

**Report To:** Safe, Sustainable Communities Committee      **Date:** 8 March 2011

**Report By:** Chief Financial Officer,  
Corporate Director Regeneration &  
Environment and Corporate  
Director Education & Communities      **Report No:** FIN/16/11/AP/CM

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**Subject:** Safe, Sustainable Communities 2010/11 Revenue Budget Period 9  
to 31 December 2010

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## **1.0 PURPOSE**

- 1.1 To advise Committee of the position of the 2010/11 Revenue Budget at Period 9 to 31 December 2010.

## **2.0 SUMMARY**

- 2.1 The 2010/11 budget is £18,143,010 with a further £6,488,000 brought forward as earmarked reserves.
- 2.2 The revised budget includes an allocation of £400,000 for winter maintenance per the Policy & Resources Committee decision in February 2011. A further £126,000 has also been received from the Scottish Government to fund further roads repairs arising from the severe winter weather.
- 2.3 The current projection is an overspend of £17,000, an increase in spend of £8,000 since last Committee.

## **3.0 RECOMMENDATIONS**

- 3.1 The Committee note the current projected overspend of £17,000 as at 31 December 2010. The relevant Corporate Directors are examining ways to bring the Committee back in line with budget.
- 3.2 Committee is 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

**Albert Henderson**  
Corporate Director Education & Communities

## 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 £17,000 projected overspend.
- 4.2 The revised budget reflects additional budget of £400,000 resulting from a Policy & Resources Committee decision, as remitted by the Safe, Sustainable Communities Committee in January 2011, to allocate £200,000 from General Fund Contingency to cover a projected overspend in Winter Maintenance and £200,000 for extra pavement/roads repairs funded from the Council's General Fund Reserve.
- 4.3 The Scottish Government awarded £126,000 in January 2011 to assist with the cost of winter maintenance and urgent repairs due to the severe winter weather. This is reflected in the income and expenditure within Roads under Environmental Services.

## 5.0 2010/11 PROJECTION

- 5.1 The main issues to highlight in relation to the projected overspend of £17,000 are:

- 5.2 Planning & Cleaner, Greener, Safer, Stronger Inverclyde - £89,000 overspend

The current projection is an overspend of £89,000, an increase in projected spend of £33,000 since last reported to Committee at period 7. The reasons for this movement are as follows:

- (a) Payments to Other Bodies is projecting an overspend of £30,000, a projected increase in costs of £17,000 since last Committee due to the write off of a bad debt arising from an emergency demolition. The debt has become irrecoverable due to the debtor being declared bankrupt.
- (b) There has been a further decline in the projected level of Planning income of £16,000 due to fewer than anticipated applications being received. The projected underrecovery is £109,000.

- 5.3 Environmental Services - £67,500 underspend

An overspend of £2,000 was reported to Committee at period 7. The current projection is an underspend of £67,500, a decrease in costs of £69,500, mainly due to:

- (a) Employee costs are projected at an overspend of £17,000, a decrease in costs of £22,000 since last Committee, mainly due to additional turnover savings projected due to delays in filling various vacancies across the Service.
- (b) Property costs are projected to be underspent by £30,000, an increase in spend of £10,000 since last reported to Committee, due to an increase in costs for skip hires resulting from additional works carried out for River Clyde Homes (RCH), offset by additional income, see 5.3(f) below.
- (c) Supplies & Services are projected to out-turn £115,000 more than budget predominantly due to increased costs relating to winter maintenance which are offset by corresponding increases in income per (f) below. This is a £190,000 increase in costs since last reported to Committee. The detailed analysis of this movement is:
  - £17,000 increase in spend within Waste Strategy for plastic sacks and purchase/maintenance of bins incurred in preparation for the Tall Ships event.

- £22,000 increase in costs within Roads Trading Account Subcontractors as a result of the need to use a planing contractor to carry out urgent repairs to the road network as a result of the severe winter. This is partly offset by income from the Roads Client funded from the additional Scottish Government monies.
  - £135,000 increase in costs within Roads Trading Account Materials, partly offset by additional income received from the Roads Client, funded by the Scottish Government for urgent road repairs. The remainder of the projected increase in costs is due to the nature of the work being carried out as a result of the severe winter. Previous projected expenditure was based on regular potholing/patching works. However, due to the severe weather, larger patching type works are required resulting in increased materials costs.
- (d) Transport & Plant costs are projected to be overspent by £113,000, an increase in costs of £43,000 since period 7, mainly due to a £35,000 increase in external hire costs as a result of the requirement to hire plant and equipment for large patching works as a consequence of the severe winter weather. Again this is partly offset by additional income from the additional Scottish Government allocation.
- (e) Other Expenditure is projected to out-turn £122,500 under budget which is a £22,500 decrease in costs since last reported, mainly due to an £18,000 decrease in payments to Greenlight due to increased performance of the MRF unit and higher than anticipated recycling rate prices.
- (f) Income is projected to be overrecovered by £275,000, an increase in recovery of £382,000 since last Committee, mainly due to:
- £22,000 additional income within Ground Maintenance resulting from additional RCH works, partly offset by additional costs, see 5.3(b) above.
  - £20,000 additional income within the Crematorium due to increased activity.
  - £11,000 additional income within Waste Strategy due to North Lanarkshire Council extending the secondment of a Waste Strategy Officer.
  - £14,000 underrecovery of Sales, Fees and Charges income within Roads Client.
  - £126,000 increase in income within the Roads Trading Account received from the Roads Client for winter maintenance and repairs, funded from additional Scottish Government income, as detailed above.
  - £33,000 reduction in income within Roads Trading Account from capital works due to slippage within the capital programme.
  - £85,000 additional income for pothole repairs and patching. This increase is a result of the additional budget allocated to Roads Client for winter maintenance, as detailed at 4.2 above. Previously, the projected overspend within winter maintenance had meant that pothole repairs had been curtailed in order to contain spend within overall budget. The allocation of this additional budget has allowed works previously suspended to proceed.
  - £41,000 additional income to cover costs of winter maintenance; namely gritting and the associated overtime costs. This income is dependant on the weather and is funded from the additional budget outlined in 4.2 above. Any underspend will be returned to Reserves.

#### 5.4 Safer Communities - £36,000 underspend

As previously reported there is a £36,000 underspend projected within Safer Communities, 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.

## 5.5 Housing - £31,000 overspend

The current projection is an overspend of £31,000. This is a projected increase in costs of £44,000 since last Committee. The main reasons for this movement is projected spend of £42,000 on a National Accommodation Strategy for Sex Offenders (NASSO) officer post which was funded from earmarked reserves in previous financial years.

## 6.0 VIREMENT

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

## 7.0 CONCLUSIONS

7.1 The Committee is currently reporting an overspend of £17,000 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	871	89	11.39
Environmental Services	12,551	12,845	12,778	(67)	(0.53)
Safer Communities	3,867	3,842	3,806	(36)	(0.93)
Housing	675	674	705	31	4.60
<b>Total</b>	<b>17,881</b>	<b>18,143</b>	<b>18,160</b>	<b>17</b>	<b>0.09</b>
Transfer to Earmarked Reserves		(927)	(927)	0	
<b>NET SPEND EXCLUDING EARMARKED RESERVES</b>	<b>17,881</b>	<b>17,216</b>	<b>17,233</b>	<b>17</b>	<b>0.10</b>

## 9.0 EARMARKED RESERVES

9.1 65% 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 9: 1st April 2010 - 31st December 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-Dec-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>
	<b>ENVIRONMENTAL SERVICES</b>						
162	Overtime Travel Etc	63	47	122	171	108	171
2,599	APT&C Employee Costs	2,491	1,815	1,799	2,463	(28)	(1)
6,256	Manual Employee Costs	6,281	4,738	4,713	6,218	(63)	(1)
1,975	Refuse Transfer - Landfill Tax & Waste Disposal	2,258	1,694	1,602	2,180	(78)	(3)
51	Refuse Transfer - Non Contract Waste Disposal	43	32	58	55	12	28
45	Grounds Maintenance - Hire of Skips	36	27	49	55	19	53
41	Pottery Street - Security	31	23	29	41	10	32
20	Burial Grounds - Technical Equipment	17	13	23	30	13	76
88	RoadsTrading - Subcontractors	120	90	71	96	(24)	(20)
722	RoadsTrading - Materials	825	619	664	868	43	5
808	Roads Client - Basic Contract	1,338	1,004	817	1,408	70	5
361	Roads Client - Payment to Lighting Contractors	316	237	239	333	17	5
83	Vehicle Maintenance - Sub Contractors	75	56	45	65	(10)	(13)
440	Waste Strategy - Payments to Invergreen	438	329	254	339	(99)	(23)
21	Waste Strategy - Other Exp	50	38	15	30	(20)	(40)
0	Roads Trading - Internal Resource Interest	10	8	0	0	(10)	(100)
76	Grounds Maintenance - External Hires	23	17	33	38	15	65
188	Roads Trading & Client- External Hires	104	78	160	216	112	108
28	Vehicle Maintenance - Licenses	31	23	2	18	(13)	(42)
(509)	Roads Client - Income	(535)	(401)	(205)	(616)	(81)	(100)
(678)	Refuse Collection - Trade Waste Income	(739)	(554)	(468)	(666)	73	(10)
(23)	Refuse Collection - Sale of Bins & Sacks Income	(37)	(28)	(12)	(15)	22	(59)
(42)	Refuse Collection - Skip Income	(46)	(35)	(21)	(25)	21	(46)
(721)	Roads Trading - Non Client Involvement	(401)	(301)	(303)	(342)	59	(15)
(786)	Roads Trading - Recharges Capital	(957)	(718)	(746)	(923)	33	(3)
(811)	Roads Trading - Recharges Revenue	(963)	(722)	(599)	(1,213)	(250)	26
(72)	Registrars - Sales, Fees & Charges	(84)	(63)	(52)	(68)	16	(19)
(58)	Cab / M.O.T testing - Sales, Fees & Charges	(66)	(50)	(41)	(56)	10	(15)
(292)	Vehicle Maintenance - Non Routine Maintenance Recharge	(233)	(175)	(112)	(223)	10	(4)
(317)	Ground Maintenance Riverclyde Homes SLA	(468)	(351)	(395)	(490)	(22)	5
(370)	Crematorium - Cremations Income	(327)	(245)	(265)	(347)	(20)	6
(208)	Refuse Transfer Station Income	(183)	(137)	(148)	(193)	(10)	5
0	Waste Strategy - Employee Recharge Income	0	0	0	(11)	(11)	100

**SAFE, SUSTAINABLE COMMUNITIES COMMITTEE****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2010 - 31st December 2010**

<u>Out Turn</u> 2009/10 £000	<u>Budget</u> <u>Heading</u>	<u>Budget</u> 2010/11 £000	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> 31-Dec-10 £000	<u>Projection</u> 2010/11 £000	<u>(Under)/Over</u> <u>Budget</u> £000	<u>Percentage</u> <u>Variance</u> %
	<b>SAFER COMMUNITIES</b>						
94	Joint Boards - Payments to Other Bodies	122	91	65	107	(15)	(12)
70	Emergency Planning - Payments to Other Bodies	80	65	65	65	(15)	(19)
	<b>HOUSING</b>						
0	Other Housing - NASSO post	0	0	31	42	42	100
	<b>PLANNING &amp; CLEANER GREENER</b>						
1,282	Employee Costs	1,128	822	782	1,078	(50)	(4)
155	Payments to Other Bodies	123	92	94	136	13	11
0	Other Expenditure	0	0	0	17	17	100
(558)	Income	(651)	(488)	(399)	(542)	109	(17)
<b>Total Material Variances</b>						<b>25</b>	

**SAFE, SUSTAINABLE COMMUNITIES COMMITTEE****REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 9: 1st April 2010 - 31st December 2010**

<b>Subjective Heading</b>	<b>Approved Budget 2010/11 £000</b>	<b>Revised Budget 2010/11 £000</b>	<b>Projected Out-turn 2010/11 £000</b>	<b>Projected Over/(Under) Spend £000</b>	<b>Percentage Variance %</b>
Employee Costs	13,345	13,461	13,472	11	0.09
Property Costs	4,363	4,198	4,168	(30)	(0.71)
Supplies & Services	3,635	4,215	4,325	110	2.60
Transport & Plant Costs	2,029	2,282	2,395	113	4.95
Administration Costs	487	428	411	(17)	(4.09)
Payments to Other Bodies	1,928	1,794	1,665	(129)	(7.20)
Income	(7,906)	(8,235)	(8,276)	(41)	0.49
<b>TOTAL NET EXPENDITURE</b>	<b>17,881</b>	<b>18,143</b>	<b>18,160</b>	<b>17</b>	<b>0.09</b>
Earmarked Reserves		(927)	(927)	0	0.00
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>17,881</b>	<b>17,216</b>	<b>17,233</b>	<b>17</b>	<b>0.10</b>

## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2009/10</u>	<u>New Funding 2010/11</u>	<u>Total Funding 2010/11</u>	<u>Actual To Period 9 2010/11</u>	<u>Projected Spend 2010/11</u>	<u>Amount to be Earmarked for 2011/12 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
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 advised that they will now not switch traffic onto this section of A78 until January 2011. As a result this will delay the works planned to be carried out by Inverclyde Council, which is now unlikely to commence before the end of the financial year, resulting in the £59,000 being carried forward to 2011/12.
Strategic Housing Fund	John Arthur	1,280	0	1,280	60	128	1,152	Funding is for Strategic Housing functions, especially Contaminated Land costs. Projected expenditure of £128k to be incurred in 2010/11. This includes the cost of a Private Sector House condition survey and expenditure of £28,000 to cover the costs of compensation for Sheltered Housing Wardens.
Private Sector Housing Grant	John Arthur	270	433	703	556	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 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.
Play Areas	Ian Moffat	443	0	443	23	40	403	Work on some sites underway. Tenders for other sites are due to be returned on January 18th following an extension to the tender period due to the unusually cold weather experienced in December, which prevented site surveys from taking place. This delay will mean much of the project spend having to be deferred until next financial year. It should also 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 the 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	11	24	26	Reserve to be used for specific projects. Year to date spend and commitments are £24k.



## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Safe Sustainable Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2009/10</u>	<u>New Funding 2010/11</u>	<u>Total Funding 2010/11</u>	<u>Actual To Period 9 2010/11</u>	<u>Projected Spend 2010/11</u>	<u>Amount to be Earmarked for 2011/12 &amp; Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	£000	
Landfill Penalty Scheme	Ian Moffat	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	40	131	7	All schemes included in the programme are either already underway, with spend currently occurring, or are imminent with spend committed.
Youthlink Cromdale Road Integration	John Arthur	10	0	10	10	10	0	Project now completed.
Joint Action Group on Violence Reduction	John Arthur	7	37	44	27	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 and are processing their formal response to the proposal of £250k of Reservoir Work, and a contract has been awarded. Works have commenced at West Station. The tender value is £45k more than estimated and the shortfall in budget will be contained within the overall Flooding Strategy budget. This has been given Committee approval. At present full spend projected by year end.
Vehicle Replacement Programme	Ian Moffat	850	0	850	850	850	0	Earmarked Reserve fully spent.
<b>Total</b>		<b>6,488</b>	<b>2,402</b>	<b>8,890</b>	<b>2,890</b>	<b>4,419</b>	<b>4,471</b>	

**REVENUE BUDGET MONITORING REPORT****VIREMENT REQUEST****Period 9: 1st April 2010 - 31st December 2010**

<b>Budget Heading</b>		<b>Increase Budget</b>	<b>(Decrease) Budget</b>
		£	£
Environmental Health - Scientific Services	1		(25,000)
Safer Communities - APT&C Employee Costs	1	25,000	
<b>Total</b>		<b>25,000</b>	<b>(25,000)</b>

1) Permanent virement from Environmental Health Scientific Services; which is underspent due to a fewer number of samples being processed than anticipated; to Safer Communities employee costs to cover increased employee costs due to incremental drift.