

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
24 MARCH 2010

RESOURCES SCRUTINY STEWARDSHIP TO 31 DECEMBER 2009

1. PURPOSE OF REPORT

This report advises members of any major differences by management unit to the revised budget.

2. STEWARDSHIP TO 31 DECEMBER 2009

2.1 The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £713,580, with the largest part of this underspend, estimated to be £750,000, unlikely to be spent this financial year on the Local Government Review. Supplementary budgets of £92,170 are included but the Notional charges budgets in respect of FRS17 Pension Costs and Capital charges have been deducted to provide the total budget for management accounting purposes.

2.2 The main variations by management unit are detailed below:

	£
2009-2010 REVISED BUDGET	16,366,990
86A1 REVENUE COLLECTION / BENEFITS	(172,290)
It is estimated at the end of the third quarter that there will be a net increase in Housing Benefits subsidy. The total is £172,290 which is 0.47% of the total Housing Benefits Subsidy (£36,698,150).	
86A3 CORPORATE	257,890
A revised scale of fees for external audit work to be carried out during the year will result in an increase in costs. There has been an increase in volume and cost of the central bank charges. After the detailed budgets were set for the General Fund Services for 2009/10 a decision was made to reduce the budget for the 2009/10 pay award from 2.5% to 1.5%. This decision was too late to be included in service costs so the reduction was shown in this management unit. The pay award was agreed at 1.0% for most employees and 0% for senior staff, with the savings now being shown in all cost centres across the Council rather than this management unit.	
86A4 CIVIC CEREMONIALS	(28,450)
A revised increase in rent has been agreed for commercial premises within this budget head.	
86A5 DEMOCRATIC REPRESENTATION	(768,910)
It is expected that there will be an underspend on Members' Expenses by the end of the financial year. The budget provision that was made to finance the cost of Local Government Review is expected to be underspent	

because of the delay in announcing the final conclusion.

86A6 GRANTS/CENTRAL SUPPORT/CONSULTATION	(4,160)
There is expected to be an underspend in Community Consultations that will be partly offset by an increase in rent grants awarded by Grants Committee.	
86A7 UNAPPORTIONABLE OVERHEADS	66,670
There is an increase due in payments to the pension fund administered by Devon County Council to meet the approved cost of early retirements and redundancies.	
86A8 CHIEF EXECUTIVE SERVICES	(41,120)
Savings have accrued from vacancies and maternity leave.	
86B1 TREASURY SERVICES	(98,760)
Vacancies across the directorate will result in an overall saving in employee's costs, although a review of duties and posts within the administration team and secretarial support to the Director has resulted in increased costs to this budget head, but these will be offset in the long-term by savings in management unit 86B7.	
There have been some increases in the cost of maintaining software, but these have been offset by increased grant income, in particular in recognition of the increase in Housing Benefits caseload.	
86B3 HUMAN RESOURCES	40,270
Additional work has been undertaken within Human Resources in respect of LGR, training courses and to cover maternity leave.	
86B4 LEGAL SERVICES	(13,590)
There have been some minor pay savings within the service.	
86B5 CORPORATE CUSTOMER SERVICES	38,020
A review of duties and posts within the Civic Centre and Mail services has resulted in redundancy costs being incurred. There was an increase at the beginning of the year in the cost of postage with usage also increasing during the year. In an attempt to reduce postage costs there was an unsuccessful trial with TNT but savings are being made by preparing the post to a new standard (Cleanmail). There have been savings made in the cost of utilities at the Civic Centre.	
86B6 IT SERVICES	(9,380)
There have been some minor pay savings within the service.	
86B7 DIRECTOR CORPORATE SERVICES	20,230
Redundancy costs have been incurred following a review of secretarial support to the Director.	

2009-2010 EXPECTED FINAL OUTTURN

£15,653,410

3. **RECOMMENDATION**

3.1 That the Scrutiny Committee - Resources note this report.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None