

EAST AYRSHIRE COUNCIL

COMMUNITY SERVICES COMMITTEE – 13th SEPTEMBER 2006

BUDGETARY CONTROL SUMMARY STATEMENT NEIGHBOURHOOD SERVICES (LEISURE AND PROTECTIVE SERVICES) TO 23rd JULY 2006 (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 23rd July 2006 (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 2006, £49,712,800, has decreased by £224,780 to £49,488,020 at Period 4. 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) and the transfer of Doon Valley Pool from Education and Social Services (£148,530).

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 £49,370,150, which is £117,870 less than budget.

2.4 Budget Performance to Period 4

Actual expenditure to date amounts to £15,461,805. This compares with budgeted expenditure to date of £15,423,866. 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 23/07/06	Actual Exp. To 23/07/06	Service Division	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
171,529	73,089	CENTRAL MANAGEMENT SUPPORT	477,730	477,730	0
3,051,082	2,829,746	LEISURE SERVICES	9,309,490	9,309,490	0
450,168	433,674	ENVIRONMENTAL SERVICES	1,242,940	1,259,790	16,850
2,272,810	2,638,278	WASTE MANAGEMENT	7,608,660	7,502,190	(106,470)
151,797	145,475	TRADING STANDARDS	479,480	476,160	(3,320)
61,911	59,299	CHEMIST & ANALYST	201,200	177,870	(23,330)
89,827	114,375	LICENCING	350,930	362,040	11,110
20,586	13,713	EMERGENCY PLANNING	66,590	53,880	(12,710)
9,154,156	9,154,156	JOINT BOARDS	29,751,000	29,751,000	0
15,423,866	15,461,805	TOTAL	49,488,020	49,370,150	(117,870)

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
4,425,110	4,483,387	EMPLOYEE COSTS	14,886,429	14,959,811	73,382
707,109	668,958	PREMISES COSTS	1,414,330	1,409,035	(5,295)
781,664	906,826	TRANSPORT COSTS	2,848,409	2,918,493	70,084
892,527	883,647	SUPPLIES & SERVICES	2,804,655	2,794,719	(9,936)
10,297,068	10,174,338	THIRD PARTY PAYMENTS	33,396,701	33,325,061	(71,640)
0	0	TRANSFER PAYMENTS	0	0	0
17,103,478	17,117,156	TOTAL EXPENDITURE	55,350,524	55,407,119	56,595
(1,679,612)	(1,655,351)	INCOME	(5,862,504)	(6,036,969)	(174,465)
15,423,866	15,461,805	NET EXPENDITURE	49,488,020	49,370,150	(117,870)

3. ANALYSIS OF VARIANCES

3.1 Employee Costs

It is anticipated that an adverse variance of £73,382 will occur at the year-end. This is largely due to 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 additional income (see 3.6 below).

This is partially offset by managed vacancies along with lower than anticipated CCTV operator costs.

3.2 Premises Costs

A favourable year-end variance of £5,295 is projected. This is mainly the result of savings on utility, rents and non-domestic rates charges within Outdoor Amenities and an anticipated saving on electricity costs at Western Road depot.

This is partially offset by additional non-domestic rates charges at Western Road depot.

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

An adverse variance of £70,084 is projected at the year-end. This relates to additional employee travel costs within Leisure and Environmental Service and fuel and maintenance charges within Leisure, Environmental Service and Waste Management.

3.4 Supplies & Services

A favourable variance of £9,936 is projected. This mainly reflects managed savings within Environmental Health to offset additional expenditure under other headings and anticipated savings on Chemist and Analyst and fridge disposal charges.

This is partially offset by additional expenditure on Community Safety, which will be offset by grant income (see 3.6 below), Risk Management expenditure, an anticipated provision for bad and doubtful debts and additional telephone charges at Western Road depot.

Additional expenditure will be incurred within Community Resources, particularly in relation to Christmas trees and lights and Leisure Events (the latter being offset by income).

3.5 **Third Party Payments**

A favourable variance of £71,640 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 £174,465 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 August 2006

LIST OF BACKGROUND PAPERS - Nil
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