
Report To:	Safe, Sustainable Communities Committee	Date:	25 October 2011
Report By:	Chief Financial Officer, Corporate Director Regeneration & Environment & Corporate Director Education & Communities	Report No:	FIN/95/11/AP/MCC
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Subject:	Safe, Sustainable Communities 2011/12 Revenue Budget - Period 5 to 31 August 2011		

1.0 PURPOSE

1.1 To advise Committee of the 2011/12 position at Period 5 to 31 August 2011.

2.0 SUMMARY

- 2.1 The 2011/12 budget is £16,974,000 with a further £6,664,000 brought forward as earmarked reserves. The current projection is an underspend of £3,000 being 0.02% of the revised budget.
- 2.2 The September Policy and Resources Committee approved £1,000,000 of additional capital funding for road improvements. This work is currently being programmed for spend and will have an impact on the Roads Trading Account costs and income which will be reported at the next Committee.

3.0 RECOMMENDATIONS

3.1 The Committee note the current projected underspend of £3,000 as at 31 August 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 this report is to advise Committee of the current position of the 2011/12 budget and to highlight the main issues contributing to the £3,000 projected underspend.

4.2 The revised budget reflects a decrease of £95,000 from last Committee. This is mainly due to:

- £166,000 decrease in Environmental budget to reflect workstream savings resulting from the new waste contract starting from 01 July 2011.
- £46,000 increase in Environmental Services budget to part offset one-off compensation payments for Street Sweeping Employees.
- £17,000 increase in Planning Employee Cost budget to offset shortfall in external income available for Lower Clyde Greenspace projects, and
- £8,900 additional budget allocated to Planning Services from Property Assets and Facilities Management to part fund the post of Carbon reduction Officer.

5.0 2011/12 PROJECTION

5.1 The main issues to highlight in relation to the projected £3,000 underspend are:

5.2 Planning & Cleaner, Greener, Safer, Stronger Inverclyde - £39,000 overspend:

The current projection is an increase in projected spend of £20,000 since last reported to Committee at period 5 mainly due to:

a) Employee Costs:

Projected to be £19,000 overspend which is an increase in spend of £12,000 since last reported to Committee mainly due to Service being unable to achieve the required turnover target.

b) Payments to Other Bodies:

There has been a further increase in spend of £7,000 since last reported to Committee due to an increase in required contribution to Glasgow Clyde Valley Strategic Development Planning Authority. The current projection is an overspend of £19,000.

5.3 Environmental Services - £19,000 underspend:

The projection for period 5 is a decrease in spend of £30,000 since period 3 Committee mainly due to:

a) Employee Costs:

Projected to be £37,000 underspend which is an increase in spend of £34,000 since last reported to Committee, mainly due to 10 Seasonal Grounds Maintenance staff to continue work from October to March in place of permanent Grounds Maintenance vacant posts, partly offset by additional turnover savings.

b) Property Costs:

Property costs are projected to out-turn £71,000 less than budget which is an increase in underspend of £87,000, predominantly due to a projected underspend of £82,000 within Landfill Tax and Waste Disposal based on projected waste tonnages to year end.

c) Supplies & Services:

An overspend of £97,000 was projected to Committee in period 3. The current projection is an overspend of £139,00 which is a £42,000 increase in spend mainly due to:

- i. £36,000 projected increase in materials spend within Vehicle Maintenance, due to additional maintenance costs for old vehicles being used under Street Sweeping and Safer Communities due to a delay in acquiring new vehicles, and a higher than anticipated accident damage repairs. This increase in cost is offset by an increase in Non Routine Recharge income, the net impact being nil within Vehicle Maintenance.
- d) Transport Costs:
There is a projected underspend of £21,000 which is an increase in spend of £61,000 since last reported to Committee mainly due to:
- i. £10,000 increase in projected spend within Vehicle Maintenance due to a minor increase in fuel usage since period 3 offset by an increase in fuel recharge income, the net impact being nil within Vehicle Maintenance.
 - ii. £17,000 increase in projected fuel recharge within Environmental Services and £7,000 decrease over other Council Services based on current usage, as outlined above.
 - iii. £31,000 projected increase in recharged Non Routine Vehicle costs primarily due to additional maintenance costs for old vehicles being used under street sweeping and accident damage repairs.
- e) Payments to Other Bodies:
At the last Committee spend was projected to be £6,000 over budget. The current projection is an underspend of £29,000 which is a reduction in spend of £35,000 mainly due to:
- i. A £26,000 projected underspend within Payments to Greenlight based on current higher recycling rates.
 - ii. £9,000 projected underspend within Composting due to a reduction in cost per tonne negotiated with service provider.
- f) Income:
Projected to out-turn £4,000 over-recovered which is a £48,000 increase in income since last reported to Committee mainly due to:
- i. £36,000 projected over-recovery of Vehicle Maintenance Non Routine recharge income as outlined in 6.3(c)(i) above.
 - ii. £10,000 projected over-recovery of Vehicle Maintenance fuel recharge income as outlined in 6.3(d)(i) above.
 - iii. £40,000 projected under-recovery of Refuse Collection income from Trade Waste, Skip and Bulk Uplift based on current income trends. Service currently working on plans to reduce costs to contain under-recovery of income.
 - iv. £20,000 projected over-recovery Refuse Transfer Station income which is in line with previous year's out-turn. Service is not anticipating any loss of business from 2010/11.
 - v. £10,000 additional income projected within Grounds Maintenance due to additional external work being received. Service to contain the costs of this additional work within existing budgets.

5.4 Housing - £4,000 underspend:

The current projected underspend is £4,000 within employee costs due to turnover savings. There has been no change in position since last report to Committee.

5.5 Safer Communities - £19,000 underspend:

The current projection is a further underspend of £11,000 since last reported to Committee mainly due to a projected decrease in employee overtime costs of £15,000 resulting from Service initiative to reduce costs.

6.0 VIREMENT

6.1 There are no requests for virement contained within this report. However, elsewhere on the agenda, the Zero Waste Scotland – Inverclyde Council Waste Strategy report asks Committee to approve a one-off virement of £150,000 from Food Waste to partially offset the projected overspend in the Building Services budget, which falls under the Regeneration Committee's remit. If this virement is approved, future reports will reflect this position.

7.0 CONCLUSIONS

7.1 The Committee is currently reporting an underspend of £3,000.

8.0 FINANCIAL IMPLICATIONS

8.1 The current projected out-turn per Service is:

Service	Approved Budget 2011/12 £'000	Revised Budget 2011/12 £'000	Projected Out-turn 2011/12 £'000	Projected over/(under) spend £'000	Percentage Variance %
Planning	803	818	857	39	4.77
Environmental Services	12,830	12,617	12,598	(19)	(0.15)
Safer Communities	3,733	3,719	3,700	(19)	(0.51)
Housing	749	747	743	(4)	(0.54)
Total	18,115	17,901	17,898	(3)	(0.02)
Earmarked Reserves		(927)	(927)	0	
NET UNDERSPEND EXCLUDING EARMARKED RESERVES	18,115	16,974	16,971	(3)	(0.02)

9.0 EARMARKED RESERVES

9.1 There is a planned £927,000 contribution to Earmarked Reserves in the current financial year. Spend to date is 22.87% of projected spend as detailed in Appendix 3. The phasing of each project has been reviewed in detail by the lead officer who have confirmed that the phasings are realistic.

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, the Corporate Director Education and Communities and the Chief Financial Officer.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5: 1st April 2011 - 31st August 2011**

<u>Out Turn</u> <u>2010/11</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2011/12</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-11</u> <u>£000</u>	<u>Projection</u> <u>2011/12</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	ENVIRONMENTAL SERVICES						
165	Overtime Travel Etc	61	25	65	167	106	173.77%
6,253	Manual Employee Costs	6,315	2,528	2,428	6,172	(143)	(2.26)%
61	Grounds Maintenance - Hire of Skips	36	15	18	46	10	27.78%
86	Grounds Maintenance - Non Routine Vehicle Costs	42	16	42	66	24	57.14%
(26)	Grounds Maintenance - Income	0	0	(7)	(10)	(10)	(100.00)%
(66)	Cab / MOT - Income	(74)	(31)	(16)	(61)	13	(17.57)%
2,223	Refuse Transfer Stn - Landfill & Waste Disposal	2,610	1,088	981	2,528	(82)	(3.14)%
(208)	Refuse Transfer Stn - Income	(188)	(78)	(68)	(208)	(20)	10.64%
108	Waste Strategy - Payments to Invergreen	78	33	56	37	(41)	(52.56)%
(27)	Refuse Collection - Sales, Fees & Charges	(29)	(12)	(7)	(19)	10	(34.48)%
(665)	Refuse Collection - Trade Waste Income	(717)	(299)	(249)	(697)	20	(2.79)%
640	Vehicle Maintenance - Fuel	730	365	318	694	(36)	(4.93)%
(640)	Vehicle Maintenance - Fuel Income	(730)	(365)	(280)	(694)	36	(4.93)%
154	Vehicle Maintenance - Materials	135	56	80	171	36	26.67%
(172)	Vehicle Maintenance - Non Routine Income	(61)	(25)	(50)	(97)	(36)	59.02%
(88)	Registrars - Sales, Fees & Charges	(108)	(45)	(44)	(88)	20	(18.52)%
(642)	Roads Client - Income	(411)	(168)	(87)	(450)	(39)	9.49%
426	Roads Client - Electrical Power (Street Lighting)	416	173	153	480	64	15.38%
346	Roads Client - Payment to Lighting Contractors	327	136	163	360	33	10.09%
	PLANNING & CLEANER GREENER						
1,149	Employee Costs	1,163	486	490	1,182	19	1.63%
139	Payments to Other Bodies	106	44	82	125	19	17.92%
	SAFER COMMUNITIES						
3,201	Employee Costs	3,188	1,328	1,308	3,165	(23)	(0.72)%
Total Material Variances						(20)	

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 5: 1st April 2011 - 31st August 2011**

Subjective Heading	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Employee Costs	13,345	13,308	13,263	(45)	(0.34)%
Property Costs	4,363	4,612	4,541	(71)	(1.54)%
Supplies & Services	3,635	3,711	3,850	139	3.75%
Transport & Plant Costs	2,029	2,295	2,279	(16)	(0.70)%
Administration Costs	487	358	362	4	1.12%
Payments to Other Bodies	1,928	1,609	1,599	(10)	(0.62)%
Income	(7,906)	(7,992)	(7,996)	(4)	0.05%
TOTAL NET EXPENDITURE	17,881	17,901	17,898	(3)	(1.68)%
Earmarked Reserves		927	927	0	0.00
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	17,881	16,974	16,971	(3)	(1.77)%

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Safe Sustainable Communities

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2010/11</u> £000	<u>New Funding 2011/12</u> £000	<u>Total Funding 2011/12</u> £000	<u>Actual To Period 5 2011/12</u> £000	<u>Projected Spend 2011/12</u> £000	<u>Amount to be Earmarked for 2012/13 & Beyond</u> £000	<u>Lead Officer Update</u>
Maintenance of Trunk Road Network	Robert Graham	59	0	59	0	59	0	Plans are being reviewed by Inverclyde Council and Transport Scotland to determine what works can be completed prior to the completion of the Newton Street rail bridge beam repairs. Nelson Street/Newton Street junction improvements are currently being designed.
Strategic Housing Fund	John Arthur	1,164	0	1,164	0	0	1,164	Funding is for Strategic Housing functions, especially Contaminated Land costs. No spend anticipated at the moment for 2011/12.
Support for Owners (Right to Buy Receipts)	John Arthur	678	0	678	24	678	0	An application has been made for new funding to a maximum of £870k (2010/11 Receipts) - a formal offer of grant for £863k is anticipated from The Scottish Government in October 2011. This will be shown as new funding for 2011/12. A provisional 2011/12 SFO programme has been agreed with RCH and projects full spend of 2010/11 carry forward and new funding for 2011/12 by year end. Further expenditure of £300k is expected by the end of October 2011.
Implementation of Green Charter	Stuart Jamieson	27	0	27	0	27	0	Reserve to be used for specific projects and year to date commitments are £5k.
Landfill Penalty Scheme	Ian Moffat	2,280	927	3,207	0	0	3,207	Spend is subject to Scottish Government deciding to levy the penalties.
Affordable HRA (Council Tax 2nd Home Discount)	John Arthur	94	90	184	0	94	90	Discussions have taken place regarding potential use of 2011/12 funding towards Regeneration Plan for Clune Park. Report to be presented to November P&R recommending reducing discounts and hence increasing the reserve balance.
Lower Clyde River Valley Projects	Stuart Jamieson	57	0	57	32	57	0	Reserve expected to be fully used during year on schemes within the Inverclyde Council and Aigyll and Bute Council areas. £18k of earmarked reserves to fund employee costs and the balance £39k to be utilised for project costs.
Aids and Adaptations 2011/13	John Arthur	300	300	600	250	250	350	£300k of the original funding remains and will be phased at £100k per year for next 3 years. As part of the 2011/13 Budget Process a further £300k was made available. This will be phased at £150k per year for next 2 years.

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2010/11 £000</u>	<u>New Funding 2011/12 £000</u>	<u>Total Funding 2011/12 £000</u>	<u>Actual To Period 5 2011/12 £000</u>	<u>Projected Spend 2011/12 £000</u>	<u>Amount to be Earmarked for 2012/13 & Beyond £000</u>	<u>Lead Officer Update</u>
Flooding Strategy	Robert Graham	140	0	140	4	110	30	Majority of Flooding funding is being spent on capital expenditure, it is being reported through the capital programme and is not reflected here. The remaining funding is required for ongoing Legal Expenses and to employ a temporary Flooding Officer to assist in the development and design of the Strategy.
Roads Assessment Feasibilities	Robert Graham	48	0	48	0	48	0	The tender has been awarded to consultants who are currently developing the Greenock Town Centre Parking Strategy.
Renewal of Clune Park Area	Albert Henderson	0	500	500	4	50	450	The Renewal of Clune Park was the subject of a report to a special meeting of the Safe, Sustainable Communities Committee on 24th May 2011. Proposals for spend of this reserve were outlined and agreed at this Committee.
Total		4,847	1,817	6,664	314	1,373	5,291	