

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 4 February 2009

Subject: Financial Report 2008/2009 to 15 December 2008 (Period 8)

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 December 2008 (Period 8).

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 December 2008 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 £1,411,550 at period 8, which is £329,380 more than the period estimated surplus of £1,082,170. Significant variances are explained below.

3.2 Housing Maintenance - £276,870 Favourable

The Housing Maintenance Trading Account is showing a surplus at period 8 of £889,040, which is £276,870 greater than the period estimated surplus of £612,170. This favourable variance relates mainly to an increased turnover of £369,370 offset by an adverse variance on Indirect Costs of £111,250.

It is anticipated that this favourable variance will continue to the financial year end.

3.3 Grounds Maintenance/Street Cleaning - £52,510 Favourable

The Grounds Maintenance/Street Cleaning Trading Account is showing a surplus at period 8 of £522,510, which is £52,510 greater than the period estimated surplus of £470,000. This favourable variance relates to a small increase in turnover of £21,710 augmented by a small reduction in total costs amounting to £30,800.

It is anticipated that this favourable variance will continue to the financial year end.

4. General Services Revenue Budget

The net General Services Revenue budget as detailed in appendix 2 amounts to £23,462,540. As at period 8, £16,045,170 has been spent against a phased budget of £15,846,520 resulting in an adverse variance of £198,650. Significant variances are explained below.

4.1 Directorate and Administration - £47,500 Favourable

The Directorate and Administration favourable variance is primarily due to vacancies. This favourable variance will continue.

4.2 Catering Services - £71,090 Favourable

The Catering Services favourable variance of £71,090 is mainly attributable to an additional Income of £123,960 arising mainly from the Hungry for Success Scheme offset by an adverse variance of £51,110 on Food Purchases. While it is anticipated that Food Purchases will be over budget, the Hungry for Success income will more than offset this overspend.

4.3 Outdoor Recreation - (£50,920) Adverse

The Outdoor Recreation adverse variance of £50,920 is due to a number of offsetting variances the largest of which is an under-recovery of £45,720 on Sales Fees and Charges which will continue to the year end. The budgeted income of £214,070 has been overstated when compared to the 2007/2008 outturn which was £139,140. The 2008/2009 projected outturn is £167,500.

4.4 Architectural and Related Services - £55,120 Favourable

The Architectural and Related Services favourable variance relates to Employee Costs which are underspent by £182,070 because of vacancies, offset by an overspend on Agency Staff of £124,600. These agency staff are required to provide the service in the absence of permanent employees.

4.5 Leisure Services - £128,910 Favourable

The Leisure Services favourable variance of £128,910 is mainly attributable to an over-recovery on income of £152,270, offset by a number of relatively small overspends on a number of budget lines. This over-recovery of income is expected to continue.

4.6 Private Sector Housing - £35,510 Favourable

The Private Sector favourable variance is due to an underspend of £17,710 on Cold Alarms because all known addresses have had the alarms installed, combined with an underspend of £17,700 relating to allocations from the Housing Revenue Account. This favourable variance is expected to continue.

4.7 Community Wardens - £139,630 Favourable

The Community Wardens' favourable variance is attributable to an underspend of £98,440 on Employee Costs due to vacant posts, and an underspend of £27,870 on Payments to Other Bodies as a result of the Police Analyst vacancy.

4.8 Planning - (£163,690) Adverse

The Planning adverse variance of £163,690 is mainly due to adverse variances of £105,780 and £54,840 on Planning Application Fees and Building Warrants respectively. These adverse variances will continue and are a consequence of the general economic downturn.

4.9 Commercial Development Areas - (£120,520) Adverse

The Commercial Development adverse variance of £120,520 is attributable to an under-recovery of rental income and this adverse variance will continue to the financial year end.

4.10 Estates Administration - (£192,400) Adverse

The Estates Administration adverse variance of £192,400 is mainly attributable to overspends of £11,450 on Rates and £9,900 on Cleaning Costs relating to vacant commercial properties and an under-recovery of rental income amounting to £146,240. It is expected that these adverse variances will continue to the financial year end.

4.11 Clyde Regional Centre - (£138,410) Adverse

The Clyde Regional Centre adverse variance of £138,410 is attributable to an under-recovery of rental income which will continue to the financial year end.

4.12 Refuse Collection - (£83,530) Adverse

The Refuse Collection adverse variance of £83,530 is made up of an adverse variance of £30,760 on Fuel as a result of price increases, and an under-recovery of income of £53,510 in respect of Commercial Charges and the Sale of Wheeled Bins. These adverse variances will continue to the financial year end.

4.13 Skillseekers - £54,410 Favourable

The Skillseeker favourable variance is due to an over-recovery of £53,110 on income from Skills Development Scotland as a consequence of an increased number of placements achieving their targets.

5. Capital Programme

- 5.1** The Department has a Capital Programme of £11,381,000 (including additional funding received) and £2,268,000 has been processed through the financial ledger at period 8, compared to a phased budget at 15 December 2008 amounting to £3,130,000 resulting in a spend of £862,000 less than anticipated in the phased estimates.
- 5.2** Although the actual spend to date of £2,268,000 is low, the majority of the capital spend takes place in the last quarter of the financial year.
- 5.3** We are anticipating an overall underspend of £393,000 with any further unspent monies being carried forward into the 2009/2010 financial year as slippage.

6. Personnel Issues

- 6.1** There are no personnel issues.

7. Financial Implications

- 7.1** Overall, the Department's Statutory Trading Accounts have achieved £329,380 more of a surplus, and the General Services Revenue budget has spent £198,650 more than anticipated as at period 8. The Department's Capital Account is £862,000 underspent compared to the phased budget as at period 8.

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 2009 which could affect the year end spend.
- 8.2** It is anticipated that performance on income on relation to Planning Application fees, Building Warrants and Rents for Commercial Development Areas/Clyde Regional Shopping Centre will decline further as a consequence of the current economic climate and is likely to have an impact in the current and in future financial years.

9. Conclusion

- 9.1** The report identifies favourable variances on the Department's Statutory Trading Accounts and General Services Capital Account, and an adverse variance on the Department's General Services Revenue Accounts.
- 9.2** Management action will continue to be taken to ensure that as far as reasonably practicable, the Department meets the parameters determined by the 2008/2009 budget.

10. Recommendation

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

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Date: 21 January 2009

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Appendices:

1. Analysis of Income and Expenditure - Statutory Trading Accounts 2008/2009
2. General Services Revenue Budget 2008/2009
3. General Services Capital Programme 2008/2009

Background Papers: None

Wards: All