

WEST DUNBARTONSHIRE COUNCIL

Report by the Acting Director of Housing, Regeneration and Environmental Services (Land & Environmental Services)

Community Safety and Environmental Services Committee: 6 December 2006

Subject: Financial Report 2006/2007 to 15 October 2006 (Period 6)

1. Purpose

- 1.1** The purpose of the report is to provide the Committee with an update on the financial performance of the Housing, Regeneration and Environmental Services Department to 15 October 2006 (Period 6).

2. Background

- 2.1** The attached information provides details of the financial performance of the Department's Statutory Trading Accounts (Appendix 1), and the General Services Revenue Budget, excluding Housing, (Appendix 2) for each of the major services within the Department. It should be noted that this report compares the actual expenditure to 15 October 2006 to the phased estimate as at that date.

- 2.2** The report also identifies the General Services Capital expenditure (Appendix 3).

3. Financial Performance – Statutory Services

- 3.1** The Department's Statutory Trading Accounts, as detailed in Appendix 1, show a surplus of £265,991 at period 6, which is £61,800 greater than the estimated period target of £204,191. Significant variances are explained below.

3.2 Catering - £121,639 (Favourable)

The Catering Trading Account is showing a surplus at period 6 of £161,941, which is £121,639 above the period estimate of £40,302. This is mainly due to an underspend on employee costs and other direct costs and also a small increase in turnover.

3.3 Leisure Services - £44,432 (Favourable)

The Leisure Services Trading Account is showing a deficit at period 6 of £55,424, which is £44,432 less than the period estimate of £99,856. This is mainly due to an underspend on employee costs and an increase in contract income which is offset by an increase in fixed asset rentals.

3.4 Roads - £68,241 (Adverse)

The Roads Trading Account is showing a deficit at period 6 of £166,073, which is £68,241 greater than the period estimate of £97,832. This is due to a reduction in turnover and is offset to some extent by a reduction in direct costs. The Roads Trading Account will be closely monitored and the appropriate management action taken to bring this Trading Account as close to budget as possible.

3.5 Grounds Maintenance/Street Cleaning - £36,030 (Adverse)

The Grounds Maintenance/Street Cleaning Trading Account is showing a surplus at period 6 of £325,547, which is £36,030 less than the period estimate of £361,577. This is mainly due to an overspend on direct costs offset to some degree by an over-recovery of income.

4. General Services Revenue Budgets

The General Services Revenue budget as detailed in appendix 2 amounts to £19,798,450. As at period 6 (15 October 2006) £10,783,814 has been spent against a phased budget of £10,745,679, resulting in an overspend of £38,135. Significant variances are explained below.

4.1 Directorate & Administration - £48,295 (Adverse)

Although savings are held within this budget, the actual savings will be made across various service areas as the year progresses. This results in an adverse variance within Directorate and Administration but will be offset by savings in other areas.

4.2 Design and Maintenance - £29,886 (Favourable)

This favourable variance is mainly the result of an underspending on property costs of £12,392, due to the receipt of a refund of rates from a previous year, and also an underspending on transport costs of £10,458.

4.3 Architectural & Related Services - £38,035 (Adverse)

This adverse variance is caused in the main by an under-recovery of salaries of £105,937 offset by an underspending on employee costs of £82,340 as a result of vacancies.

4.4 Refuse Collection - £57,080 (Adverse)

This adverse variance is mainly due to an overspend on supplies and transport costs coupled with an under-recovery of income. This budget will be closely monitored and the appropriate management action taken to bring the Refuse Collection estimate as close to budget as possible.

4.5 Skillseekers - £32,516 (Favourable)

Additional skillseeker placements have been made this year resulting in additional expenditure of £43,590, but offset by additional income of £76,106, resulting in a net favourable variance at period 6 of £32,516.

5. Capital Programme

5.1 The Department has a Capital Programme of £10,976,000 (including additional funding received) and £1,113,000 has been processed through the finance ledger at period 6.

There is also £1,897,000 of expenditure incurred as at period 6, but not yet processed through the financial ledger, resulting in a total spend to date including accruals of £3,010,000 compared to a phased budget of £3,166,000, which results in a period 6 phased underspend of £156,000.

6. Personnel Issues

6.1 There are no personnel issues.

7. Financial Implications

7.1 The financial implications are that, overall, the Departments Trading Accounts have achieved £61,800 more of a surplus, and the General Services Revenue budgets have spent £38,135 more than anticipated as at period 6. The Department's Capital Account is £156,000 underspent as at period 6.

8. Recommendation

8.1 The Committee is invited to note the financial performance of the Housing, Regeneration and Environmental Services Department.

Ronald M. Dinnie

**Acting Director of Housing, Regeneration and Environmental Services
(Land & Environmental Services)**

Date: 17 November 2006

Wards: All

Appendix 1: Analysis of Income and Expenditure – Trading Accounts

Appendix 2: General Services Revenue Budget 2006/2007

Appendix 3: General Services Capital Programme 2006/2007

Background Papers: None

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