

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
23 MARCH 2011

RESOURCES SCRUTINY STEWARDSHIP TO 31 DECEMBER 2010

1. PURPOSE OF REPORT

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

2. STEWARDSHIP TO 31 DECEMBER 2010

- 2.1 The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £68,380; this compares with a forecast overspend of £308,560 in the previous stewardship report to 30 September 2010. This improvement in the financial position is due mainly to a reduction in the forecast deficit for Housing Benefits Subsidy and staff savings within the Customer Services Centre. Supplementary budgets of £25,160 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 budgets for 2010/11 include a provision of 0.7% in cost centres for a pay award. The current position is that the no pay award has been made in the current year.
- 2.3 The main variations by management unit are detailed below:

2010-2011 REVISED BUDGET		£
86A1	REVENUE COLLECTION / BENEFITS It is estimated that there will be a reduction in Housing Benefits Subsidy for 2010/11, mainly in respect of Rent Allowances. This is as a result of an increase in Bed and Breakfast expenditure and an increase in non-self-contained licences; both of these cases attract less subsidy as they are based on one-bedroom Local Housing Allowance (LHA) rates of £114.23 per week as opposed to the previous threshold cap of £174.72 per week. The total net deficit is currently forecast to be £91,110 which represents 0.2% of the estimated total Housing Benefit Subsidy of £42,239,800.	16,043,730
86A2	ELECTIONS & ELECTORAL REGISTRATION A by-election was held in May 2010 which has resulted in a small net overspend of an estimated £2,600. The City Council elections that were originally planned for May 2010 were held on 9 September 2010.	91,110
86A3	CORPORATE A revised scale of fees for external audit work to be carried out during the year will result in an increase in costs.	2,600
		89,380

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 2010/11 a decision was made to reduce the budget for the 2010/11 pay award from 1% to 0.7%. This decision was too late to be included in service costs so the reduction was shown in this management unit. No pay award was agreed so the savings have now been shown in all cost centres across the Council rather than this management unit.

86A4	CIVIC CEREMONIALS No major twinning events have taken place in the current financial year and there have been some minor pay savings.	(13,230)
86A5	DEMOCRATIC REPRESENTATION There will be an underspend on Members' Expenses by the end of the financial year due to the temporary reduction in the number of elected members pending the September 2010 elections. Expenditure was incurred on the Local Government Review related to the Judicial Review and subsequent work to identify a date for the required elections.	25,160
86A6	GRANTS/CENTRAL SUPPORT/CONSULTATION Additional rate relief has been granted to businesses and charitable organisations and has been partly offset by reduced expenditure on community consultations and corporate chartermarks.	18,930
86A7	UNAPPORTIONABLE OVERHEADS 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.	131,390
86A8	CHIEF EXECUTIVE SERVICES A reduction in working hours within the department will result in pay savings. Some Community and Involvement project work will now be undertaken in 2011-12 so a supplementary budget will be requested when closing the final accounts.	(54,240)
86B1	TREASURY SERVICES An agreed reduction in working hours for some staff, reduced posts and vacancies within the service are expected to result in pay savings. There has been an increase in the cost of Accountancy Services, largely due to cover for maternity leave.	(42,730)
86B2	INTERNAL AUDIT There has been a minor underspend in pay costs.	(2,010)

86B3	HUMAN RESOURCES An additional temporary staffing resource within Human Resources was approved by Committee in February 2010.	26,320
86B5	CORPORATE CUSTOMER SERVICES Vacancies within the Customer Service Centre and staff reductions throughout this management unit have resulted in pay savings. There have been savings made in the cost of utilities at the Civic Centre as well as on rates and building maintenance costs (AIM). IT maintenance costs have reduced in respect of GIS, EDRMS and the Customer Service Centre.	(166,050)
86B6	IT SERVICES Savings have been made in IT software maintenance and administration costs within the service.	(35,990)
86B7	DIRECTOR CORPORATE SERVICES OFFICE There are no significant variances to report.	(2,260)
2010-11 EXPECTED FINAL OUTTURN		<u>£16,112,110</u>

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