

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Staffing Portfolio

22 January 2009

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REVENUE AND CAPITAL ESTIMATES FOR THE STAFFING PORTFOLIO

Purpose

1. To consider the Revenue Estimates up to the year 2009-10.
2. This is not a key decision. However, the report presents the relevant 2008-09 revised and 2009-10 estimates for endorsement by the Portfolio Holder, prior to being included as part of the overall estimates to be presented to the Cabinet and confirmed by Council in February 2009.

Background

3. The estimates for the Staffing Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:
 - Equality and Diversity
 - Travellers Issues (All sites)
 - Travellers Sites

The previous heading of Communications, Library and Information is now included within the Policy, Improvement and Communications Portfolio, and Democratic Representation training within the Environmental Services Portfolio.

4. The Cabinet approved the Staffing and Central Overhead Estimates on 11 December 2008. The recharges approved at that meeting are recharged to all services, as appropriate. These are termed as Central, Departmental and Support Services in the detailed estimates and the analysis reflects the projected service structure approved by Cabinet in September. However, the new officer structure cannot be reflected in the comparative recharge figures, so these will be shown only in total on each service. As all the recharges have already been approved, individual portfolio holders cannot amend them.
5. The estimates for each portfolio are being reported to the relevant Portfolio Holder. These estimates will then be summarised in a report for examination by the Scrutiny and Overview Committee on 5 February, consideration by the Cabinet on 12 February, and finally, presentation to the Council on the 26 February for confirmation of the estimates and levels of the Council Tax and Rents.
6. The Revenue Estimates are set out in **Appendix A**.
7. Provisions for inflation have been applied only in cases where price increases can be justified. No automatic inflation allowance has been applied, but the 2.5% overall assumption of inflation in the Medium Term Financial Strategy remains as the overriding level of inflation provision.

8. Where applicable, the estimates of each portfolio incorporate the approved bids agreed by Cabinet on 11 December 2008 and all other expenditure approvals made up to that date. They also take account of any virement made during the year, rollover of budget from the previous year and efficiency savings.
9. All the estimates exclude the small number of 'Precautionary Items' which are listed at the back of the current estimate book. They are specific, exceptional items of expenditure that may or may not occur during the budget period, but if they did the Council would be required to meet them. An updated list will be presented to the Cabinet on 12 February 2009. However, none has been identified within this Portfolio.

Considerations

10. The revenue estimates for this Portfolio are shown at **Appendix A**. The total estimates have been analysed between direct costs, capital charges (none at present) and recharges, so that the direct costs can be identified for comparison. This is considered appropriate because the direct costs are specifically within the control of the relevant cost centre manager. By contrast, the Staffing and Overhead estimates determine the recharges, partnership costs are offset overall across the Council and the capital charges are notional charges that do not affect the overall expenditure of the Council. Compared with the 2008-09 original estimates, the net direct costs increased in the revised estimates by £48,320 and increased by £10,170 in the 2009-10 estimates. The increase in 2009-10 arises from the approved bids and inflation.
11. The **Appendix A** also shows a net direct costs comparison for both years, between the expected target expenditure and the new estimates that have been compiled for this meeting; the target was arrived at by taking the total direct costs in the original 2008-09 estimates and adjusting for any virement, approved additional expenditure and, for next year, inflation. The result is that the 2009-10 estimate is £2,470 within the target, due to inflation not being applied automatically, and the 2008-09 revised estimate being over target by £1,970 due to unavoidable repair and maintenance costs which were offset in part by additional income.
12. Comments on the individual estimate headings are given in the following paragraphs. All comparisons therein are made with the original 2008-09 estimates. All the 2009-10 estimates include an element of inflation. A general overview of recharges is given in paragraph 16.
13. **Equality and Diversity**
When compared to the original 2008-09 estimates the 2009-10 estimate includes an additional £10,000 to 'establish a relationship with hard to reach and vulnerable residents' a bid approved by Cabinet on 11 December 2008. The increase in recharges in 2009-10 is due primarily to the additional post of Equalities Impact Assistant. As equality and diversity affects all services, a recharge is now being made to the Housing Revenue Account.
14. **Travellers Issues (All sites)**
Commitments for enforcement action including injunctions of £46,350 have been identified in 2008-09 over and above the original estimate of £138,000 this additional expenditure is funded from earmarked reserves. Staffing and Overhead recharges have decreased by £20,610 in the revised 2008-09 estimates when compared to the original estimate, and by £11,660 in 2009-10 due to the new officer and service

structure and changes in the apportionment of time by staff in response to the demands of the service.

The balance on the Travellers Reserve is as follows:

	£
Balance as at 1 April 2008	668,941
Estimated movement in 2008-09	(46,350)
Estimated movement in 2009-10	0
Estimated balance at 31 March 2010	622,591

15. Travellers Sites – Whaddon and Milton
When compared to the original estimate 2008-09 expenditure on repair and maintenance at the travellers sites increased in the revised estimate by £18,480 and by £6,620 in 2009-10, part of the additional cost being recoverable and shown in the estimates as an increase in income. Staffing and Overhead recharges decreased in the revised 2008-09 estimates reflecting the delay in recruiting to the post of Travellers and Housing Support Team Leader, the full year cost being shown in the 2009-10 estimates.
Rental charges are currently under consultation; the proposed revised charges will be presented by the Housing Services Manager in a report for endorsement by the Portfolio Holder.
16. Recharges from Staffing and Overhead Accounts - Central, Departmental and Support Services (see estimates report to Cabinet 11 December 2008):
- (a) The estimated recharges from Staffing and Overhead Accounts to this portfolio increased by £31,290 (11.2%) from £279,710 in the original 2008-09 estimate to £311,000 in the 2009-10 estimate. The increase is due to higher staff involvement in the area of Equality and Diversity and includes the additional post of Equalities Impact Assistant. The 2008-09 revised estimates of £255,880 is £23,830 (-8.5%) lower than the original estimate. The change in recharges to this portfolio may be compared with the Council's overall recharges to services, as below.
- (b) In general, the level of recharges depends on the cost of the service and support officers' time, ICT, contact centre, administrative buildings (mainly Cambourne Offices), Central Expenses and Central Support Services. Over the whole Council, these costs to be recharged were £17.959m in the original estimates 2008-09, £17.897m in the revised estimates 2008-09 and £18.876m in the estimates 2009-10. These equate to a decrease of £0.062m (-0.3%) in 2008-09 and an increase of £0.979m (5.5%) in 2009-10, when compared with the original estimate 2008-09. The increase above inflation in 2009-10 is mainly due to, firstly, the salary costs of individual officers increasing by 5.1% (additional pay awards and pension costs), and secondly, the costs of additional staff appointments and other central costs approved by Cabinet as part of the bidding process.
- (c) The costs being recharged to each portfolio, however, depend on how the above sums are allocated across services. Most central overhead costs are distributed per head to each officer, whose total cost is then allocated according to the officer's latest estimate of time spent on each service.

17. **CAPITAL ESTIMATES: Revised 2008-09 and Estimates 2009-10 to 2011-12**

There are no items in the capital programme relating to the Staffing Portfolio.

Use of Resources

18. The Use of Resources assessment requires an organisation to have a sound understanding of its costs. The costs per head of population are shown below for the three services of this portfolio. Comparison with our nearest statistical neighbours in terms of population, age profile of population, density, sparsity, etc. is not possible for these individual services the cost per head being included within broad headings of Environmental Services, Planning and Community Development and Corporate and Democratic Core. There may be other appropriate unit costs but the costs per head shown below give a preliminary indication of services where further understanding of our costs, combined with performance, may be needed.

	2008-09 £ per head	2009-10 £ per head
Travellers Issues	1.44	1.40
Travellers Sites	0.20	0.20
Equality and Diversity	0.70	0.86

Implications

19. Financial:
The estimates for the General Fund services of this Portfolio will be included in the General Fund summary of estimates along with the expenditure of other portfolios.

20.

Legal	No additional implications. The estimates show the financial effect of decisions that have already been made.
Staffing	As above
Risk Management	As above
Equal Opportunities	As above

Consultations

21. The relevant cost centre managers, who are responsible for setting the level of their respective budgets and controlling the expenditure within them, have been consulted in the compilation of the estimate figures.

Effect on Corporate Objectives and Service Priorities

22.

<p>Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future</p> <p>Deliver high quality services that represent best value and are accessible to all our community</p> <p>Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work</p>	<p>To determine detailed Staffing Portfolio budgets to provide the resources for the Council to achieve its corporate objectives as far as possible within the current financial constraints.</p>
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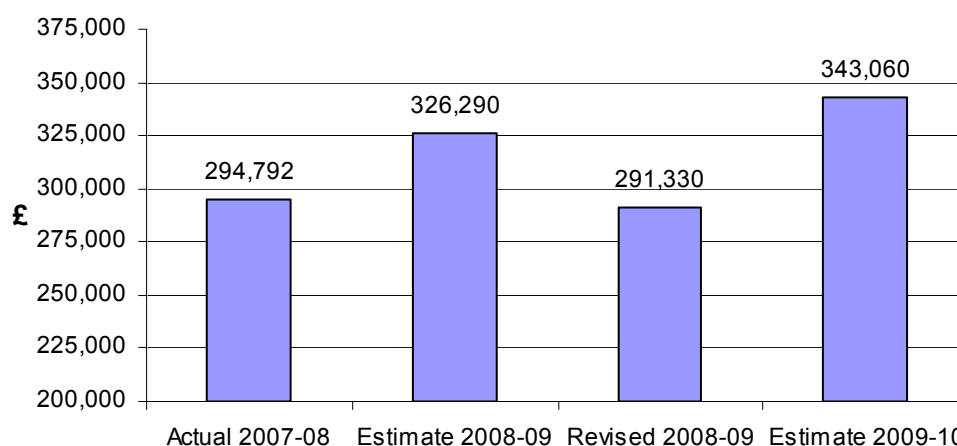
Conclusions/Summary

23. The total net expenditure as shown at **Appendix A** is reproduced below to show the percentage increase between budgets.

Year	Amount £	£	Increase %
2007-08 Actual	294,792		
		+31,498	+10.68%
2008-09 Estimate	326,290		
		-34,960	-10.71%
2008-09 Revised	291,330	+ 16,770	+5.14%
		+51,730	+17.75%
2009-10 Estimate	343,060		

These comparisons are shown diagrammatically below:

Staffing Portfolio



24. The increase in expenditure from 2007-08 to the 2008-09 original estimates of £31,498 is mainly due to recharges from the Staffing and Overheads Accounts and an increase in funding from reserves relating to the post of Enforcement Officer.
25. The decrease of £34,960 in the revised 2008-09 estimates compared to the original estimate in 2008-09 is due to an Equality and Diversity recharge to the Housing Revenue Account and a reduction in Staffing and Overhead recharges allocated to services.
26. There was an increase of £16,770 in 2009-10 compared with the original estimate in 2008-09. This was largely as a result of an overall increase in recharges of £31,290 due in part to the additional post of Equalities Impact Officer, an approved bid of £10,000 and offset by a recharge to the Housing Revenue Account of £30,090. The changes in direct costs are set out on the table in **Appendix A**.
27. With regard to direct costs only, it can be seen from the comparison of estimates with the savings target on **Appendix A**, that the estimated direct costs in the 2009-10 Estimates is within the required target by £2,470, due to inflation not being applied in

some areas; the revised 2008-09 Estimates have exceeded the required target by £1,970 primarily due to inescapable maintenance at Travellers sites.

Recommendations

28. The Portfolio Holder for Staffing is requested to endorse the Revenue Estimates shown at **Appendix A** and recommend them for consideration by the Cabinet.

Background Papers: the following background papers were used in the preparation of this report: Estimate files within Accountancy Services

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