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## CLOSURE OF ACCOUNTS 2008/09

### 1 SUMMARY

- 1.1 This report considers some of the detail supporting the Statement of Accounts that will be submitted to Council on 30 June 2009, 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 2008/09, 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 the 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.
- 3.3 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.

N O	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
1.	Corporate Management	External Audit Fees – Main Audit & Outside inspectors	151,000	129,900	(21,100)	£21,000 budget for outside inspection of Direction of Travel. This was costed to Best Value, therefore not required.
2.	Democratic Representation	Newspaper Sponsorship – Income	(22,900)	(28,620)	(5,720)	Due to new recharges being put in place, recharged income from departments was higher than budgeted.
3.	Council Tax	Court Costs – Income	(124,600)	(116,299)	8,301	More tax payers have paid on initial summons, rather than taking matters to court where additional income of £40 per case would be received.

N O	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
4.	Council Tax Benefits	Council Tax Rebates	4,422,300	4,486,153	63,853	This is demand led based on the number of benefit claimants and discounts claimed.
5.		Housing Benefit Subsidy - Income	(4,460,900)	(4,534,576)	(73,676)	Subsidy receivable in line with paid allowances will vary throughout the year, therefore not possible to accurately budget.
6.	Housing Strategy	Choice Based Lettings	10,000	-	(10,000)	A delay on implementing the IT system that administers distribution of this budget has meant that spend will now take place in 2009/10.
7.	Housing Benefit Payments	Rent Allowances	12,024,300	12,066,272	41,972	Budgets are based upon grant claims submitted at key points in the financial year, actual figures will vary due to demands on caseloads.

N O	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
8.		Rent Allowance Subsidy – Income	(11,871,800)	(11,598,047)	273,753	Budgets are based upon grant claims submitted at key points in the financial year, actual figures will vary due to demands on caseloads.  Demand Led
9.		Rent Rebate subsidy – Income	(46,200)	(59,480)	(13,280)	
10.		Recoveries - Income	(400,000)	(477,831)	(77,831)	Additional income from identifying overpayments, mainly due to 5 larger overpayments totalling £61,863 in the year.
11.	Human Resources	Occupational Health	15,000	8,129	(6,871)	Some training met from reserve.
12.		Staff advertising	90,000	64,978	(25,022)	New policy in the year to advertise jobs internally initially has led to a reduction in expenditure.
13.		Diagnostic Health Solutions	-	(9,532)	(9,532)	Contract was terminated, credit received as part of terms and conditions.

N O	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
14.	Building Control Fee Account	Deposit of Plans – Income	(59,800)	(51,004)	8,796	Income down during the year due to downturn in economic climate, leading to fewer building work applications being received.
15.		First Inspection – Income	(170,200)	(147,014)	23,186	
16.	Cemeteries & Churchyards	Internments – Income	(40,000)	(44,423)	(4,323)	Demand Led.
17.	Licensing	Liquor Licensing – Income	(40,000)	(47,816)	(7,816)	Demand Led.
18.	Public Health	Sewers & Ditch Clearance	20,000	5,533	(14,467)	Due to a dry winter, demand on budget was low.
19.	Economic Development	Grant	152,800	147,680	(5,120)	Saving as a result of the closure of the Business Enterprise Agency and therefore potential grant funding support not required.
20.	On St Parking	Penalty Charge Notice Payments – Income	(145,000)	(165,076)	(20,076)	Overall increase in income to budget is £1,166, meeting expectations.
21.	Off St parking	Penalty Charge Notice payments – Income	(105,000)	(86,090)	18,910	

N O	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
22.		Light & Power	6,600	(1,516)	(8,116)	Credit received from British Gas in the year relating to prior year.
23.		Parking Fees	(830,000)	(850,324)	(20,324)	Higher than expected takings in February and March took income above budget, but is still below original estimate set of £863,000.
24.		Permits / Season Tickets	(180,000)	(167,041)	12,959	This is a variable budget that is based upon previous years take up.
25.	Legal Services	Legal Fees – Income	(12,000)	(40,200)	(28,200)	Higher income relates to sale of a right to buy property that was sold on within 3 years.
26.	Recycling Collection	Recycling Expenditure	195,500	202,063	6,563	Increases at recycling depot for gate fees of £10 per tonne accounts for this overspend.

N O	Cost Centre	Item	Revised Estimate	Actual	Variance (Brackets is good news)	Explanation
27.		Recycling Income	(647,000)	(610,455)	36,445	The rollout of the new recycling scheme originally planned for April, was delayed until July 2008. This resulted in a lower rate of recycling income than had been anticipated.
28.	Works Account	Contractors	302,300	275,741	(26,559)	Some repairs and maintenance items cost less than expected.
29.	All General Fund Services	Salaries	7,146,400	7,100,689	(45,711)	Vacant posts and posts filled at grades below top of grade.

3.5 As part of the approval of the accounts by Council on 30 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**

It is proposed that the Committee **RESOLVES**

5.1 That the significant variances for 2008/09 Budgets be noted.

Y Woodward

Head of Finance, Audit & Performance Management

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**Background Papers:-**

None.

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