
REPORT TO:	CORPORATE SCRUTINY COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	12TH SEPTEMBER 2005	CATEGORY: RECOMMENDED
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	OPEN
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	DOC: u/ks/spending analysis/analysis of spending
SUBJECT:	ANALYSIS OF COUNCIL SPENDING	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

1.1 That the analysis of Council spending is considered.

2.0 Purpose of Report

2.1 The report provides in pictorial form, an analysis of Council spending across its main service areas and in particular, how this is aligned and divided over the Council's current key aims as set out in its Corporate Plan.

2.2 It also provides some trend analysis of spending over these areas and compares spending with other authorities based on the Audit Commission's profile.

3.0 Detail

3.1 The analysis is contained in several (numbered) charts and tables that are attached. They are arranged as follows:

Chart No.	Showing
1	Net spending (revenue and capital) on council priorities 2002/03 to 2004/05 (the last 3 years) and shows how spending has changed against each of the priorities over this time.
2	The percentage split of net spending across priorities for 2004/05.
3 to 12	A breakdown of Chart 2 detailing each priority.
13	A summary of net spending per head of population compared to the Council's "nearest neighbours" for 2003/04.
14 to 23	A breakdown of Chart 13 detailing each main service area.

Council Spending by Priorities

- 3.2 All council budgets have as far as possible been aligned to a council priority. Charts 5, 10 and 11 show corporate, other and statutory costs and are those services that do not directly fit into any of the priorities.
- 3.3 No data is shown against "improving services" (mainly Customer Services and Policy) as these are fully charged out to users of those services. Consequently, the costs are part of the net expenditure associated with all other services.
- 3.4 Net expenditure (i.e. revenue costs less fees, charges and external contributions) has been used, as this is the level that the Audit Commission are using for their forthcoming Value for Money Assessments.

Some Broad Observations

- 3.5 Net Council spending (excluding debt charges) increased from £12.7m in 2002/03 to £15.7m in 2004/05 (£3m – almost 25%), split approximately 50/50 between revenue and capital. This is analysed in the following table, together with the main areas that have seen a more significant change in income and expenditure.

Priority/Service	Change £'000	Broad Areas Changing
The Environment	+505	<ul style="list-style-type: none"> £400k additional spending on waste collection, recycling and composting.
Leadership	+630	<ul style="list-style-type: none"> 200k - Community Partnership Scheme. 110k – Voluntary Organisations. 190k – Democratic Representation.
Corporate Costs	+920	<ul style="list-style-type: none"> £600k one-off capital costs associated with implementing new I.T. systems. Capital expenditure on property £100k.
Crime & Disorder	+116	<ul style="list-style-type: none"> Various initiatives stemming from the Crime and Disorder Partnership Note that gross revenue expenditure has doubled from £1/4m in 02/03 to £1/2m in 04/05,
Econ. Development	-79	<ul style="list-style-type: none"> Additional income from the property portfolio (commercial and industrial properties).
Housing	+515	<ul style="list-style-type: none"> £190k additional capital expenditure on Council Houses. £80k additional spending on condition and renovation in private sector.

		<ul style="list-style-type: none"> £230k additional resources in the HRA for repairs and management.
Leisure	+303	<ul style="list-style-type: none"> Increased spending (mainly capital) on parks and leisure facilities.
Other	-39	<ul style="list-style-type: none"> Additional income on chargeable services such as pest/dog control and hire of facilities.
Statutory Services	-398	<ul style="list-style-type: none"> Additional income and subsidy for administering benefits and council tax collection.
National Forest	+552	<ul style="list-style-type: none"> Spending at Rosliston Forestry Centre, in particular supply of visitor accommodation.
TOTAL CHANGE	+3,025	

Comparisons with Other Authorities

- 3.6 Charts 13 to 23 are based on information taken from the Audit Commission's benchmarking data. As highlighted earlier, this will be used as part of the forthcoming Value for Money Assessments. The 15 other authorities the Council is compared against, is the AC's categorisation.
- 3.7 These authorities are considered to be our "nearest neighbours," not necessarily because we share borders, but because they have broadly similar:
- Populations.
 - Urban/Rural characteristics.
 - Social infrastructures.
 - Local issues, etc.
- 3.8 The data is based on 2003/04 audited actual figures and includes net revenue expenditure only (i.e. excluding capital spending).
- 3.9 As regards the comparisons with other authorities, Chart 13 shows that the Council is fairly low down based on net spending per head of population (6th lowest out of 16). This is borne out in Charts 14 to 23, where except for 1 or 2 categories, the Council's services are in the lower half for net spending.
- 3.10 The categorisation is different to the classification used above for the Council's priorities, but is in line with Government returns and the AC profile.

