

## EAST AYRSHIRE COUNCIL

### COMMUNITY SERVICES COMMITTEE – 1 February 2006

#### BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 11<sup>th</sup> DECEMBER 2005 (PERIOD 9)

##### 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 11<sup>th</sup> December 2005 (Period 9).

### 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 9. 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 the Finance Department (-£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 £48,437,340, which is £80,000 less than budget.

#### 2.4 Budget Performance to Period 9

Actual expenditure to date amounts to £32,656,041. This compares with budgeted expenditure to date of £33,275,503. 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 11/12/05	Actual Exp. To 11/02/05	Service Division	Annual Estimate 2005/06	Projected Actual	Variance (Favourable) / Adverse
369,799	339,878	CENTRAL MANAGEMENT SUPPORT	545,570	468,790	(76,780)
6,610,470	6,519,613	LEISURE SERVICE	9,504,150	9,508,150	4,000
833,869	854,535	ENVIRONMENTAL SERVICE	1,147,702	1,213,082	65,380
4,674,703	4,331,483	WASTE MANAGEMENT	7,264,228	7,240,968	(23,260)
339,132	301,446	TRADING STANDARDS	489,400	477,990	(11,410)
119,070	127,266	CHEMIST & ANALYST	191,620	183,830	(7,790)
241,094	116,380	LICENCING	359,710	347,620	(12,090)
49,615	27,689	EMERGENCY PLANNING	71,550	53,500	(18,050)
20,037,751	20,037,751	JOINT BOARDS	28,943,410	28,943,410	0
<b>33,275,503</b>	<b>32,656,041</b>	<b>TOTAL</b>	<b>48,517,340</b>	<b>48,437,340</b>	<b>(80,000)</b>

## 2.6 Summary of Subjective Costs

Phased Budget to 11/12/05	Actual Exp. To 11/12/05	Detail	Annual Estimate 2005/06	Projected Actual	Variance (Favourable) / Adverse
5,312,544	5,504,764	EMPLOYEE COSTS	7,728,575	7,898,193	169,618
639,806	618,867	PREMISES COSTS	819,280	871,655	52,375
446,559	532,498	TRANSPORT COSTS	694,002	710,692	16,690
1,623,313	1,634,856	SUPPLIES & SERVICES	2,632,980	2,666,192	33,212
27,909,210	27,439,085	THIRD PARTY PAYMENTS	40,981,030	41,036,563	55,533
0	0	TRANSFER PAYMENTS	0	0	0
<b>35,931,432</b>	<b>35,730,070</b>	<b>TOTAL EXPENDITURE</b>	<b>52,855,867</b>	<b>53,183,295</b>	<b>327,428</b>
<b>(2,655,929)</b>	<b>(3,074,029)</b>	<b>INCOME</b>	<b>(4,338,527)</b>	<b>(4,745,955)</b>	<b>(407,428)</b>
<b>33,275,503</b>	<b>32,656,041</b>	<b>NET EXPENDITURE</b>	<b>48,517,340</b>	<b>48,437,340</b>	<b>(80,000)</b>

### **3. ANALYSIS OF VARIANCES**

#### **3.1 Employee Costs**

It is anticipated that an adverse variance of £169,618 will occur at the year-end. This is largely due to early retiral costs that should produce a saving in future years, the employment of a grant funded Houses of Multiple Occupation officer, and difficulty in achieving staff turnover targets.

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 £52,375 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 £16,690 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 £33,212 is projected. This mainly reflects anticipated expenditure on Community Safety, which will be offset by grant income (see 3.6 below), an anticipated provision for bad debts 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 retirements (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 £55,533 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 (see 3.2 above).

Additional expenditure will be incurred in relation to the Access Project at Dean Castle Country Park.

### **3.6 Income**

The projected favourable variance of £407,428 is attributable to a departmental admin. charge in respect of Anti-Social Behaviour, increased trade waste and recycling income (see 3.2 above), 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.

Alex McPhee  
**Executive Head of Finance**

William Stafford  
**Executive Director** of  
**Neighbourhood Services**

WS/PW

5th January 2006

## **LIST OF BACKGROUND PAPERS**

**NIL**

Implementation officer – [william.stafford@east-ayrshire.gov.uk](mailto:william.stafford@east-ayrshire.gov.uk)

.