Appendix 3. Corporate Overheads.

1. All council services attract overheads. These are the costs associated with providing the infrastructure within which the services operate. Schools have similar costs, those associated with providing the environment within which education and learning take place. The Consistent Financial Reporting (CFR) returns for 2012-13 shows that some 12.6% of school expenditure was on costs that could be deemed as overheads to the main task of educating pupils. In schools particular emphasis will be on occupational costs; such costs will apply to council services but in these there will be a higher emphasis on information technology and communication costs as much of the work of council officers will involve substantial use of computer systems and data and communication with external bodies.

2. In previous reports overheads have been presented as lump sums within the blocks, with the increasing emphasis on schools as commissioners and the planned delegation of funding to schools in future these will be attributed to individual services and will be added to the sums to be delegated.

3. With the cuts in central services the quantum of overheads attributed to the Dedicated Schools Grant has fallen. The support services funded through this charge are:

3.1. Professional Support Services.

- Finance. For centrally retained services the cost of providing for finance support in the receipt of income, payment of accounts including commissioning and recoupment arrangements, maintenance of records, insurance arrangements, audit arrangements, treasury management etc.
- Human Resources. This covers personnel and payroll support and administration.
- Corporate Procurement. The placing of orders and contracts including.
- Performance, training and customer services.

3.2. Information and Communication Technology. This forms a significantly larger element of council overheads than schools as much work is performed using computer systems. The recharge will cover all licensing arrangements support and help desks, data management, developments, the use of web based arrangements, communication systems, training and the mainframe systems used for finance and HR management and control.

3.3. Property Services. As in schools the council has to cover the costs of the property it uses, including rentals, NNDR, utility costs, premises based staff, day to day running costs. This will be a smaller proportion of the

total than in schools, which occupy relatively smaller sites compared to staff numbers.