

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 28th MARCH 2007

BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 4th FEBRUARY 2007 (PERIOD 11)

Joint Report by Executive Head of Finance and Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected out-turn for the year for Neighbourhood Services (Leisure and Protective Services) for the period ended 4th February 2007 (Period 11).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the service and excludes rechargeable costs for central services charges and debt charges.
- 2.2 The Neighbourhood Services (Leisure and Protective Services) annual budget at 1st April 2006, £49,712,800, has increased by £576,290 to £50,289,090 at Period 11. This is largely due to the removal of Civil Protection specific grant (£6,000); an adjustment in Scottish Executive funding in respect of Fly Tipping (a decrease of £34,000); an adjustment in respect of Collecting Hall income from Community Support (a decrease of £118,450); a GAE adjustment in respect of Fire Joint Board (£4,000); a realignment of budget to reflect the transfer of former Trading Operations to the General Fund (£380,250); a realignment of non relevant recharges within Local Offices (£28,080); a realignment of budgets to reflect the 2006-07 pay award (£27,260), the carry forward of deferred grant income from 2005/06 (£78,800); the transfer of a procurement budget to Corporate Support (a decrease of £95,000).

Additional resources have been received in respect of Scottish Executive funding to support implementation of smoking legislation (£82,000); Police specific grant adjustment (£132,000); the transfer of Doon Valley Pool from Education and Social Services (£148,530); Scottish Executive funding in respect of Rural Service Priority Areas (£300,000) and additional resources relating to a review of the Council's Revenue Budget as detailed in a report to Policy & Resources Committee on 16th October 2006 (£450,000); Food Standards Agency funding for the implementation of Animal Feedstuffs Regulations (£8,000); the carry forward of deferred grant income from

2005-06 (£78,800) and the utilisation of Council balances with respect to additional grant funding paid to Kilmarnock Leisure Trust (£70,000)

2.3 Projected Out-turn

Based on all available information, it is currently projected that Neighbourhood Services (Leisure and Protective Services) will out-turn at £50.312m, which is £0.023m greater than budget. This projected overspend is offset by projected savings elsewhere within Neighbourhood Services budget.

2.4 Budget Performance to Period 11

Actual expenditure to date amounts to £41.491m. This compares with budgeted expenditure to date of £42.529m. Year-to-date variances have been analysed and are mainly attributable to timing of expenditure and receipt of income in advance of expenditure. Reasons for anticipated variances are highlighted in section 3 of this report.

2.5 Summary of Objective Costs

Actual Exp. To 4/2/07 (£m)	Actual Exp. To P11 as % of Annual Estimate	Service Division	Annual Estimate 2006/07 (£m)	Projected Actual to 31/3/07 (£m)	Variance (Favourable) / Adverse (£m)
0.408	88.2%	CENTRAL MANAGEMENT SUPPORT	0.462	0.449	(0.013)
7.996	80.4%	LEISURE SERVICES	9.950	10.030	0.080
1.019	78.2%	ENVIRONMENTAL SERVICES	1.303	1.341	0.038
6.114	79.3%	WASTE MANAGEMENT	7.707	7.641	(0.066)
0.388	78.1%	TRADING STANDARDS	0.497	0.497	0
0.148	73.7%	CHEMIST & ANALYST	0.201	0.178	(0.023)
0.205	58.5%	LICENCING	0.351	0.371	0.020
0.039	58.9%	EMERGENCY PLANNING	0.067	0.054	(0.013)
25.174	84.6%	JOINT BOARDS	29.751	29.751	0
41.491	82.5%	TOTAL	50.289	50.312	0.023

2.6 Summary of Subjective Costs

Phased Budget to 10/12/06 £m	Actual Exp. To 10/12/06 £m	Detail	Annual Estimate 2006/07 £m	Projected Actual £m	Variance (Favourable) / Adverse £m
12.528	12.506	EMPLOYEE COSTS	14.935	14.909	(0.026)
1.206	1.085	PREMISES COSTS	1.404	1.350	(0.054)
2.391	2.356	TRANSPORT COSTS	2.916	2.956	0.040
2.451	2.558	SUPPLIES & SERVICES	3.327	3.821	0.494
28.490	28.147	THIRD PARTY PAYMENTS	33.677	33.580	(0.097)
47.066	46.652	TOTAL EXPENDITURE	56.259	56.616	0.357
(4.537)	(5.161)	INCOME	(5.970)	(6.304)	(0.334)
42.529	41.491	NET EXPENDITURE	50.289	50.312	0.023

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that a favourable variance of £0.026m will occur at the year-end. This is largely due to managed vacancies, lower than anticipated CCTV operator costs, anticipated savings in respect of Refuse Collection and Street Cleansing, the delayed re-opening of the Hunter Centre, the transfer of Dunlop Hall to a community group (this being offset by grant funding to the group – see 3.4 below).

This is partially offset by additional staff costs within Community Safety which will be met from grant income (see 3.6 below) and redundancy and early retiral costs relating in particular to the Head of Protective Services and the Head of Cleansing Services.

Additional staff costs within the Material Recovery Facility and Strategic Waste Fund reflecting the successful implementation of the Strategic Waste Fund resulting in increased recycling material going through the Material Recovery Facility and are offset by reduced landfill costs (see 3.5 below) and additional income (see 3.6 below).

Additional staff costs within the Registration Service reflect the provision of additional services and are offset by additional income (see 3.6 below).

3.2 Premises Costs

A favourable year-end variance of £0.054m is projected. This is mainly the result of a recharge of property costs at Western Road reflecting use of this facility by the Out of Hours Noise Unit, savings on utility, rents and non-domestic rates charges within Outdoor Amenities, a non-domestic rates rebate in respect of the Hunter Centre and an anticipated saving on

electricity and water charges at Western Road depot. This is partially offset by the upgrade of plant at the Material Recovery Facility.

3.3 **Transport Related Costs**

An adverse variance of £0.040m is projected at the year-end. This relates to additional employee travel and car lease costs within Environmental Service, fuel, leasing and external hire costs within Waste Management and fuel and maintenance charges, partially offset by a saving on vehicle hires within Leisure. This is partially offset by an anticipated saving on car mileage allowance payments within Trading Standards.

3.4 **Supplies & Services**

An adverse variance of £0.494m is projected. This mainly reflects additional expenditure on Community Safety, which will be offset by grant income (see 3.6 below), additional telephone charges at Western Road depot, the purchase of bins, protective clothing and consultancy costs within Waste Management, the purchase of IT equipment within Local Offices, Outdoor Amenities and Trading Standards, additional expenditure on Community and Games Halls, grant funding to Dunlop Hall Community Group, Leisure Events expenditure (offset by additional income – see 3.6 below) and expenditure on equipment within Outdoor Amenities.

The purchase of additional library materials, expenditure on environmental controls and publicity costs within Museums, security costs at Dean Castle Country Park, additional expenditure within Street Cleansing and additional grant funding to Visions were previously to be funded from departmental balances. However, due to savings achieved elsewhere it is anticipated that these costs can now be met from existing budgets.

This is partially offset managed savings within Environmental Health to offset additional expenditure under other headings and anticipated savings on Chemist and Analyst and fridge disposal charges.

3.5 **Third Party Payments**

A favourable variance of £0.097m is projected at the year-end. This reflects anticipated savings on landfill costs as waste is diverted from landfill sites due to the successful implementation of Strategic Waste Fund and a projected saving on tree safety works within Outdoor Amenities.

Additional expenditure will be incurred in relation to various projects at Dean Castle Country Park and in relation to the extension of the Material Recovery Facility.

3.6 **Income**

The projected favourable variance of £0.334m is mainly attributable to Community Safety Grant funding (see 3.1 and 3.4 above).

Increased hall lets income reflects a changing programme of events and additional registration and Leisure Events income offsets increased employee and supplies and services costs (see 3.1 and 3.4 above).

Additional income will be earned within Grounds Maintenance and Cemeteries.

Additional income will be earned within Environmental Health due to Food Standards Agency Grant Funding, training income in respect of food hygiene and private water supplies, smoking and litter fines and the recovery of funeral and health a safety costs.

Additional Scottish Executive Grant income has been received in respect of Waste Electrical and Electronic Equipment (WEEE).

Additional recycling income will be achieved reflecting increased recycling rates due to the implementation of the Strategic Waste Fund.

This is partially offset by a shortfall in pest control and licensing income, increased competition in relation to petrol pumps and weighbridges, reduced income at the Palace Theatre and Doon Valley Swimming Pool, a shortfall in ad-hoc income within Refuse Collection and Street Cleansing and an under recovery in respect of the uplift of white goods.

4. RECOMMENDATIONS

4.1 It is recommended that Members note the contents of this report.

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Executive Head of Finance

William Stafford
Executive Director of Neighbourhood Services

WS/PW

27th February 2007

LIST OF BACKGROUND PAPERS

NIL

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