

POLICY AND RESOURCES SCRUTINY COMMITTEE - 29TH SEPTEMBER 2009

**SUBJECT: BUDGET MONITORING 2009/10 – CORPORATE SERVICES AND
MISCELLANEOUS FINANCE**

REPORT BY: DIRECTOR OF CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide information to Members relating to the budget for 2009/10 for Corporate Services Directorate including Miscellaneous Finance.

2. SUMMARY

- 2.1 The report projects the anticipated final outturn for these Services based upon expenditure and income trends for the first three months of the year. The report will highlight any significant variances from the original estimates and tables showing the variances for each of the services are included as appendices.

3. LINKS TO STRATEGY

- 3.1 The contents in this report are in accordance with the Budget Strategy agreed by Council at its meeting on 5th March 2009.
- 3.2 The service areas within Corporate Services Directorate assist clients in meeting the Corporate themes of Education for Life, Regeneration, Health and Social Care and The Environment, and all areas seek to meet the Council's aim to:
- 'Carry out all services effectively and ensure value for money in service provision'.*
- 3.3 Budget management itself is in accordance with the Corporate theme of 'Delivering the Strategies'.

4. THE REPORT

4.1 Corporate Services

- 4.2 After a planned use of Corporate Service reserves for one-off expenditure, spend is forecast to be in line with budget for 2009/10. Reasons for variances to budget are outlined below:-
- 4.3 The anticipated overspend of £85K in Legal Services, relates to the budget constraints on the service area due to a reduction in Land Charges income. This overspend has been managed down to £85k by the redeployment of staff who previously worked in the Land Charges Section. It is intended to use corporate service reserves to fund these one off costs.
- 4.4 The anticipated overspend of £95K in Corporate Finance is due to one off costs associated

with the early release of one member of staff under the 85 year rule and the implementation of a new Sundry Debtor system. A revenue saving of £35k per annum has been taken in respect of the staff saving. The Sundry Debtors system had to be replaced as after 10 years the software provider was not supporting the system.

- 4.5 The anticipated underspend of £103K on Information, Communications, Technology and Property Services relates to delays in appointing staff.
- 4.6 The anticipated overspend of £35K in Procurement Services relates to budget constraints on the service area, as a consequence of the withdrawal of PIG funding of £150k in 2009/10. Procedures are being implemented to provide a balanced budget in 2010/11.
- 4.7 The anticipated overspend of £40K in Personnel Services relates to a planned use of Corporate Services reserves to fund the additional one off salary costs associated with the implementation of JE and Equal Pay. Procedures are being implemented to provide a balanced budget in 2010/11.
- 4.8 **Capital Financing – Investment Income**
The premature repayment of a deposit has resulted in the reduction of some £147k in interest for 2009/10. However, due to the payments related to Job Evaluation and Equal Pay being delayed, the level of balances has been higher than anticipated and this factor, together with reductions in interest earmarked for specific balances, has resulted in an overall saving of some £139k.
- 4.9 The accounts for 2008/09 have now been closed, but the audit has not yet been completed. The final position for 2008/09, as reported to Council on 30th June 2009 showed Corporate Services having a net £52k overspend, with Miscellaneous Finance showing an underspend of £411k. Corporate service balances showed a cumulative £430K underspend.

5. FINANCIAL IMPLICATIONS

- 5.1 This report deals with financial issues.

6. PERSONNEL IMPLICATIONS

- 6.1 There are no personnel implications.

7. RECOMMENDATIONS

- 7.1 Members are requested to note the contents of the report.

8. REASONS FOR THE RECOMMENDATIONS

- 8.1 To inform Members of the financial position of the Corporate Services Directorate including miscellaneous finance.

Author: D. Roberts – Grants Manager
Consultees: S. Rosser - Chief Executive
N. Barnett - Director of Corporate Services
N. Scammell, Head of Corporate Finance
D Perkins – Head of Legal Services
G. Hardacre – Head of People Management & Development
L. Lucas – Head of Procurement

P. Evans - Head of Information, Communications, Technology & Property Services
S. Grant - Finance Manager, Corporate Services
N. Roberts – Principal Group Accountant (Financial Advice and Support)
Cllr. C. Mann – Cabinet Member for Finance, Resources & Sustainability
Cllr. J. Taylor – Chairman, Policy & Resources Scrutiny Committee
Cllr. M. E. Sargent – Vice-Chairman, Policy & Resources Scrutiny Committee

Background Papers:

Budget Monitoring Reports 2009/10

Estimates Working Papers 2009/10

Appendices:

Appendix 1 Corporate Services & Miscellaneous Finance