

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 9th NOVEMBER 2005

BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 18th SEPTEMBER 2005 (PERIOD 6)

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 18th September 2005 (Period 6).

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, £48,168,450, has increased by £307,830 to £48,476,280 at Period 6. 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 Finance Service (-£17,860); and the receipt of £10,000 Food Standards Agency Funding.

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 £48,356,280, which is £120,000 less than budget.

2.4 Budget Performance to Period 6

Actual expenditure to date amounts to £22,490,940. This compares with budgeted expenditure to date of £22,648,951. 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 18/09/05 | Actual Exp. To 18/09/05 | Service Division | Annual Estimate 2005/06 | Projected Actual | Variance (Favourable) / Adverse |
|---------------------------|-------------------------|----------------------------|-------------------------|-------------------|---------------------------------|
| 244,770 | 172,117 | CENTRAL MANAGEMENT SUPPORT | 605,570 | 524,781 | (80,789) |
| 4,252,141 | 4,340,135 | LEISURE SERVICE | 9,444,150 | 9,452,947 | 8,797 |
| 567,993 | 584,217 | ENVIRONMENTAL SERVICE | 1,115,642 | 1,199,627 | 83,985 |
| 3,734,972 | 3,612,802 | WASTE MANAGEMENT | 7,264,228 | 7,168,048 | (96,180) |
| 226,940 | 203,490 | TRADING STANDARDS | 480,400 | 480,400 | 0 |
| 88,443 | 70,942 | CHEMIST & ANALYST | 191,620 | 184,449 | (7,171) |
| 142,034 | 129,936 | LICENCING | 359,710 | 350,485 | (9,225) |
| 33,155 | 18,798 | EMERGENCY PLANNING | 71,550 | 52,133 | (19,417) |
| 13,358,503 | 13,358,503 | JOINT BOARDS | 28,943,410 | 28,943,410 | 0 |
| 22,648,951 | 22,490,940 | TOTAL | 48,476,280 | 48,356,280 | (120,000) |

2.6 Summary of Subjective Costs

| Phased Budget to 18/09/05 | Actual Exp. To 18/09/05 | Detail | Annual Estimate 2005/06 | Projected Actual | Variance (Favourable) / Adverse |
|---------------------------|-------------------------|--------------------------|-------------------------|-------------------|---------------------------------|
| 3,333,745 | 3,676,912 | EMPLOYEE COSTS | 7,731,574 | 7,882,518 | 150,944 |
| 504,584 | 534,147 | PREMISES COSTS | 820,280 | 907,185 | 86,905 |
| 256,093 | 348,079 | TRANSPORT COSTS | 692,501 | 686,169 | (6,332) |
| 954,918 | 968,442 | SUPPLIES & SERVICES | 2,595,018 | 2,649,328 | 54,310 |
| 18,568,140 | 18,430,826 | THIRD PARTY PAYMENTS | 40,977,434 | 41,001,142 | 23,708 |
| 0 | 0 | TRANSFER PAYMENTS | 0 | 0 | 0 |
| 23,617,480 | 23,958,406 | TOTAL EXPENDITURE | 52,816,807 | 53,126,342 | 309,535 |
| (968,529) | (1,467,466) | INCOME | (4,340,527) | (4,770,062) | (429,535) |
| 22,648,951 | 22,490,940 | NET EXPENDITURE | 48,476,280 | 48,356,280 | (120,000) |

3 ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that an adverse variance of £150,944 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, staff costs incurred within the Cooksafe Project (offset by grant income) and difficulty in achieving staff turnover targets.

Additional staff costs within Community Safety These costs 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 within Emergency Planning and Trading Standards.

3.2 Premises Costs

An adverse year-end variance of £86,905 is projected. This is due to higher than anticipated expenditure on Non-Domestic Rates, depot and utility charges.

Additional expenditure on the extension of the Material Recovery Facility under the Strategic Waste Fund is offset by savings on landfill costs and additional income from the sale of recycle (see 3.5 and 3.6 below).

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

A favourable variance of £6,332 is projected at the year-end. This relates to a saving on fuel, maintenance charges and car mileage allowances within Waste Management. This is partially offset by additional fuel, maintenance charges and car mileage allowances within other services.

3.4 Supplies & Services

An adverse year-end variance of £54,310 is projected. This mainly reflects anticipated expenditure on Community Safety, which will be offset by grant income (see 3.6 below) and an anticipated provision for bad debts.

A managed saving within Leisure Services will offset additional staff costs due to early retirements (see 3.1 above).

3.5 Third Party Payments

An adverse variance of £23,708 is projected at the year-end. This reflects expenditure on bins under the Strategic Waste Fund partially offset by waste disposal charges (see 3.2 above).

3.6 Income

The projected favourable variance of £429,535 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 income offsets increased employee costs (see 3.1 above).

Grant funding received in respect of Houses of Multiple Occupation and Cooksafe Project offset additional employee costs (see 3.1 above).

This is partially offset by lower than anticipated Trading Standards income reflecting increased competition in relation to petrol pumps and weighbridges, a shortfall in pest control income 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

4th October 2005

LIST OF BACKGROUND PAPERS

NIL

Implementation officer – william.stafford@east-ayrshire.gov.uk

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