

**GENERAL FUND PROBABLE OUTTURN 2011/12**

The General Fund probable outturn for 2011/2012 is as follows:

	Current Budget	Probable Outturn
	£	£
Managing Director	2,634,150	2,342,080
Executive	5,477,180	5,380,220
Regeneration	1,458,860	1,587,000
Strategic	3,100,220	3,092,820
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	12,670,410	12,402,120
Allowance for inflation	22,150	22,150
Change in bad debt provision	0	100,000
Budget reductions to be identified	176,290	0
VAT refund	0	(468,000)
Employee vacancy factor	0	0
Support to other funds	(975,000)	(975,000)
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	11,893,850	11,081,720
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The projected net expenditure on the General Fund for 2011/12 is £11,081,720. This is lower than the current budget by £812,130.

Following on from earlier successes, the Council has continued to pursue claims for the refund of VAT following the "Fleming Case" decision. The net income for these claims is approximately £468,000.

The approved budget for 2011/12 includes a contribution from balances of £99,848. With the additional income from the VAT refund, the underspend on the General Fund, and other minor variations, it is estimated that a net contribution to balances of £732,000 will be made in 2011/12.

The significant variances on the current budget are:

**MANAGING DIRECTOR****Eltham Crematorium**

Eltham Crematorium is administered by Greenwich Council, however, Dartford is responsible for two fifths of the net expenditure. Traditionally the Crematorium runs at a surplus and a small distribution of that surplus is made to the constituent authorities (Greenwich, Bexley and Dartford).

The budgeted income for this Council in 2011/12 is £90,000. At its meeting in June 2011 the joint committee agreed an increased distribution for 2011/12

giving Dartford a revised income of £242,600. At its meeting on 3 November, it was subsequently agreed to further increase the distribution to £257,400. The increase in the budgeted income applies to the current financial year only.

### **Concessionary Fares**

When closing the 2010/11 accounts an estimate of the final cost for the 2010/11 year had to be made. The actual final cost for 2010/11 was approximately £50,000 lower than estimated which means a credit of that sum in the 2011/12 accounts.

### **Benefits**

The gross benefit budget is close to £34m. Most is reimbursed by government grant but some overpayments do not receive 100% grant. The net cost is estimated at £123,000, which is £73,000 more than budget.

## **EXECUTIVE DIRECTOR**

### **Land Charges**

The budget for land charges income was reduced to £80,000 in 2011/12, following changes to personal search charges, and the depressed housing market. However, the projected income is estimated at £125,000. This is largely due to a slight upward shift in the housing market and a significant number of new developments that were released onto the market during the early part of the financial year. The new developments had a short-term effect of increasing income for a period but this has now ceased with income reverting back to its earlier levels.

### **Democratic Representation**

The introduction of a revised Member Allowances Scheme in the current year will result in an underspending of approximately £16,000 against the Members Allowances budget. In addition other savings are likely to be achieved, including printing of agenda, hired services and other office expenses for both Members and Mayoral support.

## **REGENERATION DIRECTOR**

### **Sports & Facilities Management**

The Princes Park Mini Pitches became operational in September 2011. Many clubs book their training and match pitches several months in advance which meant that block booking income would not be maximised in 2011/12. The facility should cover its costs but the predicted full year net income of £25,000 will not be achieved.

As previously reported to Cabinet, it has been difficult to provide all services at Acacia within budget. The budget monitoring report to Members in October

identified a potential budget shortfall of £90,000 and this is still likely. The budget for 2012/13 will be adjusted to reflect the expected need to provide additional resources, for one year, until the proposed operating changes have been completed.

As noted under car parking additional income from Acacia has been projected for 2011/12.

### **Markets**

Income from markets is projected to be £20,000 lower on both the Saturday and Thursday markets. This continues the trend from the previous financial year. The projected outturns of £130,000 (Thursday market) and £125,000 (Saturday market) are close to last year's actual outturns.

### **Cemeteries**

The projected increase in income of £27,000 from cemeteries relates mainly to internment and exclusive rights fees which have been unusually high. This projected income is expected to exceed 2010/11 income by £34,000.

## **STRATEGIC DIRECTOR**

### **Car Parks**

Revenue from the Westgate car park is projected to exceed its budget by £34,000. This car park was opened to the public in December 2010 and its likely utilisation was unknown when setting the budget.

An estimate has also been included for income from the Acacia car park which has been operational since October. The estimate of £34,000 includes income from pay and display and season tickets. It also includes corporate parking for the last quarter of the financial year which had previously been part of the Acacia budgets.

### **Environmental Health**

The original budget omitted the contribution of £36,000 from the PCT to fund a specific post. There is also an element of salary savings of approximately £14,000.

### **Homelessness Prevention and Temporary Accommodation**

The Homelessness budget is predicted to overspend by £50,000, due to the continuing, and growing, need to house eligible homeless households. The Council's Leadership has tasked officers to find creative alternatives to the relatively expensive nightly paid accommodation but these remain scarce.

## **COMMENTARY ON SIGNIFICANT CHANGES TO THE GENERAL FUND BUDGET 2012/2013**

### **Employee Costs**

Individual budgets are based on 100% staffing, but an allowance for vacancies of £100,000 has been assumed (see the first page in Appendix B (i)). Individual budgets will be reduced during the year, as vacancies and underspends on employee budgets occur, to ensure that the overall employee vacancy factor is achieved. The budget includes a 1% pay award for staff from 1 April 2012.

The budget reflects some changes to staffing. Some are included in the major budget variations below but for more detail please see paragraph 11 and Appendix P (ii) of the report.

### **External Interest Receivable**

The budget for net interest receivable has been maintained at £200,000, but market conditions remain volatile. The Council regularly reviews its investment strategy to adapt to market conditions but cash preservation remains paramount.

### **Other significant changes**

## **MANAGING DIRECTOR**

### **Contribution to Parish Councils**

This has been reduced by 5% resulting in a budget reduction of £6,970.

### **Benefits**

The specific Government Grant has been reduced by £40,810.

## **EXECUTIVE DIRECTOR**

### **Emergency Planning**

The Emergency Planning Manager retires in October 2012. Strategic responsibility for this and business continuity will then transfer to the Building Control Manager, with operational responsibility with the Enforcement and Regulation Manager. This results in a budget reduction of £21,000.

## **Democratic Representation**

The shared services pilot with Sevenoaks DC has ended and is not being renewed. This will mean a reduction in income of £26,000. The Members' allowances budget has been reduced by £16,700 following changes to the scheme in May 2011.

## **REGENERATION DIRECTOR**

### **Museum**

Following the retirement of the Museum Manager, staff resources have been reduced by £30,000. Opening times will be slightly modified to ensure that the Museum not only provides a useful and appropriate services to customers, but also to ensure that school visits continue and develop.

### **Sports and Facilities**

Monitoring of the leased leisure facilities will transfer to the Policy and Corporate Support Section. The vacant post of Leisure Services Manager will be deleted giving a budget reduction of £77,000. The contribution to Dartford Football Club for providing community facilities at Princes Park will reduce, saving £30,000 against budget. The budget for Acacia has been increased by £100,000 to reflect the expected need to provide additional resources, for one year, until the proposed operating changes have been completed.

### **Markets**

The budget for market income has been reduced by £40,000 reflecting actual activity over recent years.

### **Cemeteries**

The budget has been reduced by £25,000 to reflect current levels of income.

## **STRATEGIC DIRECTOR**

### **Car Parking**

The car park income budget has been increased by a net £110,000 to reflect current activity including the full year effect of the new Acacia pay and display car park and the Westgate road surface car park. Changes to staffing will reduce costs by £60,000.

### **Enforcement and Regulation**

Enforcement activities are being brought together under one team to ensure a more coordinated and responsive enforcement service.

The Council has submitted an application to the Chief Constable for the accreditation of uniformed Council officers to enable those officers to use police powers such as the power to demand name and address and the power to confiscate alcohol. These powers will maximise the effectiveness of existing resources and increase the Council's contribution to making Dartford a safer, cleaner place. The initiative will be of particular benefit in helping to address anti-social behaviour in and around the Town Centre, and in our parks and open spaces.

In a further initiative the benefits of a joint Council/private company litter enforcement team will be investigated.

### **Environmental Health**

The budget has been reduced by £120,000 following the implementation of a full joint service with Sevenoaks DC from April 2012.

### **Customer Services**

With increased use of electronic and bank payments by customers, payment made to the Council by cash is reducing and the cost per transaction of providing cash-handling facilities is therefore rising accordingly. The cost of these transactions is not passed to the customer directly but is borne by every taxpayer and there is little sign that the migration to electronic or other non-cash transactions is slowing. The total number of like-for-like cash transactions is estimated to have fallen by 26% between 2008/09 and 2011/12. In the face of such a significant reduction in usage and a trend showing further decline the Council is, rather later than most other local authorities, proposing to close its cash office at the Civic Centre and the small office at Swanscombe. An automated cash machine will be available at the Civic Centre. The automated cash machine will be available during normal office hours and at other times when the police counter is open (including weekends). Customers can pay for most services using the automated telephone payment system which is available 24 hours each day, and by debit and credit card through the Contact Centre. Direct debit is available for council tax and housing rents. Payment by "payzone" and at post offices is also available for housing rents. In a full year this proposal could produce a gross saving of approximately £40,000, but there are likely to be increased costs as customers use other payments methods. A net saving of at least £30,000 is expected.

If the Civic Centre alone was closed, the estimated annual cost of keeping the Swanscombe cash office open is approximately £25,000 and in 2011/12 the office will handle just an estimated 6,000 cash transactions.

The Council will receive additional rental income at the Civic Centre of £52,000.

### **Temporary Accommodation**

Increased demand is expected to continue in 2012/13. A budget overspend is predicted this year and it is prudent to increase the net budget for 2012/13. A new initiative is being developed to assist in reducing the number of empty properties and increase the availability of temporary accommodation for homeless people. The full impact of this will not be realised until 2013/14 and it is prudent to increase the budget in 2012/13 by £50,000 and hopefully reduce it again in following years.