

## EAST AYRSHIRE COUNCIL

### COMMUNITY SERVICES COMMITTEE – 23 MARCH 2005

#### BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 6 FEBRUARY 2005 (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 6<sup>th</sup> February 2005 (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 2004, £45,230,300, has increased by £269,960 to £45,500,260 at Period 11. This is largely due to adjustments to budgeted precepts to Joint Boards; adjustments associated with the restructuring of services at 1<sup>st</sup> 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 £45,380,260 which is £120,000 less than budget.

#### 2.4 Budget Performance to Period 11

Actual expenditure to date amounts to £38,725,139 and represents 85.1% 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 6-Feb-05 Period 11	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
281,565	72.4%	Central Management Support	388,808	376,209	(12,599)
7,615,873	82.3%	Leisure Service	9,250,395	9,279,703	29,308
1,019,283	83.4%	Environmental Service	1,222,059	1,233,853	11,794
5,236,847	75.4%	Waste Management	6,947,301	6,892,083	(55,218)
362,747	80.0%	Trading Standards	453,596	453,596	0
149,993	87.2%	Chemist & Analyst	171,986	171,986	0
213,587	61.4%	Licensing	348,092	280,666	(67,426)
32,151	46.7%	Emergency Plan	68,803	42,944	(25,859)
22,631,070	84.9%	Joint Boards	26,649,220	26,649,220	0
1,182,023	0.0%	Strategic Waste Fund	0	0	0
<b>38,725,139</b>	<b>85.1%</b>	<b>TOTAL</b>	<b>45,500,260</b>	<b>45,380,260</b>	<b>(120,000)</b>

## 2.6 Summary of Subjective Costs

Actual Expend to 6-Feb-05 Period 11	Actual As % of Annual Estimate		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
5,949,522	84.2%	Employee Costs	7,066,253	7,019,167	(47,086)
819,794	62.6%	Premises Costs	1,310,063	1,354,378	44,315
495,160	69.8%	Transport Related Costs	709,870	678,127	(31,743)
1,676,654	78.8%	Supplies & Services	2,126,938	2,231,501	104,563
32,424,346	82.8%	Third Party Payments	39,164,247	39,191,175	26,928
0	0.0%	Transfer Payments	0	0	0
<b>41,365,476</b>	<b>82.1%</b>	<b>TOTAL EXPENDITURE</b>	<b>50,377,371</b>	<b>50,474,348</b>	<b>96,977</b>
(2,640,337)	54.1%	Income	(4,877,111)	(5,094,088)	(216,977)
<b>38,725,139</b>	<b>85.1%</b>	<b>NET EXPENDITURE</b>	<b>45,500,260</b>	<b>45,380,260</b>	<b>(120,000)</b>

## 3. ANALYSIS OF VARIANCES

### 3.1 Employee Costs

It is anticipated that a favourable variance of £47,086 will occur at the year-end. This is largely due to managed savings in other areas such as Environmental Services and Emergency Planning and reduced overtime costs within Waste Management. This is partially offset by staffing arrangements within Local Offices. 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 £44,315 is projected. This is due to higher than anticipated expenditure on Non-Domestic Rates, trade refuse collection and depot charges within Leisure Services.

### 3.3 **Transport Related Costs**

A favourable variance of £31,743 is projected at the year-end. This relates to a saving on car leasing costs and operating lease costs within Waste Management. This is partially offset by external hire cost within Waste Management and Leisure. 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 £104,563 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 £26,928 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 £216,977 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, the sale of scrap and salvage 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

3<sup>rd</sup> March 2005

### **LIST OF BACKGROUND PAPERS**

**NIL**

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