

SOUTH BEDFORDSHIRE DISTRICT COUNCIL GENERAL FUND OUTTURN 2008/09

1. Background

1.1 As outlined in the covering report for this item, the closure of the District Council's accounts is nearing completion. The closure process is particularly challenging this year as a result of the reorganisation. Consequently, the figures in this report should be regarded as provisional in nature. Material change is not anticipated, but the Executive is asked that approval of any further changes be delegated to the Director of Corporate Resources in consultation with the Portfolio Holder for Corporate Resources before the Statement of Accounts are finalised.

2. General Fund

2.1 The Directorate outturn statement shown below does not include entries relating to impairment of the value of the Council's assets, which do not affect the net expenditure of the General Fund. These are also not referred to in detail in the variance analysis in Appendix A, with the exception of the impairment initially charged to cost of organisation.

Directorate Outturn Statement 2008/09

	Revised Estimate £000	Outturn £000	Variance £000
Chief Executive	1,795.6	1,831.3	35.7
Sustainable Communities	4,007.7	8,534.9	4,527.2
Community Operations	6,152.4	6,574.9	422.5
Landlord Services	2,322.9	2,143.2	-179.7
Corporate Services	1,135.1	-3,761.7	-4,896.8
Sub Total – Service Costs	15,413.7	15,322.6	-91.1
Contribution (from)/to balances	209.3	300.4	91.1
 Budget Requirement	 15,623.0	 15,623.0	 0.0

2.2 In total, the service summary shows a variance of £-91k, before Transition Costs in relation to the new Central Bedfordshire Council are taken into account. In percentage terms this amounts to a variance of around 0.6%.

2.3 The Revised Estimates 2008/09 report to the South Bedfordshire Executive on 13 January 2009 set out the detailed revised estimates and the changes from the original budget for 2008/09. The main variances between those revised estimates and the actual outturn are set out below. It should be noted that in a number of areas the revised estimates had already taken account of the effects of the recession, and in some cases, e.g. Land Charges, the variance shown is favourable even though there is an adverse variance compared with the original budget.

2.4 Cost of Organisation Allocations

The overall variance for service costs in the General Fund is derived from a combination of the variance in direct service costs and a proportion of the variance that is recharged from the Cost of Organisation expense headings. In relation to the General Fund the balance is as follows:

	<u>£000</u>
Direct Service variances	-1,454
Proportion of total Cost of Organisation variances	<u>1,363</u>
Total variance	<u>-91</u>

The overall under spend compared to budget for the total of cost of organisation is allocated between revenue accounts and capital schemes, as set out in the table below.

	Revised Estimate £000	Outturn £000	Variance £000
General Fund	12,530	13,893	1,363
Housing Revenue Account	3,506	3,395	(111)
Capital Schemes – General Fund	40	33	(7)
Total	16,076	17,321	1,245

The overall variance of £1,245k on the cost of organisation has resulted from a number of variances shown below.

2.5 **Cost of Organisation Significant Variances**

List of Variances	Variance £000
1. Net Variances re salaries, wages, overtime, agency employees & consultants	156
2. Increased Insurance Premiums	32
3. Reduced expenditure on car allowances/car leases	-27
4. Increased Depreciation	80
5. Impairment charges to cost of organisation (see Note 1 below)	1,011
6. Other minor variances(net)	<u>-7</u>
	<u><u>1,245</u></u>

NOTE 1:

This is an accounting adjustment to reflect the fall in the market value of the District Offices and Bossard House as at 31st March 2009. This has no impact on Council's revenue account as there is a contra adjustment to the Fund Management Account.

2.6 Significant Variances in Direct Service Costs

The main variances relating to direct service expenditure and income (i.e. excluding cost of organisation allocations and capital charges – unless those capital charges are themselves recharged to services via cost apportionment requirements) are described below.

	Variance £'000
1. Development Control Reduced income of re development control fees	129
2. Local Land Charges Additional income from search fees compared with reduction in revised estimates	-18
3. Shopping Areas Additional income due to rent review and reduced voids	-35
4. Council Tax Additional income from court costs	-33
5. Housing Benefits Additional housing benefit subsidy	-70
6. Hackney Carriages Additional income from licences	-15
7. Fund Management Additional interest from investments compared with revised estimates (see Treasury Management Review Report attached as an appendix to main outturn report)	-126
8. Vacancy Allowance This reflects the fact that the actual achievement of this target is shown as a cost of organisation variation, as salaries are part of cost of organisation.	100
9. Corporate Management Additional audit fees	26
10. Refuse Collection Additional performance grant for out of district tipping	-50
11. Car parking	-58
12. Rural Lighting	-52
13. Homelessness Increased cost relating to renting properties, bad debt provision and voids	82

14.	Fund Management	
	Contra re impairment charges to cost of organisation	-1011
	Contribution from Capacity and change management fund	-350
15.	DFG Subsidy	
	Additional DFG Grant	-190
16.	Other Variations	
	This reflects all other services where the service variation is less than £15k	217
	Total Direct Service Costs Variance	<u>-1454</u>