

Commission for Local Administration in England

Mid Year Estimates

The mid year estimates reflect a number of significant changes since the base budget was constructed. The following commentary reflects both the 'core' budget for Local Government (LGov) work and the budget relating to preparation for the new jurisdictions and social care complaints scheme (MEC).

Appendix A shows how the suggested mid year budget revisions affect the movement of the balance in the budget (please note there is a difference from the BCR report as a result of late items which can be included when the mid year budget is agreed). Appendix B shows the suggested mid-year team estimates.

1. Expenditure

Salaries and on-costs. Salaries have reduced by £120,000 due to a higher level of vacancies, delays in the recruitment for the new areas of jurisdiction, a fall in the expected NJC award and a number of incremental points which were over-stated, taking into account turnover and voluntary redundancies. A number of associated on-costs reductions have also been made, amounting to £76,000. There still remains provision of £147,000 approximately in the budget to fund the part year costs of 15 extra LGov investigators provided for within the base and now the revised mid year budget. Some of these posts could be filled with recruitment alongside the recruitment for new jurisdictions over the next three months

Staff recruitment has increased by £222,000 and staff training by £125,000 to reflect the various campaigns now being planned to mobilise a variety of initiatives going forward in 2010/11.

One organisation. The event has increased by £40,000 representing the costs of the two day event now being planned

Publicity and information has fallen sharply by £247,000, partly as a result of delays in the legislative passage for the new areas of jurisdiction and consequent uncertainty over the timing and nature of the publicity and information campaign to support the launch of the new services.

Capital programmes across the three offices have added £45,000 to premises costs excluding the supplementary schedule of potential projects (referred to later).

Rent, rates and service charges have been reduced by £140,000, largely due to a revision in the expected rent increase at Millbank Tower and partly as a result of an element of double-counting of some elements within the London and corporate services base budgets prior to the transfer of those items to the inter-team recharges.

Depreciation has increased by £55,000 to reflect the past capitalisation of the purchase of assets(but note this is a non cash item). Direct office expenses are reduced overall by £32,000.

Office technology expenses including computers, phone and data have been reduced by £17,000 (excluding the supplementary bids detailed later).

Travel costs continue to fall with a reduction of £63,000. Other net savings amount to approximately £11,000.

Overall there is a reduction of around £319,000

2. Grant Funding

The expenditure reduction is partly offset by a grant reduction of £211,000 all of which attaches to the new areas of jurisdiction. But there is a credit transfer from the new areas of jurisdiction for the Making Experience Count recharge and other net changes to the income equalling £203,000. All this contribute to net surplus of £311,000.

Recharges of £412K have been levied between the core budget and the SF and IMS budgets to account for the core support to these new areas .This results in absorption of 2.7% of the total budget and represent the equivalent of an efficiency saving of 3% of the core budget estimate.

There remains as stated below uncertainly over whether to include all rechargeable costs in the bid for funds in the new areas of jurisdiction. At present MEC (not included in the above efficiency calculation) SF and IMS have significant recharges within the inter team recharges line which shows the element of support received from the core. The latter areas are currently being bid for under a marginal cost basis although different treatment may be considered for MEC work because that work was effectively transferred between public services and thus could become a fully recoverable expenditure for funding purposes.

The mid year estimates do not include any provision for additional SEN resourcing should it be necessary (or possible) to commence this service in 2009/10. This will need separate consideration and another bid to DCSF.

It should be noted that the 'total grant receivable' assumes £263,000 additional sum, over and above the £470K already allocated (subject to legislation) by the DCSF. Clearly, if this sum is not forthcoming the overall forecast surplus would fall by an equivalent amount

Finally, we await the outcome of the DCLG's winter supplementaries to reinstate the £180,000 notional charges which they had abated from the baseline grant .But this has been included in our grant estimate on the strength of a positive indication from the DCLG

3. Supplementary Projects

Appendix C indicates how the unallocated sums could be deployed (cash and non-cash).

Discussions with budget managers have produced a number of proposals of how these sums could be deployed; particular consideration has been given to schemes that should reduce long term revenue costs.

These schemes fall into three broad categories:

- property work in London and Coventry (There are two versions of expenditure in Coventry linked to possible changes to the leased space)
- Additional ICT spending (partly schemes brought forward in the programme)
- Additional Communications, Knowledge management and staff training
- Additional employers pension contribution

The details of this expenditure would be agreed with the Chairman. Much of this work would only go ahead if and when there is greater clarity and certainty over the DCSF funding in 2009/10 and the DCLG winter supplementary reinstatement referred to earlier.

S D Jones
Head of Finance and Estates
8 September 2009

Major changes in the revised budgets

Description	Credit items £000s	Debit items £000s
Salaries and on-costs	(296)	
Recruitment		222
Training and event		165
Publicity and information	(247)	
Capital premises		45
Rent and rates	(140)	
Depreciation		55
Direct office expense	(32)	
ICT	(17)	
Travel	(63)	
Other	(11)	
Total	(806)	487
Net gain	(319)	b/f (311)
Grant reduction	211	
Difference	<u>(108)</u>	Non
Contribution on recharges	<u>(203)</u>	Cash <u>(174)</u>
Overall surplus	(311)	Funds (485)

Reconciliation to BCR

BCR deficit	£ 109,000
DCLG grant	£(174,000)
MEC grant	£(246,000)
Non cash element	£(174,000)

SUMMARY - TEAM BUDGET BREAKDOWN MID YEAR PROVISION 2009/10 - APPENDIX B

Account Description	CS	LON	YOR	COV	LGOAT	MEC	IMS	SEN	SF	CONSOLIDATED BUDGET FINAL
Capital grant	-	-	-	-	-	-	-	-	-	-
Interest	3,600	-	-	-	-	-	-	-	-	3,600
Other Revenue	5,048	70,404	70,404	70,404	-	-	-	-	-	216,260
Rental Income	3,396	160,402	-	160,168	-	-	-	-	-	323,966
Seminar income	130,431	-	-	-	-	-	-	-	-	130,431
Transfer From Reserve	-	-	-	-	-	-	-	-	-	-
Grant	12,950,000	-	-	-	-	681,968	733,000	-	436,000	14,800,968
Total Income	£13,092,475	£230,806	£70,404	£230,572	£0	£681,968	£733,000		£436,000	£15,475,225
Salaries	1,283,007	1,931,419	1,842,103	1,696,690	397,309	340,860	168,000	-	54,000	7,713,388
Temporary Staff	31,433	2,500	1,307	14,974	476	-	-	-	25,000	75,690
Employer's National Insurance	100,484	154,574	144,683	131,154	27,960	13,845	17,000	-	-	589,700
Employer's Superannuation	240,044	412,096	386,602	358,257	65,705	28,395	31,000	-	-	1,522,099
Pension	10,537	-	-	-	-	-	-	-	-	10,537
Staff Replacement	133,362	21,000	21,117	21,000	10,000	20,000	120,000	-	80,000	426,479
Training	8,289	20,200	20,469	20,000	3,332	32,000	200,000	-	60,000	364,290
Local Team Building	90	3,380	1,984	3,397	200	-	-	-	-	9,051
One Organisation	80,060	-	250	250	-	-	-	-	-	80,560
Redundancy payments	-	-	-	-	-	-	-	-	-	-
Bureau Fee	3,377	2,632	3,112	2,507	804	-	-	-	-	12,432
Total Staffing Costs	£ 1,890,683	£ 2,547,801	£ 2,421,627	£ 2,248,229	£ 505,786	£ 435,100	£ 536,000		£ 219,000	£ 10,804,226
Other Consultancy	52,430	2,500	3,600	2,932	440	-	22,000	-	42,000	125,902
HR Consultancy	15,384	20,000	13,968	16,752	350	-	5,000	-	-	71,454
Legal (Excluding Litigation)	21,260	50,000	36,000	39,000	-	-	6,000	-	6,000	158,260
Litigation	-	27,000	12,353	50,700	-	-	-	-	-	90,053
Internal & External Audit	87,525	-	-	-	-	-	-	-	-	87,525
Publicity & Information	96,619	-	-	-	-	868	-	-	25,000	122,487
Research & Consultancy	40,000	-	-	-	-	-	-	-	-	40,000
Total Professional Costs	£ 313,218	£ 99,500	£ 65,921	£ 109,384	£ 790	£ 868	£ 33,000		£ 73,000	£ 695,681
Capital Project	-	10,000	23,000	90,000	-	-	50,000	-	50,000	223,000
Legal & Estate Agents Fees	-	8,240	2,060	5,000	-	-	-	-	-	15,300
Rent, Rates, Service Charge & Building Ins	-	1,119,674	152,023	323,924	-	-	-	-	-	1,595,621
Planned Maintenance	-	9,453	14,147	21,565	-	-	-	-	-	45,165
Repairs & Maintenance	-	21,067	2,963	20,911	-	-	-	-	-	44,941
Gas, Water & Electricity	-	21,670	17,169	38,141	-	-	-	-	-	76,980
Health & Safety (Including Fire & Security)	578	12,086	6,738	9,665	-	-	-	-	-	29,067
Depreciation	17,652	37,731	16,180	26,411	75,319	-	-	-	-	173,293
Total Accommodation Costs	£ 18,230	£ 1,239,921	£ 234,280	£ 535,617	£ 75,319	-	£ 50,000		£ 50,000	£ 2,203,367
Postage	-	22,776	14,777	35,594	-	-	-	-	-	73,147
Bulk Postage	13,789	-	-	-	-	-	-	-	-	13,789
Office Stationery	200	25,771	12,333	25,689	-	-	12,000	-	-	75,993
Corporate Stationery	8,266	3,488	1,288	1,313	-	-	-	-	-	14,355
Library	3,357	27,052	4,224	10,000	-	-	-	-	-	44,633
PHSO Agency Service	-	21,700	-	-	-	-	-	-	-	21,700
Cleaning	-	23,885	25,377	21,880	-	-	-	-	-	71,142
General Stores	-	4,907	4,269	6,643	-	-	-	-	-	15,819
Insurance	33,881	-	-	-	-	-	-	-	-	33,881
Hospitality	524	-	-	250	-	-	-	-	-	774
Bank Charges	1,039	-	-	100	-	-	-	-	-	1,139
Computer Purchase	481,799	-	-	-	-	-	57,000	-	94,000	632,799
Telephone and data services	211,511	-	-	-	-	-	30,000	-	-	241,511
Facilities variable costs										-
Furniture & Equipment Purchase	1,000	500	1,325	7,688	-	-	15,000	-	-	25,513
Equipment Rental	-	15,632	10,635	11,100	-	-	-	-	-	37,367
Total Office Expenses	£ 755,366	£ 145,711	£ 74,228	£ 120,257	-	-	£ 114,000		£ 94,000	£ 1,303,562
Fieldwork Travel & Accommodation	500	4,569	14,596	15,284	110	-	-	-	-	35,059
Ombudsman Conference Meeting	-	-	-	-	-	-	-	-	-	-
Official Meeting	-	-	-	-	-	-	-	-	-	-
General Travel & Accommodation	27,645	11,752	43,185	39,310	713	-	-	-	-	122,605
Total Travel & Accommodation Costs	£ 28,145	£ 16,321	£ 57,781	£ 54,594	£ 823	-	-		-	£ 157,664
Total Expenses	£ 3,005,642	£ 4,049,254	£ 2,853,837	£ 3,068,081	£ 582,718	£ 435,968	£ 733,000		£ 436,000	£ 15,164,500
Inter team charges	(807,364)	(389,882)	229,398	173,142	136,707	246,000	181,000	-	231,000	-
Net Surplus / (Deficit)	£ 10,894,197	(£ 3,428,566)	(£ 3,012,831)	(£ 3,010,651)	(£ 719,425)	-	(£ 181,000)		(£ 231,000)	£ 310,725

Capital Premises Project

	£000s		£000s
<u>Main Programme 1</u>	297	<u>Main prog 2</u>	372
Supplement Coventry	50		50
London	<u>100</u>		<u>100</u>
	<u>447</u>		<u>522</u>
Budget available	<u>325</u>		<u>325</u>
Spent	15		15
Total shortfall	<u>137</u>		<u>212</u>
Funds	(485)		(485)
Potential funds available	<u>(348)</u>		<u>(273)</u>
ICT Budget bid	183		183
Communications bid	57		57
Pension's contribution	108		33
Total allocation	<u>348</u>		<u>273</u>