

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY

5 JUNE 2007

REVENUE FINAL ACCOUNTS 2006-2007

1. PURPOSE OF REPORT

- 1.1 To advise Members of the overall financial performance of the Community and Environment Directorate for the 2006-2007 financial year ended 31 March 2007.

2. GENERAL FUND (Appendix A)

- 2.1 During the course of the financial year ending 31 March 2007, regular reports were made to this committee on the estimated revenue outturn.
- 2.2 Changes introduced by the 2006 Statement of Recommended Practice (SORP) (published in July 2006) resulted in the removal of notional interest from the capital charges in the 2006/07 accounts. In overall terms there has been a 'saving' of £1,492,000 to this Scrutiny Committee, however this saving is a 'book entry' only and does not represent a reduction in real cost and therefore has no impact on the level of Council Tax requirement.
- 2.3 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.
- 2.4 The total variances of £732,118 have reduced the overall net expenditure for this committee, after movements to and from earmarked reserves, to £12,974,176, which represents a decrease of 4% from the original gross budget.
- 2.5 The main variations are detailed below by management unit:

2006-2007 REVISED ANNUAL BUDGET

13,512,170

1A1 ENVIRONMENTAL PROTECTION

(81,822)

A saving arose from the late recruitment of the litter enforcement officers. This, together with income from fines imposed by the officers and money received from the Department of Health to implement the smoke free legislation has been used to fund an extension of the service into 2008-09.

Savings arose as the result of a reduction in the number of abandoned cars leading to reduced costs.

Additional expenditure has arisen as a result of the campaign to raise awareness of the problems of dog fouling.

AIM recharges exceeded the original estimate, while capital charges were less than the estimate. A deferred contribution was received in respect of the CCTV Control Room (see 2.3 above).

Support services were less than the budget.

1A2 CLEANSING SERVICES

(54,731)

Notional depreciation charges were less than the budgets as a result of a delay in buying two refuse collection vehicles. AIM recharges in respect of the office accommodation were higher than estimated. However, AIM recharges for work on public conveniences were less than the budgets, and a supplementary budget will therefore be requested for 2007/08 in order to enable the outstanding works to be completed.

The trading account showed a surplus. Expenditure on domestic refuse collection and cleaning of public conveniences was less than the budget, and this was partially offset by a reduction in income from Trade Refuse and increased expenditure on street cleansing (see separate account attached).

Expenditure on utility costs in public conveniences was less than the budget.

1A3 LICENSING, FOOD, HEALTH & SAFETY

(148,610)

Employee costs were less than the budget as a result of the approved restructure of the licensing section, maternity leave and staff vacancies.

Income from licences exceeded the budget. Income from taxi licensing exceeded expenditure in 2006/07, and the surplus will be placed in an earmarked reserve to fund additional planned expenditure on this service in 2007/08.

1A4 TECHNICAL & AGENDA 21 (31,304)

A vacant post resulted in savings in pay costs. Additional income was derived from the contract for managing an air quality monitoring station on behalf of the government following the extension of the contract.

The Agenda 21 budget was not fully utilised, and a supplementary budget will be requested in 2007-08 to enable work on Climate Change to be undertaken.

1A5 WATERWAYS & COUNTRYSIDE (107)

Additional income has arisen from canal licences, but there have been additional costs incurred as a result of the activities of illegal campers and travellers.

An overspend on maintenance costs in respect of the canal has been offset by a reduced AIM charge.

A vacant post within the management unit has resulted in a saving on employment costs.

Vehicles and support services costs for the year were less than budgeted.

Additional funding has been authorised in respect of the new harbour authority (Executive 28 March 2006), which has increased the expenditure for this unit.

1A6 GROUNDS MAINTENANCE (60,941)

Additional costs were incurred as a result of the activities of illegal campers and travellers. As a result of the ongoing need to remove illegal campers from city council land a budget and revised protocol has been identified for 2007/2008 which will limit the potential for an overspend.

The cost of water throughout the service has exceeded the budget as a result of the dry summer.

A provision for a potential public liability insurance excess was not required, leading to a saving.

Relocation costs arose as a result of the appointment of the arboricultural officer. The budget for tree management was not spent in full, and it is proposed to add the balance to the earmarked reserve to be spent when required.

AIM recharges for work on children's play areas were less than the budgets, and a supplementary budget will therefore be requested for 2007/08 in order to enable the outstanding works to be completed.

A deferred contribution was received in respect of children's play areas (see 2.3 above).

A surplus arose in the trading account mainly as a result of external works and rechargeable works undertaken by the unit (see separate account attached).

1A7 MUSEUMS SERVICE (165,602)

Costs arising from the relocation of staff and storage facilities have exceeded the budgets.

This is partially offset by employment costs being less than budgeted due to savings on national insurance, superannuation, overtime, enhancements. AIM recharges for work on the RAMM and Rougemont House were less than the budgets, and a supplementary budget will therefore be requested for 2007/08 in order to enable the outstanding works to be completed. In addition, works required on the water supply at the Royal Albert Memorial Museum have been deferred, and the funding for this will be moved into an earmarked reserve.

A deferred contribution was received in respect of the Royal Albert Memorial Museum (see 2.3 above).

Support services costs were less than budgeted.

1A8 SPORTS FACILITIES DEFINED 1,470

Additional costs have arisen in respect of NNDR (National Non-Domestic Rates) and trade refuse. AIM recharges for work on Exeter Arena were less than the budgets, and a supplementary budget will therefore be requested for 2007/08 in order to enable the outstanding works to be completed.

1A9 SPORTS FACILITIES NON DEFINED (7,789)

There has been a saving on NNDR due to a reduction in the rateable value at one of the properties; support service costs are less than budgeted.

These savings have been partially offset by a shortfall of rental income at one of the sites.

1B2 CEMETERIES & CREMATORIUM (153,897)

AIM recharges for work on chapels and walls in cemeteries were less than the budgets, and a supplementary budget will therefore be requested for 2007/08 in order to enable the outstanding works to be completed.

Additional costs have arisen in respect of notional depreciation and NNDR, and also the cost of refurbishing the Lodge at Topsham cemetery.

Income from burials was less than the budget.

A deficit arose in the operational accounts (see separate account attached).

1B3 PROPERTIES	10,644
The AIM charge has exceeded the budgeted amount, this has been partially offset by a saving on support service costs.	
1B4 DUAL-USE SPORTS FACILITIES	(11,348)
The AIM charge has exceeded the budgeted amount, this has been partially offset by a saving on support service costs.	
1B5 COMMUNITY OUTREACH	(18,075)
Income from LeisureCard is expected to fall short of the budgeted amount; this shortfall has been offset by additional income received in respect of Scrapstore activities. Costs in respect of licensing public spaces have been incurred.	
These additional costs have been partially offset by reduced expenditure as a result of staff vacancies.	
Employment costs in respect of the Splash scheme have exceeded the budget, however these costs have been covered by additional income received. The net cost of the scheme will be funded from reserves.	
1B6 RECYCLING	(68,830)
A performance related, discretionary recycling credit was received for 2006/07 for which no budget had been included.	
A surplus arose in the trading account. Additional material sales income in the trading account was partially offset by additional staffing costs and increased AIM charges (see separate account attached).	
Additional employment costs arose due to difficulties in recruitment leading to a market supplement being agreed. This has been offset by a reduction in some staff expenses.	
1B9 ADMINISTRATION SERVICE	0
There were savings on staff costs and support services in this unit, which have been refunded in full to other services within the directorate.	
1C1 HOME AID	(51,948)
This service was outsourced from 1 April 2006 and as a result of underperformance, the County's Supporting People team have waived the contract fee for this year. A revenue contribution to capital has been made from this saving to supplement the Disabled Facility Grants.	

1C2	ADVISORY SERVICES	192,655
	<p>Homechoice staffing costs have exceeded the budget due to a complete review of applicants on the housing register being undertaken during the year. These costs have been partially offset by a saving on printing and advertising costs and income from a new partner.</p> <p>Costs in respect of private sector leased properties have exceeded the budget due to a large number being handed back to the landlord in order to reduce the use of temporary accommodation and improve the quality of housing stock available to homeless people. Higher void costs have occurred due to a greater turnover of properties. Repair costs have also increased as a result.</p> <p>A reduction in accommodation for homeless people during 2006 has led to increased bed and breakfast costs. However, this overspend has been partially offset by a saving on contracted temporary accommodation.</p> <p>Support service costs were more than anticipated; income in respect of housing benefits and rents did not meet the budgeted figure.</p>	
1C3	HOUSING PARTNERSHIP	(80,649)
	<p>A staff vacancy resulted in a saving.</p> <p>Employment costs in respect of the Empty Homes Initiative exceeded the budget, however savings have been made on support service and advertising costs and additional income has been received. The balance will be transferred to the Empty Homes reserve.</p> <p>A saving has been made due to responsibility for the social inclusion function now falling to another department.</p> <p>Costs have been incurred in respect of the Housing Market Assessment Survey (HMA) this expenditure has been covered by income received from the project partners, the balance of income received will be transferred to the HMA reserve.</p>	
1C4	PRIVATE SECTOR HOUSING	(1,234)
	<p>Savings on staffing costs and support service charges were partially offset by a shortfall in income from the licensing of houses in multiple occupation.</p>	
1C5	SUNDRY LANDS MAINTENANCE	0
	<p>No variation from the budget arose in the year.</p>	

1C6 CONTRACT & BUILDING & ELECTRICAL SERVICES 0

A surplus arose on the Building and Electrical Service Team (BEST) trading account, and this will be refunded to the areas that have used the service. Additional staffing costs arose in the Contracts Unit as a result of projects being managed by them, and these costs have been distributed to those projects.

1C7 DIRECTOR COMMUNITY/ENVIRONMENT 0

The cost of this unit has been recharged in full to other services within the directorate.

2006-2007 FINAL OUTTURN **12,780,052**

2006-2007 FINAL OUTTURN AFTER MOVEMENTS TO / FROM RESERVES AND REVENUE CONTRIBUTIONS TO CAPITAL **12,974,716**

3 RECOMMENDED

That the Scrutiny Committee – Community note this report.

DIRECTOR CORPORATE SERVICES

DIRECTOR COMMUNITY &
ENVIRONMENT

S:LP/Committee/607SCC15
22 May 2007

CORPORATE SERVICES DIRECTORATE
COMMUNITY AND ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None