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<b>Report To:</b>	<b>Safe, Sustainable Communities Committee</b>	<b>Date:</b>	<b>12 January 2010</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Environment &amp; Community Protection</b>	<b>Report No:</b>	<b>FIN/82/09/AP/LB</b>
<b>Contact Officer:</b>	<b>Lesley Bairden</b>	<b>Contact No:</b>	<b>01475 712257</b>
<b>Subject:</b>	<b>Safe, Sustainable Communities 2009/10 Revenue Budget Period 7 to 31 October 2009</b>		

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## 1.0 PURPOSE

- 1.1 To advise Committee of the position of the 2009/10 Revenue Budget at Period 7 to 31 October 2009.

## 2.0 SUMMARY

- 2.1 The 2009/10 budget, excluding the statutory trading accounts, is £18,305,260 with a further £2,977,000 brought forward as earmarked reserves.
- 2.2 The current projection is an underspend of £87,000 which is a decrease in projected costs of £161,000 since last report to Committee. The predominant reasons being a decrease in transport costs by £108,000 (previously projected to 2008/09 out-turn) due to re-alignment of transport budgets as approved in June 2009 by the Policy and Resources Committee, and an increase in income by £41,000 within Grounds Maintenance.

## 3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected underspend of £87,000 as at 31 October 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 7, to 31 October 2009.
- 4.2 The revised budget reflects a decrease of £46,170 from last Committee. This is due to:
- £15,910 additional budget due to revision of transport cost budgets reflecting the new charging structure.
  - £18,000 additional budget allocated from the inflation contingency for electrical power within Roads Client due to an increase in electrical power rates from October 2009.
  - £13,900 decrease in budget due to transfer of two employees from Environmental services to the newly established Customer services budget.
  - £65,000 decrease in budget due to surplus Stairlighting budget transferred back to the General Fund, in line with financial regulation. This had been reported to the Committee in period 5.
  - £1,180 decrease in budget due to added years pension costs being centralised.

## 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 £10,000 which is an increase in projected underspend of £6,000 since last report to Committee. This increase is due to £5,800 decrease in spend for various individual budget lines over supplies and services including materials, leasing charges, tools and equipment and exhibits and exhibitions.
- 5.2 Environmental Services: An overspend of £84,000 was reported to Committee in period 5. The current projected underspend is £37,000 which represents £121,000 decrease in costs predominantly due to:

Employee costs: £156,000 underspend is projected, a reduction in costs of £109,000 since last reported mainly due to the Service substituting permanent manual posts with seasonal employees and a reduction in overtime while maintaining a minimal effect on income. Whilst this is in line with 2008/09 out-turn, the underspend was not previously reported as the Service initially anticipated filling the permanent vacant posts. Of the underspend identified, £127,000 is being requested as a virement to offset the previously reported overspend within Transport and Plant costs of £126,000.

Property Costs: £82,000 underspend is projected which is an increase in projected spend of £11,000 since last reported to Committee. This is due to increase in Rents and Feu duties under Waste Strategy due to an increase in insurance costs.

Transport Costs: £14,000 increase in spend within Waste Strategy repairs costs which is due to the age profile of the vehicles. The procurement of new fleet will eliminate such overspends in the future.

Supplies & Services: Projected underspend is £10,000 which was previously reported to Committee.

Administration Costs: £8,000 overspend and is an increase in cost of £2,000 since last reported to Committee.

Income: Projected under-recovery is £62,000 which is an increase in income of £41,000 since last reported to Committee. This is predominantly due to an increase in income received from River Clyde homes from increased grounds maintenance work requested both to date and projected to year end.

- 5.3 Safer Communities: The current projected underspend is £52,000 and is a cost reduction of £34,000 since last report to Committee. This is predominantly due to:

- £20,000 underspend projected for evaluation costs as Service was able to achieve savings early – the saving is part of the 1% efficiency savings identified for 2010/11.
- £11,000 underspend projected for overtime, travel etc within employee costs due to change in staffing arrangements and shift patterns.

5.4 Corporate Director: The current projected overspend stands at £12,000 which was previously reported to Committee.

## 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 FINANCIAL IMPLICATIONS

7.1 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	1,161	(10)	(0.84)
Environmental Services	13,071	13,043	13,006	(37)	(0.28)
Safer Communities	3,958	3,937	3,885	(52)	(1.32)
Corporate Director	154	154	166	12	7.77
<b>Total</b>	<b>18,354</b>	<b>18,305</b>	<b>18,218</b>	<b>(87)</b>	<b>(0.48)</b>
Contribution to Earmarked Reserves		(677)	(677)		
<b>NET OVERSPEND EXCLUDING EARMARKED RESERVES</b>	<b>18,354</b>	<b>17,628</b>	<b>17,541</b>	<b>(87)</b>	<b>(0.49)</b>

## 8.0 EARMARKED RESERVES

8.1 A detailed breakdown of the current earmarked reserves position is included as Appendix 3. Spend to date is 22% of projected spend. All phasings have been confirmed by appropriate lead officers.

## 9.0 EQUALITIES

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

## 10.0 CONSULTATIONS

10.1 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 7: 1st April 2009 - 31st October 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-Oct-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>
	<b>ENVIRONMENTAL SERVICES</b>						
2,473	APT&C Employee Costs	2,328	1,346	1,309	2,265	(63)	(2.71)
191	APT&C Overtime Travel Etc	71	41	88	153	82	115.49
6,208	Manual Employee Costs	5,018	3,004	2,889	4,970	(48)	(0.96)
1,633	Landfill Tax & Waste Disposal	2,076	1,211	1,135	1,976	(100)	(4.82)
(51)	Refuse Collection - Trade Waste	(706)	(294)	(246)	(683)	23	3.26
(59)	Refuse Collection - Bulk Uplift	(33)	(19)	(19)	(47)	(14)	(42.42)
97	Waste Strategy - Transport Costs	123	72	87	137	14	(11.38)
(164)	Roads Client - Recharge to Capital	(186)	(46)	0	(112)	74	39.78
(672)	Grounds Maintenance - Income	(676)	(394)	(419)	(706)	(30)	(4.44)
80	Waste Strategy - Rents & Feu duties	71	36	55	81	10	(14.08)
	<b>SAFER COMMUNITIES</b>						
2,499	APT&C Employee Costs	2,665	1,541	1,530	2,654	(11)	(0.41)
128	APT&C Overtime Travel Etc	108	62	51	94	(14)	(12.96)
0	Evaluation	20	12	0	0	(20)	(100.00)
(34)	Income - Rodent & Wasp Infestation Fees	(32)	(8)	(4)	(20)	12	37.50
	<b>CORPORATE DIRECTOR</b>						
148	APT&C Employee Costs	142	59	65	154	12	(8.45)
<b>Total Material Variances</b>						<b>(73)</b>	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEEREVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSISPERIOD 7: 1st April 2009 - 31st October 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	12,129	12,079	(50)	(0.41)
Property Costs	3,974	3,728	3,646	(82)	(2.20)
Supplies & Services	2,400	2,439	2,418	(21)	(0.85)
Transport & Plant Costs	1,177	1,398	1,412	14	1.00
Administration Costs	518	517	503	(14)	(2.71)
Payments to Other Bodies	1,660	1,762	1,759	(3)	(0.17)
Income	(3,664)	(3,669)	(3,600)	69	(1.87)
<b>TOTAL NET EXPENDITURE</b>	<b>18,354</b>	<b>18,305</b>	<b>18,218</b>	<b>(87)</b>	<b>(0.48)</b>
Earmarked Reserves		(677)	(677)	0	0.00
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>18,354</b>	<b>17,628</b>	<b>17,541</b>	<b>(87)</b>	<b>(0.50)</b>

## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	Gift Funding 2008/09	New Funding 2009/10	Total Funding 2009/10	Actual To Period 07 2009/10	Projected Spend 2009/10	Amount to be Earmarked for 2010/11 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	£000	
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 Lunderson Bay for 2010/11. Projected spend is being reviewed by Service.
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		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	23	33	0	Employee in post. Full spend projected by year end.
Private Sector Housing Grant	Fraser Williamson	447	1,178	1,625	667	1,423	202	At present full spend is projected by year end. However, following recent discussion with the Housing Investment Division regarding use of Housing Renewal Area powers in regeneration it is projected that the proposed regeneration enabling budget of £186k will not be able to be utilised in 2009/10. Confirmation has been received from the Scottish Government that underspend can be carried forward.
Antisocial Behaviour Funding	John Arthur	30		30	15	30	0	Employee in post. Full spend projected by year end.
Food Waste Trial	Alan Barnes	104		104	73	104	0	Full spend projected by year end - trial expected to finish in January 2010.

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	c/f Funding 2008/09	New Funding 2009/10	Total Funding 2009/10	Actual To Period 07 2009/10	Projected Spend 2009/10	Amount to be Earmarked for 2010/11 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	£000	
Support for Owners (Right to Buy Receipts)	Fraser Williamson	437	1,634	2,071	50	2,071	0	There is a potential underspend of £1,182k. Clarification received from Scottish Government that underspends cannot be carried forward. River Clyde Homes identified a maximum of £869k of spend based on their investment programme to 31/03/2010. At present the Council has to repay the Scottish Government the full £1,634k of new funding and then reclaim £452k, which along with the c/fwd funding of £437k will constitute the total spend of £869k. An updated report will be provided to SSC and P&R Committees.
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 CFCR. 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 Quarriers 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	0	50	It is anticipated that the Green Charter reserve will be underspent by the full amount as the new post for Carbon Management Development Officer did not attract any suitable candidate. As a result it has not been possible to progress the Green Charter project works in 2009/10. The budget will be required in 2010/11 to meet the Carbon Reduction Commitment Energy Efficiency Scheme and the recently-approved Climate Change (Scotland) Act 2009.
Traffic Study - George Rd/Larkfield Rd	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.
<b>Total</b>		<b>2,977</b>	<b>4,463</b>	<b>7,440</b>	<b>904</b>	<b>4,111</b>	<b>3,329</b>	

**REVENUE BUDGET MONITORING REPORT****VIREMENT REQUEST****Period 7: 1st April 2009 - 31st October 2009**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Grounds Maintenance - Manual Employee Costs	1		(76,840)
Greenhouses - Manual Employee Costs			(30,000)
Burial Grounds - Manual Employee Costs			(20,000)
Pottery Street - Manual Employee Costs			(21,160)
Refuse Collection - Manual Employee Costs		25,350	
Vehicle Management Trading Account - Manual Employee Costs		21,160	
Vehicle Management Trading Account - Manual Employee Costs			(25,350)
Refuse Transfer Station - Landfill Tax			(4,190)
Refuse Collection - Clothing & Uniforms			(4,800)
Environmental Services - Transport & Plant Costs			(1,043,310)
Safer Communities - Transport & Plant Costs			(73,310)
Safer Communities - Other Expenditure			(3,580)
Environmental Services - Transport & Plant Costs		1,211,770	
Safer Communities - Transport & Plant Costs		55,980	
Decrease in charges over other Council services			(11,720)
Contingencies - Policy & Resources	2		(18,000)
Roads Client - Electrical Power		18,000	
Safer Communities - APT&C Employee Costs	3		(82,000)
Safer Communities - Manual Employee Costs		82,000	
Refuse Transfer Station - Fridge Disposal	4		(9,160)
Waste Strategy - Rents & Feu Duties		9,160	
Waste Strategy - Other Expenditure	5		(20,000)
Waste Strategy - Rental Income		20,000	
Stairlighting - Electricity	6		(40,000)
Stairlighting - Repairs & Maintenance			(30,000)
Stairlighting - Income			5,000
General Fund		65,000	
Environmental Services - Employee Costs	7		(13,900)
Customer Services - Employee Costs		13,900	
<b>Total</b>		<b>1,522,320</b>	<b>(1,522,320)</b>

1) Reallocation of budgets to reflect transport costs re-alignment for new charging regime resulting in a net increase in budget of £11,720. Please note that virement related to Vehicle Management charging have a nil balance council wide.

2) Increase in Roads Client electrical budget due to increase in electricity rates.

3) Budget rectification due to manual employee costs being budgeted under APT&C.

4) Projected underspend on Fridge disposal due to a reduction in activity offset by overspend on Rents and Feu Dutes.

5) Projected underspend on Waste Strategy other expenditure to offset reduction in rental income which is no longer achievable.

6) Surplus stairlighting budget transferred to General Fund in line with financial regulation.

7) Transfer of two employees to the newly established Customer Services budget.