

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 6 April 2011

Subject: Financial Report 2010/2011 to 28 February 2011 (Period 11)

1. Purpose

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance of the Housing, Environmental and Economic Development Department to 28 February 2011 (Period 11).

2. Background

- 2.1** The attached information provides a summary of the financial performance of the departments General Services and Trading Accounts (Appendix 1), a detailed analysis of the spend for each budget (Appendix 2), and the General Services Capital Expenditure (Appendix 3). It should be noted that this report compares the actual expenditure to 28 February 2011 to the phased probable as at that date. The three services Office Accommodation, Clydebank Town Hall and Courier - transferred to Housing, Environmental and Economic Development in September are also included albeit separately. These services are shown separately as for most of the financial year they were not included in the departmental figures presented and so would distort any comparisons which may be made.
- 2.2** The additional information included at Appendix 2 provides the Committee with the opportunity to review the spending performance in more detail, and this greater transparency will assist the Committee in fulfilling its scrutiny role.
- 2.3** During the 2011/2012 estimate exercise and taking cognisance of the revised departmental structure, it is intended to reduce the number of individual budget pages, which will simplify and rationalise the budgets and align them to the revised management arrangements.

3. Financial Performance - General Services and Trading Accounts

The Department's General Services and Trading Accounts, as detailed in Appendix 1, show a total spend of £17,686,409 at period 11, against a phased probable of £17,796,572 resulting in a favourable variance of £110,164. In addition, there is expenditure of £1,386,051 against a phased probable of £1,348,789 for the services transferred to HEED in September resulting in an adverse variance for these services of £37,262. Significant variances are explained below.

3.1 Directorate & Administration - £99,132 Adverse

The main reason for the adverse variance is an under-recovery of reallocated salaries due to the probable outturn being overstated.

3.2 Catering Services - £60,820 Favourable

The uptake of both free school meals and paid meals has remained high since last November.

3.3 Building Cleaning - PPP - £119,017 Favourable

The number of staff required has been less than that assumed in the probable outturn as have levels of overtime.

3.4 Design & Maintenance - £204,777 Adverse

Considerable amounts of salt and grit were purchased to deal with the severe weather in December 2010. The amount purchased was £176,000 more than had been assumed last autumn when the probable outturn was set.

3.5 Homeless Persons - £106,094 Favourable

There has been a small increase in both the number of units and the occupancy rate which has resulted in income being higher (£55,000) than anticipated. In addition, removals and storage expenditure has been reduced following a change in policy and greater pro-active use of the Council's Anti Social Behaviour service.

3.6 Clyde Regional Centre - £67,250 Adverse

A provision has been made for a deduction in our quarter 4 rental income to reflect the Council's share of irrecoverable accounts and empty properties throughout the full year.

3.7 Halls - £64,300 Adverse

There has been a sharp fall in projected income and wages costs have been greater than anticipated.

3.8 Crematorium - £86,650 Adverse

There has been a reduction in projected income following the relative decline in the absolute number of deaths as well as increased competition from other facilities.

3.9 Refuse Collection - £70,274 Adverse

This adverse variance has arisen because employee costs and transport costs have been higher than anticipated.

3.10 Refuse Disposal - £108,360 Favourable

This favourable variance is due to an underspend on zero waste activities.

3.11 Housing Maintenance Trading Account - £44,707 Favourable

Work by private contractors has been less than anticipated and a greater amount of repair work has been less material-intensive.

3.12 Grounds Maintenance & Street Cleaning Trading Account - £125,873 Favourable

Employee costs have been less than anticipated following restructuring in the delivery of the service.

4. Capital Programme

- 4.1** At Appendix 3 it can be seen that the Department has a Capital Programme of £12.532m (including additional funding received) and the probable outturn was £8.666m. At period 11 £5.766m had been processed through the financial ledger, compared to a phased probable at 28 February amounting to £5.573m. There was therefore an overspend against probable of £193,000.

5. People Implications

- 5.1** There are no implications.

6. Financial Implications

- 6.1** The Department's General Services and Trading Accounts have spent £110,164 less than anticipated as at period 11. In addition, the services transferred to HEED in September 2010 are presently in aggregate £37,262 more than anticipated when the probable outturn was submitted. The overall budget will continue to be closely monitored throughout the remainder of the year to ensure that services are delivered within budget limits. The Department's Capital Account has spent £5.766m at period 11, an overspend of £193,000 against probable outturn. The principal reason for this overspend is greater expenditure charged to the Zero Waste Fund.

7. Risk Analysis

- 7.1** The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March 2011 which could affect the year end spend.

7.2 There is a trend of increased costs within the Transport budget in respect of Repairs undertaken, both internally and externally, as a consequence of a reduction in the number of new vehicles being purchased through the Vehicle Replacement Programme. With the continuing reduction in the Vehicle Replacement Programme this trend of increased revenue costs will continue.

8. Equalities, Health & Human Rights Impact Assessment (EIA)

8.1 No significant issues were identified in a screening for potential equality impact of this report.

9. Conclusions and Recommendations

9.1 The Committee is asked to note the contents of this report.

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Date: 23 March 2011

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Appendices:

1. General Services and Trading Accounts Summary
2. General Services and Trading Accounts Detail
3. General Services Capital Programme 2010/2011

Background Papers: None

Wards Affected: All