
CLOSURE OF ACCOUNTS 2005/06

1 SUMMARY

- 1.1 This report is to consider some of the detail regarding the Statement of Accounts that was submitted to the Council on 27 June 2006.

2 BACKGROUND

- 2.1 In agreeing the accounts for submission to the external auditors, Members also agreed to consider in detail the variations to the budget.

3 CONSIDERATION

- 3.1 Members will recall that the report to Council showed that the General Fund net revenue budget was improved by £376,000. Based on the original report the analysis of variations over or under the revised estimate for 2005/06, in excess of £5,000 is shown below.
- 3.2 The list of variations excludes asset rentals, depreciation and deferred charges. These are all entries, which 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.
- 3.3 Salaries have not been shown separately. There is a single statement bringing all salaries together. 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 agency worker to temporarily support a vacant post.
- 3.4 Repairs and maintenance have not been shown separately. There is a single statement bringing all these items together. 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.
- 3.5 In the column headed variance, non-bracketed figures are adverse, and bracketed figures are favourable. 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.

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
1.	Corporate Management	External Audit	143,000	135,783	(7,217)	
2.		Local Authority Business Growth Incentive - Income	-	(9,373)	(9,373)	Originally only expected to receive £1k. Revised formula by Government.
3.		Capacity Building Fund - Income	(106,000)	(42,332)	63,668	Original budget based upon planned spend. Un-spent money carried forward into 06/07.
4.		Capacity Building Fund	106,000	42,332	(63,668)	Expenditure matched by income.
5.		Local Area Agreements - Income	(22,000)	(15,000)	7,000	Income matches expenditure. Budget.
6.		Local Area Agreements	22,000	15,162	(6,838)	amounts not known exactly until after estimates set.
7.	Democratic Representation	Members support and training	14,600	7,391	(7,209)	Majority of members training funded directly from Capacity Building Fund in 05/06.
8.	Other Operating Income & Expenditure	Net External Finance - Income	(550,000)	(544,479)	(5,521)	Higher level of investments and interest rates.
9.		Reversal of Sundry Creditors / Debtors - Income	-	(87,296)	(87,296)	Write back of miscellaneous amounts raised to meet expenditure (prior years)
10.	Non – Distributed Costs	Pension	838,600	833,541	(5,059)	Due to vacant positions.

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
11.	Council Tax	Printing	19,100	13,157	(5,943)	Printing costs came in lower than expected.
12.		Court Costs - Income	(65,000)	(108,274)	(43,274)	Telephone rather than written communication with Council Tax payers resulted in a greater number of cases going to court.
13.	Council Tax Benefits	Council Tax Rebates	4,100,700	3,860,281	(240,419)	Demand Led
14.		Council Tax Subsidy - Income	(4,056,500)	(3,889,172)	167,328	Subsidy receivable alters in line with the rebates paid.
15.	Local Land Charges	Fees & Charges - Income	(225,000)	(218,382)	6,618	Demand Led
16.	Leisure Premises	Leisure FM Contract Payment	153,200	118,190	(35,010)	Estimate included management fees for Rayleigh Leisure Centre, this started in 2006/07.
17.	Woodlands	Transport & Plant	15,900	10,460	(5,440)	Demand Led, and two vehicles sold in 2005/06.
18.	Building Control Fee Account	First Inspection - Income	(180,000)	(171,507)	8,493	Demand Led.
19.	Development Control	Specialist Planning Advice	6,000	12,835	6,835	Uncertainty over timing of payment. Budget reduced.
20.		Planning Fees - Income	(270,000)	(286,826)	(16,826)	Demand Led.
21.		Planning Delivery Grant - Income	(210,400)	(149,500)	60,900	Unspent expenditure grant carried forward.

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
22.	Economic Development	Southend Business Awards	6,800	-	(6,800)	Awards postponed until October 2006.
23.	Environmental Health	Noise Monitoring	5,000	(1,677)	(6,677)	Budget was earmarked for potential spend on a serial complainant, however not used in year.
24.		Other Licence - Income	(17,500)	(10,835)	6,665	Demand Led
25.		ODPM – Training - Income	(10,000)	(5,000)	5,000	Grant income budgeted to match expenditure. £5k funded from salaries.
26.	On St Parking	PCN Payments - Income	(80,000)	(86,458)	(6,458)	More penalty charge notices being applied than budgeted for – Demand Led.
27.	Public Transport	Bus Passes	143,000	158,079	15,079	Demand Led
28.	Private Sector Housing Renewal	Housing Survey	26,900	40,000	13,100	£40,000 taken to reserve for Building Condition Survey, agreed by Community Services Committee 2 nd March 2006. Variance met by under spend on General Fund.
29.	Homelessness	Contracted Accommodation	100,000	77,209	(22,791)	Policy to reduce use of Bed and Breakfast Accommodation
30.		Contracted Accommodation recharge –	(30,000)	(17,648)	12,352	As Above

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
		Income				
31.		Homeless Improvements	10,000	1,333	(8,667)	This budget was earmarked for partnership working salary, able to meet cost from other budgets.
32.		Homeless Improvements - Income	-	(9,773)	(9,773)	Additional income set after estimates were finished.
33.	Housing Benefit Payments	Rent Allowances	5,430,100	6,416,267	986,167	Demand Led.
34.		Rent Allowance Subsidy - Income	(5,300,000)	(5,963,873)	(663,873)	Subsidy receivable in line with paid allowances.
35.		Rent Rebates	2,900,000	3,069,913	169,913	Demand led.
36.		Rent Rebate Subsidy - Income	(2,900,000)	(3,078,489)	(178,489)	Subsidy receivable in line with paid allowances
37.		Recoveries - Income	(200,000)	(439,851)	(239,851)	Additional income for identifying overpayments.
38.	Housing Benefit Admin	Training Expenses	28,000	20,552	(7,448)	Under spend due to turn over.
39.		IT Hardware – Dual Screen Monitors	-	7,695	7,695	Expenditure funded by grant after estimates set.
40.		IT Hardware – Dual Screen Monitors - Income	-	(7,695)	(7,695)	
41.		Discretionary Housing Payments – Private Tenants	18,000	-	(18,000)	Budget not used. Included under rent allowances.

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
42.		DWP – Training Officer - Income	-	(13,000)	(13,000)	Extra income for post, not known at revised estimate time.
43.	Revenues Investigation	DWP Joint Partnership Working	43,300	7,206	(36,094)	Difference is included in salaries budget relating to Temporary worker post.
44.		Fraud Incentives - Income	(91,400)	(180,870)	(89,470)	The difference relates to an adjustment in 05/06, which was not expected.
45.	Central Services – Postal & Office Services	Central Stationery Provision	23,000	17,122	(5,878)	Improved costs through Marketplace.
46.	Central Services - DMU	Central Printing - Equipment	21,500	28,710	7,210	Demand Led.
47.	Human Resources	Relocation Expenses	9,000	31,588	22,588	More people employed from outside of the District than budgeted for.
48.		Staff Advertising	70,000	89,157	19,157	Director (CD (ES)) and Head of Service (HOS) post changes.
49.		Rochford Youth Training	19,700	5,693	(14,007)	RYT started later in year than expected.
50.	Computer Services	Computer Consumables	14,000	8,875	(5,125)	Less consumables required than originally budgeted for.
51.	Works Account	Contractors	1,387,500	1,385,424	(2,076)	Repairs and

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
						Maintenance costs as per budgets.
52.	All General Fund Services	Salaries	6,169,100	6,373,314	204,214	Related to staff turnover, recruitment, and temporary cover.

4 HOUSING REVENUE ACCOUNT

NO	Cost Centre	Item	Revised Estimate	Actual	Variance	Explanation
1.	Housing Revenue Account	Repairs	999,900	1,008,678	8,778	Increase in responsive repairs.
2.	General Management	Salaries	546,800	581,639	34,839	Related to staff turnover, recruitment, and temporary cover.
3.		Estate Management	22,500	14,144	(8,356)	General maintenance budget for fence panel replacement, minor groundwork's etc, therefore demand led.
4.		Reversal of Sundry Debtors / Creditors	-	(29,027)	(29,027)	Write back of miscellaneous amounts raised to meet expenditure (prior years) but no longer required.
5.	Wardened Services	Essex Water Commission - Income	(1,300)	(14,388)	(13,088)	Difference between rent income relating to water & sewerage, less the cost of bills paid.

- 4.1 The resultant General Fund balance is £1,711,893 against the original estimated position of £1,361,341.
- 4.2 Members will need to agree the above as virements to ensure that the revenue accounts are fully authorised.

5. MEMBER QUESTIONS

- 5.1 There is a lot of detail in this report and therefore, although Members can ask questions at Committee, it may be more appropriate if Members wish to raise questions at any time before 20 September 2006. Please contact the Financial Services Manager (details at the end of this report).
- 5.2 A summary of the points raised will be reported to Members at this Committee meeting.

6. RECOMMENDATION

- 6.1 It is proposed that the Committee **RECOMMENDS to Full Council**
That the budget amendments identified in this report be agreed.

Y Woodward

Head of Finance, Audit & Performance Management

Background Papers:

None

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