

Report To: Safe, Sustainable Communities Committee **Date:** 27 October 2009

Report By: Chief Financial Officer and Corporate Director Environment & Community Protection **Report No:** FIN/60/10AP/CB

Contact Officer: Lesley Bairden **Contact No:** 01475 712257

Subject: Safe, Sustainable Communities 2009/10 Revenue Budget Period 5 to 31 August 2009

1.0 PURPOSE

- 1.1 To advise Committee of the position of the 2009/10 Revenue Budget at Period 5 to 31 August 2009.

2.0 SUMMARY

- 2.1 The 2009/10 budget, excluding the statutory trading accounts, is £18,351,430 with a further £2,977,000 brought forward as earmarked reserves.
- 2.2 The current projection is an overspend of £74,000 which is an increase in projected costs of £114,000 since last report to Committee. The predominant reasons being an increase in transport costs (previously projected to budget), partly offset by an increase in turnover savings.
- 2.3 In respect of the above the Service is making every effort to ensure conformity within the budget parameters.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected overspend of £74,000 as at 31 August 2009.
- 3.2 Committee are asked to approve virement as detailed in Appendix 4.

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 and to highlight the main variances projected at Period 5, to 31 August 2009.

5.0 2009/10 PROJECTION

The main issues to highlight in relation to the projected underspends are:

5.1 Planning & Housing: The current projected underspend is £4,000 which is an increase in projected spend of £18,000 since last report to Committee. This increase is due to:

- £4,000 costs for ordnance surveys.
- £5,000 contribution to Housing need and demand assessment project manager which is a shared post with Renfrewshire Council.
- £7,000 increase in costs for advertising planning applications which is in line with 2008/09 out-turn. This increase does not result in a corresponding increase in income.

The above costs are funded from virement as requested in Appendix 4.

5.2 Environmental Services: An underspend of £50,000 was reported to Committee in period 3. The current projected overspend is £84,000 which represents £134,000 increase in costs due to:

Employee costs: £47,000 underspend mainly due to an increase in turnover savings as a result of four posts being vacant for part of the year and a reduction in overtime and travel costs. Employee costs were previously projected to budget.

Property Costs: £93,000 underspend is projected which is a movement of £86,000 since last reported to Committee. This increase is predominantly due to the Service projecting a further reduction in costs for landfill tax and waste disposal based on spend to date and the Service estimated projection for tonnages.

Transport and Plant Costs: £126,000 overspend is projected based on 2008/09 out-turn. This was projected to budget when last reported, inclusive of £70,000 virement as detailed in Appendix 4.

Payments to Other Bodies: £3,000 underspend and is an increase in costs of £37,000 since last reported to Committee. This is based on a projected increase in recycling tonnages and additional external costs resulting from equipment breakdown.

Supplies & Services: An increase in spend by £15,000, predominantly for Roads Client electrical power which was previously projected to budget. This is in line with 2008/09 out-turn. The overspend for electrical power will be offset by virement as requested in Appendix 4.

Income: Projected under-recovery is £103,000 which remains due to the underlying shortfall in Roads Client recharge to capital of £74,000 and a further £23,000 shortfall projected for Refuse Collection trade waste income. This is being reviewed and subsequent action to contain this cost will be reported to the next Committee.

5.3 Safer Communities: The current projected underspend is £18,000 and is a cost reduction of £56,000 since last report to Committee. This is predominantly due to a £47,000 underspend projected for employee costs, a result of one additional post being vacant for part of the year and three posts being on maternity leave; costs of which were previously projected to year end.

5.4 Corporate Director: The current projected overspend is £12,000 which is an increase of £18,000 since last reported to Committee due to an increase in Directorate turnover target.

6.0 VIREMENT

6.1 Committee are asked to approve virement as detailed in Appendix 4. Where appropriate, the virements are reflected throughout the report.

7.0 OTHER ISSUES

7.1 An overbudget on Stairlighting electricity of £35,000 and Stairlighting repairs and Maintenance of £30,00 has been identified. The budgets for 2009/10 was based on historical budget prior to stock transfer and the subsequent over-budget of £65,000 is to be transferred back to the General Fund, in line with financial regulations.

8.0 FINANCIAL IMPLICATIONS

8.1 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	1,167	(4)	(0.34)
Environmental Services	13,071	13,069	13,153	84	0.64
Safer Communities	3,958	3,957	3,939	(18)	(0.45)
Corporate Director	154	154	166	12	7.77
Total	18,354	18,351	18,425	74	0.40
Contribution to Earmarked Reserves		(677)	(677)		
NET OVERSPEND EXCLUDING EARMARKED RESERVES	18,354	17,674	17,748	74	0.42

9.0 EARMARKED RESERVES

9.1 A detailed breakdown of the current earmarked reserves position is included as Appendix 3. Spend to date is 12% of projected spend. All phasings have been confirmed by appropriate lead officers.

10.0 EQUALITIES

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

11.0 CONSULTATIONS

11.1 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 5: 1st April 2009 - 31st August 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>31-Aug-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	2,342	995	967	2,288	(54)	(2.31)
191	APT&C Overtime Travel Etc	71	30	65	154	83	116.90
6,208	Manual Employee Costs	5,134	1,888	1,903	5,058	(76)	(1.48)
1,633	Landfill Tax & Waste Disposal	2,076	865	443	1,975	(101)	(4.87)
(51)	Refuse Collection - Trade Waste	(706)	(294)	(246)	(683)	23	3.26
1,286	Transport and Plant Costs	1,199	500	659	1,325	126	10.51
(164)	Roads Client - Recharge to Capital	(186)	(46)	0	(112)	74	39.78
	SAFER COMMUNITIES						
2,499	APT&C Employee Costs	2,747	1,172	1,129	2,664	(83)	(3.02)
377	Manual Employee Costs	283	102	127	356	73	25.80
(34)	Income - Rodent & Wasp Infestation Fees	(32)	(8)	(4)	(20)	12	37.50
	CORPORATE DIRECTOR						
148	APT&C Employee Costs	142	59	65	154	12	(8.45)
Total Material Variances						82	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 5: 1st April 2009 - 31st August 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	12,267	12,215	(52)	(0.42)
Property Costs	3,974	3,793	3,700	(93)	(2.45)
Supplies & Services	2,400	2,435	2,420	(15)	(0.62)
Transport & Plant Costs	1,177	1,247	1,369	122	9.79
Administration Costs	518	517	523	6	1.16
Payments to Other Bodies	1,660	1,786	1,783	(3)	(0.17)
Income	(3,664)	(3,694)	(3,585)	109	(2.94)
TOTAL NET EXPENDITURE	18,354	18,351	18,425	74	0.40
Earmarked Reserves		(677)	(677)	0	0.00
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	18,354	17,674	17,748	74	0.42

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	C/f Funding 2008/09 £000	New Funding 2009/10 £000	Total Funding 2009/10 £000	Actual To Period 05 2009/10 £000	Projected Spend 2009/10 £000	Amount to be Earmarked for 2010/11 & Beyond £000	Lead Officer Update
Community Investment Fund	Neil Graham	328		328	49	178	150	Due to potential delay in agreeing a lease deal with Ardgowan estates, £150k is set aside for the project at Lunderston Bay for 2010/11.
Maintenance of Trunk Road Network	Alan Barnes	59		59	0	0	59	Awaiting diversion of North Bound A78 trunk road traffic which is to be completed by Transport Scotland. Work is being held up due to objections to Traffic Regulation orders.
Strategic Housing Fund	Neil Graham	782	559	1,341	0	100	1,241	£100k spend projected for Private Sector House Condition Survey. The remainder is earmarked for Strategic Housing functions, especially Contaminated Land costs. There is a potential Employment Tribunal case involving former Sheltered Housing Warden/s, the outcome of which would need to be funded from this fund.
National Accommodation Strategy for Sex Offenders	Fraser Williamson	33		33	17	33	0	Employee in post. Full spend projected by year end.
Private Sector Housing Grant	Fraser Williamson	447	1,178	1,625	328	1,609	16	Full spend projected by year end. Earmarked reserves c/fwd from 2008/09 includes an overclaim of £50k which potentially has to be returned back to the Scottish Government and £16k to be written back to General Reserves.
Antisocial Behaviour Funding	John Arthur	30		30	13	30	0	Employee in post. Full spend projected by year end.
Food Waste Trial	Alan Barnes	104		104	47	104	0	Full spend projected by year end - trial expected to end in October 2009.

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09 £000	New Funding 2009/10 £000	Total Funding 2009/10 £000	Actual To Period 05 2009/10 £000	Projected Spend 2009/10 £000	Amount to be Earmarked for 2010/11 & Beyond £000	Lead Officer Update
Support for Owners (Right to Buy Receipts)	Fraser Williamson	437	1,621	2,058	50	2,058	0	There is a potential underspend of £760k. Clarification received from Scottish Government that underspends cannot be carried forward. A meeting will be arranged with River Clyde Homes to discuss potential projects that River Clyde Homes have identified can be brought forward to maximise spend. Following the meeting there will be more information on the potential spend for 2009/10.
Play Areas	Neil Graham	0	250	250	27	66	184	This earmarked reserve has been set aside as funding for play areas. This work is currently being reported through Capital Programme as CFR. A Play Area Strategy is being developed and this will dictate where spend should take place. Spend of £66k already committed for Overton Play Area and Quarters Play Area. Note that £74k of the projected total spend relates to Area Renewal within the Capital Programme.
Implementation of Green Charter	Neil Graham	0	50	50	0	50	0	It is anticipated that expenditure will commence from September 2009, 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 December 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. Service is in consultation with the Scottish Government Housing Investment Division to finalise distribution of budget.
Total		2,977	4,450	7,427	531	4,334	3,093	

REVENUE BUDGET MONITORING REPORT**VIREMENT REQUEST****Period 5: 1st April 2009 - 31st August 2009**

Budget Heading		Increase Budget £	(Decrease) Budget £
Refuse Transfer Station - Landfill Tax & Waste Disposal	1		(181,000)
Waste Strategy - Payments to Invergreen		141,300	
Waste Strategy - Composting		37,000	
Waste Strategy - Glass Bank Servicing		2,700	
Planning - Employee Costs	2		(10,000)
Housing - Employee Costs			(6,000)
Planning - Advertising		7,000	
Planning - Payments to Other Bodies		5,000	
Planning - Subscriptions		4,000	
Housing - Income	3		(60,000)
Housing - Employee Costs		60,000	
Refuse Transfer Station - Income	4		(90,000)
Roads Client - Electrical Power		20,000	
Environmental - Transport Costs.		70,000	
Total		347,000	(347,000)

- 1) Projected underspend on landfill tax and waste disposal due to reduction in tonnages offset by a corresponding increase in recycling costs.
- 2) Projected underspend on employee costs to offset increase in spend for Advertising, Payment to Other Bodies and Subscriptions.
- 3) Budget correction to show gross costs and recharge to PSHG / Supported Owners as separate items.
- 4) Over-recovery of income for Refuse Transfer Station to regularise budgets for Electrical Power and Transport costs.