

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 8th NOVEMBER 2006

BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 17th SEPTEMBER 2006 (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 17th September 2006 (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 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) and a realignment of budgets to reflect the 2006-07 pay award (£27,260).

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 £49,684,360, which is £103,660 less than budget.

2.4 Budget Performance to Period 6

Actual expenditure to date amounts to £22,452,817. This compares with budgeted expenditure to date of £23,641,002. 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 17/09/06	Actual Exp. To P6 as % of Annual Estimate	Service Division	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
119,152	24.9%	CENTRAL MANAGEMENT SUPPORT	477,730	477,730	0
4,253,588	44.3%	LEISURE SERVICES	9,609,490	9,609,490	0
532,969	42.7%	ENVIRONMENTAL SERVICES	1,247,838	1,218,228	(29,610)
3,318,756	43.6%	WASTE MANAGEMENT	7,603,762	7,542,752	(61,010)
215,230	44.9%	TRADING STANDARDS	479,480	479,480	0
88,939	44.2%	CHEMIST & ANALYST	201,200	177,870	(23,330)
170,658	48.6%	LICENCING	350,930	373,420	22,490
22,291	33.5%	EMERGENCY PLANNING	66,590	54,390	(12,200)
13,731,234	46.2%	JOINT BOARDS	29,751,000	29,751,000	0
22,452,817	45.1%	TOTAL	49,788,020	49,684,360	(103,660)

2.6 Summary of Subjective Costs

Phased Budget to 23/07/06	Actual Exp. To 23/07/06	Detail	Annual Estimate 2006/07	Projected Actual	Variance (Favourable) / Adverse
6,750,463	6,770,086	EMPLOYEE COSTS	14,920,060	14,913,049	(7,011)
849,822	722,302	PREMISES COSTS	1,393,097	1,349,594	(43,503)
1,227,939	1,277,292	TRANSPORT COSTS	2,845,793	2,938,505	92,712
1,539,637	1,478,469	SUPPLIES & SERVICES	3,122,718	3,213,026	90,308
15,426,021	15,202,017	THIRD PARTY PAYMENTS	33,396,701	33,321,707	(74,994)
0	0	TRANSFER PAYMENTS	0	0	0
25,793,882	25,450,166	TOTAL EXPENDITURE	55,678,369	55,735,881	57,512
(2,152,880)	(2,997,349)	INCOME	(5,890,349)	(6,051,521)	(161,172)
23,641,002	22,452,817	NET EXPENDITURE	49,788,020	49,684,360	(103,660)

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that a favourable variance of £7,011 will occur at the year-end. This is largely due to managed vacancies, lower than anticipated CCTV operator costs, the delayed re-opening of the Hunter Centre (this being offset by reduced income – see 3.6 below), 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).

Additional staff costs within the Material Recovery Facility and Strategic Waste Fund reflect increased throughput due to the success of the 3-bin system and are offset by additional income (see 3.6 below).

Additional staff costs within the Registration Service reflect the provision of additional services and are offset by reduced landfill costs and additional income (see 3.5 and 3.6 below).

3.2 Premises Costs

A favourable year-end variance of £43,503 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 costs at Western Road depot.

3.3 Transport Related Costs

An adverse variance of £92,712 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 £90,308 is projected. This mainly reflects additional expenditure on Community Safety, which will be offset by grant income (see 3.6 below), an anticipated provision for bad and doubtful debts, additional telephone charges at Western Road depot, the purchase of bins within Waste Management, network costs relating to CCTV cameras, 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 £74,994 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 £161,172 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 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
9th October 2006

LIST OF BACKGROUND PAPERS - NIL

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