

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 4 MARCH 2008

COMMUNITY SERVICES STEWARDSHIP TO 31 DECEMBER 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 31 DECEMBER 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 £92,000, net movements to reserves of £124,640, and revenue contributions to capital of £20,000, that net expenditure for this committee will decrease from the revised budget by a total of £67,310 which represents a variation of 0.5% from the revised budget.

- 2.3 The main variations by management unit are detailed below:

	£
2007-2008 REVISED ESTIMATE	14,463,360

1A1 ENVIRONMENTAL PROTECTION	(44,780)
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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 will more than offset the cost of extending the contracts of the three litter enforcement officers for the whole of the financial year. Staff vacancies in the Community Patrol service have led to reduced costs, partly offset by additional recruitment costs. NNDR (National Non-Domestic Rates) for the CCTV Control Room are expected to be less than the budget. The cost of maintaining CCTV cameras is expected to be less than the budget. A refund has been received in respect of service charges for at the Control Room for 2005/06.

- 1A2 CLEANSING SERVICES** (37,200)
Income from the garden waste service has exceeded the budget (see attached trading account). The cost of utilities in public conveniences is expected to be less than the budget.
- 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 £1,304 less than estimated.
- 1A3 LICENSING, FOOD, HEALTH & SAFETY** (41,350)
Staffing costs are expected to be less than the budget as a result of vacancies, partially offset by the cost of agency staff.
- Income from premises and taxi licensing is expected to exceed the budget.
- Capital charges are £1,124 less than estimated
- 1A4 TECHNICAL AND AGENDA 21** 10,190
Recharges to other units and income from an external contract will be less than estimated. Costs in connection with the Climate Change strategy are expected to exceed the budget.
- Capital charges are £2,893 less than estimated
- 1A5 WATERWAYS & COUNTRYSIDE** 3,020
Long-term sickness has resulted in additional staffing costs partially offset by additional license income.
- Costs have arisen as a result of work towards the new harbour authority; these costs will be funded from general reserves as approved by Executive in June 2003.
- Fleet costs are expected to exceed the budget as a result of an accident.
- Capital charges are £1,256 less than estimated.

1A6	GROUNDS MAINTENANCE	(16,600)
	There have been additional costs incurred as a result of the activities of illegal campers.	
	Additional costs have arisen as a result of vandalism in play areas.	
	An underspend is expected to arise in respect of the tree management project; this will be added to the earmarked reserve to enable the project to be completed in future years.	
	An underspend will also arise as a result of a decision not to recruit apprentices in this service until issues with the existing scheme within the Building and Electrical Service Team had been resolved. It is proposed to request a supplementary budget in 2008/09 to enable the project to commence in that year.	
	AIM costs are expected to be £6,500 less than budgeted, and a supplementary budget of £5,000 will be requested for 2008/09 to enable outstanding work to be completed.	
	Capital charges are £16,541 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, although still in excess of the budget. The revised procedures will however be in place for the whole of 2008/09 and the budget for that year has therefore not been increased. 	
1A7	MUSEUMS SERVICE	(46,950)
	Savings on utility costs and staffing costs are anticipated, while NNDR is expected to exceed the budget. Additional rental income is expected.	
	AIM costs are expected to be £37,700 less than budgeted, and a supplementary budget of £45,000 will be requested for 2008/09 to enable outstanding work to be completed.	
1A8	CONTRACTED SPORTS FACILITIES	(5,720)
	Additional costs have arisen in respect of NNDR.	
	Capital charges are £8,036 less than estimated.	
1A9	OTHER SPORTS FACILITIES	40,810
	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 this will be funded from an earmarked reserve.	

1B2	CEMETERIES & CREMATORIUM Expenditure on NNDR exceeds the budget.	(48,740)
	AIM costs are expected to be £54,600 less than budgeted, and a supplementary budget of £42,000 will be requested for 2008/09 to enable outstanding work to be completed.	
	A deficit is expected to arise on the trading account (see attached)	
1B3	PROPERTIES Essential repairs at one of the properties have resulted in additional expenditure. This has been approved under delegated powers.	4,030
	Additional income has been received from community associations.	
1B5	COMMUNITY OUTREACH The Splash Scheme is expected to exceed the budget, however this overspend will be funded from an earmarked reserve.	(3,970)
	The revised Leisurecard agreement has resulted in additional income.	
1B6	RECYCLING 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.	(181,680)
	Additional expenditure on education and enforcement has arisen, offset by grant income and the additional income from materials.	
	Capital charges are £13,489 less than estimated.	
	Action Plan	
	<ul style="list-style-type: none"> • The estimate for 2008/09 has been adjusted to allow for increased income levels. 	
1B9	ADMINISTRATION SERVICE A review of the service has led to reduced staffing costs. Savings on supplies and services are expected to arise. The saving in this unit will be refunded to other services in this directorate at the end of the financial year.	(5,020)
1C1	HOME AID A saving is expected in respect of the Devon care and repair contract. The saving will be used to make a Revenue Contribution to Capital Outlay for Housing.	(23,000)

1C2 ADVISORY SERVICES

98,300

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.

Savings are anticipated on advertising, printing and employee costs in respect of the Home Choice scheme; additional income has been received in respect of the choice based lettings regional bid, this income will be transferred to a revenue reserve at year-end.

Action Plan

- 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
- The 2008/09 estimate in respect of housing benefits income has been amended

1C3 HOUSING PARTNERSHIP

(750)

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.

Housing Market Assessment Survey costs will be funded from an earmarked reserve.

Costs in respect of the Empty Homes Partnership are expected to exceed the budget, however the additional costs will be transferred from an earmarked reserve.

£20,180 will be transferred into an earmarked reserve.

1C4 PRIVATE SECTOR HOUSING

(27,540)

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 reflects 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. The deficit currently represents approximately 1.7% of turnover, which is less than that reported in September 2007, and it is expected that measures taken to reduce overhead costs will continue to have a positive effect.

2007-2008 EXPECTED FINAL OUTTURN

14,136,410

DEFERRED CONTRIBUTIONS

147,750

EXPECTED TRANSFERS TO / FROM RESERVES

124,640

AIM BUDGETS TO BE CARRIED FORWARD

92,000

EXPECTED REVENUE CONTRIBUTIONS TO

CAPITAL

43,000

EXPECTED TOTAL NET EXPENDITURE

14,543,800

3. RECOMMENDED

That Scrutiny Committee – Community note this report.

DIRECTOR OF COMMUNITY
AND ENVIRONMENT

HEAD OF TREASURY SERVICES

S:LP/Committee/308SCC8
21.2.08

**COMMUNITY AND ENVIRONMENT DIRECTORATE
CORPORATE SERVICES DIRECTORATE**

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

None