	223	226	3	1.3%
Speaker's Office	69	94	25	26.6%
Office of the Security Coordinator	11	5	(6)	(120.0%)
Programmes	1,175	1,238	63	5.1%
Sub-total	32,284	35,824	3,540	9.9%
Central Provision	340	284	(56)	(19.7%)
Contingency	0	0	0	
Total	32,624	36,108	3,484	9.6%

10. Departmental reasons for variances were:
- a. DCCS (underspend £0.9 million) includes:
 - lower pension contributions, savings from Voluntary Exits and staff transferred to DHRC (£0.3 million); and
 - travel and subsistence (£0.25 million) and professional services (£0.2 million) referred to above.
 - b. DF (underspend £1.2 million) includes:
 - lower pension contributions, savings from Voluntary Exits and staff transferred to DHRC (£0.3 million);
 - staff vacancies (£0.2 million);
 - accommodation costs (£0.5 million) referred to above;
 - Members' stationery and postage (£0.2 million); and
 - other reductions in expenditure offset by the lower receipts referred to above.
 - c. DIS (underspend of £0.5 million) includes:
 - lower pension contributions, savings from Voluntary Exits, staff transferred to DHRC and vacancies (£0.2 million); and
 - impact of timing of payments for professional services referred to above (£0.2 million).
 - d. DHRC (underspend of £0.3 million) arising from timing of payments relating to professional services referred to above. The impact of staff transferred from other departments was offset by the impact of lower pension contributions, savings from Voluntary Exits and vacancies.
 - e. PICT (underspend of £0.4 million) includes:
 - lower than expected salary costs due to vacancies (£0.2 million); and
 - the impact of timing of expenditure and savings on computer related services referred to above (£0.2 million).

(ii) Updated detailed forecast

11. The revised forecast for the full year shows an underspend of £5.5 million (2.4%).

	Full Year 2011/12			
	Forecast	Budget	Variance	
	£000s	£000s	£000s	%
Receipts	(11,079)	(11,799)	(720)	(6.1%)

Salaries	89,381	92,000	2,620	2.8%
Other Staff Costs	2,513	2,544	31	1.2%
T&S	3,660	3,892	232	6.0%
Information	14,365	14,428	63	0.4%
Broadcasting	731	745	14	1.9%
Communications	6,339	6,642	303	4.6%
Computer	7,591	8,436	845	10.0%
Catering Supplies	3,876	4,164	288	6.9%
Office Supplies	1,634	1,797	163	9.1%
Professional Services	8,618	8,288	(330)	(4.0%)
Grants	3,303	3,303	0	0.0%
Accommodation	34,642	34,378	(264)	(0.8%)
Security	21,584	21,660	76	0.4%
Sub-total	187,157	190,478	3,321	1.7%
Non-Cash Expenditure	35,320	36,438	1,118	3.1%
Contingency	0	1,084	1,084	100.0%
Total Resource	222,477	228,000	5,523	2.4%

12. The principal variances are:

- a. Receipts are £0.7 million lower than budget (up from £0.3 million in previous flash report) in DF reflecting the trend in lower catering and retail sales, together with anticipated lower receipts for car parks.
- b. Salaries are £2.6 million underspent (up from £1.2 million in previous flash report). This includes:
 - an assumption in DCCS that the underspend to May (i.e. £0.3 million) will be repeated in later months;
 - a thorough review of costs in DF which takes into account the full year impact of the reduction in pension contributions, savings made due to the Voluntary Exit programme, transfers of HR staff to DHRC and staff vacancies (£2.2 million); and
 - review of costs in DIS (£0.1 million) and PICT (£0.1 million).
- c. Computer related costs are £0.8 million underspent (up from £0.4 million in previous flash report):
 - PICT (£0.4 million) reflecting savings identified; and
 - ICT programmes (£0.4 million) reflecting the transfer of expenditure to other categories.
- d. Non-cash costs are £1.1 million lower than budget due to:
 - changes in assumptions on pensions reducing interest cost on historic pension liability by £1.6 million; offset by

- an increase in forecast depreciation in DF (£0.5 million) on the basis of actual depreciation and the affect of revaluations in the previous year.

13. The analysis of the variances for the full year by department shows:

	Full year 2011/12			
	Forecast £000s	Budget £000s	Variance £000s	%
Chamber & Committee Services	72,727	73,611	884	1.2%
Facilities	69,260	70,916	1,656	2.3%
Information Services	18,742	18,881	139	0.7%
Human Resources and Change	7,195	7,243	48	0.7%
Finance	3,522	3,588	66	1.8%
PICT	19,622	20,222	600	3.0%
Office of the Chief Executive	1,582	1,599	17	1.1%
Speaker's Office	618	603	(15)	(2.5%)
Office of the Security Coordinator	95	88	(7)	(8.0%)
Programmes	7,205	6,529	(738)	(14.7%)
Sub-total	200,568	203,280	2,721	1.3%
Central Provision	21,909	23,636	1,727	7.3%
Contingency	0	1,084	1,084	100.0%
Total	222,477	228,000	5,523	2.4%

14. Most significant variances are:

- a. DCCS (£0.9 million) where the underspend achieved to May 2011 is assumed to continue through to the end of the year;
- b. DF (£1.7 million) where:
 - lower salary costs have been assumed as referred to above (£2.2 million);
 - reduced postage and stationery costs for Members have been projected based on experience to May 2011 (£0.4 million);
 - reduced catering supply costs have been projected on the basis of trends to May 2011 (£0.3 million);
 - increased property rates have been assumed due to delays in appeals (£0.3 million);
 - larger depreciation costs have been assumed as above (£0.5 million); and
 - receipts have been assumed as above (£0.7 million).

- c. PICT (£0.6 million) where:
- salary costs (£0.1 million) and computer related costs (£0.4 million) have been forecast to reduce;
 - ICT programmes (an increase of £0.7 million) on the following programmes has been assumed:
 - i. ICT programme (+ £0.1 million);
 - ii. HAIS Refresh (+£0.3 million);
 - iii. CPIMF (+£0.2 million); and
 - iv. Parliamentary Network Refresh (+£0.1 million).

A revised business case for the increase in CPIMF has been signed off by the Finance Directors. Revised business cases will be required for the other programmes.

(iii) Risks and Issues

15. The following risks and issues for 2011/12 have been identified:

- Pensions: changes in assumptions on pension liabilities have a serious impact on the level of pension contributions (i.e. benefits accrued current year) and the pension interest (on the historic liability). The calculations are sensitive to the actual inflation and returns on investment markets and HM Treasury assessment of forward inflation and returns. Work is being done to look at ways of equalising pension costs but it is unlikely that the results will not impact in 2011/12. The risk of further large movements in pension costs in 2011/12 remains significant.
- Dilapidations: provision was made in 2010/11 for dilapidation liabilities under the leases for 2 Abbey Gardens and 4 Millbank. Work is in hand to evaluate liabilities for other rented properties and, if liabilities can be accurately quantified, further significant provisions will be required in 2011/12.
- Members' stationery and postage: the forecast assumes a reduction in expenditure against the historical budget. However, the Commission has recently decided to increase the allowed level of expenditure per Member to the levels adopted by IPSA. This means that there is a risk that this expenditure may increase.
- Grants in aid: the Commission has agreed that Grants made to the parliamentary bodies should be reduced in 2011/12 to reflect the level of reserves held by the bodies. This will reduce expenditure in 2011/12 by up to £0.7 million. This has not been taken into account in the forecast, pending final agreement of payments and final expenditure on the CPA Centenary Conference.
- Inflation is likely to fluctuate during the remainder of the year.

Capital***(i) Previous forecast***

16. The previous flash report showed an underspend of £0.3 million (19.6%).

	Actual £000s	Year to May 2011		%
		Budget £000s	Variance £000s	
Chamber & Committee Services	(25)	12	37	308.3%
Facilities	1,073	1,276	203	15.9%
Information Services	9	8	(1)	(12.5%)
Human Resources and Change	0	1	1	100.0%
Finance	0	3	3	100.0%
PICT	77	21	(56)	(266.7%)
Programmes	135	256	121	47.3%
Sub-total	1,269	1,577	308	19.5%

17. All of the variances were due to differences in the timing of expenditure.

(ii) Updated detailed forecast

18. The forecast for the full year shows a larger underspend of £2.9 million (14.5%) emerging.

	Actual £000s	Full Year 2011/12		%
		Budget £000s	Variance £000s	
Chamber & Committee Services	162	85	(77)	(90.6%)
Facilities	15,312	16,312	1,000	6.1%
Information Services	400	400	0	0.0%
Human Resources and Change	5	5	0	0.0%
Finance	20	20	0	0.0%
PICT	406	419	13	3.1%
Programmes	792	792	0	0.0%
Sub-total	17,097	18,033	936	5.2%
Contingency		1,967	1,967	100.0%
Total	17,097	20,000	2,903	14.5%

19. The principal reasons for the reduction in forecast expenditure are the release of the contingency in the budget (£2.0 million) and a reduction in anticipated expenditure on a number of projects in the Estates programme (£1.0 million). This is slightly offset by the inclusion of additional expenditure on the Digital Audio project in DCCS.

Savings Programme update

20. Savings to be delivered under the first phase of the programme, agreed in December 2010, remain on track to be delivered in 2011/12. Some additional savings have been identified amounting to about £400k. (e.g. review of maintenance working practices). In future years these partly offset the removal of Tothill Street from the agreed savings package; this is now incorporated into the options within the estate strand. The impact beyond 2011/12 of the revised programme has been built into the Medium Term Financial Plan (MTFP).

21. Further details of the progress against each savings measure is provided in the Appendix.

Conclusion

22. The level of underspend has increased (£3.5 million to £5.5 million for resource; £0.3 million to £2.9 million for capital) since the last update. This is likely to grow during the remainder of the year if the experience from previous years is repeated.

23. The Board may wish to consider whether the surplus funding available should be used to:

- a. Invest in further spend to save initiatives during the remainder of the financial year. This would require suitable projects to be identified quickly given the lead time for setting up and delivering them;
- b. Contribute to the savings target of £210 million by 2014/15. This would require one-off savings to be differentiated from potentially on-going savings;
- c. Make early decisions on issues that carry potential additional costs (e.g. dilapidation charges associated with the property review).

24. Uncertainties around pension and Estate valuation fluctuations suggest a reasonable contingency should be held in abeyance, although any adverse impacts are likely to be franked by additional underspends that may emerge later in the financial year.

Chris Ridley

Director of Financial Management

15 July 2011

Elizabeth Honer

Director of Savings

APPENDIX

House of Commons Savings Programme Delivery of Initial Savings 2011/12 Quarter 1 Report

Lee Bridges
July 2011

Shaded rows indicate savings of specific interest to the House of Commons Commission

Department of Chamber and Committee Services

Quarterly overview

The savings outlined in respect of printing are dependent on the levels of House activity and therefore demand.

The MPS contract savings (DCCS37) may fluctuate depending again on demand, as an example the purchase of acquisition of additional buildings will have security staffing implications.

Ref	Description of Saving	Agreed 2011/12 £k	Highlights/Commentary	Status
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Departmental Central Services

Dccs1	Reduce newspaper provision	14	On track. Figure removed from 2011/12 baseline	G
Dccs2	Remove post of Internal Communications Support Officer – already achieved (duties reallocated)	42	Achieved. Figure removed from 2011/12 baseline	G
Dccs3	Learning and development budget aligned with recent outturns	50	On-track. Figure removed from 2011/12 baseline	G
Dccs4	Smarter procurement of office supplies	15	On-track. Figure removed from 2011/12 baseline	G
Dccs5	Use of smaller, better value photocopiers	35	On-track. Figure removed from 2011/12 baseline	G

Table Office

Dccs6	End publication of Thursday EDM paper (already achieved)	350	EDM paper no longer printed. The precise figure finally achieved will depend on tSO contract, but this figure has been removed from 2011/12 baseline	G
Dccs7	Discontinue printing of Question Book	865	Question Book no longer printed. The precise figure finally achieved will be dependent on tSO contract, but this figure has been removed from 2011/12 baseline	G

Journal Office

Dccs8	Stop paying for maintaining click-use licence for parliamentary copyright material	11	On track. Figure removed from 2011/12 baseline	G
Dccs9	Discontinue hard copy printing and publication of documents with printable web versions instead.	120	The precise figure finally achieved will be dependent on tSO contract, but this figure has been removed from 2011/12 baseline	G

Overseas Office

Dccs10	Abolish Consultants budget line	10	Achieved. Figure removed from 2011/12 baseline	G
Dccs11	50% cut in budget for attendance by staff at UK & Ireland professional development conferences & seminars	15	On track. Figure removed from 2011/12 baseline	G
Dccs12	10% cut in budget: activities of the delegations to the Parliamentary Assembly of the Council of Europe, the NATO Parliamentary Assembly, the OSCE Parliamentary Assembly and the European Security and Defence Assembly (WEU); attendance by staff and occasionally Members at conferences	125	On track. Figure removed from 2011/12 baseline	G

Vote Office

Dccs13	Reduce training, subscriptions to professional bodies expenditure to 2009/10 levels	7	On track. Figure removed from 2011/12 baseline	G
Dccs14	Machine rental - change equipment provision	20	On track. Figure removed from 2011/12 baseline	G
Dccs15	Discontinue expenditure on legal and print consultancy	15	On track. Figure removed from 2011/12 baseline	G
Dccs16	Bookshop - reduce orders, less marketing	20	On track. Figure removed from 2011/12 baseline	G
Dccs17	Discontinue expenditure on agency printing staff	20	On track. Figure removed from 2011/12 baseline	G
Dccs18	Reduce expenditure on Dod's, Vachers, etc	30	On track. Figure removed from 2011/12 baseline	G
Dccs19	Reduce expenditure on government publications	211	On track. Figure removed from 2011/12 baseline	G
Dccs20	Vote Office order forms - discontinue/bring in house	7	On track. Figure removed from 2011/12 baseline	G

Committee Directorate

Dccs21	Commission's decision to reduce overseas travel for Select Committees taken June 2010 for 2011/12.	500	Liaison Committee dependency. Saving requires new Commission decision for future years. Figure removed from 2011/12 baseline	G
Dccs22	Reduce photocopying	30	On track. Figure removed from 2011/12 baseline	G
Dccs23	Reduce purchase of books and periodicals	6	On track. Figure removed from 2011/12 baseline	G
Dccs24	Do not print Committee Report evidence in hard copy	225	The precise figure finally achieved will be dependent on tSO contract, but this figure has been removed from 2011/12 baseline	G

Delegated Legislation Office

Dccs25	Various staffing changes already made	56	Achieved. Figure removed from 2011/12 baseline	G
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Public Bill Office

Dccs26	Discontinue hard copy printing and publication of documents, with printable web versions	146	The precise figure finally achieved will be dependent on tSO contract, but this figure has been removed from 2011/12 baseline	G
Dccs27	Staff support to senior posts - discontinue and redistribute work (already implemented)	25	Achieved. Figure removed from 2011/12 baseline	G

Official Report

Dccs28	Stop printing Standing Committee Bound Volume Index	13	The precise figure finally achieved will be dependent on tSO contract, but this figure has been removed from 2011/12 baseline	G
Dccs29	Official report management of contracts; Official Report does full 20%	305	Savings arising from change in contractor status, this figure has been removed from 2011/12 baseline	G
Dccs30	Sub-editors post files to web and make corrections instead of tSO for rolling <i>Hansard</i>	78	On track. Figure removed from 2011/12 baseline	G
Dccs31	Reduce training, travel, subs, conferences	10	On track. Figure removed from 2011/12 baseline	G
Dccs32	Reduce use of casuals, bear down on overtime allowances	50	On track. Figure removed from 2011/12 baseline	G
Dccs33	Savings arising from not filling vacancies	87	On track. Figure removed from 2011/12 baseline	G

Broadcasting

Dccs34	Removal of PARBUL contingency	28	Achieved. Figure removed from 2011/12 baseline	G
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Serjeant at Arms

Dccs35	Staff savings arising from restructuring and some vacancies not replaced	141	On track. Figure removed from 2011/12 baseline	G
Dccs36	Reduce relocation exercises to one per year and cease use of external consultants	100	On track. Figure removed from 2011/12 baseline	G
Dccs37	MPS projected contractual savings over life of contract (to 31.03.15)	539	This saving will be monitored throughout the year, with a final figure only available at year-end.	G
Dccs38	Savings arising from non-MPS security related measures	324	On track. Figure removed from 2011/12 baseline	G

Legal Services Office

Dccs39	Remove overtime budget	6	Achieved. Figure removed from 2011/12 baseline	G
TOTAL		4651		

Shaded rows indicate savings of specific interest to the House of Commons Commission

Department of Facilities

Quarterly overview

The Administration Committee's Inquiry on Catering & Retail Services is currently under consideration by the House of Commons Commission. Decisions taken by the Commission are likely to increase the amount of future savings by DF. Further progress will be reported next quarter.

An additional cost pressure has been placed on the DF budget following the House of Commons Commission decision on Members' Stationery.

The VE scheme has had a positive effect both on the timing and quantum of the savings achieved by DF this quarter.

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Df1	Close post office counters at the weekends, earlier closing times (subject to further work on savings and usage)	0	<i>Administration Committee discussions complete. Saving of 14k scheduled from 2012/13</i>	G
Df2 Need for flexibility/on-going review	Reduce the number of extractions/ collections to 1 per day and deliveries to 2 per day	[140] ¹ See Df3	<i>Hoc and HoL agreed strategy, savings now realised as part of DF3 (attendants)</i>	
Df3	Revised staffing arrangements (subject to reconsideration if not possible without compulsory redundancies)	260 [30]	Higher figure achieved ahead of anticipated schedule, due to impact of VE scheme.	G
Df4	Save 10% on the cleaning contract (subject to maintaining existing standards of cleaning)	144 [236]	<i>MP concerns over standards of cleaning indicate that the saving figure is now likely to be £144k,</i>	A
Df5	Savings arising from offsite consolidation centre	0	<i>In progress. Saving of 60k scheduled from 2012/13</i>	G
Df6	Offsite consolidation centre - provide service or share with other organisations	0	<i>In progress. Saving of 183k scheduled from 2012/13</i>	G
Df7	Review out of hours staffing	0	<i>Review now started. Saving of £52k scheduled from 2012/13</i>	A
Df8	Further consolidation of contracts and improved contract management	165	<i>In progress. Saving of 165k achieved earlier than original target of 2013/14. Anticipated</i>	G

¹ Figures in brackets indicate original anticipated saving/income

			<i>£180k from 2012/13</i>	
Df9	Maintenance - limiting non essential work and controlling the speed of completion of work	256	<i>In progress. Figure removed from 2011/12 baseline.</i>	G
Df10	Fire, Safety & Environment - limiting non essential work and controlling the delivery speed of completion of work	62	Achieved. Figure removed from 2011/12 baseline.	G
Df11	Reduce buildings maintenance staffing	471 (55)	£55k removed from 2011/12 baseline. One vacancy not filled, team restructure planned. Further £416k saved through multi-skilling craft team	G
Df12	Reduction in resource spend averaged over the 4 year planning period	729	Achieved. Figure removed from 2011/12 baseline.	G
Df13	Energy efficiency improvements, e.g. Voltage optimisation	358 (330)	<i>Saving increased from original prediction (even after absorbing £53k VAT rise).</i>	G
Df14	Tothill Street issue now being considered by Estate strand			
Df31	Closure at end of programme	0	<i>Original saving 150k in 2014/15, but programme due to close May 2011. Resources likely to move to phase 2 savings work strands.</i>	A
Df32	Reduction in budget to match resource requirement.	26	Achieved. Figure removed from 2011/12 baseline.	G
Df33	Reduction in budget to reflect planned spend.	60	Achieved. Figure removed from 2011/12 baseline.	G
Total Savings		2531 (2069)		

Income Generation

Ref	Activity	2011/12 Income k	Highlight/Commentary	Status
IGDF1	Increase souvenir sales via on-line sales, high street outlet etc	0	<i>Now being considered as part of Income Generation strand. Difficult therefore to quantify likely income at this point (originally – 400k in 2012/13)</i>	A
IGDF2	Catering price increases in line with benchmarked organisations (full year value of changes already made)	1267	Achieved. Figure included in baseline.	G
IGDF7	Rental income from 53 Parliament Street	90	Achieved. Figure included in baseline.	G
IGDF8	Increased revenue from commercial properties on Bridge St and Parliament St	58 (0)	<i>A number of opportunities are currently being progressed. The 58k included in 11/12 baseline refers to rent increase on a vacant property being let – total additional income of 371k expected p.a by 2014/15</i>	A

Additional Savings

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Df34	PED Director's Office admin	18	Vacancy not filled	G
Df35	PED Director's Office various	15		G
Df36	PED programme office reduced to match need	17		G
TOTAL		1465 (1357)		

Shaded rows indicate savings of specific interest to the House of Commons Commission

Department of Information Services

Quarterly overview

Additional savings have been identified through the work undertaken by the Public Engagement strand of the Savings Programme and will be included in the autumn consultation exercise, with anticipated additional savings of c£200k from 2012/13.

A number of income generation suggestions in the public engagement area were also identified as part of the strand work and have now been included in the Income Generation strand.

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Dis1	Remove General Election resources budgets	400	Achieved. Figure removed from 2011/12 baseline	G
Dis2	Limit spending attendance at external conferences and courses	14	Achieved. Figure removed from 2011/12 baseline	G
Dis3	Reduce 1.5 band C posts in Reference Services and discontinue sandwich student post (already achieved)	67	Achieved. Figure removed from 2011/12 baseline	G
Dis4	Remove supernumerary posts and reduce training expenses.	19	Achieved. Figure removed from 2011/12 baseline	G
Dis5	Do not backfill for staff working on CPIMF project	35	Achieved. Figure removed from 2011/12 baseline	G
Dis6	Recruit more posts at A3 rather than A2	25	<i>In progress – one A2 on secondment replaced by A3. Dependency with House-wide fast stream</i>	G
Dis7	Discontinue van service	50	Achieved. Figure removed from 2011/12 baseline	G
Dis8	Publish Weekly Information Bulletin electronically only and maintain a smaller range of Factsheets.	75	Achieved. Figure removed from 2011/12 baseline	G
Dis9	10% reduction in support for website and intranet	202	Achieved. Figure removed from 2011/12 baseline	G

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Dis10	Cancel New Voters' Guide	600	Achieved. Figure removed from 2011/12 baseline	G
Dis11a	Curator's Office - reduce running costs	12	In progress. Figure removed from 2011/12 baseline	G
Dis11b	Curator's office- reduce acquisitions (capital spend)	(50)	Achieved. Figure removed from 2011/12 baseline. Commission approval for one year only	G
Dis12	Reduce Hansard Society contract from £70k to £50k	10	<i>Contract to be renewed August 2011 at new rate. Figure removed from 2011/12 baseline</i>	G
Dis13	10% reduction in Library acquisitions and staffing consequences	86	In progress. Figure removed from 2011/12 baseline	G
Dis14	Reduce general parliamentary material from Precise media monitoring service	35	In progress. Figure removed from 2011/12 baseline	G
Dis15	Transport subsidy for visiting schools: eliminate underspend	54	Achieved. Figure removed from 2011/12 baseline	G
Dis16	Outreach: 10% budget reduction with wide ranging impact (e.g. reduced marketing, fewer exhibitions and training materials, less work with Committees, reduced spending on adult education)	97	In progress. Figure removed from 2011/12 baseline	G
Dis17	Consolidate departmental support activities into a larger team with assumed loss of posts.	82	In progress. Figure removed from 2011/12 baseline.	G
TOTAL		1863		

Income Generation

Ref	Activity	2011/12 Income £k	<i>Highlight/Commentary</i>	<i>Status</i>
IGDis1	Recover cost of Clock Tower tours by charging. Charging for other tours also to be investigated.	0	<i>Work in progress to deliver self-funding specialist tours – anticipated income £82k p.a from 2012/13</i>	G

Department of Finance & Department of Human Resources & Change

Quarterly overview

Work continues on disaggregating the former DR budget, therefore the two departments continue to be shown together.

Restructuring work is due to be completed in the early autumn.

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Dr1	Reduced staff costs resulting from decreased volumes of work	546		G
Dr2	10% reduction in training, recruitment costs etc	119	<i>Achieved. Figure removed from baseline.</i>	G
Dr3	Corporate initiatives - cut budget by 10%	150	<i>Achieved. Figure removed from baseline.</i>	G
Dr4	Restrict refreshments for training events, meetings etc	12	<i>Achieved. Figure removed from baseline.</i>	G
Dr5	20% reduction in stationery etc costs	26		G
TOTAL		853		

Additional Savings

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status

Office of the Chief Executive

Quarterly overview

All savings achieved.

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Oce1	Cut training budget by 10%	5	Achieved. Figure removed from 2011/12 baseline	G
Oce2	Travel & subsistence - reduce to £1000	2	Achieved. Figure removed from 2011/12 baseline	G
Oce3	Official entertainment - abolish this budget	2	Achieved. Figure removed from 2011/12 baseline	G
Oce4	Printing - reduce by 10%	4	Achieved. Figure removed from 2011/12 baseline	G
Oce5	Computers - reduce to 5k	16	Achieved. Figure removed from 2011/12 baseline	G
Oce6	Consultants - remove contingency	42	Achieved. Figure removed from 2011/12 baseline	G
Oce7	Reduce internal audit partner budget (does not impact on approved Audit Plan)	22	Achieved. Figure removed from 2011/12 baseline	G
Oce8	Reduce overall complement of the Office by reorganising posts following natural wastage	123	<i>On track. Figure removed from baseline.</i>	G
TOTAL		216		

Shaded rows indicate savings of specific interest to the House of Commons Commission

Parliamentary Information and Communication Technology (PICT)

Quarterly overview

Some additional savings have been made/brought forward into this year, whilst some others have become amber. There is confidence that the projected savings will be achieved, if not more.

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
Pict1	Contractor and specialist support – reduction in requirement	200	Achieved. Figure removed from 2011/12 baseline.	G
Pict2	Process change related to the Remote Data Centre	160	On track. Figure removed from 2011/12 baseline	G
Pict3	Data migration related to the Remote Data Centre	528	Slower transfer between suppliers and forecast to be higher than the original planned in-year figures. There is a risk that the volume will be higher than predicted in the business case and this will affect future years savings. 40k achieved to date.	A
Pict4	Switch to online resources and more targeted provision	80	On track. Figure removed from 2011/12 baseline. There might be some pressure as a result of the ICT strategy that will increase training requirements.	A
Pict5	Parliamentary phone book – cessation of hard copy production	8	Achieved. Figure removed from 2011/12 baseline.	G
Pict6	PIMS support – net savings (CPIMF dependent) ¹	0	<i>Estimated saving was £185k in 2012/13, £129k thereafter. Heavily dependent on CPIMF. Possible saving might arise earlier than planned of around 25k. Conversely may have contract payment required in 2012/13 that was not originally planned for of around 42k</i>	A
Pict7	External contract – reduction in requirement	14 (0)	<i>In progress – estimated saving £40k from 2012/13 onwards</i>	G
				<i>Early savings, but around 14k less than planned for each future year. 3 year contract in place</i>

Pict8	Legacy system (Citrix dial-up) – decommissioning of service	77 (0)	<i>In progress – estimated saving £77k from 2012/13 onwards. Saving made much earlier than planned as a result of Member programmes.</i>	G
Pict9	Legacy system (Pager service) – decommissioning of service	14	<i>In progress with aim to achieve decommissioning. . £14k represents half-year savings will rise to £28k from 2012/13 onwards.</i>	G
Pict10	Payphones on the Estate – decommissioning of service	2	<i>In progress. £2k represents 1/3 year savings, will rise to £6k p.a from 2012/13 onwards</i>	A
Pict11	Alterations to Switchboard service	16 (0)	<i>Contract negotiations in progress, savings estimated at £80k p.a from 2012/13 onwards. Subject to approval after tenders analysed. Initial saving due to modification of current contract on trial basis.</i>	A
Pict12	Restructuring in line with ICT strategy	65	<i>In progress. Some planned reductions have been made with other savings to be made through gapping. Work continues to link these savings with those that will arise from ICT strategy.</i>	G

Additional Savings

Ref	Description of Saving	2011/12 £k	Highlights/Commentary	Status
PICT	Email filtering service	52	<i>Contract renewed with improved terms over the life of the contract.</i>	G
Total		1216 (1057)		

Portfolio of Cross Cutting Savings

The Savings Programme Board has remitted the overview of cross cutting savings to the Resource Management Group. At RMG’s March meeting, it agreed that the following areas of cross cutting activity should be pursued.

Some of this work is in the early stages of development, but more detail about cost savings will be provided as they progress.

Theme	Overview	Projected Savings	Timescale	Status
Procurement practice and infrastructure	Significant opportunities exist to improve contract management across the House. In addition, a more proactive, hard-headed approach to negotiation could ensure that we get the best deal during renewals/tender exercises.	Difficult to judge, but a 5% reduction across House contract values could release £5million by 2014/15	Scoping of the review to take place, with early focus on quick wins this financial year	New CSD Director appointed. Scoping exercise underway
Provision of newspapers	Departments were asked to curtail demand for staff newspapers as part of the bicameral procurement exercise currently underway.	Procurement exercise not yet complete. Savings should be available for Q1 report.	Procurement underway.	Complete – demand has been successfully curtailed.
Late night transport	RMG asked to play a role in developing and implementing any tightening/ change to practice following an internal audit report.	TBC. The Internal Audit figure of 250k for possible savings is disputed.	Management response to be completed by the Autumn.	Report for the Audit owner currently being written.
Printers etc	There are currently a number of suppliers and types of printer across the estate. PICT is leading a project to maximise efficiency and reduce costs. RMG to support information	TBC.	RMG commissioned work to tie together a number of	Outline business case for scoping exercise

	gathering and policy making.		printer/photocopier issues.	considered at July RMG
Learning & Development	Creation of D HR&C has provided an opportunity to review House wide L&D. In addition, a recent Internal Audit report highlighted a number of areas for better VFM and savings	TBC	Initial report to RMG by summer recess	RMG received report at July meeting – work continues.