
Report To:	Safe, Sustainable Communities Committee	Date:	18 January 2011
Report By:	Chief Financial Officer and Corporate Director Regeneration & Environment	Report No:	FIN/82/10/AP/CM
Contact Officer:	Mary McCabe	Contact No:	01475 712222
Subject:	Safe, Sustainable Communities 2010/11 Revenue Budget Period 7 to 31 October 2010		

1.0 PURPOSE

- 1.1 To advise Committee of the position of the 2010/11 Revenue Budget at Period 7 to 31 October 2010.

2.0 SUMMARY

- 2.1 The 2010/11 budget is £17,743,060 with a further £6,495,000 brought forward as earmarked reserves. The current projection is an overspend of £9,000, a decrease in spend of £30,000 since last Committee.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected overspend of £9,000 as at 31 October 2010.

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 and to highlight the main issues contributing to the £9,000 projected overspend.

4.2 The revised budget reflects a decrease of £197,630 from last Committee. This is due to:

- £27,630 reduction in budget due to a new utilities contract which has resulted in anticipated savings. These savings have been allocated against the Procurement workstream.
- £30,000 additional budget allocated from inflation contingency for increase in fuel prices.
- £200,000 reduction in Zero Waste fund budget vired to Loan Charges within Policy & Resources Committee to fund the proposed depot as part of the depot rationalisation programme.

5.0 2010/11 PROJECTION

5.1 The main issues to highlight in relation to the projected overspend of £9,000 are:

5.2 Planning & Cleaner, Greener, Safer, Stronger Inverclyde - £56,000 overspend

The current projection is an overspend of £56,000, a decrease in projected spend of £14,000 since last reported to Committee at period 5 due to a further delay in appointing the Carbon Reduction Officer which is now estimated to be filled early 2011.

5.3 Environmental Services - £2,000 overspend

An underspend of £29,000 was reported to Committee at period 5. The current projected overspend is £2,000, a £31,000 increase in costs mainly due to:

- (a) Employee costs are projected at an overspend of £39,000, an increase in costs of £23,000 since last reported to Committee, mainly due to:
- £27,000 increase due to six Grounds Maintenance posts previously projected as Seasonal employees (due to terminate end of October), now correctly being projected to the end of the financial year as permanent employees.
- (b) Property costs are projected to be underspent by £40,000, an increase in spend of £21,000 since last reported to Committee, mainly due to:
- Landfill Tax and Waste Disposal projected at an underspend of £80,000, a further increase in projected spend of £14,000 since period 5. This increase is based on recent data and represents an increase of 204 tonnes.
 - Security costs are projected at an overspend of £10,000 which is in line with previous year spend.
- (c) Supplies & Services are projected to out-turn £75,000 less than budget which is a £120,000 increase in costs (but offset by income) since last reported to Committee, resulting from:
- £81,000 increase in recoverable costs mainly due to work done on reservoirs within Roads Client which is offset by an increase in income, per 5.3(f) below.
 - £44,000 increase in materials costs within Roads Trading Account relating to additional Non Client involvement work which is offset by an increase in income, per 5.3(f) below.

- (d) Other Expenditure is projected to out-turn £100,000 under budget which is an £18,000 decrease in costs since last reported, mainly due to:
- £8,000 decrease due to less than projected breakdowns of the MRF unit and higher than anticipated recycling rate prices.
 - £10,000 underspend within internal resources interest in the Roads Trading Account due to a projected surplus of income over expenditure throughout the year.
- (e) Transport & Plant costs are projected to be overspent by £70,000, a decrease of £26,000 in costs since period 5, mainly due to:
- £30,000 decrease in projected fuel overspend within Grounds Maintenance and Refuse Collection due to an additional budget allocation based on fuel usage.
 - £9,000 decrease in projected fuel recharge to Grounds Maintenance based on current usage.
 - £13,000 one off projected underspend for Road Fund License costs as these costs are included in the purchase price of new vehicles.
 - £64,000 increase in Roads Trading External Hires due to additional hires and a delay in procurement of vehicles.
 - £30,000 decrease in projected fuel overspend within Vehicle Maintenance offset by a decrease in fuel recharge income. The net impact is nil, the variance is shown in order to demonstrate the movement by subjective cost.
- (f) Income is projected to be under recovered by £107,000, an increase in recovery of £85,000 since last Committee, mainly due to:
- £9,000 decrease in Vehicle Maintenance fuel recharge due to decrease in Grounds Maintenance fuel expenditure as mentioned in 5(e) above.
 - £76,000 increase in Roads Client income offset by an increase in Supplies & Services as mentioned in 5.3(c) above.
 - £48,000 increase in Roads Trading Account income offset by an increase in Supplies & Services as mentioned in 5.3(c) above.
 - £30,000 decrease in Vehicle Maintenance fuel recharge income as mentioned in 5(e) above. The net impact is nil, the variance is shown in order to demonstrate the movement by subjective cost.

5.4 Housing - £13,000 underspend

The current projection is an underspend of £13,000 mainly due to turnover savings projected since last reported to Committee.

5.5 Safer Communities - £36,000 underspend

The current projection is an underspend of £36,000 a decrease in spend of £34,000 since last reported to Committee mainly due to:

- £15,000 reduction in payments to Glasgow City Council due to a projected decrease in analytical services review.
- Various minor underspends within Supplies & Services, Administration costs and Payments to Other Bodies totalling £19,000.

6.0 VIREMENT

6.1 There are no virement requests as at Period 7.

7.0 CONCLUSIONS

7.1 The Committee is currently reporting an overspend of £9,000 and will take appropriate action to bring spend back on budget.

8.0 FINANCIAL IMPLICATIONS

8.1 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	782	838	56	7.16
Environmental Services	12,551	12,445	12,447	2	0.02
Safer Communities	3,867	3,842	3,806	(36)	(0.93)
Housing	675	674	661	(13)	(1.92)
Total	17,881	17,743	17,752	9	0.05
Earmarked Reserves		927	927	0	
NET SPEND EXCLUDING EARMARKED RESERVES	17,881	16,816	16,825	9	0.06

9.0 EARMARKED RESERVES

9.1 57% of the total earmarked reserves projected spend has been spent to date. A detailed breakdown of the current earmarked reserves position is included as Appendix 3.

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 Regeneration & Environment and Chief Financial Officer.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

Period 7: 1st April 2010 - 31 October 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>31-Oct-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	Overtime Travel Etc	63	36	95	162	99	157
6,256	Manual Employee Costs	6,306	3,647	3,527	6,244	(62)	(1)
1,975	Refuse Transfer - Landfill Tax & Waste Disposal	2,258	1,317	1,245	2,178	(80)	(4)
51	Refuse Transfer - Non Contract Waste Disposal	43	25	39	55	12	28
45	Grounds Maintenance - Hire of Skips	36	21	36	50	14	39
41	Pottery Street - Security	31	18	20	41	10	32
20	Burial Grounds - Technical Equipment	17	10	18	30	13	76
88	Roads Trading - Subcontractors	120	70	55	74	(46)	(38)
722	Roads Trading - Materials	825	483	572	733	(92)	(11)
808	Roads Client - Basic Contract	971	566	717	1,041	70	7
56	Roads Client - Assessment & Feasibility	85	50	26	75	(10)	(12)
361	Roads Client - Payment to Lighting Contractors	316	184	188	327	11	3
103	Waste Strategy - Purchase of bins, sacks & maintenance	104	61	57	89	(15)	(14)
440	Waste Strategy - Payments to Invergreen	438	255	203	350	(88)	(20)
21	Waste Strategy - Other Exp	50	29	12	30	(20)	(40)
0	Roads Trading - Internal Resource Interest	10	6	0	0	(10)	(100)
552	Vehicle Maintenance - Fuel	623	363	347	614	(9)	(1)
76	Grounds Maintenance - External Hires	23	13	32	38	15	65
188	Roads Trading & Client- External Hires	104	61	151	190	86	83
28	Vehicle Maintenance - Licenses	31	18	1	18	(13)	(42)
(85)	Roads Client - Recoveries	0	0	(5)	(100)	(100)	(100)
(678)	Refuse Collection - Trade Waste Income	(739)	(431)	(467)	(675)	64	(9)
(23)	Refuse Collection - Sale of Bins & Sacks Income	(37)	(21)	(10)	(13)	24	(65)
(42)	Refuse Collection - Skip Income	(46)	(27)	(15)	(20)	26	(57)
(721)	Roads Trading - Non Client Involvement	(401)	(234)	(290)	(337)	64	(16)
(72)	Registrars - Sales, Fees & Charges	(84)	(49)	(43)	(68)	16	(19)
(58)	Cab / M.O.T testing - Sales, Fees & Charges	(66)	(38)	(33)	(56)	10	(15)
0	Environmental Services - Commission charges	0	0	0	10	10	100
	SAFER COMMUNITIES & HOUSING						
94	Joint Boards - Payments to Other Bodies	122	71	43	107	(15)	(12)
70	Emergency Planning - Payments to Other Bodies	80	65	65	65	(15)	(19)
	PLANNING & CLEANER GREENER						
1,282	Employee Costs	1,181	680	641	1,131	(50)	(4)
155	Payments to Other Bodies	123	85	94	136	13	11
(558)	Income	(651)	(393)	(329)	(558)	93	(14)
Total Material Variances						25	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEEREVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSISPERIOD 7: 1st April 2010 - 31st October 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	13,421	13,410	(11)	(0.08)
Property Costs	4,363	4,198	4,158	(40)	(0.95)
Supplies & Services	3,635	3,687	3,607	(80)	(2.16)
Transport & Plant Costs	2,029	2,286	2,356	70	3.06
Administration Costs	487	428	423	(5)	(1.05)
Payments to Other Bodies	1,928	1,812	1,687	(125)	(6.87)
Income	(7,906)	(8,089)	(7,889)	200	(2.47)
TOTAL NET EXPENDITURE	17,881	17,743	17,752	9	0.05
Earmarked Reserves		927	927	0	0.00
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	17,881	16,816	16,825	9	0.06

EARMARKED RESERVES POSITION STATEMENT

Appendix 3

COMMITTEE: Safe Sustainable Communities

Project	Lead Officer/ Responsible Manager	clf Funding 2009/10 £000	New Funding 2010/11 £000	Total Funding 2010/11 £000	Actual To Period 7 2010/11 £000	Projected Spend 2010/11 £000	Amount to be Earmarked for 2011/12 & Beyond £000	Lead Officer Update
Maintenance of Trunk Road Network	Robert Graham	59	0	59	0	0	59	Transport Scotland commenced the next phase of works in October 2010 however completion of the work has been delayed due to adverse weather. Transport Scotland have advised that they will now not switch traffic onto this section of the A78 until January 2011. As a result this will delay the works planned to be carried out by IC which is now unlikely to commence before the end of the financial year.
Strategic Housing Fund	John Arthur	1,280	0	1,280	16	100	1,180	Funding is for Strategic Housing functions, especially Contaminated Land costs. Projected expenditure of £100k to be incurred in 2010/11 for Private Sector House condition survey. Spend of £45k previously reported relates to PSH and has now been re-coded - house condition survey costs of £16k have now been incurred.
Private Sector Housing Grant	John Arthur	270	433	703	354	703	0	Full spend expected by year end as first reported to SSC Committee in March 2010. This was further updated at the SSC Committee in August 2010.
Support for Owners (Right to Buy Receipts)	John Arthur	749	804	1,553	666	1,399	154	The SFO fund is created from a Scottish Government grant awarded to the Council which, in turn, is created from RCHs excess right-to-buy receipts. The demand for Support for Owners grants is dependent on RCH having legally committed improvement programmes agreed within the relevant financial year, and agreement of owner occupiers within these projects to participate. Consequently the demand for grant support is not in the Council's control. No change in expenditure previously reported due to delays in processing title deeds - Legal contacted owners as title deeds do not correspond to applications. The Scottish Government agreed that £0.749 million of the 2009/10 allocation could be carried forward as it related to grants awarded to owner occupiers in 2009/10 which had not yet been disbursed. £0.666 million of the carry forward has been spent with the balance committed awaiting invoices. In 2010/11 the maximum allocation based on the 2009/10 excess right to buy receipts is £0.804 million. On the basis of the draft information provided by RCH to date, the maximum demand from legally committed programmes in 2010/11 is unlikely to exceed £0.65 million.

Project	Lead Officer/ Responsible Manager	Off Funding 2009/10 £000	New Funding 2010/11 £000	Total Funding 2010/11 £000	Actual To Period 7 2010/11 £000	Projected Spend 2010/11 £000	Amount to be Earmarked for 2011/12 & Beyond £000	Lead Officer Update
Play Areas	Willie Rennie	443	0	443	23	243	200	Work on some sites underway and tender preparation for the others is in progress. It should be noted that £250k of the funding relates to three Community projects that are dependent on bids to lottery and other potential external funders. The outcome of external funding bids will not be known until January 2011 at the earliest, so the majority of spend for these projects will be in 2011/12.
Implementation of Green Charter	Stuart Jamieson	50	0	50	5	24	26	Reserve to be used for specific projects. Year to date spend and commitments are £24k.
Traffic Study - George Rd/Larkfield Rd	Robert Graham	7	0	7	0	7	0	Complete. Unspent balance of £7k to be written back to reserves.
Landfill Penalty Scheme	Willie Rennie	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	90	90	90	Second Home Council Tax income collected in 2010/11 will be earmarked for carry forward to 2011/12.
Lower Clyde River Valley Projects	Stuart Jamieson	27	111	138	35	131	7	A further £96k will be spent by March 2011. New funding represents contributions from Argyll & Bute Council, Inverclyde Council and Forest Commission grant.
Youthink Cromdale Road Intergration	John Arthur	10	0	10	10	10	0	Project now completed.
Joint Action Group on Violence Reduction	John Arthur	7	37	44	21	44	0	Funding includes staff secondment costs and project expected to finish in March 2011.
Pot Hole Repair Budget 2010/11	Robert Graham	400	0	400	400	400	0	Earmarked Reserve fully spent.
Aids and Adaptations 2010/14	John Arthur	400	0	400	100	100	300	Spend will be phased £100k per year.
Flooding Strategy - Initial Allowance	Robert Graham	500	0	500	57	500	0	£425k spend approved by Committee on 19/05/10. Historic Scotland have given verbal approval (awaiting written confirmation) to the proposal of £250k of Reservoir Works. The design of the reservoir works are 95% complete. West Station investigation is complete and the tender for works has been accepted. The tender value is £45k more than estimated and the shortfall in budget is currently being addressed, however, this will be contained within the overall Flooding Strategy budget. At present full spend projected by year end.
Vehicle Replacement Programme	Robert Graham	850	0	850	850	850	0	Earmarked Reserve fully spent.
Total		6,495	2,402	8,897	2,627	4,601	4,296	