

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
6 NOVEMBER 2007**

COMMUNITY SERVICES STEWARDSHIP TO 30 SEPTEMBER 2007

1. PURPOSE OF REPORT

- 1.1 This report advises Members of any major differences by management unit to the revised budget.

2. STEWARDSHIP TO 30 SEPTEMBER 2007

- 2.1 Following changes in the revenue accounting requirements for fixed assets, the Chartered Institute of Public Finance and Accountancy (CIPFA) have specified that 'deferred contributions' must be released to service revenue accounts. Deferred contributions are government grants and external contributions received in respect of fixed assets. In order that this adjustment does not impact on the level of Council Tax, it is required that the value of deferred contributions released to revenue accounts are reversed out when accounting for total service cost.
- 2.2 The current forecast suggests, after adjusting for approved additional expenditure of £32,550, reductions of capital charges of £44,703, deferred AIM expenditure of £58,300, net movements to reserves of £10,517, and revenue contributions to capital of £20,000, that net expenditure for this committee will increase from the revised budget by a total of £75,369, which represents a variation of 0.5% from the revised budget.
- 2.3 The main variations by management unit are detailed below:

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|-----------------------------------|------------|
| | £ |
| 2007-2008 REVISED ESTIMATE | 14,463,360 |

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| 1A1 ENVIRONMENTAL PROTECTION | (17,970) |
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Expenditure on abandoned cars is expected to be less than the budget. Additional income in respect of litter fines and funding from the Department of Health offset the cost of extending the contracts of the three litter enforcement officers for the whole of the financial year. Recruitment costs have been incurred, partially offset by savings from staff vacancies in the Community Patrollers service. NNDR (National Non-Domestic Rates) for the CCTV Control Room are expected to be less than the budget.

1A2 CLEANSING SERVICES (25,020)

Income from the Garden waste service has exceeded the budget. The cost of utilities in Public Conveniences is expected to be less than the budget as a result of energy and water saving improvements made.

Part of the resulting saving will be used to make a revenue contribution to capital in respect of the refurbishment of a public convenience.

Capital charges are £1,183 less than estimated.

1A3 LICENSING, FOOD, HEALTH & SAFETY (32,100)

Income from premises licences is expected to be less than the budget; this is offset by savings from staff vacancies.

Income from taxi licensing is expected to exceed the budget, and this will be placed in an earmarked reserve at the end of the year.

Capital charges are £1,124 less than estimated

1A4 TECHNICAL AND AGENDA 21 3,580

Recharges to other units will be less than estimated.

Capital charges are £2,893 less than estimated

1A5 WATERWAYS & COUNTRYSIDE 28,960

Expenditure on the purchase of a new buoy will mean the budget will be exceeded; a need to cover long-term sickness has resulted in additional staffing costs.

Costs have arisen as a result of the new harbour authority; these costs will be funded from reserves as approved by Executive in June 2003.

Fleet costs are expected to exceed the budget as a result of an accident.

Additional costs will arise for the removal of silt, but these will be mainly offset by contributions from partners.

Action Plan

- Savings have been identified elsewhere in the service to cover the cost of the new buoy.

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| 1A6 | GROUNDS MAINTENANCE | 31,120 |
| | There have been additional costs incurred as a result of the activities of illegal campers. | |
| | Additional costs are expected to arise as a result of vandalism in play areas. | |
| | Capital charges are £16,540 less than estimated. | |
| | Action Plan | |
| | <ul style="list-style-type: none"> • The cost of dealing with illegal camping escalated in 2006/07 and a review was undertaken of the management of the problem. The new procedures have led to a reduction in cost in 2007/08, but the estimate has proved insufficient. Prior to the setting of the budget for 2008/09, an assessment of the current procedures will be undertaken, and, if necessary, an increased budget will be set. | |
| 1A7 | MUSEUMS SERVICE | (48,290) |
| | Savings on utility costs are anticipated, while NNDR is expected to exceed the budget. Additional rental income is expected. | |
| | AIM costs are expected to be £44,200 less than budgeted, and this will be carried forward to 2008/09. | |
| 1A8 | CONTRACTED SPORTS FACILITIES | 2,210 |
| | Additional costs have arisen in respect of NNDR. | |
| | Capital charges are £8,035 less than estimated. | |
| 1A9 | NON-CONTRACTED SPORTS FACILITIES | 36,700 |
| | Rental income in respect of Clifton Hill Golf driving range is expected to exceed the budget. | |
| | The replacement of the bowls carpet at the ISCA centre has resulted in additional expenditure; however these costs will be funded from an earmarked reserve. | |
| | Capital charges are £16,540 less than estimated. | |

| | | |
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| 1B2 | CEMETERIES & CREMATORIUM | 7,990 |
| | Expenditure on NNDR and burial expenses is expected to exceed the budget. | |
| | The operational activities are expected to exceed their budget (see trading account). | |
| | Action Plan | |
| | <ul style="list-style-type: none"> • An appeal against the increased rateable value is under consideration. • The burial expenses arise as a result of undertaking a statutory duty and the nature of the service makes it difficult to set an accurate budget. Efforts will be made to recover costs wherever possible, and the budget for 2008/09 will be reviewed if necessary. • A service review is taking place, which will include the level of charges and operational resources. | |
| 1B3 | PROPERTIES | 4,030 |
| | Essential repairs at one of the properties have resulted in additional expenditure. This has been approved under delegated powers. | |
| | Additional income has been received from Community Associations. | |
| 1B5 | COMMUNITY OUTREACH | 360 |
| | The Splash Scheme is expected to exceed the budget, however this overspend will be funded from an earmarked reserve. | |
| | The revised Leisurecard agreement has resulted in additional income. | |
| 1B6 | RECYCLING | (143,860) |
| | Income from the sale of materials and associated recycling credits is expected to exceed the budget due to increased throughput and the current high level of prices available from merchants. Additional expenditure on staff partially offsets this. | |
| | Additional expenditure on enforcement has arisen, but this is offset by grant income and the additional income from materials. | |
| | Capital charges are £13,489 less than estimated. | |

1C2 ADVISORY SERVICES

174,450

Repair costs in respect of Private Sector Leased properties hand backs are expected to exceed the budget. The budget for Housing Benefits income was over stated in respect of Private Sector Leasing properties, and staffing costs generally are also expected to exceed the budget due to the need to cover long-term sickness.

Savings are anticipated on contracted temporary accommodation costs.

Action Plan

- Amend 2008/09 estimate in respect of Housing Benefits income
- Undertake monthly budget monitoring meetings to improve overall control and identify any potential overspend early.
- Take management action to reduce overspend where possible
- Reduce the number of Private Sector Leased property handbacks

1C3 HOUSING PARTNERSHIP

(29,120)

Income will exceed the budget due to the recovery of Private Sector Renewal grants; however this additional income will be transferred to an earmarked reserve at year-end.

Other costs in respect of Extralet are anticipated to exceed the budget.

£50,590 will be transferred into an earmarked reserve.

1C4 PRIVATE SECTOR HOUSING

(18,640)

A shortfall in income from the licensing of houses in multiple occupation is anticipated. Savings on staffing costs partially offset this.

Improvement grants repaid during the year which are less than £10,000 have been credited to this account as they fall below the de minimis level for capital receipts.

Action Plan

The 2008/09 estimate will be amended to reflect these items.

1C6 CONTRACTS AND DIRECT SERVICES

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The costs of this unit are fully recharged to their clients, and there is therefore no direct impact on this Committee. However, the attached trading accounts show a material deficit for the period, and an action plan is therefore appropriate.

Action Plan

- A deficit has arisen and the Head of Service, BEST manager and Treasury are urgently investigating this.
- If the deficit cannot be fully reversed within the current financial year, the deficit will be allocated on an equitable basis between the clients who have used BEST's services during the year.

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| 2007-2008 EXPECTED FINAL OUTTURN | 14,437,760 |
| DEFERRED CONTRIBUTIONS | 147,750 |
| EXPECTED TRANSFERS TO / FROM RESERVES | 10,517 |
| AIM BUDGETS TO BE CARRIED FORWARD | 58,300 |
| EXPECTED REVENUE CONTRIBUTIONS TO CAPITAL | 20,000 |
| EXPECTED TOTAL NET EXPENDITURE | <u>14,674,327</u> |

3. RECOMMENDED

That Scrutiny Committee – Community note this report.

DIRECTOR OF COMMUNITY
AND ENVIRONMENT

HEAD OF TREASURY SERVICES

S:LP/Committee/1107SCC6
25.10.07

**COMMUNITY AND ENVIRONMENT DIRECTORATE
CORPORATE SERVICES DIRECTORATE**

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report

None