

WEST DUNBARTONSHIRE COUNCIL

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

**Housing, Environment and Economic Development Committee:
2 September 2009**

Subject: Financial Report 2009/2010 to 15 July 2009 (Period 3)

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 15 July 2009 (Period 3).

2. Background

- 2.1** The attached information provides details of the financial performance of the Department's Statutory Trading Accounts, (Appendix 1), the General Services Revenue Budgets (Appendix 2) and the General Services Capital Expenditure (Appendix 3). It should be noted that this report compares the actual expenditure to 15 July 2009 to the phased budget as at that date.

3. Financial Performance - Statutory Services

- 3.1** The Department's Statutory Trading Accounts, as detailed in Appendix 1, show a surplus of £387,600 at period 3, which is £35,780 more than the period estimated surplus of £351,820. At this early stage in the financial year there are no significant variances.

4. General Services Revenue Budget

The General Services Revenue budget as detailed in appendix 2 amounts to £26,121,010. As at period 3, £7,913,940 has been spent against a phased budget of £7,883,420, resulting in a small adverse variance of £30,520. Significant variances are explained below.

- 4.1** Directorate and Administration - (£27,960) Adverse

This adverse variance is mainly due to a payment under the Council's Group Life Scheme in respect of an employee who died in service. During the 2009/2010 budget exercise the Council decided that such payments would require to be funded by the relevant department.

4.2 Leisure Services - (141,480) Adverse

This adverse variance is caused by a number of factors, including an overspend of £80,940 on Employee Costs, an overspend of £93,660 on Property Costs, offset by a small over-recovery of Income amounting to £29,290.

The overspend on Employee Costs is being investigated and it may be due to an insufficient allocation to this budget to fund Single Status. The overspend on Property Costs has arisen on the Gas budget line and is also being investigated.

The over-recovery of Income is in line with the income received last year, and although we had anticipated a reduction in income because of the general economic climate, this is not evident at the moment.

4.3 Community Wardens - (£42,170) Adverse

This adverse variance has arisen as a consequence of the savings requirement of £260,000 agreed by the Council during the 2009/2010 budget setting process. Management action is ongoing which will generate this level of saving, but as at period 3 the required level of savings had not been achieved.

It is expected that the savings requirement of £260,000 will be delivered during the course of this financial year.

4.4 Business Development - £56,720 Favourable

This favourable variance has arisen due to vacancies.

4.5 Refuse Disposal - £47,310 Favourable

This favourable variance is due to a reduced spend on Tonnage, resulting from reduced recycle as a consequence of the economic downturn.

4.6 SWIP - £54,700 Favourable

This favourable variance is mainly due to a number of vacancies.

5. Capital Programme

5.1 The Department has a Capital Programme of £9,340,000 (including additional funding received) and £444,921 has been processed through the financial ledger at period 3, compared to a phased budget at 15 July 2009 amounting to £419,665 resulting in a spend of £25,256 greater than anticipated in the phased estimates.

5.2 An adverse variance of £25,256 is not considered significant at this early stage in the financial year.

6. Personnel Issues

- 6.1** There are no personnel issues.

7 Financial Implications

- 7.1** The department's Statutory Trading Accounts have achieved £35,780 more of a surplus, and the General Services Revenue budget has spent £30,520 more than anticipated as at period 3. The department's Capital Account is £25,256 overspent compared to the phased budget as at period 3. Given the magnitude of the budgets being managed these variations are marginal. The budgets will continue to be closely monitored with management decisions to mitigate variances being determined throughout the financial year.

8 Risk Analysis

- 8.1** 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 2010 which could affect the year end spend.

9. Conclusions & Officers' Recommendations

- 9.1** The report identifies a favourable variance on the Department's Statutory Trading Accounts and adverse variances on the General Services Revenue and Capital Accounts.
- 9.2** The Committee is asked to note the contents of this report.

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Date: 12 August 2009

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Appendices:	1. Analysis of Income and Expenditure - Statutory Trading Accounts 2. General Services Revenue Budget 2009/2010 3. General Services Capital Programme 2009/2010
Background Papers:	None
Wards Affected:	All