

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY

3 JUNE 2008

REVENUE FINAL ACCOUNTS 2007-2008

1. PURPOSE OF REPORT

- 1.1 To advise Members of the overall financial performance of the Community and Environment Directorate for the 2007-2008 financial year ended 31 March 2008.

2. GENERAL FUND (Appendix A)

- 2.1 During the course of the financial year ending 31 March 2008, regular reports were made to this committee on the estimated revenue outturn.
- 2.2 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.
- 2.3 A technical adjustment to the accounts for pension contributions (FRS17) has been made in line with required accounting practice. This amendment is reversed out to show the actual cost to the Council and therefore has no impact on the Council Tax. The treatment is similar to the way we account for capital charges.
- 2.4 A further technical adjustment has been made in respect of Deferred Charges. The government allows councils to treat some revenue expenditure as capital expenditure e.g. grants to Housing Associations, grants to improve or develop assets owned by others (science park contributions and enhancements to city centre) This expenditure must be shown in the revenue accounts for the year but it is financed by the use of capital receipts or borrowing and therefore these charges are removed from the net cost of services to ensure that they do not impact on the Council Tax requirement
- 2.5 The total variances of £181,409 have reduced the overall net expenditure for this committee, after movements to and from earmarked reserves, to £14,429,701, which represents a decrease of 1.2% from the original gross budget.

The main variations are detailed below by management unit:

1A1 ENVIRONMENTAL PROTECTION**(57,106)**

Expenditure on abandoned cars was less than the budget. Additional income in respect of litter fines and funding from the Department of Health was received, offsetting 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 led to reduced expenditure, partly offset by additional recruitment costs. NNDR (National Non-Domestic Rates) for the CCTV Control Room were less than the budget. The cost of maintaining CCTV cameras and data line rental was less than the budget. A refund was received in respect of service charges for at the Control Room relating to 2005/06.

The recharge from Legal Services exceeded the budget as a result of the additional work on pursuing unpaid litter fines.

1A2 CLEANSING SERVICES**(22,336)**

There was a net underspend on the operational services (see attached trading account). The cost of utilities in public conveniences was less than the budget.

These savings were partially offset by increased recharges from IT Services and AIM (Asset Improvement and Maintenance).

Part of the resulting saving will be used to make a Revenue Contribution to Capital Outlay (RCCO) in respect of the refurbishment of a public convenience.

Capital charges are less than estimated.

1A3 LICENSING, FOOD, HEALTH & SAFETY**(100,385)**

Staffing costs were less than the budget as a result of vacancies, partially offset by the cost of agency staff. The recharge from Legal Services was less than the estimate.

Income from premises and taxi licensing exceeded the budget.

Capital charges are less than estimated

1A4 TECHNICAL & AGENDA 21**(8,728)**

Income from an external contract exceeded the budget. The cost of maintaining monitoring equipment and software was less than the budget.

Recharges to other units were less than estimated. Costs in connection with the Climate Change strategy exceeded the budget.

Capital charges are less than estimated

1A5 WATERWAYS & COUNTRYSIDE**(26,773)**

Long-term sickness has resulted in additional staffing costs partially offset by additional income from boat licenses and boat storage charges.

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.

The costs recharged from AIM were less than the budget, and a supplementary budget will be requested for 2008/09 to enable outstanding work to be completed.

Fleet costs exceeded the budget as a result of an accident.

Capital charges are less than estimated.

1A6 GROUNDS MAINTENANCE**23,766**

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 and works undertaken in allotments.

The cost of tree management and maintaining unadopted land exceeded the budget, and these additional costs will be funded from earmarked reserves.

An underspend arose on the operational account, partly 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. The 2008/09 budget included this cost to enable the project to commence in the current year. (See attached account)

AIM costs are less than budgeted, and a supplementary budget will be requested for 2008/09 to enable outstanding work to be completed.

Capital charges are less than estimated.

1A7 MUSEUMS SERVICE**(207,757)**

There are significant variances on this budget because of the closure of the museum part way through the year and the consequent changes to the way we provided services.

Expenditure on staffing costs is less than the budget, Salary on costs in respect of National Insurance, Superannuation and enhancements are less than the budget.

Premises maintenance costs in respect of the museum are less than the budget, as are premises insurance and transport costs.

Equipment rental and maintenance costs are less than the budget; savings have also been made on curatorial materials, display expenses and other supplies and services budgets.

The support service recharges in respect of IT maintenance, Community Outreach Management and legal costs are less than the budget; A saving has also been made on copy centre charges.

Part of the Renaissance grant in respect of the refurbishment of the Museum is to be used to fund an RCCO, thus reducing revenue expenditure in this unit.

AIM costs are less than budgeted, and a supplementary budget will be requested for 2008/09 to enable outstanding work to be completed.

Additional rental income has been received.

NNDR costs have exceeded the budget.

Action Plan

The budget for this service has been completely revised for the 2008/9 financial year to reflect the very different service being provided during the period that RAMM is closed for refurbishment.

1A8 CONTRACTED SPORTS FACILITIES**(29,487)**

AIM recharges and utility costs were less than the budget.

The cost of the Swim for Free initiative was less than the budget, and a supplementary budget will be requested in 2008/09 to enable a survey to be undertaken to assess its impact.

Additional costs have arisen in respect of NNDR and legal fees; these costs have been partially offset by a saving on the Leisure facilities contingency budget.

Capital charges are less than estimated.

1A9 OTHER SPORTS FACILITIES**45,139**

The replacement of the bowls carpet at the ISCA centre has resulted in additional expenditure; however this will be funded from an earmarked reserve.

Rental income in respect of Clifton Hill Golf driving range exceeded the budget; this has been offset by additional legal costs incurred due to the re-negotiation of the lease.

1B2 CEMETERIES & CREMATORIUM (65,235)

AIM costs are less than budgeted, and a supplementary budget will be requested for 2008/09 to enable outstanding work to be completed.

Expenditure on plot improvements was less than the budget. A saving arose as a result of reduced software maintenance costs.

A deficit arose on the trading account (see attached). Income from burials was less than the budget.

1B3 PROPERTIES (6,502)

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.

AIM costs are less than budgeted, and a supplementary budget will be requested for 2008/09 to enable outstanding work to be completed.

1B5 COMMUNITY OUTREACH (9,148)

The cost of the Splash Scheme exceeded the budget; this will be funded from an earmarked reserve.

The revised Leisurecard agreement has resulted in additional income.

1B6 RECYCLING (175,355)

Income from the sale of materials and associated recycling credits exceeded the budget due to increased throughput and the current high level of prices available from merchants. Additional expenditure on staff partially offsets this. (See attached trading account)

Part of the additional income was spent on increased education and enforcement measures.

Capital charges are less than estimated.

Action Plan

The estimate for 2008/09 has been adjusted to allow for increased income levels.

1B9 ADMINISTRATION SERVICE 0

A review of the service led to reduced staffing costs. Savings arose on supplies and. The net saving in this unit has been refunded to other services in this directorate.

1C1 HOME AID (29,971)

A saving has arisen in respect of the Devon Care and Repair contract. The saving will be used to make an RCCO for Housing.

1C2 ADVISORY SERVICES 397,604

Expenditure on handing back private sector leased properties has resulted in the budget being exceeded.

Housing benefits income in respect of private sector leased properties and other forms of temporary accommodation was less than the budget due to the original budget being over stated.

Staffing costs have exceeded the budget due to the need to cover long-term sickness.

The use of bed and breakfast accommodation to meet homelessness demand has resulted in expenditure exceeding the original budget.

Savings have been made on advertising, printing and employee cost in respect of the Home Choice scheme.

Recharges from Legal Services exceeded the budget.

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 68,397

Income exceeded the budget due to the recovery of private sector renewal grants; this additional income will be transferred to an earmarked reserve.

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 exceeded the budget; a transfer from an earmarked reserve will fund this.

1C4 PRIVATE SECTOR HOUSING**(77,471)**

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

Improvement grants repaid during the year that 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 estimates reflect these items.

1C5 SUNDRY LANDS MAINTENANCE**0**

No variances arose in this service.

1C6 CONTRACT & BUILDING & ELECTRICAL SERVICES**0**

The results for the Building and Electrical Service Team are shown in the attached trading account.

Employee costs in the Contracts Unit exceeded the budget as a result of staff vacancies being covered by agency staff. There was a saving in the Unit in respect of the cost of digital archiving.

The costs of this unit are fully recharged to their clients, and there is therefore no direct impact on this committee.

1C7 DIRECTOR COMMUNITY/ENVIRONMENT**0**

No material variances arose in this unit.

2007-2008 FINAL OUTTURN**15,056,152****2007-2008 FINAL OUTTURN AFTER MOVEMENTS TO / FROM RESERVES AND REVENUE CONTRIBUTIONS TO CAPITAL****14,429,701****3 RECOMMENDED**

That the Scrutiny Committee – Community note this report.

DIRECTOR CORPORATE SERVICES

DIRECTOR COMMUNITY &
ENVIRONMENTS:LP/Committee/308SCC9
22.5.08CORPORATE SERVICES DIRECTORATE
COMMUNITY AND ENVIRONMENT DIRECTORATE**Local Government (Access to Information) Act 1985 (as amended)**
Background papers used in compiling this report:

None