

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 14th SEPTEMBER 2005

**BUDGETARY CONTROL SUMMARY STATEMENT
NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO
24th JULY 2005 (PERIOD 4)**

**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 24th July 2005 (Period 4).

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, £48,168,450, has increased by £297,830 to £48,466,280 at Period 4. 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); and the transfer of a staff member from Local Offices to Finance Service (-£17,860).

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 £48,366,280, which is £100,000 less than budget.

2.4 Budget Performance to Period 4

Actual expenditure to date amounts to £14,946,610. This compares with budgeted expenditure to date of £14,987,462. 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 24/07/05	Actual Exp. To 24/07/05	Service Division	Annual Estimate 2005/06	Projected Actual	Variance (Favourable) / Adverse
127,869	21,304	CENTRAL MANAGEMENT SUPPORT	665,570	565,496	(100,074)
2,978,844	3,106,779	LEISURE SERVICE	9,384,150	9,384,150	0
421,016	435,103	ENVIRONMENTAL SERVICE	1,115,642	1,212,240	96,598
2,237,460	2,205,385	WASTE MANAGEMENT	7,264,228	7,192,333	(71,895)
142,690	138,850	TRADING STANDARDS	470,400	470,400	0
58,963	56,861	CHEMIST & ANALYST	191,620	184,799	(6,821)
92,779	63,834	LICENCING	359,710	359,710	0
22,171	12,824	EMERGENCY PLANNING	71,550	53,742	(17,808)
8,905,670	8,905,670	JOINT BOARDS	28,943,410	28,943,410	0
14,987,462	14,946,610	TOTAL	48,466,280	48,366,280	(100,000)

2.6 Summary of Subjective Costs

Phased Budget to 24/07/05	Actual Exp. To 24/07/05	Detail	Annual Estimate 2005/06	Projected Actual	Variance (Favourable) / Adverse
2,228,184	2,436,470	EMPLOYEE COSTS	7,708,005	7,799,472	91,467
372,357	478,381	PREMISES COSTS	825,205	890,651	65,446
171,543	242,384	TRANSPORT COSTS	687,729	677,052	(10,677)
641,630	670,643	SUPPLIES & SERVICES	2,604,434	2,613,667	9,233
12,162,924	11,917,682	THIRD PARTY PAYMENTS	40,977,434	41,098,937	121,503
0	0	TRANSFER PAYMENTS	0	0	0
15,576,638	15,745,560	TOTAL EXPENDITURE	52,802,807	53,079,779	276,972
(589,176)	(798,950)	INCOME	(4,336,527)	(4,713,499)	(376,972)
14,987,462	14,946,610	NET EXPENDITURE	48,466,280	48,366,280	(100,000)

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that an adverse variance of £91,467 will occur at the year-end. This is largely due to staffing arrangements at the Palace Theatre, early retiral costs that should produce a saving in future years, the employment of a grant funded Houses of Multiple Occupation officer 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).

This is partially offset by managed vacancies within Emergency Planning and Trading Standards.

3.2 **Premises Costs**

An adverse year-end variance of £65,446 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 recyclate (see 3.5 and 3.6 below).

3.3 **Transport Related Costs**

A favourable variance of £10,677 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 £9,233 is projected. This mainly reflects anticipated expenditure on Community Safety, which will be offset by grant income (see 3.6 below).

A managed saving within Leisure Services will offset additional staff costs at the Palace Theatre and due to early retrials (see 3.1 above).

3.5 **Third Party Payments**

An unfavourable variance of £121,503 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 £376,972 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).

This is partially offset by lower than anticipated Trading Standards income reflecting 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

23rd August 2005

LIST OF BACKGROUND PAPERS

NIL

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