

REPORT TO: SCRUTINY COMMITTEE - RESOURCES
Date of Meeting: 2 July 2014
Report of: Assistant Director Finance
Title: Resources Final Accounts 2013-14

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2014 in respect of Resources Committee.

An outturn update in respect of the Resources Capital Programme is included elsewhere on this Committee's agenda with all of the Scrutiny Committees combined, to help provide a comprehensive overall financial update.

2. Recommendation:

That Members note the content of this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Resources and this is the final report for 2013-14.

4. What are the resource implications including non financial resources

The financial resources required to deliver Resources Services during 2013-14 are set out in the body of this report.

5. Section 151 Officer comments:

This report is an update on the financial outturn of Scrutiny Resources Services, as at 31 March 2014. Therefore, there are no financial or non financial resource implications.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Report Details:

Resources Services Revenue Final Accounts to 31 March 2014

7.1 Key Variations from Budget

The final actual outturn has now been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets and excluding the variance on capital charges.

The total variance for the year shows a surplus of £44,304 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 0.78% from the revised budget.

7.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
86A1	Revenue Collection/Benefits/Customer Service Centre	(332,704)	<ul style="list-style-type: none"> • There was a net additional reduction in the cost of Housing Benefit payments to claimants based on a reduced caseload, performance up to the threshold limit and overpayments recovery. The overall variance represents 0.49% on the original budget of £43.36m. • Grant received for Local Welfare Support has been used to fund our administration costs. • There were redundancy costs and reduced income from court fees that have lead to a small increase in the cost of Council Tax collection. • The cost of upgrading IT systems was funded by increased grant funding. • Vacancies in the Customer Service Centre resulted in operational savings with further savings resulting from reductions in central support services costs across the management unit following their respective service reviews.
86A2	Elections & Electoral Registration	(19,723)	<ul style="list-style-type: none"> • Savings were made by sharing expenses for the Devon County Council elections held in May 2014.
86A3	Corporate	65,237	<ul style="list-style-type: none"> • The senior management at officer level was reviewed from three positions to two from 1st June 2013 with a resulting redundancy that will be funded by savings being made from 2014-15 onwards. – see also 86B7 below. • A refund was received from the abolition of the Audit Commission, thereby reducing the Audit fees paid by the Council.
86A4	Civic Ceremonials	10,034	<ul style="list-style-type: none"> • There was reduced income from commercial letting despite a short-term let.
86A5	Democratic Representation	(109,901)	<ul style="list-style-type: none"> • A budget was created for Business Transformation that was unspent this year, so the balance of £29,770 has been requested to be carried forward. • Savings have been made in nearly all central support services so the recharges to Democratic Representation have reduced.
86A6	Grants/Central Support/Consultation	27,969	<ul style="list-style-type: none"> • The cost of grants increased largely due to charitable/hardship rate relief and approvals by Committee, most of which were funded by New Homes Bonus monies.
86A7	Unapportionable Overheads	222,250	<ul style="list-style-type: none"> • The approved cost of pension fund contributions following redundancies – the

MU Code	Management Unit	Over / (Underspend)	Detail
			<p>individual services pay the actual cost of redundancies to reflect where the subsequent savings will be made.</p> <ul style="list-style-type: none"> Employer's past service pension fund contributions have been underrecovered, with the overall estimated impact on General Fund services being shown in this management unit during the budget monitoring process until being recharged back to the services of the Council at the year-end. There was an overall credit balance on central support services and unallocated A.I.M. and miscellaneous income.
	CENTRAL SUPPORT SERVICE ACCOUNTS		<p>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 are noted below:</p>
86A9	Strategic/Community Partnerships	(1,018)	<ul style="list-style-type: none"> There are no significant variances to report.
86B1	Financial Services	(17,192)	<ul style="list-style-type: none"> Pay savings due to vacancies were offset by redundancy costs and updating systems for changes in our bank. Support Service Recharges were less than the budget.
81B2	Internal Audit	6,232	<ul style="list-style-type: none"> There was an increase in employee costs following job evaluation.
86B3	Human Resources	(24,980)	<ul style="list-style-type: none"> There was an underspend in the central training budget as a consequence of reorganisations throughout the Council. Job evaluations were completed following reorganisation and the revised grades applied.
86B4	Legal Services	19,069	<ul style="list-style-type: none"> Although Legal has underspent overall with additional income being raised, a review of future service provision through-out the Council has resulted in one-off redundancy costs this year, with resulting savings in 2014-15.
86B5	Corporate Civic Centre Services	(113,250)	<ul style="list-style-type: none"> The installation of solar panels at the Civic Centre has reduced energy costs. The repair and maintenance costs at the Civic Centre (AIMS) was underspent. Central support services were underspent. Some of the external postage work is now undertaken by an external supplier and is charged direct to services rather than through the central franking machine.

MU Code	Management Unit	Over / (Underspend)	Detail
86B6	IT Services	(89,109)	<ul style="list-style-type: none"> • A vacancy within the team, savings in software and system maintenance and reduced print usage has resulted in an overall underspend. • More of the work undertaken by IT staff was capitalised resulting in less of a cost to the revenue services throughout the Council. • Central support services were underspent.
86B7	Strategic Management	55,858	<ul style="list-style-type: none"> • The senior management at officer level was reviewed from three positions to two from 1st June 2013, with savings being made from 2014-15 onwards. The cost has been recharged to management 86A3 above.

8. How does the decision contribute to the Council's Corporate Plan?

Resources budgets contribute to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city, well run Council and Customer access to help me with my housing and Financial Problem.

9. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. The key areas of budgetary risks within Resources was last reported in March 2014 and is attached as Appendix 2, for reference only.

10. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

11. Are there any other options?

No

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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