

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
19 JUNE 2013

RESOURCES SCRUTINY REVENUE FINAL ACCOUNTS 2012-13

1. PURPOSE OF REPORT

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

2. REVENUE ACCOUNTS (Appendix A)

2.1 During the course of the financial year ending 31 March 2013, regular reports were made to this committee on the estimated revenue outturn.

2.2 During the year redundancy costs of £445,731 have been charged to the General Fund, of which £176,404 relates to Resources Committee. An earmarked reserve of £400,000 has been set aside to cover most of these costs.

2.3 The total underspend variance of £480,216 comprises cost variances of £204,289 reducing the overall net expenditure for this committee to £5,882,712. There were transfers from revenue reserves totalling £275,928 to fund the following; part of Business Transformation expenditure of £42,239 and New Homes Bonus funding for support to the Exeter Citizen's Advice Bureau £21,285 and to fund City grants £36,000, plus £176,404 to fund redundancies, thus reducing overall net expenditure for this committee to £5,606,784.

2.4 The main variations by management unit are detailed below:

2012/2013 REVISED BUDGET less NOTIONAL CHARGES	£ 17,251,450
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86A1 REVENUE COLLECTION / BENEFITS	(316,432)
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There has been an overall increase in caseload payments for Benefits of £458,908 that has been offset by an increase in subsidy of £323,687, thereby resulting in a net payments increase of £135,221. This has been offset by an increase in income from Housing Benefit overpayments recovery of £349,282, leaving an overall saving of £214,061.

The underspend has increased by a further £102,371 to £316,432 overall due to savings in Treasury Services administration costs which are referred to in 86B1 below. The overall variance represents 0.62% on the original budget of £51.2m.

86A2	ELECTIONS & ELECTORAL REGISTRATION There was a small underspend on the cost of operating City Council elections that has been partially offset by an increase in costs for maintaining the electoral register on a rolling basis.	(255)
86A3	CORPORATE A revised scale of Audit fees was agreed that resulted in a saving this year. Some of the Council's core bank charges have now been charged direct to services rather than corporate. The posts of Assistant Chief Executive and Communications Manager were removed and officer's time reallocated to the cost centres where work has been undertaken since April 2012.	(149,781)
86A4	CIVIC CEREMONIALS The retail unit attached to Guildhall was vacant until August 2012 with a subsequent loss of rental income and the payment of void rates; the unit has now been successfully let. There was an increase in the premises repair and maintenance costs as well as fuel, light and cleaning costs of the Guildhall.	92,172
86A5	DEMOCRATIC REPRESENTATION There was an underspend on Members' Expenses at the end of the financial year due to no inflationary increase in allowances and one member not claiming any allowances at all. There were restructuring savings in support service recharges for administering Democratic Costs. Expenditure was incurred on Business Transformation to reshape the services that the Council provides, with part of the agreed funding being met from reserves.	33,842
86A6	GRANTS/CENTRAL SUPPORT/CONSULTATION Additional grant was paid to Exeter Citizen's Advice Bureau for money advice and the grants paid out for the Ward Grants by Members were all funded from the New Homes Bonus money. Additional rate relief has been granted to businesses and charitable organisations but has been offset by reduced expenditure and support service recharges on community consultations and corporate chartermarks. The cost of the Community Safety Partnership recharge from management unit 86A9 has reduced as the result of the funding of redundancy costs from existing balances.	53,823

86A7	<p>UNAPPORTIONABLE OVERHEADS</p> <p>The approved cost of pension fund contributions only following redundancies has been shown in this management unit, with individual services throughout the Council being recharged the actual cost of redundancies to reflect where the subsequent savings will be made.</p> <p>As the result of fewer employees paying in to the pension fund following the reduction in staffing, there has been an increase in payments to the pension fund to compensate for the shortfall.</p> <p>The contingencies budgets for unallocated Central Support Services and A.I.M. have been recharged to services with just the year-end balances shown in this management unit; in overall terms recharges have been over-recovered due to the savings made within support services.</p> <p>CENTRAL SUPPORT SERVICES ACCOUNTS: The management units listed below are recharged out across the whole of the Council and are either brought back to zero cost or have balances left that are transferred to management unit 86A7 above. Before this took place, the variances that occurred, including capital charges, are noted below:</p>	(102,158)
86A8	<p>CHIEF EXECUTIVE SERVICES</p> <p>The reduced pay award has resulted in a saving on pay budgets.</p> <p>The posts of Assistant Chief Executive and Communications Manager have been removed and officer's time reallocated to the cost centres where work has been undertaken since April 2012.</p> <p>An approved redundancy has been included in outturn.</p>	(133,316)
86A9	<p>STRATEGIC/COMMUNITY PARTNERSHIPS</p> <p>Costs incurred on Community Partnerships with other public bodies were nearly all funded by grants.</p> <p>A revenue saving has occurred on the administration costs as the result of the reallocation of staff time since April 2012 and the funding of redundancy costs from existing resources.</p>	(16,840)
86B1	<p>TREASURY SERVICES</p> <p>An agreed reduction in working hours for some staff, reduced posts and vacancies within the service has resulted in pay savings.</p> <p>Approved redundancy costs have been included in outturn.</p> <p>There have been upgrades in software for Council Tax and NNDR Collection as well as Benefits Administration and this has been partly financed by Government grants.</p> <p>The cost of printing and posting service communications have increased.</p>	(228,374)

As a result of the pay savings referred to above, the recharges within Treasury Services have also reduced further.

86B2	INTERNAL AUDIT The post of Head of Internal Audit was deleted from the establishment from April 2012, resulting in pay savings.	(65,671)
86B3	HUMAN RESOURCES An additional temporary staffing resource within Human Resources was approved by Executive, but this has been more than offset by reduced expenditure in the now centralised training budget. Training expenditure has reduced because of the restructure of services, the appointment of Senior Managers and the subsequent determination of their development needs. There has been reduced expenditure on the use of occupational health consultancy services due to changes in the Council's sickness policy. The Human Resources section has been reviewed with the resulting redundancy costs; full savings will be shown in next year's budgets. There was a reduction in IT maintenance and support and reduced recharges overall in central support service recharges.	(71,008)
86B4	LEGAL SERVICES There was a small overspend in pay to cover for long-term staff sick leave and also an increase in the cost of legal publications, but this was more than offset by an increase in external fee income.	(26,889)
86B5	CORPORATE CUSTOMER SERVICES The majority of staff from the administration teams of Economy and Community and Environment directorates were transferred to the new Corporate Support Unit with effect from 1 April 2012, to combine with what was the General Office administration team. The budgets for these now disbanded teams are in their old cost centres in the other two committees but all costs have now been recorded here in Resources. The duties of the team have now been defined and this has resulted in some redundancies, but there will be savings that will materialise next year. At the end of the financial year, the users of this new multi-task service were recharged with the actual cost of the service. The reorganisation within the Council has meant that offices have been moved which has created surplus accommodation suitable for renting out to external clients and therefore earn income and share costs. Part of this accommodation has already been let to Devon County Council. In April 2012 there was an increase in the cost of postage that was not known about when the budget was set. The tariffs charged for the mobile phone contracts throughout the council is under review with an increase allowed for in the	132,787

final accounts.

The reduced pay award has resulted in savings in the Customer Service Centre with further savings made on salary costs due to vacancies and reduced cover for maternity leave. It is requested that £6,000 that was not spent on replacing staff uniforms be made available in 2013-14 as a supplementary budget.

86B6	IT SERVICES	(295,878)
	The reduced pay award has resulted in a saving in this unit with further savings made on salary costs due to the deletion of the Head of IT Services post and a member of staff reducing hours from April 2012.	
	There has been some savings in the cost of administering and maintaining IT systems.	
	More of the work undertaken by IT staff was capitalised resulting in less of a cost to the revenue services throughout the Council.	
86B7	STRATEGIC DIRECTORS	(27,990)
	The post of Director Corporate Services was deleted from the establishment from April 2012, resulting in pay savings.	
	Total expenditure before internal recharges	16,129,481
	Less internal recharges	(10,246,769)
	Adjusted Outturn	5,882,712
	Revenue Contribution to Capital Expenditure	0
	Movement from Earmarked Reserves	(275,928)
	TOTAL NET EXPENDITURE	5,606,784

3. RECOMMENDATION

3.1 That the Scrutiny Committee – Resources note this report.

ACTING ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling this report:

None