
Report To:	Safe, Sustainable Communities Committee	Date:	1 September 2009
Report By:	Chief Financial Officer and Corporate Director Environment & Community Protection	Report No:	FIN/47/10/AP/CF
Contact Officer:	Mary McCabe	Contact No:	01475 712222
Subject:	Safe, Sustainable Communities 2009/10 Revenue Budget Period 3 to 30 June 2009		

1.0 PURPOSE

- 1.1 To advise Committee of the 2008/09 Revenue Budget out-turn and the 2009/10 position at Period 3 to 30 June 2009.

2.0 SUMMARY

- 2.1 In 2008/09, excluding existing earmarked reserves of £1,464,000 there was an underspend of £389,000 representing 2.28% of the total budget of £17,014,460. This was an increase in underspend of £170,000 from that reported to Committee in March 2009.

The size of some of the movements since the March Committee has highlighted the need to review how a number of budgets are projected and improvements in this area are being factored into the 2009/10 monitoring process.

Roads and Vehicles trading accounts are separately reported.

- 2.2 The 2009/10 budget, excluding the statutory trading accounts, is £18,353,850 with a further £2,977,000 brought forward as earmarked reserves. The current projection is an underspend of £40,000.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the out-turn for 2008/09 and reasons for the current projected underspend of £40,000 as at 30 June 2009.

Alan Puckrin
Chief Financial Officer

Neil Graham
Corporate Director Environment & Community Protection

4.0 BACKGROUND

4.1 The purpose of the report is to advise Committee of the current position of the 2009/10 revenue budget, the 2008/09 out-turn, to highlight the main issues contributing to the £40,000 projected underspend in 2009/10 and the main reasons for the underspend of £389,000 in 2008/09.

5.0 2008/09 OUT-TURN

5.1 The main issues to highlight in relation to the 2008/09 out-turn of £389,000 underspend are:

5.2 Planning and Other Housing:

There was an overspend of £82,000 which was an increase of £57,000 from that reported to Committee in March, mainly due to:

- a) Employee costs underspend of £93,000, as previously reported.
- b) Administration costs remained at £17,000 overspend as reported at March Committee.
- c) Early Action Fund retention costs of £36,000 not previously reported. Retentions are for properties that now belong to River Clyde Homes and costs were charged as part of the year end process.
- d) Cleaner Greener underspend of £22,000 due to delay in starting projects not anticipated in March Committee report.
- e) Income under-recovery of £141,000 of which £100,000 was previously reported. The further under recovery of £41,000 was due to the continued downturn in the housing market.

5.3 Environmental Services:

There was an underspend of £146,000 in 2008/09, an increase in the underspend of £26,000 from that previously reported, mainly due to:

- a) Employee cost underspend of £346,000 of which £166,000 was previously reported. The increase in underspend was due to:
 - Delays in starting Grounds Maintenance seasonal employees and less temporary staff employed than projected saving £84,000. Previously it was assumed that there would be 61 staff employed for 6 weeks; actual out-turn was 38 staff for 3 weeks and 20 staff for 2 weeks.
 - An error in the manpower levels for Park Attendants whereby the projection was based on all employees being Full Time Equivalents. However, as these were not full time posts it resulted in a further underspend of £40,000 for Grounds Maintenance.
 - Underspend of £27,000 within Refuse Collection which was not previously reported due to some employee costs not being correctly scored against an external grant.
 - £21,000 underspend for Pottery Street which, in part, offsets increase in property costs.
- b) Property costs were £45,000 overspent due to insurance, water and gas costs higher than previously projected.

- c) Supplies & Services ended the year with a £242,000 overspend. At the previous Committee a £132,000 overspend was reported, with the subsequent £110,000 increase relating to:
- £47,000 increase in payments to Greenlight for waste collection from Highrise and Tenemental properties not identified by the Service when previously reported. The invoices were received at year end.
 - £37,000 increase in spend for Roads Client Basic Contract, partly offset by increased income.
 - £12,000 increase in spend for Roads Client for payment to lighting contractors, again partly offset by an increase in income.
- d) Transport and Plant costs were £230,000 overspent with £120,000 previously projected. The increase in costs related to charges for Vehicles not being up to date resulting in increase in costs for Burial Grounds, Refuse Collection and Street Cleaning at year end. The introduction of the new vehicle management charging methodology in 2009/10 will address these issues.
- e) Other Expenditure was underspent by £260,000 and as previously reported was due to a planned underspend in the Zero Waste Fund.
- f) Income over recovery was £55,000 and was an increase of £103,000 from the projected £48,000 under-recovery previously reported. The key reasons were:
- £43,000 increase in Refuse Transfer income due to increase in activity in four weekly tipping income, towards the year end. It appears that this trend continues into 2009/10 and a detailed analysis is being prepared by the Service.
 - £32,000 increase in Grounds Maintenance income which partly offsets the increase in various expenditure heads.
 - £33,000 increase in Roads Client recoveries income partly offsets basic contract cost above.
 - £22,000 decrease in Roads Client recharge to Capital due to slippage in Capital projects, not anticipated at the March Committee.
 - £8,000 over recovery of Crematorium income.

5.4 Safer Communities:

There was an underspend of £325,000 in 2008/09, an increase of £203,000 of which £135,000 was additional receipt of income which was not expected at March Committee. The majority of this income was one-off in nature. The movement of £203,000 was due to:

- a) Employee costs were £19,000 overspend due to an increase in overtime to support the Safer Street initiative. The overspend was fully offset by additional income received for Alcohol Related Violence.
- b) Property costs were £42,000 overspent, £14,000 of which was previously reported. The increase was predominantly due to £33,000 office accommodation charges allocated as part of the year end process.
- c) Supplies and Services ended the year £47,000 underspent. This was an increase in underspend of £13,000 due to various minor underspends including calibration, clothing, bacteriological sampling and other supplies and services.
- d) Administration costs were £92,000 underspent, of which £71,000 was previously reported. The increase related to various minor underspends including training courses, sundries and court expenses.

- e) Payments to Other Bodies were £18,000 underspent due to reduced spend on Scientific Services. A new pricing mechanism has been introduced whereby payments are made on number of samples tested rather than a fixed monthly charge. A lower number of samples were tested in 2008/09 than previously anticipated.
- f) Other Expenditure was £87,000 underspent of which £35,000 was previously reported. The increase in underspend of £52,000 was due to:
 - £32,000 Trading Standards shared service with Renfrewshire Council not commencing as anticipated. The Service would have been expected to pay out the full amount of £32,000 if the shared service had commenced by March 2009.
 - £17,000 overspend on Road Safety, Domestic Abuse and Private Water Supply offset by an increase in income, per below.
 - £28,000 underspend for Community Safety, previously earmarked for the Safer Streets Initiative, however, additional funding was received from the Scottish Government and therefore this budget was not spent.
- g) Income was over recovered by £135,000 none of which was previously reported. This related to:
 - £67,000 received from Strathclyde Police of which £30,000 has been earmarked for spend in 2009/10.
 - £26,000 received for a Hazard Analysis Critical Control Point (HACCP) project for which spend had been incurred in previous years.
 - £26,000 income received for Alcohol Related Violence which was used to fund increased spend under the Safer Streets Initiative.
 - £26,000 income received for Road Safety, Domestic Abuse and Private Water Supply, as above.
 - £12,000 increase in income for Rodent Fees.

6.0 2009/10 PROJECTION

6.1 The main issues to highlight in relation to the projected underspend of £40,000 are:

6.2 Planning & Housing

The current projected underspend is £22,000 due to a vacant post within Planning.

6.3 Environmental Services:

The current projected underspend is £50,000 mainly due to:

Landfill Tax and Waste Disposal are projected at an underspend of £188,000 due to a decrease in disposals which is partly offset by an increase in recycling costs of £144,000 for Greenlight, Composting and Glass Bank Servicing. The net underspend is £44,000.

Roads Client income is projected at an under-recovery of £74,000 due to a reduction in the recharge to capital based on capital spend projections for 2009/10. A review is ongoing to identify how this will be contained in 2009/10 and thereafter.

Refuse Collection income is projected at an under-recovery of £17,000 due to the River Clyde Homes contract for removal of waste from bulk stores being awarded to an external supplier.

Refuse Transfer Station income is projected at an over-recovery of £97,000 due to an increase in waste disposal charges to Private Contractors. As previously stated an analysis of this income is being prepared by the Service.

6.4 Safer Communities:

The current projected overspend is £38,000 due to:

Employee costs projected at an overspend of £26,000, based on salary projections for the current establishment. Due to the Trading Standards shared service with Renfrewshire Council not commencing as anticipated, a new Trading Standards officer's post will be created, funded by virement from Payment to Other Bodies, see 7.1 below.

Income shows a £12,000 projected under-recovery due to River Clyde Homes contract for pest control works being awarded to an external supplier. The projected loss of income is £8,500 for Rodent fees and £3,500 for Wasp infestation fees.

7.0 VIREMENT

7.1 Committee are asked to approve virement as detailed in Appendix 4. Where appropriate, this virement is reflected throughout the report.

8.0 CONCLUSIONS

8.1 The Committee is currently reporting an underspend of £40,000.

9.0 FINANCIAL IMPLICATIONS

9.1 The current projected out-turn per Service is:

Service	Approved Budget 2009/10 £'000	Revised Budget 2009/10 £'000	Projected Out-turn 2009/10 £'000	Projected over/(under) spend £'000	Percentage Variance %
Planning & Other Housing	1,171	1,171	1,149	(22)	(1.88)
Environmental Services	13,071	13,071	13,021	(50)	(0.38)
Safer Communities	3,958	3,958	3,996	38	0.96
Corporate Director	154	154	148	(6)	(3.89)
Total	18,354	18,354	18,314	(40)	(0.22)
Earmarked Reserves			0	0	
NET UNDERSPEND EXCLUDING EARMARKED RESERVES	18,354	18,354	18,314	(40)	(0.22)

10.0 EARMARKED RESERVES

10.1 3.8% of the total earmarked reserves budget has been spent to date. A detailed breakdown of the current earmarked reserves position is included as Appendix 3.

11.0 EQUALITIES

11.1 This report has no impact on the Council's Equality Agenda.

12.0 CONSULTATIONS

- 12.1 The report has been jointly prepared by the Corporate Director Environment & Community Protection and Chief Financial Officer.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 3: 1st April 2009 - 30 June 2009**

<u>Out Turn</u> <u>2008/09</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2009/10</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-09</u> <u>£000</u>	<u>Projection</u> <u>2009/10</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	ENVIRONMENTAL SERVICES						
2,473	APT&C Employee Costs	2,679	521	519	2,660	(19)	(1)
191	APT&C Overtime Travel Etc	71	14	32	166	95	134
6,208	Manual Employee Costs	6,440	1,323	1,321	6,364	(76)	(1)
1,633	Landfill Tax & Waste Disposal	2,257	564	443	2,069	(188)	(8)
344	Payments to Invergreen	297	74	101	403	106	36
124	Composting	96	24	25	131	35	36
(51)	Refuse Collection - Bulk Uplifts	(50)	(12)	(8)	(33)	17	(34)
(164)	Roads Client - Recharge to Capital	(186)	(46)	0	(112)	74	(40)
(136)	Refuse Transfer Station - Sales, Fees & Charges	(93)	(23)	(52)	(190)	(97)	104
	SAFER COMMUNITIES						
2,499	APT&C Employee Costs	2,748	542	527	2,729	(19)	(1)
377	Manual Employee Costs	283	58	74	328	45	16
(34)	Income - Rodent & Wasp Infestation Fees	(32)	(8)	(4)	(20)	12	(38)
	PLANNING & HOUSING						
1,322	APT&C Employee Costs	1,490	290	283	1,468	(22)	(1)
Total Material Variances						(37)	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 3: 1st April 2009 - 30th June 2009**

Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Employee Costs	12,289	12,225	12,223	(2)	(0.02)
Property Costs	3,974	3,974	3,786	(188)	(4.73)
Supplies & Services	2,400	2,415	2,410	(5)	(0.21)
Transport & Plant Costs	1,177	1,177	1,177	0	0.00
Administration Costs	518	518	518	0	0.00
Payments to Other Bodies	1,660	1,588	1,732	144	9.07
Income	(3,664)	(3,543)	(3,532)	11	(0.31)
TOTAL NET EXPENDITURE	18,354	18,354	18,314	(40)	(0.22)
Earmarked Reserves					
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	18,354	18,354	18,314	(40)	(0.22)

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Safe Sustainable Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>cf Funding 2008/09</u>	<u>New Funding 2009/10</u>	<u>Total Funding 2009/10</u>	<u>Actual To Period 03 2009/10</u>	<u>Projected Spend 2009/10</u>	<u>Amount to be Earmarked for 2010/11 & Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	£000	
Community Investment Fund	Neil Graham	328		328	0	178	150	Due to potential delay, £150k is set aside for the project at Lunderston Bay for 2010/11.
Maintenance of Trunk Road Network	Alan Barnes	59		59	0	59	0	Full spend projected by year end.
Strategic Housing Fund	Neil Graham	782		782	0	100	682	£100k spend projected for Private Sector House Condition Survey. The remainder is earmarked for Contaminated Land costs. Although there is a potential Employment Tribunal case involving former Sheltered Housing Warden, the outcome of which would need to be funded from this fund.
National Accommodation Strategy for Sex Offenders	Fraser Williamson	33		33	6	33	0	Employee in post. Full spend projected by year end.
Private Sector Housing Grant	Fraser Williamson	447	1,178	1,625	167	1,625	0	Full spend projected by year end. Earmarked reserves c/w/d from 2008/09 includes an overclaim of £68k which potentially has to be returned back to the Scottish Government.
Antisocial Behaviour Funding	John Arthur	30		30	5	30	0	Employee in post. Full spend projected by year end.
Food Waste Trial	Alan Barnes	104		104	35	104	0	Full spend projected by year end.
Support for Owners (Right to Buy Receipts)	Fraser Williamson	437	1,621	2,058	50	1,352	706	Service awaiting confirmation from the Scottish Government that underspend of £706k can be carried forward into 2010/11.
Play Areas	Neil Graham	0	250	250	0	250	0	A review is pending - this will take place either by the Service or by Consultants. Spend of £66k already committed for Overton Play Area and Quarriers Play Area. Note that £74k of the projected spend relates to Area Renewal Capital Programme.
Implementation of Green Charter	Neil Graham	0	50	50	0	50	0	It is anticipated that expenditure will commence from September, in line with the meeting of the Green Charter Officer Member Working Group.
Traffic Study	Neil Graham	0	25	25	0	25	0	Expected start date October 2009.
Landfill Penalty Scheme	Neil Graham	676	677	1,353	0	0	1,353	Spend is subject to Scottish Government deciding to levy the penalties.
Affordable HRA (Council Tax 2nd Home Discount)	Fraser Williamson	81	90	171	0	81	90	New funding for 2009/10 is subject to variation. The actual funding will not be confirmed until the financial year end.
Total		2,977	3,891	6,868	263	3,887	2,981	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****VIREMENT REQUEST****Period 3: 1st April 2009 - 30th June 2009**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Grounds Maintenance - Manual Employee Costs	1		(12,000)
Grounds Maintenance - Recharge to Other Services		12,000	
Burial Grounds - Manual Employee Costs	2		(40,000)
Burial Grounds - General Interments		22,000	
Crematorium - Medical Reference Fees		10,000	
Crematorium - Technical Equipment		5,000	
Crematorium - Manual Employee Costs		3,000	
Street Cleaning - Manual Employee Costs	3		(47,000)
Street Cleaning - Recharges Income		47,000	
Refuse Collection - Manual Employee Costs	4		(40,000)
Refuse Collection - Sales, Fees & Charges		23,000	
Refuse Collection - Bulk Uplifts		17,000	
Community Safety - Other Expenditure	5		(20,000)
Safer Communities - Overtime		20,000	
Emergency Planning - Payments to Other Bodies	6		(9,500)
Safer Communities - Employee Costs		9,500	
Consumer & Trading Standards - Other Expenditure	7		(34,000)
Consumer & Trading Standards - Stop Now Orders			(7,660)
Safer Communities - Employee Costs		41,660	
Total		210,160	(210,160)

- 1) Projected underspend on seasonal employee costs due to decrease in support provided to events offset by a decrease in income.
- 2) Projected under-recovery of Burial Grounds and increase in Crematorium costs based on previous year trend offset by a reduction in seasonal employee costs.
- 3) Projected under-recovery of Street Cleaning income based on previous year trend offset by a reduction in seasonal employee costs.
- 4) Projected under-recovery of Refuse Collection income due to termination of River Clyde Homes contract offset by a reduction in seasonal employee costs.
- 5) Further projected planned spend in Safer Communities overtime to fund Safer Street Initiative, budget for which is currently held under other expenditure. This overspend is separate to the employee cost overspend currently being reported.
- 6) Budget for a post is currently held under Emergency Planning - Payment to Other Bodies. Current projection of employee cost overspend is after taking this budget into account.
- 7) Budget required for creation of a new Trading Standards Officers post. Report provided to CMT.