

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 29th March 2006

BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 5th FEBRUARY 2006 (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 5th February 2006 (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 2005, £48,124,130, has increased by £393,210 to £48,517,340 at Period 11. This is largely due to Police Secondment Funding (£125,000), The receipt of Scottish Executive Funding in respect of Fly Tipping (£34,000); the transfer of Collecting Hall budgets to Leisure Services (£190,690); adjustments to budgeted precepts to Joint Boards (£5,930); adjustments in respect of trading services indexation (£4,390); the transfer of a staff member from Local Offices to Finance Service (-£17,860); the receipt of £10,000 Food Standards Agency Funding; and deferred income of £41,060.

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 £48,439,240, which is £78,100 less than budget.

2.4 Budget Performance to Period 11

Actual expenditure to date amounts to £40,221,247. This compares with budgeted expenditure to date of £40,599,373. 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

| Phased Budget To 5/2/06 | Actual Exp. To 11/02/06 | Service Division | Annual Estimate 2005/06 | Projected Actual to 31/3/06 | Variance (Favourable) / Adverse |
|-------------------------|-------------------------|----------------------------|-------------------------|-----------------------------|---------------------------------|
| 411,823 | 419,736 | CENTRAL MANAGEMENT SUPPORT | 545,570 | 484,610 | (60,960) |
| 7,997,467 | 7,988,292 | LEISURE SERVICE | 9,504,150 | 9,498,930 | (5,220) |
| 1,007,062 | 1,014,073 | ENVIRONMENTAL SERVICE | 1,147,702 | 1,162,322 | 14,620 |
| 5,756,450 | 5,592,719 | WASTE MANAGEMENT | 7,264,228 | 7,283,848 | 19,620 |
| 412,854 | 372,105 | TRADING STANDARDS | 489,400 | 476,610 | (12,790) |
| 162,143 | 155,428 | CHEMIST & ANALYST | 191,620 | 183,690 | (7,930) |
| 300,408 | 154,302 | LICENCING | 359,710 | 354,500 | (5,210) |
| 60,584 | 34,010 | EMERGENCY PLANNING | 71,550 | 51,320 | (20,230) |
| 24,490,582 | 24,490,582 | JOINT BOARDS | 28,943,410 | 28,943,410 | 0 |
| 40,599,373 | 40,221,247 | TOTAL | 48,517,340 | 48,439,240 | (78,100) |

2.6 Summary of Subjective Costs

| Phased Budget to 5/02/06 | Actual Exp. To 11/02/06 | Detail | Annual Estimate 2005/06 | Projected Actual | Variance (Favourable) / Adverse |
|--------------------------|-------------------------|--------------------------|-------------------------|--------------------|---------------------------------|
| 6,341,117 | 6,714,903 | EMPLOYEE COSTS | 7,730,524 | 7,849,434 | 118,910 |
| 705,760 | 695,417 | PREMISES COSTS | 836,980 | 886,010 | 49,030 |
| 510,185 | 620,366 | TRANSPORT COSTS | 693,302 | 710,522 | 17,220 |
| 1,878,532 | 1,860,189 | SUPPLIES & SERVICES | 2,608,414 | 2,712,244 | 103,830 |
| 34,126,365 | 33,747,456 | THIRD PARTY PAYMENTS | 40,986,647 | 41,079,507 | 92,860 |
| 0 | 0 | TRANSFER PAYMENTS | 0 | 0 | 0 |
| 43,561,958 | 43,638,331 | TOTAL EXPENDITURE | 52,855,867 | 53,237,717 | 381,850 |
| (2,962,586) | (3,417,084) | INCOME | (4,338,527) | (4,798,477) | (459,950) |
| 40,599,373 | 40,221,247 | NET EXPENDITURE | 48,517,340 | 48,439,240 | (78,100) |

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that an adverse variance of £118,910 will occur at the year-end. This is largely due to early retiral costs that should produce a saving in future years, and the employment of a grant funded Houses of Multiple Occupation officer.

Additional overtime time costs within the Material Recovery Facility reflect increased throughput due to the success of the 3-bin system.

Additional staff costs within Community Safety will be met from grant 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).

This is partially offset by managed vacancies along with lower than anticipated CCTV operator costs.

3.2 Premises Costs

An adverse year-end variance of £49,030 is projected. This is due to higher than anticipated expenditure on Non-Domestic Rates, depot and utility charges.

Additional expenditure will be incurred on the maintenance and repair of CCTV cameras, reflecting both the increased number and age of such cameras.

3.3 Transport Related Costs

An adverse variance of £17,220 is projected at the year-end. This relates to additional employee travel costs within Leisure and Environmental Service and fuel and maintenance charges within Environmental Service.

3.4 Supplies & Services

An adverse year-end variance of £103,830 is projected. This mainly reflects anticipated expenditure on Community Safety, which will be offset by grant income (see 3.6 below), Risk Management expenditure, the purchase of library materials and additional expenditure on plant under the Strategic Waste Fund.

Additional expenditure will be incurred within Community Resources, particularly in relation to Christmas trees and lights and Leisure Events (the latter being offset by income).

A managed saving within Leisure Services will offset additional staff costs due to early retirees (see 3.1 above).

It is anticipated that savings will be achieved on the fridge disposal contract and Chemist and Analyst charges.

3.5 **Third Party Payments**

An adverse variance of £92,860 is projected at the year-end. This reflects expenditure on bins and green waste disposal under the Strategic Waste Fund partially offset by reduced waste disposal charges.

Additional expenditure will be incurred in relation to the Access Project at Dean Castle Country Park and the allocation of funding to Leisure external projects.

This is partially offset by reduced SLA payments to Outdoor Amenities.

3.6 **Income**

The projected favourable variance of £459,950 is attributable to a departmental admin. charge in respect of Anti-Social Behaviour, increased trade waste and recycling income, and 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).

Grant funding received in respect of Houses of Multiple Occupation offsets additional employee costs (see 3.1 above).

This is partially offset by a shortfall in pest control income, Countryside Commission funding and an under recovery in respect of the uplift of white goods.

It is anticipated that Leisure Catering income will be under recovered due to the delayed start of the new catering contract at the Palace Theatre and Dean Castle Country Park.

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

9th March 2006

LIST OF BACKGROUND PAPERS

NIL

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