

REPORT TO : FINANCE COMMITTEE – 13 NOVEMBER 2000

REPORT ON : DUNDEE CITY COUNCIL DIRECT SERVICE ORGANISATIONS ANNUAL
REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2000

REPORT BY : DIRECTOR OF FINANCE

REPORT NO : 779-2000



DUNDEE CITY COUNCIL

DIRECT SERVICE ORGANISATIONS

ANNUAL REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

DUNDEE CITY COUNCIL
DIRECT SERVICE ORGANISATIONS' STATEMENT OF ACCOUNTS
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DUNDEE CITY COUNCIL
DIRECT SERVICE ORGANISATIONS

FOREWORD

The Local Government Act 1988 (the Act) requires local authorities and other public bodies to expose to competition certain activities where the work is undertaken by the authority's own employees.

The Act and subsequent Orders applies compulsory competition to the following activities:-

- a Collection of refuse;
- b Cleaning of buildings;
- c Other cleaning;
- d Catering for the purposes of schools and welfare
- e Other catering;
- f Ground maintenance;
- g Repair and maintenance of vehicles;
- h Managing sports and leisure facilities;
- i Vehicle management

The Act and Regulations exempt various work, mainly:-

- 1 Work carried out by an employee, the majority of whose time is devoted to or whose main duty is to undertake work, which is non-defined;
- 2 Work carried out by an employee who have to live in tied accommodation to enable them to undertake that work;
- 3 Work done under agreements with the Training Agency or the Department for Education or Employment, whereby either pays all or part of the costs;
- 4 Emergency work undertaken to safeguard health or property;
- 5 Work done before the starting dates and below prescribed cut off points and limits specified in the Regulations;
- 6 Work affected by local government re-organisation where exempted by the Changes Regulations.

The City Council is exempt from (e), (g) and (i) above.

The remaining activities have been subjected to Compulsory Competitive Tendering, each of the contracts successfully won by the in-house Direct Service Organisation.

The Local Government (Exemption from Competition) (Scotland) Order 1995 had the effect of removing the requirement on local authorities to seek competitive tenders under the CCT rules for work falling due within the exempt period, due mainly to the additional workload caused by local government reorganisation.

The Local Government (Exemption from Competition) (Scotland) Amendment Order 1999 and the Local Government Act 1988 (Competition) (Scotland) Amendment Regulations 1999 extended the moratorium on the reintroduction of CCT to existing services and delayed the introduction of CCT to new services. These regulations are designed to allow local authorities time to develop and implement alternative Best Value systems.

DUNDEE CITY COUNCIL
SUPPORT SERVICES DEPARTMENT
CLEANING OF BUILDINGS - DIRECT SERVICE ORGANISATION
ANNUAL REPORT 1999/2000

The Cleaning of Buildings Contract, which was won by the Ex Dundee District Council's own Cleaning Service for the second time, commenced on 31 July 1993 for a period of four years, this was extended to 1 November 1997 due to Local Government Reorganisation, subsequently a moratorium is in place which the Council is allowed to continue with as long as the Contract complies with the standards set out in the Council's Best Value submission. During the contract, the financial targets set by the Government were met. Since commencement, additional areas have been added, other areas removed and various departmental relocations taken place.

In order to achieve the level of cleaning required by the contract, account had to be taken of the differing functions carried out by departments and the areas involved and this is reflected in the equipment used. The cleaning materials used are consistent with good cleaning practice and are environmentally friendly.

All staff are employed on a part time basis between ten and twenty hours per week, dependent on the area involved and work at any of the Ex Dundee District Council premises, as requested.

Patricia McIlquham, LL.B
Director of Support Services
Dundee City Council
21 June 2000

DUNDEE CITY COUNCIL
LEISURE AND PARKS DEPARTMENT
GROUND MAINTENANCE- DIRECT SERVICE ORGANISATION
ANNUAL REPORT 1999/2000

1 Introduction

The Leisure and Parks Direct Service Organisation (DSO) provides a full and extensive landscape and outdoor recreation maintenance service for the whole of the City Council and other organisations. As a result of Compulsory Competitive Tendering (CCT), all such work carried out by Dundee City Council has now been won in competition with private contractors by the DSO for a six year period up to 31 December 1995. The Government by regulation has extended the moratorium on CCT allowing the work to continue under the existing Ground Maintenance contract for the period under review.

A review is now taking place on ground maintenance due to the Government's introduction of Best Value which will involve a restructuring on how services are delivered in future.

2 Services Provided

The DSO provides a workforce to service and carry out new landscaping works and maintenance to existing landscaped areas and outdoor recreation facilities. Sites include parks, playing fields, open spaces, golf courses, bowling greens and housing landscaped areas, which are maintained by a trained and skilled workforce of varying craft skills employed by the DSO. The DSO has its own mechanical workshops, sawmills and glasshouses and provides a full 24 hour emergency service which is required for carrying out work on dangerous trees and flooding etc.

3 Objectives

The DSO's main objective is to provide an efficient, high quality and cost effective public service by:

- a Programming landscape maintenance, landscape works and maintenance of outdoor recreational facilities to provide the service as defined by the City Council and other organisations, as requested;
- b Maintaining high standards of work and an efficient service for the Council and its Council Tax Payers;
- c Employing a skilled and trained workforce at all levels and of varying horticultural and greenkeeping crafts skills, with regular updating on training and new horticultural methods of maintenance;
- d Employing a contented and efficient workforce in order to provide the services as laid down by the policies of the Council, by providing good working conditions and Health and Safety Procedures;
- e Contribute to and improve the environment for all residents of the City to live in and to ensure that differing groups in society are adequately catered for, without disturbance to others;
- f Providing a horticultural advisory service

g Achieving the break-even requirements of the legislation.

4 **Purpose of a Leisure and Parks DSO**

In order for the Council to fulfil its objectives and policies as regards outdoor recreation, amenity and landscape management there are benefits to the community in the Council maintaining a DSO. These benefits are as follows:

- a The Council can ensure a high standard of workmanship and service;
- b Can develop a close working relationship between the Council, DSO, Trade Unions and Council Tax payers;
- c The DSO can develop a specialist knowledge and local contact with special groups, organisations and other Departments of the Council;
- d Provide an emergency service and meet agreed priorities;
- e Supervision of a DSO group is easier than private contractors;
- f The DSO can be used more efficiently on projects which are difficult to price and schedule, eg entertainment events, emergency work, clean up campaigns, planting projects etc;
- g The DSO are always prepared to price for any landscape works and will always submit keen prices to win any such contracts and not submit inflated prices;
- h Prevents overcharging by private contractors and establishment of price cartels;
- i Any benefits and profits the Leisure and Parks DSO accrue are used for the financial benefit of the Council Tax payers;
- j Provide local employment opportunities.

5 **Manpower**

The full time workforce consists of the following:

Salaried: 21 Management and Supervisors

Manual: 170 including gardeners, groundsmen, florist, foresters, sawmillers, drivers; gravediggers, apprentices and fencers

These employees are employed throughout the Council boundary and based in different areas of the City, except in the more specialised areas, such as arboriculture and fencing, where these groups are based centrally to serve the whole of the City.

All employees come within the National Joint Council Conditions of Service which provides employees with full holiday entitlement, superannuation and sickness benefit. Employees meet Leisure and Parks Management regularly at the Joint Works Committee, Health and Safety Committee and Joint Management/Trade Union Meetings to discuss matters on industrial relations, productivity, working arrangements and Health & Safety.

6 **Landscape Maintenance Programme**

The maintenance work carried out by the DSO can be readily divided into two main seasons. One is the period April - November, as this is the time that the greatest plant growth is encountered and, therefore, it is essential that the workforce concentrates its efforts on containing the growth to keep our parks, open spaces, recreation areas, landscaped areas and cemeteries neat and tidy.

The second period is during the winter months of December - March, although there are certain annual winter maintenance works to be carried out, such as pruning and planting, it is a time also for improving and carrying out new landscape works. These works include planting of new rose beds, naturalised bulb plantings and new landscape schemes as a result of building construction works such as housing, environmental improvements, road improvements, industrial units, etc.

7 **Best Value**

With the introduction by the Government of Best Value in Local Government services, the compulsory competitive tendering of services has now been overtaken by Best Value reviews. The Leisure & Parks Department are now programming best value reviews for all its services which will result in a review of how these services are delivered in order to ensure best value.

The DSO has registration for Quality Assurance ISO 9002:1994 for its organisation and which demonstrates the provision of a quality service to our customers and clients.

8 **Trading Review**

The Department is having to win more of its work under competitive tendering. With greater numbers of Housing Associations and other clients obtaining competitive rates, this trend will no doubt continue. Also the market for landscape works is decreasing as new developments become smaller and the trend towards cheaper and more cost effective new schemes and maintenance.

In order to maintain existing employment levels, DSO Management are meeting the challenge by changes in working practice to make the organisation more cost effective and efficient.

9 **Conclusion**

The DSO has a well trained workforce covering a wide range of craft skills in order to carry out the Council's own landscape amenity management and likewise for other organisations. All such maintenance work is now carried out under CCT in competition with private contractors.

**Alex Stuart
Director of Leisure and Parks
Dundee City Council
21 June 2000**

DUNDEE CITY COUNCIL
ENVIRONMENTAL AND CONSUMER PROTECTION DEPARTMENT
REFUSE COLLECTION AND OTHER CLEANING - DIRECT SERVICE ORGANISATION
ANNUAL REPORT 1999/2000

1 Refuse Collection and Other Cleaning Contract

This year a range of vehicles were leased to further enhance the efficiency of the Operations in both the Refuse Collection and Street Cleansing Services.

This included the replacement of a 32 Tonne Hookloader which will service large commercial outlets and the City Council's Civic Amenity Sites and an additional lease of a 32 Tonne Hookloader to service the recently commissioned Waste to Energy Plant.

As in previous years, further changes were introduced to increase the efficiency of the Refuse Collection Service and an exercise to rationalise the Domestic and Trade Paper Collection Routes was successfully implemented.

The Street Cleansing Service was further improved by the introduction of 6 small and medium sized Pick Up Vehicles in selected areas of the City to replace the traditional Road Sweeper and Barrow method of street cleaning.

In addition, three 3.5 Tonne Chelsea Bodies Tippers and one 7.5 Tonne Mechanical Sweeper were leased to complement further changes in street cleansing methods and to continue the modernisation programme of our fleet.

2 Animal Control

Further inroads have been made into the dog fouling problem this year with 42 owners being reported to the Police for Dog Fouling Offences in the past 12 months. This included a very successful joint initiative involving the Department's Animal Control Staff and Police Officers from Maryfield Sub-Station which saw 24 irresponsible owners reported to the Procurator Fiscal over a two week period. It is anticipated that this initiative will be repeated throughout the City over the forthcoming months.

The erection of Dog Fouling Bins in problem areas continued with a further 150 bins being erected taking the total provided throughout the City to over 1000. In the same period, well over one million Free Dog Bags were distributed.

Ron Gabriel
Director of Environmental and
Consumer Protection Department
Dundee City Council
21 June 2000

DUNDEE CITY COUNCIL

LEISURE AND PARKS DEPARTMENT

LEISURE AND RECREATION MANAGEMENT - DIRECT SERVICE ORGANISATION

ANNUAL REPORT 1999/2000

1 Introduction

The Leisure and Parks Direct Service Organisation (DSO) provides a comprehensive service in the management of all leisure activities and facilities for Dundee City Council.

During 1999/2000, the DSO has continued to perform its contractual obligations satisfactorily and the level of participation for the public was increased for a number of activities and the vast majority of income targets were reached and showed a general increase of 4% compared with previous years actuals.

2 Service Provided

The Leisure and Parks DSO provides the undernoted services through the Leisure Management Contract.

- a taking bookings
- b collection of and accounting for fees and charges
- c cleaning and maintaining of buildings, grounds, sports surfaces, plant and equipment
- d supervision of instruction
- e provision of instruction
- f catering and provision of refreshments
- g provision and hire of sports and other equipment
- h security of premises
- i marketing and promotion of the facilities
- j responsibility for heating, lighting and other service charges

The contract covers management of the following facilities:-

parks, playgrounds, sports centres, golf courses, putting greens, pitch and putt courses, trampolines, athletic grounds, cycle tracks, sports pitches, bowling greens, squash courts, boating ponds, crazy golf courses, children's rides and swimming pools.

3 Conclusion

The Leisure and Parks DSO continued its excellent record of providing a high standard of service to the people of Dundee. Its operation and facilities are continually reviewed to create a better quality of life and encourage greater numbers of people to participate in sport, fitness and recreation service.

Existing competitive tenders for both leisure management contracts (dry and wet activities) will continue meantime pending a review under Best Value. A Best Value review was undertaken in respect of the Olympia and as such a wider review is being conducted into swimming provision in Dundee with options for future provision to be determined. In addition, a Best Value review is reaching its conclusion in respect of the remaining Leisure Centres.

**Alex Stuart
Director of Leisure and Parks
Dundee City Council
21 June 2000**

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance:
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Director of Finance's Responsibilities

The Director of Finance is responsible for the preparation of the Direct Service Organisations' statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice'), is required to present fairly the financial position of the organisations at the accounting date and its income and expenditure for the year ended 31 March 2000.

In preparing this statement of accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Director of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT ON DIRECT SERVICE ORGANISATIONS' ACCOUNTS

1 **Accounting Requirements of the Legislation**

The Local Government Act 1988 requires Local Authorities to keep separate accounts for each financial year in respect of each defined activity carried out by a Direct Service Organisation for which competition is required.

The Secretary of State has specified that Direct Service Organisations' revenue accounts must break-even after taking into account capital charges which includes a capital financing charge of 6% of the value of fixed assets used in the provision of the service. However, if tenders for work were invited on the basis that an authority would make an asset available free of charge to whoever might be awarded the work, that asset need not be regarded as capital employed for the purposes of calculating the capital financing charge.

The Act specifies the items which may be credited to such accounts and gives the Secretary of State power to specify items which are to be debited. The Secretary of State has intimated that he does not intend at present to make such specifications. However, he expects Authorities to pay due regard to the useful and detailed advice contained in the Code of Practice for Compulsory Competition published by the Chartered Institute of Public Finance and Accountancy.

The Act has brought radical changes to the form and content of the accounts maintained for the activities affected by the legislation.

The main implication on a Direct Service Organisation's accounts is the fact that its income is fixed in accordance with tender prices submitted for the work. It is therefore essential for a Direct Service Organisation to monitor and control income and expenditure in such a way as to achieve the appropriate financial objective.

2 **Review of Accounts and Financial Objectives**

a **Cleaning of Buildings**

This account shows a surplus of £32,822 which represents 17.10% of total income and adequately exceeds the break-even requirements of the legislation.

b **Ground Maintenance**

This account has two sub-headings - Defined and Non-defined work. Defined work represents the work undertaken in accordance with the competitive tender price submitted for the City Council's ground maintenance work, including works contracts. Non-defined work comprises all other work undertaken by the Direct Service Organisation.

The account is in surplus by £188,293 which represents 3.47% of total income exceeding the break-even requirements of the legislation.

c **Refuse Collection and Other Cleaning**

There are two defined activities held in this account and their combined surplus amounts to £87,354. This sum represents 1.26% of total income exceeding the break-even requirements of the legislation.

d **Leisure and Recreation Management**

A surplus of £126,059 has been achieved during the period under review representing 3.51% of total income. This sum is well in excess of the break-even requirements of the legislation.

e **General**

The City Council's Direct Service Organisations have achieved the financial objectives laid down by the Secretary of State due in particular to the ongoing efforts of management and workforce to improve operational performance and exercising tight control over costs within their respective Departments.

**David K Dorward, CPFA
Director of Finance
Dundee City Council
21 June 2000**

ACCOUNTING POLICIES

General

The Accounting Policies adopted by the Authority are those detailed in the Accounting Code of Practice for Compulsory Competition published by the Chartered Institute of Public Finance and Accountancy. The accounts have been prepared in accordance with the basic accounting concepts of matching, consistency, prudence, materiality and substance over form.

Stocks and Work in Progress

Stocks are stated in the Accounts at cost and work in progress represents the value of work unbilled at 31 March 2000.

Exceptional Items

Exceptional items derive from events or transactions outwith the ordinary activities of the Direct Service Organisation which are both material and not expected to recur frequently or regularly.

Treatment of Profits/Losses

An element of profit is included in each tender where possible and any profit made at the end of the year is either appropriated to Reserves for the Direct Service Organisation or transferred to the City Council's General Fund. In the event of a loss arising, it would be met first from any available Direct Service Organisation's Reserves and secondly by a contribution from the City Council's General Fund.

Central Support Services

Charges have been made in accordance with the Trading Agreements between Central Support Departments and all Service Departments of the City Council for Financial Year 1999/2000.

SUPPORT SERVICES DEPARTMENT
CLEANING OF BUILDINGS - DIRECT SERVICE ORGANISATION
REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

Previous Year £		Total £
180,275	Income	191,917
<u>151,711</u>	Expenditure	<u>159,095</u>
<u>28,564</u>	Surplus	<u>32,822</u>

CLEANING OF BUILDINGS - NOTES ON REVENUE ACCOUNT

- 1 The charge for Central Support Services included in the expenditure amounted to £3,728.
- 2 There were no exceptional items during the period under review.
- 3 The Revenue Account surplus of £32,822 was transferred to the General Fund during the period under review.

LEISURE AND PARKS DEPARTMENT
GROUND MAINTENANCE - DIRECT SERVICE ORGANISATION
REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 2000

Previous Year £		Defined Work £	Non-Defined Work £	Total £
5,307,742	Income	4,255,196	1,164,653	5,419,849
<u>5,288,724</u>	Expenditure	<u>4,127,630</u>	<u>1,103,926</u>	<u>5,231,556</u>
<u>19,018</u>	Surplus	<u>127,566</u>	<u>60,727</u>	<u>188,293</u>

APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000

Previous Year £		Total £
19,018	Surplus for the year as per Revenue Account	188,293
<u>19,018</u>	<u>Less</u> Contribution to General Fund	<u>188,293</u>
<u>—</u>	Balance carried forward at 31 March 2000	<u>—</u>

LEISURE AND PARKS DEPARTMENT
GROUND MAINTENANCE - DIRECT SERVICE ORGANISATION
BALANCE SHEET AS AT 31 MARCH 2000

Previous Year £		£	£	£
	Fixed Assets			
23,720	Land and Buildings			20,206
<u>886,648</u>	Vehicles, Plant and Equipment			<u>873,776</u>
910,368				893,982
	Current Assets			
261,314	Stocks	220,461		
169,188	Work in Progress	151,800		
<u>236,350</u>	Trade Debtors	<u>171,733</u>		
666,852			543,994	
	<u>Less</u>			
	Current Liabilities			
	Creditors - Amounts falling due within one year			
295,928	Due to City Council's Loans Fund	236,575		
340,571	Trade Creditors	203,448		
30,353	Other Taxes and Social Security Costs	11,081		
-	Other Creditors	86,672		
<u>-</u>	Accruals	<u>6,218</u>		
<u>666,852</u>			<u>543,994</u>	
<u>-</u>	Net Current Assets/(Liabilities)			<u>-</u>
<u>910,368</u>	NET ASSETS			<u>893,982</u>
	Financed by:-			
397,336	Fixed Asset Restatement Reserve			387,114
<u>513,032</u>	Capital Financing Reserve			<u>506,868</u>
<u>910,368</u>				<u>893,982</u>

David K Dorward, CPFA
Director of Finance
Dundee City Council
21 June 2000

LEISURE AND PARKS DEPARTMENT
GROUND MAINTENANCE - DIRECT SERVICE ORGANISATION
CASH FLOW STATEMENT
FOR THE YEAR ENDING 31 MARCH 2000

Previous Year £		£	£	£
	Revenue Activities:			
	Cash outflows			
3,158,055	Cash paid to and on behalf of employees			2,953,456
1,776,972	Other Operating Costs			2,009,033
<u>19,018</u>	Contribution to General Fund			<u>188,293</u>
4,954,045				5,150,782
	Cash inflows			
<u>5,631,982</u>	Cash Received for Goods and Services			<u>5,501,854</u>
677,937	Net Cash Inflow/(Outflow) from Revenue Activities			351,072
	Capital Activities:			
	Cash outflows			
198,457	Purchase of Fixed Assets	216,479		
<u>321,828</u>	Other Capital Cash Payments	<u>291,719</u>		
<u>520,285</u>			508,198	
	Cash inflows			
6,802	Sale of Fixed Assets	20,278		
<u>119,720</u>	Other Capital Cash Receipts	<u>196,201</u>		
<u>126,522</u>			<u>216,479</u>	
(393,763)	Net Cash Inflow/(Outflow) from Capital Activities			(291,719)
<u>284,174</u>	Net Cash Inflow/(Outflow) Before Financing			<u>59,353</u>
	Financing			
	Cash Outflows			
284,174	Repayment of Amounts Borrowed			59,353
<u>284,174</u>	(Increase)/Decrease in Cash and Cash Equivalents			<u>59,353</u>

**GROUND MAINTENANCE -
NOTES ON REVENUE ACCOUNT AND BALANCE SHEET**

- 1 The charge for Central Support Services included in the expenditure amounted to £150,602.
- 2 There were no exceptional items during the period under review.
- 3 The sum of £188,293 was transferred to the General Fund during the period under review.
- 4 Fixed Assets have been included in the Balance Sheet in accordance with the new system of Capital Accounting, as recommended in the Code of Practice on Local Authority Accounting in Great Britain 1999, which was issued jointly by the Chartered Institute of Public Finance and Accountancy and the Local Authority (Scotland) Accounts Advisory Committee.

GROUND MAINTENANCE - NOTES ON CASH FLOW STATEMENT

1 **Reconciliation of Revenue Surplus Net Cash Flow from Revenue Activities**

	£	£
Surplus from Revenue Account		188,293
<u>Add</u> Cash outflow from Capital Activities	291,719	
Decrease/(Increase) in Stock	40,853	
Decrease/(Increase) in Debtors and Work in Progress	82,005	
Increase/(Decrease) in Creditors	<u>(63,505)</u>	<u>351,072</u>
		539,365
<u>Deduct</u> Contribution to General Fund		<u>188,293</u>
Net Cash inflow/(outflow) from Revenue Activities		<u>351,072</u>

2 **Reconciliation of Financing Section with Loans Fund Account.**

	£
Balance due to Loans Fund at 1 April 1999	295,928
<u>Deduct</u> Repayment of Amounts Borrowed	<u>59,353</u>
Balance due to Loans Fund at 31 March 2000	<u>236,575</u>

ENVIRONMENTAL AND CONSUMER PROTECTION DEPARTMENT

**REFUSE COLLECTION AND OTHER CLEANING -
DIRECT SERVICE ORGANISATION**

REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 2000

Previous Year £		Refuse Collection Work £	Other Cleaning Work £	Non-Defined Work £	Total £
7,352,050	Income	3,417,070	2,821,737	716,084	6,954,891
<u>7,224,605</u>	Expenditure	<u>3,370,270</u>	<u>2,781,183</u>	<u>716,084</u>	<u>6,867,537</u>
<u><u>127,445</u></u>	Surplus	<u><u>46,800</u></u>	<u><u>40,554</u></u>	<u><u>-</u></u>	<u><u>87,354</u></u>

APPROPRIATION ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

Previous Year £		Total £
127,445	Surplus for the year as per Revenue Account	87,354
<u>127,445</u>	<u>Less</u> Contribution to General Fund	<u>87,354</u>
<u><u>-</u></u>	Balance carried forward at 31 March 2000	<u><u>-</u></u>

ENVIRONMENTAL AND CONSUMER PROTECTION DEPARTMENT

**REFUSE COLLECTION AND OTHER CLEANING -
DIRECT SERVICE ORGANISATION**

BALANCE SHEET AS AT 31 MARCH 2000

Previous Year £		£	£	£
	Fixed Assets			
1,505,947	Vehicles, Plant and Equipment			897,451
	Current Assets			
104,735	Stocks	82,961		
45,966	Work in Progress and Sundry Debtors	27,907		
—	Due by City Council's Loans Fund	<u>32,479</u>	143,347	
<u>150,701</u>				
	<u>Less</u>			
	Current Liabilities			
	Creditors - Amounts falling due within one year			
71,314	Due to City Council's Loans Fund	-		
78,468	Trade Creditors	69,232		
919	Other Taxes and Social Security Costs	9,140		
-	Other Creditors	64,975		
—	Accruals	—		
<u>150,701</u>			<u>143,347</u>	
—	Net Current Assets/(Liabilities)			—
<u>1,505,947</u>	NET ASSETS			<u>897,451</u>
	Financed by:-			
974,371	Fixed Asset Restatement Reserve			805,211
<u>531,576</u>	Capital Financing Reserve			<u>92,240</u>
<u>1,505,947</u>				<u>897,451</u>

David K Dorward, CPFA
Director of Finance
Dundee City Council
21 June 2000

ENVIRONMENTAL AND CONSUMER PROTECTION DEPARTMENT

**REFUSE COLLECTION AND OTHER CLEANING -
DIRECT SERVICE ORGANISATION**

CASH FLOW STATEMENT

FOR THE YEAR ENDING 31 MARCH 2000

Previous Year £		£	£	£
	Revenue Activities:			
	Expenditure			
4,616,836	Cash paid to and on behalf of employees			4,374,884
2,052,051	Other Operating Costs			1,881,147
<u>127,445</u>	Contribution to General Fund			<u>87,354</u>
6,796,332				6,343,385
	Income			
<u>7,329,924</u>	Cash received for Goods and Services			<u>6,972,951</u>
533,592	Net Cash Inflow/(Outflow) from Revenue Activities			629,566
	Capital Activities:			
	Expenditure			
161,541	Purchase of Fixed Assets		-	
<u>709,530</u>	Other Capital Cash Payments	<u>526,623</u>		
871,071			526,623	
	Income			
3,885	Sale of Fixed Assets	850		
<u>157,656</u>	Other Capital Cash Receipts	<u>-</u>		
<u>161,541</u>			<u>850</u>	
<u>(709,530)</u>	Net Cash Inflow/(Outflow) from Capital Activities			<u>(525,773)</u>
<u>(175,938)</u>	Net Cash Inflow/(Outflow) Before Financing			<u>103,793</u>
	Financing:			
	Cash Outflow			
<u>(175,938)</u>	Repayment of Amounts Borrowed			<u>103,793</u>
<u>(175,938)</u>	(Increase)/Decrease in cash and cash equivalents			<u>103,793</u>

**REFUSE COLLECTION AND OTHER CLEANING -
NOTES ON REVENUE ACCOUNT AND BALANCE SHEET**

- 1 The charge for Central Support Services included in the expenditure amounted to £148,916.
- 2 There were no exceptional items during the period under revision.
- 3 The sum of £87,354 was transferred to the General Fund during the period under review.
- 4 During the period under review the operation of the Direct Service Organisation's Autoclave which is accounted for in the Revenue Account under Non-Defined Work was transferred to the Environmental and Consumer Protection Department's Client Function. The transactions recorded under Non-Defined Work in the Revenue Account relate to the period from the commencement of the year to the date of transfer. ie 1 April 1999 to 30 September 1999.
- 5 Fixed Assets have been included in the Balance Sheet in accordance with the new system of Capital Accounting, as recommended in the Code of Practice on Local Authority Accounting in Great Britain 1999, which was issued jointly by the Chartered Institute of Public Finance and Accountancy and the Local Authority (Scotland) Accounts Advisory Committee.

**REFUSE COLLECTION AND OTHER CLEANING -
NOTES ON CASH FLOW STATEMENT**

1 **Reconciliation of Revenue Surplus Net Cash Flow from Revenue Activities**

	£	£
Surplus from Revenue Account		87,354
<u>Add</u> Cash outflow from Capital Activities	525,773	
Decrease/(Increase) in Stocks	21,774	
Decrease/(Increase) in Debtors and Work in Progress	18,059	
Increase/(Decrease) in Creditors	<u>63,960</u>	<u>629,566</u>
		716,920
<u>Deduct</u>		
Contribution to General Fund		<u>87,354</u>
Net Cash inflow/(outflow) from Revenue Activities		<u>629,566</u>

2 **Reconciliation of Financing Section with Loans Fund Account.**

	£
Balance due to Loans Fund at 1 April 1999	71,314
Deduct: Repayment of Amounts borrowed	<u>103,793</u>
Balance due by Loans Fund at 31 March 2000	<u>32,479</u>

LEISURE AND PARKS DEPARTMENT

LEISURE AND RECREATION MANAGEMENT - DIRECT SERVICE ORGANISATION

REVENUE ACCOUNT FOR THE YEAR TO 31 MARCH 2000

Previous Year		£
£		£
3,452,016	Income	3,592,375
<u>3,325,823</u>	Expenditure	<u>3,466,316</u>
<u>126,193</u>	Surplus	<u>126,059</u>

APPROPRIATION ACCOUNT FOR THE YEAR TO 31 MARCH 2000

126,193	Surplus for the Period as per Revenue Account	126,059
<u>126,193</u>	<u>Less</u> Contribution to General Fund	<u>126,059</u>
<u>=====</u>		<u>=====</u>

BALANCE SHEET AS AT 31 MARCH 2000

73,241	Current Assets	-Due by City Council Loans Fund	18,630
(1,549)		-Trade Debtors	<u>584</u>
<u>71,692</u>			<u>19,214</u>
	Current Liabilities	- Amounts Falling Due Within One Year	
18,848	Trade Creditors	4,181	
<u>52,844</u>	Other Creditors	<u>15,033</u>	
<u>71,692</u>			<u>19,214</u>
<u>=====</u>	Current Assets Less Current Liabilities		<u>=====</u>
<u>=====</u>	Capital and Reserves		<u>=====</u>

David K Dorward, CPFA
Director of Finance
Dundee City Council
21 June 2000

LEISURE AND PARKS DEPARTMENT

LEISURE AND RECREATION MANAGEMENT - DIRECT SERVICE ORGANISATION

CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2000

Previous Year		£
£		£
	Revenue Activities:	
	Expenditure	
2,406,508	Cash Paid to and on Behalf of Employees	2,524,250
899,786	Other Operating Costs	994,544
<u>126,193</u>	Contribution to General Fund	<u>126,059</u>
3,432,487		3,644,853
	Income	
<u>3,453,565</u>	Cash received for Goods and Services	<u>3,590,242</u>
<u>21,078</u>	Net Cash Inflow/(Outflow) from Revenue Activities	<u>(54,611)</u>
	Financing:	
	Cash Inflow	
<u>21,078</u>	Amounts Borrowed	<u>(54,611)</u>
<u>21,078</u>	(Increase)/Decrease in Cash and Cash Equivalent	<u>(54,611)</u>

**LEISURE AND RECREATION MANAGEMENT –
NOTES ON REVENUE ACCOUNT**

- 1 The charge for Central Support Services included in the expenditure amounted to £72,125.
- 2 The sum of £126,059 was transferred to the General Fund during the period under review.

**LEISURE AND RECREATION MANAGEMENT –
NOTE ON CASH FLOW STATEMENT**

1 **Reconciliation with Revenue Surplus**

	£	£
Surplus per Revenue Account		126,059
<u>Add:</u> Increase/(Decrease) in Creditors	(52,478)	
Decrease/(Increase) in Debtors	<u>(2,133)</u>	<u>(54,611)</u>
		71,448
<u>Deduct:</u> Contribution to General Fund		<u>126,059</u>
Net Cash Inflow/(Outflow) from Revenue Activities		<u>(54,611)</u>

2 **Reconciliation of Financing Section with Loans Fund Account**

Due by Loans Fund at 1 April 1999		73,241
<u>Deduct:</u> Amounts Borrowed		<u>54,611</u>
Due by Loans Fund at 31 March 2000		<u>18,630</u>

**ADDITIONAL REPORTING REQUIREMENTS OF
THE LOCAL GOVERNMENT ACT 1988**

YEAR 1999/2000

CLEANING OF BUILDINGS

The above activity has no work which falls within these activity by virtue of decisions under Sections 2(5), 2(7) and 6 (4).

GROUND MAINTENANCE

- 1 Value of work which falls within the activity by virtue of a decision under Section 2(5):-
 - a Leisure and Recreation work £91,130
 - b Repair and Maintenance of Vehicles work £206,478

- 2 Value of work which falls within the activity by virtue of decision under Section 2 (7):-
Non-defined work £78,638

- 3 This activity has no work which falls within the activity by virtue of a decision under Section 6(4)

REFUSE COLLECTION AND OTHER CLEANING

- 1 Value of work which falls within the activities by virtue of a decision under Section 2(5):-
Repair and Maintenance of Vehicles work £592,108

- 2 These activities have no work which falls within the activities by virtue of decisions under Sections 2(7) and 6(4).

LEISURE AND RECREATION MANAGEMENT

- 1 Value of work which falls within the activity by virtue of a decision under Section 2(5):-
 - a Cleaning of Buildings £829,410
 - b Other Cleaning £500,486
 - c Catering £10,547

- 2 Value of work which falls within the activity by virtue of a decision under Section 2(7):-
Non Defined Work £11,992

- 3 This activity has no work which falls within the activity by virtue of decisions under Section 6(4).

AUDITOR'S OPINION (PRESCRIBED FINANCIAL OBJECTIVES)

To the members of Dundee City Council and Scottish Ministers

As auditor, appointed under statute by the Accounts Commission for Scotland, we have considered the statements for the year ended 31 March 2000 on pages 13, 14, 18 and 22 of this report which relate respectively to the following categories of work and defined activities

- Cleaning of buildings
- Ground maintenance
- Refuse collection and other cleaning
- Leisure and recreation management

In our opinion the financial objective set by the Secretary of State has been met in each case.

Henderson Loggie
Chartered Accountants
Registered Auditors
Royal Exchange
Panmure Street
Dundee
DD1 1DZ

29 September 2000