

**Report To:** Safe, Sustainable Communities Committee      **Date:** 3 May 2011.

**Report By:** Chief Financial Officer,  
Corporate Director Regeneration  
& Environment and Corporate  
Director Education & Communities      **Report No:** FIN/47/11/AP/MMcC

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**Subject:** Safe, Sustainable Communities 2010/11 Revenue Budget Period 11  
to 28 February 2011

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### **1.0 PURPOSE**

- 1.1 To advise the Committee of the position of the 2010/11 Revenue Budget at Period 11 to 28 February 2011.

### **2.0 SUMMARY**

- 2.1 The 2010/11 budget is £18,148,040 with a further £6,488,000 brought forward as earmarked reserves.
- 2.2 The current projection is an underspend of £39,000, a decrease in projected spend of £56,000 since the last meeting of the Committee.

### **3.0 RECOMMENDATIONS**

- 3.1 That the Committee note the current projected underspend of £39,000 as at 28 February 2011.

**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 the Committee of the current position of the 2010/11 revenue budget and to highlight the main issues contributing to the £39,000 projected underspend.

## 5.0 2010/11 PROJECTION

5.1 The main issues to highlight in relation to the projected underspend of £39,000 are:

### 5.2 Planning & Cleaner, Greener, Safer, Stronger Inverclyde - £37,000 overspend

The current projection is an overspend of £37,000, a decrease in projected spend of £52,000 since last reported to Committee. The main reasons for this overspend and movement since last Committee are:

- (a) Employee Costs are projected to underspend by £63,000, mainly due a further decrease in cost of £13,000 since last Committee due to turnover savings and revised projections for Overtime and Travel & Subsistence.
- (b) £30,000 overspend in Payments to Other Bodies due to contributions made to third parties and due to write off of a bad debt arising from an emergency demolition as previously reported. The debt is irrecoverable due to the debtor being declared bankrupt.
- (d) Income is projected to be under-recovered by £70,000 due to the current economic climate. This is an improved recovery of £39,000 since last Committee due to higher than projected applications being received from external parties for Building Warrants.

### 5.3 Environmental Services - £37,500 underspend

An underspend of £67,500 was reported to Committee at period 9. The current projection is an underspend of £37,500, an increase in projected costs of £30,000. The main reasons for this underspend and movement since last Committee are:

- (a) Employee costs are projected to be £17,000 overspend, mainly due to an increase in Overtime and Travel and Subsistence costs partly offset by turnover savings. This remains unchanged since Period 9.
- (b) Property costs are projected to be underspent by £9,000 due to a combination of underspends within Landfill and Rents partly offset by an overspend within Non-Contract Waste Disposal and Grounds Maintenance Hire of Skips. This is a projected increase in spend of £21,000 since last reported to Committee mainly due to:
  - £30,000 projected increase in cost for Landfill Waste based on recent data.
  - Projected £10,000 overspend within Non-Contract Waste Disposal due to an increase in recycling of wood and rubber.
  - £12,000 decrease in spend for Rents and Feu duties due to a reduction in cost for Ingleston Property Insurance.
- (c) Supplies & Services are projected to out-turn £170,000 more than budget, a projected increase in spend of £55,000 since last reported, mainly due to:
  - £142,000 overspend for Roads Payments to Contractors partly offset by an increase in income. This represents a £55,000 increase in spend since Period 9 of which £38,000 is recovered through income, with £17,000 due to the severe winter conditions.

- £40,000 overspend in Roads Materials as a result of the additional Pot Hole and Patching work carried out, unchanged since Period 9.
  - £24,000 underspend within Vehicles' Materials and Subcontractors due to new fleet resulting in additional underspend offset by a decrease in income. This is a further £14,000 decrease in costs, since last reported.
  - £13,000 overspend within Crematorium Technical Equipment due to breakdowns as previously reported.
- (d) Transport & Plant costs are projected to be overspent by £161,000, an increase in projected costs of £48,000 since Period 9, mainly due to:
- £147,000 overspend in external hire costs within Roads due to a combination of delay in procurement of vehicles and additional hires required for large patching works, as a consequence of the severe weather, partly offset by an increase in income. This is a £20,000 increase in costs since Period 9 due to the need to hire further plant and equipment for large patching works and is offset by additional income.
  - £15,000 overspend in external hires costs within Grounds Maintenance due to a combination of a delay in procurement of vehicles and additional River Clyde Homes work, offset by an increase in income, as previously reported.
  - £10,000 one off projected underspend for Road Fund License as these costs are included in the purchase price of new vehicles, a £3,000 increase in costs since Period 9.
  - £21,000 overspend in Vehicles' Fuel costs due to an increase in usage and prices offset by an increase in income. This represents £23,000 increased spend since Period 9.
- (e) Payments to Other Bodies are projected to out-turn £140,500 under budget which is an £18,000 decrease in costs since last reported, mainly due to:
- £123,000 underspend within Payments to Greenlight due to less than projected breakdowns of the MRF unit and higher than anticipated recycling rate prices. This is a £19,000 decrease in spend since Period 9.
  - £20,000 underspend projected within Waste Strategy Other Expenditure in line with last year's out-turn, unchanged since Period 9.
- (f) Income is projected to be over-recovered by £225,000, due to a combination of additional income within Roads, Grounds Maintenance and Crematorium and partly offset by a decrease in income for Refuse Collection. This increase in recovery of £76,000 since last Committee is mainly due to:
- £56,000 projected additional income within Roads due to an increase in recoverable works as mentioned in 5.3 (c) and (d) above.
  - £27,000 projected increase in Vehicles income due to a combination of increase in fuel prices and usage and an increase in external income from external recoverable works.
  - £12,000 decrease in Refuse Collection income due to a decrease in demand of Bulk Uplifts.

#### 5.4 Safer Communities - £70,000 underspend

There is a £70,000 underspend projected within Safer Communities a further projected underspend of £34,000 since Period 9 Committee. The main reasons are:

- (a) Employee costs are projected to be £12,000 underspent This is an increase in underspend of £25,000 since Period 9 as costs are being met from Joint Action Group on Violence Grant Funding.

- (b) Payments to Other Bodies are projected to be £46,000 underspent mainly due to:
- A £15,000 reduction in payments to Glasgow City Council resulting from a decrease in analytical services review, as previously reported.
  - £15,000 underspend within Payments to Other Bodies relating to a one-off rebate from Renfrewshire Council for Civil Contingencies costs relating to 2009/10, as previously reported.
  - A £15,000 decrease in internal fees for tipping charges. This represents a £10,000 decrease due to a decrease in rubbish being tipped this year and a subsequent reduction in tipping charges incurred.
- (c) £12,000 projected underspend over various budget lines mainly within Supplies & Services and Administration costs. There is no major movement since Period 9.

#### 5.5 Housing - £31,000 overspend

The main reasons for this overspend are 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 partly offset by £13,000 of turnover savings. There has been no change in projections since Period 9 report to Committee.

### 6.0 VIREMENT

6.1 There are no virements to report to this Committee.

### 7.0 CONCLUSIONS

7.1 The Committee is currently reporting an underspend of £39,000.

### 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	819	37	4.73
Environmental Services	12,551	12,850	12,813	(37)	(0.29)
Safer Communities	3,867	3,842	3,772	(70)	(2.00)
Housing	675	674	705	31	4.60
<b>Total</b>	<b>17,881</b>	<b>18,148</b>	<b>18,109</b>	<b>(39)</b>	<b>(0.22)</b>
Transfer to Earmarked Reserves		(927)	(927)	0	
<b>NET SPEND EXCLUDING EARMARKED RESERVES</b>	<b>17,881</b>	<b>17,221</b>	<b>17,182</b>	<b>(39)</b>	<b>(0.23)</b>

## **9.0 EARMARKED RESERVES**

9.1 90% 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, Corporate Director Education & Communities and Chief Financial Officer.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEEREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 11: 1st April 2010 - 28th February 2011

<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>28-Feb-11</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	56	148	169	106	168
2,599	APT&C Employee Costs	2,491	2,197	2,174	2,464	(27)	(1)
6,256	Manual Employee Costs	6,339	5,649	5,591	6,277	(62)	(1)
1,975	Refuse Transfer - Landfill Tax & Waste Disposal	2,258	2,070	1,878	2,210	(48)	(2)
51	Refuse Transfer - Non Contract Waste Disposal	43	38	54	65	22	51
(200)	Refuse Transfer - Income	(183)	(168)	(175)	(193)	(10)	5
(678)	Refuse Collection - Trade Waste Income	(739)	(554)	(467)	(665)	74	(10)
(23)	Refuse Collection - Sale of Bins & Sacks Income	(37)	(34)	(14)	(16)	21	(57)
(42)	Refuse Collection - Skip Income	(46)	(42)	(24)	(27)	19	(41)
(42)	Refuse Collection - Bulk Uplift Income	(41)	(38)	(27)	(29)	12	(29)
45	Grounds Maintenance - Hire of Skips	36	33	55	55	19	53
76	Grounds Maintenance - External Hires	24	22	38	39	15	63
(317)	Ground Maintenance Riverclyde Homes SLA	(468)	(429)	(447)	(490)	(22)	5
20	Crematorium - Technical Equipment	17	15	23	30	13	76
(370)	Crematorium - Cremations Income	(394)	(361)	(360)	(416)	(22)	6
83	Vehicle Maintenance - Sub Contractors	75	69	50	60	(15)	(20)
246	Vehicle Maintenance - Materials	185	169	160	176	(9)	(5)
552	Vehicle Maintenance - Fuel	623	571	622	644	21	3
(578)	Vehicle Maintenance - Fuel Income	(622)	(570)	(643)	(643)	(21)	3
440	Waste Strategy - Payments to Invergreen	438	401	286	315	(123)	(28)
21	Waste Strategy - Other Exp	50	46	17	30	(20)	(40)
(72)	Registrars - Sales, Fees & Charges	(84)	(77)	(64)	(68)	16	(19)
88	RoadsTrading - Subcontractors	120	110	72	106	(14)	(12)
722	RoadsTrading - Materials	825	756	698	875	50	6
2,318	Roads Trading - Income	(2,320)	2,127	(2,029)	(2,483)	(163)	7
188	Roads Trading & Client- External Hires	104	95	172	245	141	136
0	Roads Trading - Internal Resource Interest	10	0	0	0	(10)	(100)
(509)	Roads Client - Income	(535)	(490)	(425)	(664)	(129)	(100)
808	Roads Client - Payments to Contractor (including Salt)	1,538	1,410	1,261	1,637	99	6
361	Roads Client - Payment to Lighting Contractors	316	290	282	359	43	14

<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>28-Feb-11</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>SAFER COMMUNITIES</b>						
3,114	Employee Costs	3,257	2,846	2,817	3,245	(12)	(0)
94	Environmental Health - Joint Boards	97	89	86	86	(11)	(11)
70	Emergency Planning - Payments to Other Bodies	80	73	64	65	(15)	(19)
20	Social Protection Team - Internal Fees (tipping charges)	33	26	13	18	(15)	(45)
	<b>HOUSING</b>						
0	Other Housing - NASSO post	0	0	39	42	42	100
	<b>PLANNING &amp; CLEANER GREENER</b>						
1,282	Employee Costs	1,141	1,006	950	1,078	(63)	(6)
155	Payments to Other Bodies	123	113	136	136	13	11
0	Other Expenditure	0	0	0	17	17	100
(558)	Income	(651)	(597)	(510)	(581)	70	(11)
<b>Total Material Variances</b>						<b>2</b>	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEEREVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSISPERIOD 11: 1st April 2010 - 28th February 2011

<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	13,483	13,456	(26)	(0.20)
Property Costs	4,363	4,203	4,194	(9)	(0.21)
Supplies & Services	3,635	4,219	4,378	159	3.77
Transport & Plant Costs	2,029	2,278	2,446	168	7.38
Administration Costs	487	428	410	(18)	(4.32)
Payments to Other Bodies	1,928	1,795	1,638	(157)	(8.74)
Income	(7,906)	(8,259)	(8,414)	(155)	1.88
<b>TOTAL NET EXPENDITURE</b>	<b>17,881</b>	<b>18,148</b>	<b>18,109</b>	<b>(39)</b>	<b>(0.22)</b>
Earmarked Reserves		(927)	(927)	0	0.00
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>17,881</b>	<b>17,221</b>	<b>17,182</b>	<b>(39)</b>	<b>(0.23)</b>



EARMARKED RESERVES POSITION STATEMENT  
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 11 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 was delayed due to adverse weather. Transport Scotland delayed the switching of traffic onto this section of the A78 until February 2011 and as a result this delayed the works planned to be carried out by Inverclyde Council. It is now unlikely that this work will commence before the end of the financial year and this will result in £59k being carried forward to 2011/12.
Strategic Housing Fund	John Arthur	1,280	0	1,280	59	128	1,152	Funding is for Strategic Housing functions, especially Contaminated Land costs. Projected expenditure of £128k to be incurred in 2010/11 for Private Sector House Condition Survey (£100k) and Sheltered Housing Wardens compensation payments (£28k).
Private Sector Housing Grant	John Arthur	270	433	703	688	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	650	1,399	721	749	650	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. £0.721 million of the carry forward has been spent with the balance committed awaiting invoices. A letter from the Scottish Government dated 8 February 2011 confirmed that the funding available for 2010/11 was £650k.
Play Areas	Ian Moffat	443	0	443	45	45	398	Work on some sites underway. Delays due to bad weather during winter period resulted in 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. To date one community bid has been successful (£25k) and two unsuccessful, another six are pending, so the majority of spend for these projects will be in 2011/12. As part of the budget process, a further £300k was approved for spend in 2011/12.
Implementation of Green Charter	Stuart Jamieson	50	0	50	20	24	26	Reserve to be used for specific projects. Year to date spend and commitments are £24k.

Project	Lead Officer/ Responsible Manager	clf Funding 2009/10 £000	New Funding 2010/11 £000	Total Funding 2010/11 £000	Actual To Period 11 2010/11 £000	Projected Spend 2010/11 £000	Amount to be Earmarked for 2011/12 & Beyond £000	Lead Officer Update
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	105	124	14	Profiling based on anticipated costs and actuals to date.
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	41	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. As part of the budget process, a further £300k was approved for spend in 2011/13.
Flooding Strategy - Initial Allowance	Robert Graham	500	60	560	88	302	258	Works at the Eastern Line of Falls are complete. The investigation works at West Station have been completed and construction is 80% done (awaiting pipe lining works). This will be finalised in 2011/12. Reservoir design works are complete and construction works are 80% done (delayed due to increased quantity of rock excavation), again this will be finalised in 2011/12. Battery Park drainage will not be carried out until 2011/12. As part of the budget process, a further £500k was approved for spend in 2011/12.
Vehicle Replacement Programme	Ian Moffat	850	0	850	850	850	0	Earmarked Reserve fully spent.
<b>Total</b>		<b>6,488</b>	<b>2,308</b>	<b>8,796</b>	<b>3,215</b>	<b>3,569</b>	<b>5,227</b>	