

FAREHAM

BOROUGH COUNCIL

Report to Licensing and Regulatory Affairs Committee

Date 7 July 2015

Report of: Director of Finance and Resources

Subject: ACTUAL REVENUE EXPENDITURE 2014/15

SUMMARY

This report sets out for the information of Members details of the actual revenue expenditure for 2014/15 in respect of the services for which this Committee is responsible.

RECOMMENDATION

The Committee is asked to note the report.

INTRODUCTION

- The final accounts for the financial year 2014/15 for this Committee show that the actual expenditure of £476,349 represented a saving of £20,851 compared with the revised budget of £497,200 that was agreed by this Committee on 20 January 2015 and approved by Full Council in February 2015. The actual totals of gross expenditure and income are set out in the table below:

	Revised Budget 2014/15	Actual 2014/15	Variance
	£	£	£
Employees	173,200	235,590	62,390
Premises-Related Expenditure	15,000	10,884	-4,116
Transport-Related Expenditure	1,100	1,070	-30
Supplies & Services	255,800	176,650	-79,150
Third Party Payments	272,700	271,775	-925
Support Services	65,800	55,931	-9,869
GROSS EXPENDITURE	783,600	751,900	-31,700
Other Grants and Reimbursements	-110,000	-85,202	24,798
Sales	-1,800	-1,733	67
Fees & Charges	-174,600	-188,616	-14,016
GROSS INCOME	-286,400	-275,551	10,849
NET EXPENDITURE	497,200	476,349	-20,851

- The main variations reflect increased spending of £62,000 on employees, savings of £79,000 on supplies & services and reduced Support Service costs of £10,000. Additional income of £14,000 was generated through fees and charges, and receipts of Grants and Reimbursements were nearly £25,000 less than anticipated.
- The increase in employee costs has been impacted by severance payments following the formation of the Environmental Health Partnership (EHP) which began on 1 April 2014. The formation of the partnership between Fareham and Gosport councils has resulted in improved working arrangements whilst also generating savings for both authorities due to efficiencies in the way the service operates.
- The actual revenue expenditure for the year analysed over the main service headings is shown in the following table with a detailed breakdown of the actual cost of the individual services shown at Appendix A:

	Revised Budget 2014/15	Actual 2014/15	Variance
	£	£	£
Hackney Carriage & Private Hire Vehicles	-2,300	-9,791	-7,491
Licensing	-10,100	15,698	25,798
Health & Safety Enforcement	146,200	196,006	49,806
Election Services	363,400	274,436	-88,964
NET EXPENDITURE	497,200	476,349	-20,851

5. The main variations from the approved budgets are examined in the following paragraphs.

HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLES

6. This service saw additional income of £7,500 for the financial year. The main variation was an increase in income of almost £9,000 mainly from additional charges and costs recovered from drivers. There was an increase of nearly £5,500 on supplies and services; this was mainly due to an increase in payments to the Disclosure and Barring Service (DBS) but this was offset by reduced charges from the EHP and reduced Support Service costs of £4,000.
7. Although this heading shows a small surplus of income over expenditure it does not reflect the cost of providing member support to this committee. This cost is shown in the Executive's Policy and Resources Portfolio and has a cost for the whole council of £973,000 for 2014/15.

LICENSING

8. The reduction in income of just under £26,000 on this service was mainly as a result of increases in employee expenditure of just under £25,000 due to severance payments. Increased charges relating to legal services were offset by reduced EHO charges and reduced Support Services costs amounting to £5,000. Income increased by just under £4,000 during the year mainly from additional miscellaneous premises charges.

HEALTH AND SAFETY ENFORCEMENT

9. The overspend of nearly £50,000 on this service was as a result of increased spending on employees of approximately £52,000 due to severance payments. There was also an overspend on Health and Safety expenses of £4,000, both of which have been offset by smaller savings from the Environmental Health Partnership and from Support Service costs of £4,000 and £2,000 respectively.

ELECTION SERVICES

10. The saving of just under £89,000 reflects lower than anticipated expenditure for conducting elections of nearly £29,000 and a figure of £60,000 lower than the

budget for register of electors.

11. There were European and local elections conducted during the financial year. The income from the European elections was £56,000 less than anticipated but this reflects the reduced spend on that election. There were savings in all areas of the election but the biggest was in Supplies and Services where the overall spend was £72,000 below budget.
12. The £60,000 savings relating to the register of electors consists of reductions in staff costs of £9,000 and internal recharges of £3,000. In addition, there was an almost £17,000 reduction in supplies and services, mainly due to the budget being increased for Individual Electoral Registration (IER) but which was not spent in 2014/15, plus additional income of nearly £31,000 relating to IER, which is to be added to the Executive carry forward list to be spent during 2015/16 on the elections service.

RISK ASSESSMENT

13. There are no significant risk considerations in relation to this report.

CONCLUSION

14. The cost of the services provided by this Committee was £20,851 less than anticipated when the revised budgets were prepared and the reasons for this are set out in this report.

APPENDIX A - Actual Cost of Individual Services 2014/15

Background Papers:

None.

Reference Papers:

Report of the Director of Finance and Resources to this Committee on 20 January 2015
- Spending Plans 2015/16.

Enquiries:

For further information on this report please contact Neil Wood (Ext 4506).

APPENDIX A

<u>HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLES</u>	Revised Budget 2014/15	Actual 2014/15	Variance 2014/15
	£	£	£
Supplies & Services	0	5,607	5,607
Third Party Payments	81,800	79,140	-2,660
Support Services	4,800	3,308	-1,492
GROSS EXPENDITURE	86,600	88,055	1,455
Sales	-300	-213	87
Fees & Charges	-88,600	-97,633	-9,033
GROSS INCOME	-88,900	-97,846	-8,946
NET EXPENDITURE	-2,300	-9,791	-7,491

<u>LICENSING</u>	Revised Budget 2014/15	Actual 2014/15	Variance 2014/15
	£	£	£
Employees	5,200	29,966	24,766
Supplies & Services	0	382	382
Third Party Payments	66,000	72,038	6,038
Support Services	4,700	3,300	-1,400
GROSS EXPENDITURE	75,900	105,686	29,786
Fees & Charges	-86,000	-89,988	-3,988
GROSS INCOME	-86,000	-89,988	-3,988
NET EXPENDITURE	-10,100	15,698	25,798

<u>HEALTH & SAFETY</u>	Revised Budget 2014/15	Actual 2014/15	Variance 2014/15
	£	£	£
Employees	3,000	55,423	52,423
Supplies & Services	12,000	16,183	4,183
Third Party Payments	124,900	120,597	-4,303
Support Services	6,300	3,833	-2,467
GROSS EXPENDITURE	146,200	196,036	49,836
Fees & Charges	0	-30	-30
GROSS INCOME	0	-30	-30
NET EXPENDITURE	146,200	196,006	49,806

<u>ELECTION SERVICES</u>	Revised Budget 2014/15	Actual 2014/15	Variance 2014/15
	£	£	£
Employees	165,000	150,202	-14,798
Premises-Related Expenditure	15,000	10,884	-4,116
Transport-Related Expenditure	1,100	1,070	-30
Supplies & Services	243,800	154,478	-89,322
Support Services	50,000	45,490	-4,510
GROSS EXPENDITURE	474,900	362,124	-112,776
Other Grants & Reimbursements	-110,000	-85,202	24,798
Sales	-1,500	-1,520	-20
Fees & Charges	0	-966	-966
GROSS INCOME	-111,500	-87,688	23,812
NET EXPENDITURE	363,400	274,436	-88,964