

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 24th MARCH 2004

BUDGETARY CONTROL SUMMARY STATEMENT COMMUNITY SERVICES TO 08 FEBRUARY 2004 (PERIOD 11)

Joint Report by Director of Finance And Director of Community 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 the Community Services Department for the period ended 8 February 2004 (Period 11).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department and excludes rechargeable costs for central services charges and debt charges.

2.2 Budget Performance to Period 11

The net expenditure to date amounts to £36,941,401 compared to a budget of £37,099,357 resulting in the actual expenditure being less than the budget by £157,956. The budget to 8 February 2004 is based on standard phasing for each period, except where the service department has indicated otherwise. Period variances are mainly attributable to phasing which should level out over the year, however if this is not the case reasons for the anticipated variances are highlighted at section 3 of this report.

2.3 Projected Out-turn

Based on all available information it is currently projected that the Community Services department will out-turn £2,453 less than budget at 31 March 2004.

2.4 Summary of Objective Costs

	Budget Expend to 8-Feb-03 Period 11	Actual Expend to 8-Feb-03 Period 11	Variance Expend to 8-Feb-04 Period 11	Annual Estimate 2003-04	Projected Actual 2003-04	Variance	
	£	£	£	£	£	£	%
Central Management Support	475,097	477,343	2,246	455,475	469,645	14,170	3
Leisure Service	7,683,923	7,660,458	(23,465)	9,635,302	9,660,712	25,410	-
Cleansing & Waste Management	6,862,996	6,863,609	613	8,120,219	8,124,656	4,437	-
Trading Standards	379,655	358,497	(21,158)	443,946	439,223	(4,723)	(1)
Chemist & Analyst	136,498	151,459	14,961	163,796	165,053	1,257	1
Licensing	165,472	51,311	(114,161)	220,041	191,193	(28,848)	(13)
Emergency Plan	57,408	48,023	(9,385)	67,661	61,112	(6,549)	(10)
Joint Boards	21,338,308	21,330,701	(7,607)	25,218,000	25,210,393	(7,607)	-
TOTAL	37,099,357	36,941,401	(157,956)	44,324,440	44,321,987	(2,453)	-

2.5 Summary of Subjective Costs

	Expend to 8-Feb-04 Period 11	Actual Expend to 8-Feb-04 Period 11	Variance Expend to 8-Feb-04 Period 8	Annual Estimate 2003-04	Projected Actual 2003-04	Variance	
	£	£	£	£	£	£	%
Employee Costs	5,663,361	5,772,058	108,697	6,688,987	6,759,216	70,229	1
Premises Costs	694,936	698,187	3,251	974,819	1,009,918	35,099	4
Transport Related Costs	402,983	388,654	(14,329)	507,517	445,186	(62,331)	(11)
Supplies & Services	1,787,070	1,663,368	(123,702)	2,272,286	2,298,365	26,079	2
Third Party Payments	30,341,290	30,378,641	37,351	36,253,109	36,383,150	130,041	-
TOTAL EXPENDITURE	38,889,640	38,900,908	11,268	46,696,718	46,895,835	199,117	-
Income	(1,790,283)	(1,959,507)	(169,224)	(2,372,278)	(2,573,848)	(201,570)	(3)
NET EXPENDITURE	37,099,357	36,941,401	(157,956)	44,324,440	44,321,987	(2,453)	-

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

The department projects that an adverse variance of £70,229 will occur at the year-end. This is largely due to early retiral costs and difficulty in meeting staff turnover targets across various sections and increased manual workers costs within Recycling reflecting increased throughput within the Council's Material Recovery Facility and additional costs associated with the disposal of fridges and freezers.

Additional staff costs within Community Safety will be met from savings achieved on supplies and services (see 3.4 below).

3.2 Premises Costs

The department projects a net adverse year-end variance of £35,098. This is due to higher than anticipated energy costs, water charges and general repairs within Leisure and water and ground rent charges within Cleansing and Waste Management.

3.3 Transport Related Costs

A favourable variance of £62,331 is projected at the year-end. This relates to anticipated savings on wheeled bin lease payments and car lease payments within Leisure Client and Cleansing and Waste Management.

This is partially offset by greater than budgeted expenditure on car mileage allowances and transport hires within Leisure Services.

3.4 Supplies & Services

An adverse year-end variance of £26,079 is projected. This relates to costs associated with the Burns Exhibition, and Performing Rights charges. These costs are offset by additional income (see 3.6 below). It is also anticipated that costs associated with the catering contract at Dean Castle Country Park, destitute burials, the removal and disposal of fridges and freezers and the removal of abandoned motor vehicles will be greater than budgeted.

This is partially offset management action taken, particularly within Central Management Support and Cleansing and Waste Management to produce savings to offset additional expenditure elsewhere. Reduced expenditure from the Community Safety Grant awarded to the Council for 2003/04 reflects the proportion of the grant used to fund staff costs (see 3.1 above).

3.5 Third Party Payments

An unfavourable variance of £130,041 is projected at the year-end. This is attributable to waste management landfill contract charge, waste management licence costs, and the cost of cleansing additional streets not included in the Service Level Agreement. Additional costs associated with the Access and Cycle Path projects at Dean Castle Country Park are offset by grant income (see 3.6 below).

3.6 Income

The projected favourable variance of £201,570 is attributable to the receipt of Access and Cycle Path grant funding, and Performing Rights Charges. These are offset by increased expenditure on Supplies and Services and Third Party Payments (see 3.4 and 3.5 above). Additional income is anticipated from license fees and CCTV grant.

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 Cleansing and Waste Management will be lower than budgeted.

4. RECOMMENDATIONS

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

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WS/PW

8 March 2004

LIST OF BACKGROUND PAPERS

NIL

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