

Briefing Note – Corporate and Democratic Core Budgets 16/01/09

1. The Corporate & Democratic Core total budget is shown at £2,179,000 in the 2008/09 RA forms.
2. The population figure stated on the RA forms is 106,200 making the cost per head £20.52 showing a reduction of £4.60 on the cost per head 2007/08, shown on the Audit Commission VFM profile tool, as £25.12.
3. However the 2008/09 figure quoted in the RA forms was incorrect and the figure is actually £2,744,000, making the cost per head £25.83
4. The 2007/08 cost per head of £25.12 made us the 5th most expensive in our nearest neighbour group of 16 authorities. The most expensive in the group was South Ribble at £31.98 per head and the cheapest High Peak at £10.34 per head. The group average was £21.13.
5. A comparison exercise for 2008/09, using our revised figure of £2.744m and the figures from the RA forms submitted by all authorities but not yet in the VFM Profile tool, shows our position improving to 7th most expensive in our nearest neighbour group. The most expensive in the group at £30.42 per head is Lichfield and High Peak remains the cheapest at £9.01. The group average is £21.96 and South Ribble remains more expensive at £28.87 per head.
6. There are at least 40 individual cost centre budgets that comprise our Corporate & Democratic Core total estimate and it is uncertain that we are comparing “like with like” when we use the VFM profile tool or the RA forms to rank our position. It would be necessary to conduct a detailed benchmarking exercise with our Nearest Neighbours to achieve accurate comparisons.
7. The current estimate for 2008/09 is £2,643m (see Appendix 1) showing a downward trend of expenditure on the Corporate and Democratic core. Cost per head of the population is £24.89, a reduction of almost £1 per head on the original estimate. We are unable to rank our position as we do not have any information from other authorities.
8. Similarly the estimate for 2009/10 reflects this trend as, even taking into account inflation, the draft estimate for 2009/10 has been set at £2,710m, a cost per head of £25.52, less than the original estimate of £25.83 for 2008/09.
9. The intention in 2009/10 is to conduct a VFM review of support services, which includes services within the Corporate & Democratic Core, and this will lead to further analysis, comparison and investigation of best practice.
10. The table below shows the improving position of the council in respect of Corporate & Democratic core costs and nearest neighbour figures.

	2006/07- Profile tool	2007/08 – Profile tool	2008/09 corrected RA forms	2009/10 – draft estimate
Total Cost	£2,871,090	£2,604,944	£2,744,000	£2,710.000
Ranking	3 rd most exp.	5 th most exp	7th most exp	Not Available
Population	103,500	103,700	106,200 (RA)	106,200
Cost per head	£27.74	£25.12	£25.84	£25.52

Current estimate 2008/09 - £2,643,000

The current estimate of £2,643k is made up as follows (Chart 1) and the main reasons for the budgets are set out below:

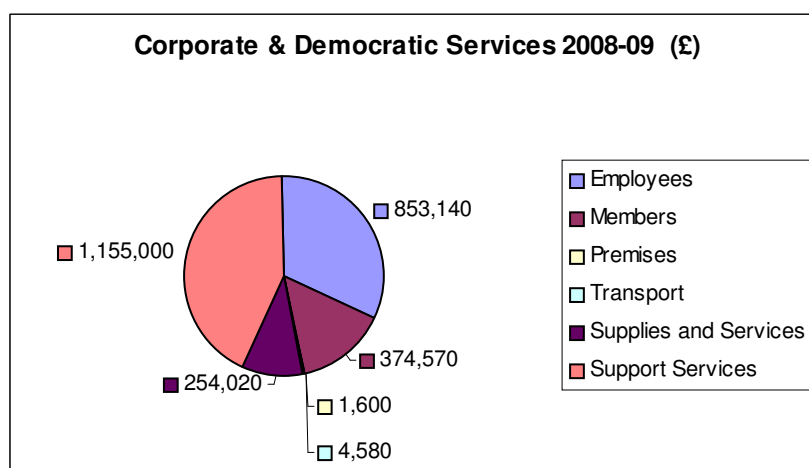


Chart 1

1. Support services make the largest charge into Corporate and Democratic services and the majority of this charge is made up by:

	£000's
• Accountancy -	376
• Civic Buildings Costs	221
• Office Support Services	134
• ICT and Central printing	<u>125</u>
	<u>856</u>

2. Employee costs are charged as follows

• Chief Executive's Office	235
• Democratic services	296
• Corporate Policy making	<u>322</u>
	<u>853</u>

3. Members related expenses at £375k are principally made up of Members allowances at £301k and general subscriptions at £24k
4. External audit at £94k is the largest single budget in the Supplies and Services area but bank charges and consultant's fees account for another £140k of the total expenditure.
5. It should be noted that not all Corporate Policy Making cost centres are included. In particular, the External Funding Officer and Communications budgets have not been treated as corporate costs.

Year on Year Amendments to Corporate and Democratic Core Costs

Chart 2 shows the breakdown of Corporate and Democratic Core budgets by cost centre

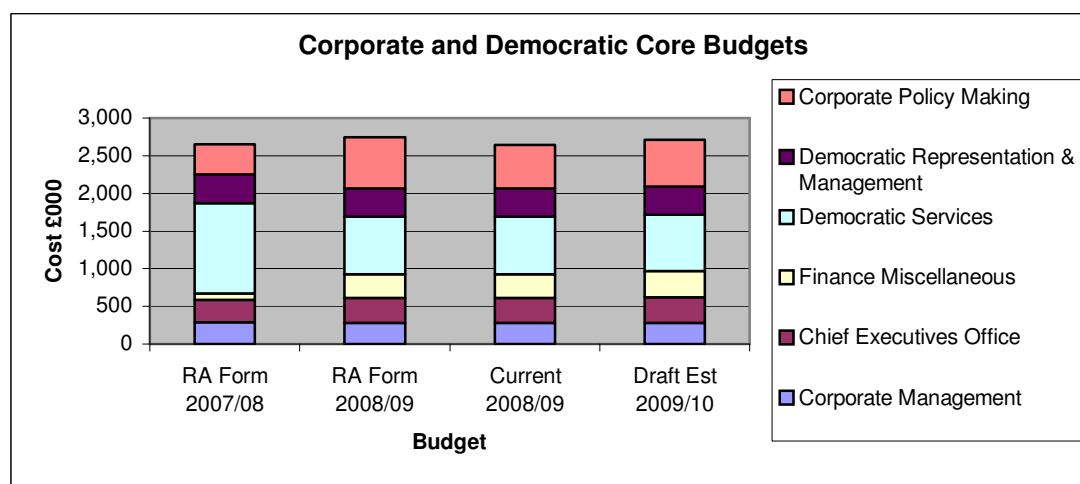


Chart 2

Although the overall budget remains at a fairly consistent level, despite the application of inflation to the 2008/09 and 2009/10 estimates, there have been movements between the budget areas particularly 2007/08 – 2008/09 e.g.:

- Following a review of recharges the charge to Finance Miscellaneous was increased. On the other hand the recharges to Democratic Services were reduced between 2007/08 and 2008/09.
- Generally recharges were reviewed at 2007/08 outturn and these changes have been reflected through to the 2008/09 and 2009/10 estimates.