
Report To:	Safe, Sustainable Communities Committee	Date:	31 August 2010
Report By:	Chief Financial Officer and Corporate Director Regeneration & Environment	Report No:	FIN/49/10/AP/CMcL
Contact Officer:	Mary McCabe	Contact No:	01475 712222
Subject:	Safe, Sustainable Communities 2010/11 Revenue Budget Period 3 to 30 June 2010		

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Revenue Budget out-turn and the 2010/11 position at Period 3 to 30 June 2010.

2.0 SUMMARY

- 2.1 In 2009/10, excluding existing earmarked reserves of £3,338,000 there was an underspend of £375,000 representing 2.12% of the total budget of £17,681,320. This was an increase in underspend of £349,000 from that reported to Committee in March 2010.
- 2.2 There was £382,750 one-off income received in 2009/10 relating to a contribution from Gallachers which does not form part of the normal Service business activities and therefore is not included in paragraph 2.1 above.
- 2.3 2009/10 out-turn for Roads and Vehicles Maintenance Trading Accounts are separately reported, giving the final position for both trading accounts.
- 2.4 The 2010/11 budget is £17,983,160 with a further £6,698,000 brought forward as earmarked reserves. The current projection is an overspend of £41,000 primarily due to an under-recovery of Planning income resulting from the continued economic recession.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the out-turn for 2009/10 and reasons for the current projected overspend of £41,000 as at 30 June 2010 which officers will seek to bring back on budget.
- 3.2 Committee are asked to approve virement as detailed in Appendix 4. Where appropriate, the virement is reflected throughout the report.

Alan Puckrin
Chief Financial Officer

Aubrey Fawcett
Corporate Director Regeneration &
Environment

4.0 BACKGROUND

4.1 The purpose of the report is to advise Committee of the current position of the 2010/11 revenue budget, the 2009/10 out-turn, to highlight the main issues contributing to the £41,000 projected overspend in 2010/11 and the main reasons for the underspend of £375,000 in 2009/10.

5.0 2009/10 OUT-TURN

5.1 The main issues to highlight in relation to the 2009/10 out-turn of £375,000 underspend are:

5.2 Planning and Other Housing:

There was an overspend of £76,000 which was a decrease in overspend by £36,000 from that reported to Committee in March, mainly due to:

- £41,000 additional income for Planning due to increased planning applications and building warrants, not anticipated at period 9.

5.3 Environmental Services:

There was an underspend of £312,000 in 2009/10, an increase in underspend of £317,000 from that previously reported, mainly due to:

- a) Employee cost additional underspends of £34,000 resulting from a delay in employing seasonal Grounds Maintenance staff due to the severe frost condition on the ground.
- b) Supplies & Services ended the year with a £179,000 overspend. At the previous Committee a £93,000 overspend was reported, with the subsequent £86,000 increase relating to winter maintenance materials due to the continued severe weather conditions along with additional recoverable work, not anticipated when previously reported. Please see (f) below for the related income position. This overspend is after £200,000 increased budget for pot-hole repairs agreed by the Policy and Resources Committee in February 2010.
- c) Transport and Plant costs were £40,000 underspend, an increase in underspend of £102,000 since the March Committee, primarily due to re-alignment of insurance budgets.
- d) Administration costs were overspent by £29,000 of which £8,000 was reported to the March Committee, this increase was primarily due to £19,000 insurance costs due to re-alignment of insurance budgets.
- e) Other Expenditure underspend was £13,000 an increase in spend of £21,000 since last reported to Committee, due to £13,000 debt recovery commission charges, charged at year end and increased spend over various budget lines.
- f) Income over recovery was £298,000, an increase of £313,000 since previously reported. The key reasons were:
 - £42,000 increase in Roads Client income due to one-off additional pothole repair money received from the Scottish Government at year end.
 - £87,000 additional income received within Roads Client for Construction Consents due to late review of outstanding development inspections, not identified at the previous Committee.

- £54,000 increase in Roads Client income due to additional recoverable work not anticipated at the last Committee along with income received from Scottish Water for the supervision of carrying out gritting at wet spots that was not forecast at the March Committee.
- £74,000 increase in Burial Grounds and Crematorium income since the March Committee due to an under estimate in the previous projection. The number of significant movements highlights the need for the Services and Finance to review how projections in this area are calculated.
- £38,000 increase in Refuse Transfer Station income due to increase in use of the Transfer Station.

5.4 Safer Communities:

The Service out-turned at £156,000 underspend, a further £1,000 since last reported, due to additional minor underspends over various individual budget lines.

5.5 Corporate Director:

The out-turn for 2009/10 was an overspend of £17,000, an increase in overspend of £5,000 since the March 2010 Committee, due to increased Office Accommodation charges.

6.0 2010/11 PROJECTION

6.1 The main issues to highlight in relation to the projected overspend of £41,000 are:

6.2 Planning & Cleaner, Greener, Safer, Stronger Inverclyde

The current projection is an overspend of £73,000 due to:

Income projected to be under-recovered by £92,000 mainly due to the continued economic recession resulting in fewer large value applications being submitted, in line with 2009/10 out-turn.

Employee costs projected to be £19,000 underspend due to additional turnover savings.

6.3 Environmental Services:

The current projected underspend is £22,000 mainly due to:

a) Employee costs are projected at an overspend of £17,000 mainly due:

- £97,000 projected overspend within APT&C Overtime, Travel & Subsistence which is online with prior year out-turn. The Service is currently reviewing these costs to contain within existing budgets.
- £76,000 underspend projected within manual employee costs primarily due to vacant posts.

b) Property costs are projected to be underspent by £32,000 due to:

- Landfill Tax and Waste Disposal are projected at an underspend of £64,000 due to a reduction in landfill waste for the year based on latest data.
- Increase in Ingleston Property rent by £21,000 in 2010/11 and £11,000 of rental costs relating to 2009/10 being paid from 2010/11 budget.

c) Supplies & Services are projected to out-turn £182,000 less than budget due to a reduction in materials and sub-contractors costs within the Roads Trading account partly offset by a reduction in non-client involvement income, per point (f) below.

- d) Other Expenditure is projected to out-turn £10,000 overspent due to estimated debt recovery commission charges, consistent with last year's out-turn.
- e) Transport & Plant costs are projected to be overspent by £43,000 mainly due to:
 - £22,000 increase in Fuel costs within the Vehicle Maintenance Trading account which is currently being investigated. This increase in fuel costs is fully offset by an increase in Vehicle Maintenance Trading account income, per below.
 - £20,000 increase in Fuel costs mainly within Grounds Maintenance and Street Sweeping which is currently being investigated.
- f) Income projected to out-turn £115,000 less than budget mainly due to:
 - £22,000 increase in rechargeable income within the Vehicle Maintenance Trading account.
 - £110,000 decrease in Roads non-client involvement income offset by a reduction in materials and sub-contractors costs.
 - £16,000 decrease in Registrars income, consistent with last year's out-turn.
 - £10,000 decrease in Cab / M.O.T income, consistent with last year's out-turn.

6.4 Housing:

The current projection is an underspend of £7,000 due to turnover savings.

6.5 Safer Communities:

The current projection is an underspend of £3,000 due to:

- £12,000 projected overspend in employee costs. This is currently under review by officers of the council and action will be taken to ensure that these costs are contained within budget. An update will be provided to the next Committee.
- £15,000 underspend within Payments to Other Bodies relating to a one-off rebate from Renfrewshire Council for Civil Contingencies costs in 2009/10.

7.0 VIREMENT

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

8.0 OTHER ISSUES

- 8.1 The impact of the mid-year savings review will be factored in to future reports to Committee.

9.0 CONCLUSIONS

- 9.1 The Committee is currently reporting an overspend of £41,000 and will take appropriate action to bring spend back on budget.

10.0 FINANCIAL IMPLICATIONS

10.1 The current projected out-turn per Service is:

Service	Approved Budget 2010/11 £'000	Revised Budget 2010/11 £'000	Projected Out-turn 2010/11 £'000	Projected over/(under) spend £'000	Percentage Variance %
Planning	788	788	861	73	9.26
Environmental Services	12,551	12,660	12,638	(22)	(0.17)
Safer Communities	3,867	3,860	3,857	(3)	(0.08)
Housing	675	675	668	(7)	(1.03)
Total	17,881	17,983	18,024	41	0.23
Earmarked Reserves		927	927	0	
NET UNDERSPEND EXCLUDING EARMARKED RESERVES	17,881	17,056	17,097	41	0.24

11.0 EARMARKED RESERVES

11.1 21.02% 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.

12.0 EQUALITIES

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

13.0 CONSULTATIONS

13.1 The report has been jointly prepared by the Corporate Director Regeneration & Environment and Chief Financial Officer.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 3: 1st April 2010 - 30 June 2010**

<u>Out Turn</u> <u>2009/10</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2010/11</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-10</u> <u>£000</u>	<u>Projection</u> <u>2010/11</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	ENVIRONMENTAL SERVICES						
162	APT&C Overtime Travel Etc	65	12	38	162	97	149
6,256	Manual Employee Costs	6,286	1,330	1,313	6,210	(76)	(1)
1,975	Landfill Tax & Waste Disposal	2,258	565	436	2,194	(64)	(3)
86	Waste Strategy - Rents & Feu Duties	84	21	31	116	32	38
88	Roads Trading - Subcontractors	121	30	26	84	(37)	(31)
722	Roads Trading - Materials	833	208	26	688	(145)	(17)
(721)	Roads Trading - Non Client Involvement	(421)	(26)	(109)	(311)	110	(26)
92	Grounds Maintenance - Fuel	125	31	29	139	14	11
552	Vehicle Maintenance - Fuel	593	148	104	615	22	4
(578)	Vehicle Maintenance - Recharge Fuel	(593)	(148)	(134)	(615)	(22)	4
(72)	Registrars - Sales, Fees & Charges	(84)	(21)	(19)	(68)	16	(19)
(58)	Cab / M.O.T testing - Sales, Fees & Charges	(66)	(16)	(13)	(56)	10	(15)
0	Environmental Services - Other Expenditure	0	0	0	10	10	100
	SAFER COMMUNITIES & HOUSING						
3,354	Employee costs	3,342	643	660	3,354	12	0
70	Emergency Planning - Payments to Other Bodies	80	65	65	65	(15)	(19)
	PLANNING & CLEANER GREENER						
1,282	APT&C Employee Costs	1,182	226	215	1,163	(19)	(2)
(558)	Income	(651)	(136)	(113)	(558)	93	(14)
Total Material Variances						38	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 3: 1st April 2010 - 30th June 2010**

Subjective Heading	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Employee Costs	13,345	13,318	13,320	2	0.02
Property Costs	4,363	4,214	4,182	(32)	(0.76)
Supplies & Services	3,635	3,736	3,554	(182)	(4.87)
Transport & Plant Costs	2,029	2,247	2,290	43	1.91
Administration Costs	487	487	487	0	0.00
Payments to Other Bodies	1,928	2,047	2,049	2	0.10
Income	(7,906)	(8,066)	(7,858)	208	(2.57)
TOTAL NET EXPENDITURE	17,881	17,983	18,024	41	0.23
Earmarked Reserves		927	927	0	0.00
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	17,881	17,056	17,097	41	0.24

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	c/f Funding 2009/10 £000	New Funding 2010/11 £000	Total Funding 2010/11 £000	Actual To Period 3 2010/11 £000	Projected Spend 2010/11 £000	Amount to be Earmarked for 2011/12 & Beyond £000	Lead Officer Update
Lunderston Bay Toilets	Aubrey Fawcett	203	0	203	0	203	0	Full spend expected to be incurred in 2010/11. Project designed and ready for implementation subject to appropriate drainage connection being allowed. £57k of additional funding is available within the Capital programme.
Maintenance of Trunk Road Network	Alan Barnes	59	0	59	0	59	0	Transport Scotland Traffic regulations have been approved. Inverclyde Council work and spend cannot commence until initial work is completed by Transport Scotland and Inverclyde Council's Traffic Regulations have been approved.
Strategic Housing Fund	John Arthur	1,280	0	1,280	0	100	1,180	Funding is for Strategic Housing functions, especially Contaminated Land costs. Estimated £100k projected to be incurred in 2010/11 for Private Sector House condition survey.
Private Sector Housing Grant	John Arthur	270	403	673	108	673	0	Full spend expected by year end as per SSC Committee in March 2010.
Support for Owners (Right to Buy Receipts)	John Arthur	749	805	1,554	0	1,554	0	Of the carry forward balance £730k expected to be spent by end of July 2010 relating to grants to owners affected by RCH investment programme. Balance of £19k expected to be spent within 2010/11 upon receipt of investment plan from RCH. Approximately £805k funding is expected in the current financial year from excess Right to Buy receipts - however this is dependent on RCH's investment programme. Meetings are ongoing between Council officers and RCH to agree this programme and ensure funds are fully utilised.
Play Areas	Alan Barnes	443	0	443	0	443	0	Action plan to be submitted to August 2010 Committee. Work and spend to commence subject to Committee approval.
Implementation of Green Charter	Stuart Jamieson	50	0	50	0	20	30	Reserve to be used for specific projects and year to date commitments are £11.2k.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	c/f Funding 2009/10 £000	New Funding 2010/11 £000	Total Funding 2010/11 £000	Actual To Period 3 2010/11 £000	Projected Spend 2010/11 £000	Amount to be Earmarked for 2011/12 & Beyond £000	Lead Officer Update
Traffic Study - George Rd/Larkfield Rd	Alan Barnes	7	0	7	0	7	0	Spend to be incurred for Anti Skid surfacing. Work to be completed in July 2010. Full spend by August 2010.
Landfill Penalty Scheme	Alan Barnes	1,353	927	2,280	0	0	2,280	Spend is subject to Scottish Government deciding to levy the penalties.
Affordable HRA (Council Tax 2nd Home Discount)	John Arthur	90	90	180	0	90	90	Full spend of carry forward by year end. New funding will be earmarked for carry forward to 11/12
Lower Clyde River Valley Projects	Stuart Jamieson	27	111	138	0	131	7	£32k spend expected by October 2010 and a further £99k spend by March 2011. New funding represents contributions from Argyll & Bute Council, Inverclyde Council's and Forest Commission grant.
Youthlink Cromdale Road Integration	John Arthur	10	0	10	1	10	0	Project expected to be completed by September 2010. Full spend expected by October 2010.
Joint Action Group on Violence Reduction	John Arthur	7	37	44	9	44	0	Funding includes staff secondment costs and project expected to finish in March 2011.
Pot Hole Repair Budget 2010/11	Alan Barnes	400	0	400	268	400	0	Full spend expected by September 2010.
Aids and Adaptations 2010/14	John Arthur	400	0	400	0	100	300	Spend will be phased £100k per year.
Flooding Strategy - Initial Allowance	Alan Barnes	500	0	500	10	500	0	£425k spend approved by Committee on 19/05/10. Full spend expected by year end.
Vehicle Replacement Programme	Alan Barnes	850	0	850	850	850	0	Earmarked Reserve fully spent.
Total		6,698	2,373	9,071	1,246	5,184	3,887	

REVENUE BUDGET MONITORING REPORT**VIREMENT REQUEST****Period 3: 1st April 2010 - 30th June 2010**

Budget Heading		Increase Budget £	(Decrease) Budget £
Vehicle Maintenance Trading A/c - Materials	1	100,000	
Vehicle Maintenance Trading A/c - Non Routine Income			(100,000)
Grounds Maintenance - Non Routine Vehicle Cost		60,000	
Grounds Maintenance - External Hires		15,000	
Refuse Collection - Non Routine Vehicle Cost		10,000	
Street Sweeping - Non Routine Vehicle Cost		20,000	
Loan Charges - P&R Committee			(105,000)
Total		205,000	(205,000)

1) Additional budget allocated to offset increase in Transport cost due to delay in procuring vehicles.
This virement also requires approval from the Policy and Resources Committee.