
CLOSURE OF ACCOUNTS 2009/10

1 SUMMARY

- 1.1 This report considers some of the detail supporting the statement of accounts that will be submitted to Council on 29 June 2010, which will allow the Audit Committee to review variances before the accounts are approved.

2 INTRODUCTION

- 2.1 The purpose of this report is to strengthen the scrutiny process for the accounts. There will still be a number of changes to the final outturns as work on closing the accounts is still ongoing.
- 2.2 Any material changes made to the information provided in this report during the closure of accounts and subsequent external audit will be reported to the September meeting of this Committee.

3 CONSIDERATION

- 3.1 The analysis of variations over or under the revised estimate for 2009/10, in excess of £5,000, is shown below. The list of variations excludes capital charges, as these entries are made in the accounts and then reversed out. Therefore there is no effect on the net expenditure of the General Fund. Internal charges between one account and another where the net cost is zero are also excluded.
- 3.2 Salaries have not been shown separately. Salary budgets are managed on a corporate basis, as provision is made for the full costs of approved posts in each cost centre and a centrally estimated vacancy factor. Heads of Service are not allowed to use savings in salary budgets without approval of Senior Management Team and then only for manpower type expenditure. An example would be the employment of an temporary worker to fill for maternity or long term sick cover.
- 3.3 Repairs and maintenance have not been shown separately. Members have previously agreed that although estimates are shown for each premise there is full virement (transfer between estimates) between these codes. This helps in the construction of estimates in that provisions do not have to be made in each premise for the possibility of faults occurring. Senior Management Team requires that these budgets be monitored individually and on a corporate basis.
- 3.4 In the column headed variance, **non-bracketed figures are bad news, and bracketed figures are good news**. Therefore a non-bracketed figure might either be expenditure in excess of revised budget or income less than revised estimate. Where an item is income the word

income appears in the column headed Item. Overall our year end position is in line with the medium term financial strategy that was set earlier this year.

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
1.	Building Control Fee Account	Deposit of Plans and First Inspection Income	(253,000)	(213,739)	39,261	Income down during the year due to downturn in economic climate, leading to fewer building work applications being received.
2.	Information and Support Services	Bulk Postage	36,100	29,564	(6,536)	Relates mainly to a reduction in postage from Council Tax, representing more correspondence done electronically.
3.		Central Printing	32,000	22,070	(9,930)	Demand led budget, governed by requirements of users.
4.		Postal Charges - Franking	50,000	30,652	(19,348)	Fewer large mail shots sent out than budgeted for.
5.	Computer Services	Contract Payment	913,000	933,290	20,290	At the time the budgets were being set the contract negotiations were taking place and it wasn't known what the possible savings / costs would be –

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
						Therefore Budget was kept at Original figure. Savings of £150k now negotiated for future years 2011 – 2013.
6.	Corporate Management	External Audit Fees – Grant Claims	29,000	49,846	20,846	Overspend represents additional work done by PKF on Housing Benefit claims audit.
7.	Council Tax	Efficiency Information on Council Tax Leaflet	-	9,436	9,436	Grant for £9,436 was received for this work after budget process had been finalised.
8.	Council Tax Benefits	Council Tax Rebates	4,739,200	4,933,781	194,581	This is demand led based on the number of benefit claimants and discounts claimed.
9.		Council Tax Benefits	(4,799,200)	(5,031,723)	(232,523)	Subsidy receivable in line with paid allowances - will vary throughout the year - therefore not possible to accurately budget.
10.		Members' Support & Training	20,800	14,727	(6,073)	More in house training and other cheaper methods than originally anticipated.

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
						Eg, shared training. There was also a reserve on this code in 09/10 - which was used up before the revised budget.
11.		Youth Council	5,000	-	(5,000)	Decided after estimate process that budget was not needed to support the Youth Council.
12.	Development Control	Planning Fees	(220,000)	(242,388)	(22,388)	A couple of large planning applications were submitted towards the end of the year which resulted in additional income above budget.
13.	Housing Benefit Payments	Rent Rebates	(32,200)	(46,498)	(14,298)	Budget is based upon grant claims submitted at key points in the financial year; Actual figures will vary due to demands on caseloads. Demand led.
14.		Rent Allowances	13,404,600	14,796,139	1,391,539	
15.		Housing Benefit Payments	(13,192,900)	(12,847,555)	345,345	
16.	Planning Policy	Habitats Directive Grant	-	(16,835)	(16,835)	Grant received unknown at estimate setting time.

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
17.	Homelessness	Homelessness Improvements	5,000	-	(5,000)	Budget not required as expenditure was met from reserve.
18.	Housing Benefit Administration	Discretionary Housing Income	(22,700)	(27,792)	(5,092)	Budget was based upon an estimated figure, final figures unknown at estimate setting time.
19.	Human Resources	Occupational Health	15,000	8,072	(6,928)	Demand Led.
20.		Staff Advertising	39,500	13,790	(25,710)	Smarter recruitment through on line processes, internal recruitment where appropriate, and better procurement.
21.		Work Placements	26,000	17,687	(8,313)	Budget was set aside to recruit apprentices, this will now happen in 2010/11.
22.	Legal Services	Legal Fees expenditure	12,000	2,513	(9,487)	The budget was set to take account of the Case Management System which has been delayed until 2010/11.

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
23.	Land Charges	Fees & Charges	(130,000)	(124,321)	5,679	Actual slightly down against budget reflecting the current difficult economic climate in the housing market.
24.	Maintenance of Grounds	Contract Payment	901,100	885,071	(16,029)	Budget was set based upon outstanding maintenance queries from 2008/09. Queries were resolved resulting in no extra spend against budget.
25.	Off Street Parking	Pay & Display Income	(790,000)	(779,711)	10,289	Income is slightly down against budget. This may be partly due to the free parking on Saturdays in December and the adverse weather conditions before Christmas.
26.		Penalty Charge Notice Income	(105,000)	(79,209)	25,791	
27.	Private Sector Housing	Gardening for the Elderly	29,300	23,000	(6,300)	It was agreed after the budgets were set that the full funding would not be required, both schemes were reduced to £23,000.
28.		Handy Person Service	29,300	23,000	(6,300)	

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
29.	Public Transport	Concessionary Travel Passes	840,600	822,641	(17,959)	Admin fee not required by Essex County Council (12K budgeted). Legal Costs & smart cards also less than budgeted for.
30.		Taxi Voucher Scheme	100,000	90,318	(9,862)	Budget was reduced for 09~10 by £20k but due to slow down in demand it still came with revised budget.
31.	Street Cleansing	Litter Picking	-	(18,000)	(18,000)	Information was received that Essex County Council would not be funding this, hence no budget set. This was turned around by the County Council and subsequently a claim was made.
32.	Waste Recycling	Essex County Council Income	(900,000)	(929,550)	(29,550)	Revised budget was set on an average of 700 tonnes of recycled material per month. Actual came in slightly higher as more properties joined the scheme.

No	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
33.		Payments to Contractors	37,000	23,728	(13,272)	Credit received from SITA for bins bought from RDC.
34.	Works Account	Contractors	279,900	249,592	(30,308)	Some repairs and maintenance items cost less than expected.
35.	All General Fund Services	Salaries	7,320,500	7,256,229	(64,271)	Vacant posts and posts filled at grades below top of grade.

3.5 As part of the approval of the accounts by Council on 29 June, Members will need to agree the above as virements between budgets to ensure that the revenue accounts are fully authorised.

4 MEMBER QUESTIONS

4.1 There is a lot of detail in this report and therefore it would be useful if Members wish to raise questions, that they please contact the Senior Accountant before the date of the meeting (details at the end of this report).

4.2 A summary of the points raised will be reported to Members at this Committee meeting.

5 RECOMMENDATION

5.1 It is proposed that the Committee **RESOLVES**

That the significant variances for 2009/10 budgets be noted.

Y Woodward

Head of Finance

Background Papers:-

None.

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