

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 2nd FEBRUARY 2005

BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 12th DECEMBER 2004 (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 12th December 2004 (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 2004, £45,230,300, has increased by £269,960 to £45,500,260 at Period 9. This is largely due to adjustments to budgeted precepts to Joint Boards; adjustments associated with the restructuring of services at 1st April 2004 and brought forward quality of life balances. Additional budget of £132,000 has been received in relation to Youth Justice – Anti Social Behaviour.

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 £45,480,260 which is £20,000 less than budget.

2.4 Budget Performance to Period 9

Actual expenditure to date amounts to £31,773,360 and represents 69.83% of the estimated expenditure for the year. 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 Expend to 12-Dec-04 Period 9	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
255,063	65.6%	Central Management Support	388,811	362,927	10,745
6,329,908	68.4%	Leisure Service	9,250,392	9,315,142	(1,800)
944,810	66.8%	Environmental Service	1,414,992	1,376,765	(50,187)
4,275,147	63.3%	Waste Management	6,754,368	6,815,125	87,906
294,201	64.9%	Trading Standards	453,596	453,596	0
108,992	63.4%	Chemist & Analyst	171,986	171,986	0
147,620	42.4%	Licensing	348,092	288,996	(32,631)
27,186	39.5%	Emergency Plan	68,803	46,503	(14,033)
18,467,021	69.3%	Joint Boards	26,649,220	26,649,220	0
923,412	0.0%	Strategic Waste Fund	0	0	0
31,773,360	69.83%	TOTAL	45,500,260	45,480,260	0

2.6 Summary of Subjective Costs

Actual Expend to 12-Dec-04 Period 9	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
4,775,477	67.6%	Employee Costs	7,063,556	7,100,616	37,060
735,827	56.1%	Premises Costs	1,312,060	1,345,398	33,338
441,131	62.1%	Transport Related Costs	709,870	683,713	(26,157)
1,312,259	61.2%	Supplies & Services	2,126,938	2,176,194	49,256
26,799,151	68.4%	Third Party Payments	39,176,447	39,186,569	10,122
0	0.0%	Transfer Payments	0	0	0
34,063,845	67.6%	TOTAL EXPENDITURE	50,388,871	50,492,490	103,619
(2,290,485)	46.9%	Income	(4,888,611)	(5,012,230)	(123,619)
31,773,360	69.83%	NET EXPENDITURE	45,500,260	45,480,260	(20,000)

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that an adverse variance of £37,060 will occur at the year-end. This is largely due to staffing arrangements within Local Offices and difficulty in achieving staff turnover. This is offset by managed savings in other areas such as Environmental Services and Emergency Planning.

Additional early retiral and recruitment advertising costs have been incurred as a result of the recent restructuring of Museums and Theatres. It is anticipated that this will produce savings in future years.

Additional staff costs within Community Safety relate to additional CCTV operators and support staff. These costs will be met from grant income (see 3.6 below).

3.2 **Premises Costs**

A net adverse year-end variance of £33,338 is projected. This is due to higher than anticipated expenditure on Non-Domestic Rates, trade refuse collection and depot charges within Leisure Services. This is partially offset by a projected saving on water and rates charges within Public Conveniences, Licensing and Trading Standards.

3.3 **Transport Related Costs**

A favourable variance of £26,157 is projected at the year-end. This relates to a saving on car leasing costs within Environmental Services and operating lease costs within Waste Management. This is partially offset by external hire costs within Waste Management and Leisure and leased vehicle costs within Central Management Support. Additional car mileage allowances have been incurred within Leisure and Community Safety the latter being met from grant income (see 3.6 below).

3.4 **Supplies & Services**

An adverse year-end variance of £49,256 is projected. This mainly reflects anticipated expenditure on Community Safety, which will be offset by grant income (see 3.6 below). It is anticipated that expenditure on the book fund within Libraries and show losses at the Palace Theatre will also be greater than anticipated. Additional expenditure has been incurred due to a fire at Bellfield Bowling Club.

Reduced expenditure on Leisure catering reflects lower income figures (see 3.6 below).

3.5 **Third Party Payments**

An unfavourable variance of £10,122 is projected at the year-end. This is partly attributable to the later than anticipated cessation of a recycling initiative.

Expenditure on projects within Dean Castle Country Park will be offset by additional grant income (see 3.6 below).

3.6 **Income**

The projected favourable variance of £123,619 is attributable to the receipt of grant funding for projects being undertaken at Dean Castle Country Park and for Community Safety and schools environmental initiatives. These are offset by increased expenditure above. Additional income has been received from CCTV grant and MGF funding within Local Offices.

This is partially offset by lower than anticipated Trading Standards income in relation to petrol pumps and weighbridges. This reflects increased competition. It is also expected that Other Fees and Charges and Pest Destruction income within Environmental Services and Waste Management will be lower than budgeted.

A shortfall in Catering Income is offset by reduced expenditure (see 3.4 above)

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

11th January 2005

LIST OF BACKGROUND PAPERS

NIL

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