

## **EAST AYRSHIRE COUNCIL**

### **COMMUNITY SERVICES COMMITTEE – 31st JANUARY 2007**

#### **BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 10<sup>th</sup> DECEMBER 2006 (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 10<sup>th</sup> December 2006 (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 2006, £49,712,800, has increased by £75,220 to £49,788,020 at Period 6. 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 (£369,520); 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); and additional resources relating to a review of the Council's Revenue Budget as detailed in a report to Policy & Resources Committee on 16<sup>th</sup> October 2006.

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) and Scottish Executive funding in respect of Rural Service Priority Areas (£300,000).

### 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 £50.088m, which is £0.039m less than budget.

### 2.4 Budget Performance to Period 9

Actual expenditure to date amounts to £33.728m. This compares with budgeted expenditure to date of £34.947m. 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 10/12/06 £m	Actual Exp. To P6 as % of Annual Estimate	Service Division	Annual Estimate 2006/07 £m	Projected Actual to 10/12/07 £m	Variance (Favourable) / Adverse £m
0.259	57.8%	CENTRAL MANAGEMENT SUPPORT	0.448	0.408	(0.040)
6.435	64.6%	LEISURE SERVICES	9.965	9.965	0
0.795	61.2%	ENVIRONMENTAL SERVICES	1.299	1.342	0.043
4.928	64.4%	WASTE MANAGEMENT	7.650	7.620	(0.030)
0.319	65.1%	TRADING STANDARDS	0.490	0.490	0
0.133	66.3%	CHEMIST & ANALYST	0.201	0.178	(0.023)
0.231	65.7%	LICENCING	0.351	0.376	0.025
0.031	47.3%	EMERGENCY PLANNING	0.067	0.053	(0.014)
20.597	69.2%	JOINT BOARDS	29.751	29.751	0
<b>33.728</b>	<b>67.2%</b>	<b>TOTAL</b>	<b>50.222</b>	<b>50.183</b>	<b>(0.039)</b>

### 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
10.225	10.158	EMPLOYEE COSTS	14.935	14.865	(0.070)
1.062	0.974	PREMISES COSTS	1.405	1.346	(0.059)
1.916	1.963	TRANSPORT COSTS	2.856	2.894	0.038
2.012	1.917	SUPPLIES & SERVICES	3.369	3.665	0.296
23.377	23.177	THIRD PARTY PAYMENTS	33.627	33.575	(0.052)
<b>38.592</b>	<b>38.189</b>	<b>TOTAL EXPENDITURE</b>	<b>56.192</b>	<b>56.250</b>	<b>0.058</b>
(3.645)	(4.461)	INCOME	(5.970)	(6.162)	(0.192)
<b>34.947</b>	<b>33.728</b>	<b>NET EXPENDITURE</b>	<b>50.222</b>	<b>50.088</b>	<b>(0.039)</b>

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

#### **3.1 Employee Costs**

It is anticipated that a favourable variance of £0.07m 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 costs relating to the Head of Protective 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 £0.059m 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.

#### **3.3 Transport Related Costs**

An adverse variance of £0.038m is projected at the year-end. This relates to additional employee travel costs within Leisure and Environmental Service and fuel, maintenance and vehicle hire charges within Leisure, Environmental Service and Waste Management.

#### **3.4 Supplies & Services**

An adverse variance of £0.296m is projected. This mainly reflects additional expenditure on Community Safety, which will be offset by grant income (see 3.6 below), additional expenditure within Street Cleansing, the purchase of additional library materials, additional telephone charges at Western Road depot, the purchase of bins within Waste Management, 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.

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 £0.052m 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.

Additional expenditure will be incurred in relation to various projects at Dean Castle Country Park and tree safety works within Outdoor Amenities.

### 3.6 **Income**

The projected favourable variance of £0.192m 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 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 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.

Alex McPhee  
**Executive Head of Finance**

William Stafford  
**Executive Director of Neighbourhood Services**

WS/PW 9<sup>th</sup> October 2006

**LIST OF BACKGROUND PAPERS - Nil**  
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