

## **WEST DUNBARTONSHIRE COUNCIL**

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

**Housing, Environment and Economic Development Committee: 3 March 2010**

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**Subject: Financial Report 2009/2010 to 15 January 2010 (Period 9)**

#### **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 January 2010 (Period 9).

#### **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 January 2010 to the phased probable outturn 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 £1,551,030 at period 9, which is £92,370 more than the phased probable outturn surplus of £1,458,660.
- 3.2** To protect commercial confidentiality, only the Surplus/Deficit figures have been shown. Significant variances are explained below.
- 3.3** Housing Maintenance - £64,340 Favourable
- Direct costs are showing a favourable variance of £57,460.
- 3.4** Grounds Maintenance/Street Cleaning - £28,030 Favourable
- Direct costs are showing a favourable variance of £28,030.

#### **4. General Services Revenue Budget**

- 4.1** The General Services probable outturn as detailed in appendix 2 amounts to £26,041,350. As at period 9, £20,972,720 has been spent against a phased probable outturn of £20,748,070, resulting in an adverse variance of £224,650. Significant variances are explained below.

#### **4.2 Design & Maintenance - (£134,800) Adverse**

This adverse variance is due to an overspend of £44,890 on Materials for Winter Maintenance, and an overspend of £165,910 on Payments to the Roads Operations and both overspends are attributable to the severe winter weather. Additional income of £80,970 has helped to reduce the overspend.

#### **4.3 Traffic Management - (£40,620) Adverse**

This adverse variance is mainly due to an overspend of £14,770 on Employee Costs due to a delay in the implementation of the savings options and an under-recovery of £17,250 on Sales, Fees and Charges due to a reduction in the number bus shelter advertising available this year.

#### **4.4 Leisure Services - (£36,550) Adverse**

This adverse variance is due to an under-recovery of income as a result of an increased number of gym membership cancellations and the poor weather over December and early January which reduced casual use.

#### **4.5 Homeless Persons - (£25,730) Adverse**

There are a number of offsetting variances, but the main reason for this adverse variance is an under-recovery of rent on the homeless units, due to the average number of units being less than the number assumed in the probable outturn.

#### **4.6 Planning - (£37,160) Adverse**

The main reason for this adverse variance is the continuing under-recovery of income from Planning Applications and Building Warrants as a consequence of the general economic downturn.

#### **4.7 Estates - £26,970 Favourable**

This favourable variance is due to a number of contributory factors including an underspend on Employee Costs of £11,890 as a result of a vacant post along with an underspend of £8,320 on Property Costs as a result of too high a projection being included in the probable outturn.

### **5. Capital Programme**

**5.1** The Department has a Capital Programme of £11.832m (including additional funding received), as detailed in appendix 3, but a probable outturn of £9.012m is now being predicted with the balance of £2.820m being carried forward as slippage.

**5.2** At period 9, £2.4m has been processed through the financial ledger, compared to a phased probable outturn at 15 January 2010 of £2.377m resulting in a small overspend of £0.023m.

## **6. Personnel Issues**

- 6.1** There are no personnel issues.

## **7. Financial Implications**

- 7.1** The financial implications are that overall, the Department's Statutory Trading Accounts have achieved £92,370 more of a surplus, and the General Services Revenue budget has spent £224,650 more than anticipated as at period 9. The Department's Capital Account is £23,000 overspent compared to the phased probable outturn as at period 9.

## **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.
- 8.2** 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.

## **9. Equalities Impact**

- 9.1** None.

## **10. Conclusions and Recommendations**

- 10.1** The report identifies a favourable variance on the Department's Statutory Trading Accounts, and adverse variances on the General Services Revenue Budgets and the Capital Accounts.
- 10.2** The budgetary position will be closely monitored and appropriate management action taken to do as much as possible to bring these budgets into line.
- 10.3** The Committee is asked to note the contents of this report.

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economic Development**

**Date: 8 February 2010**

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**Person to Contact:** James Pow - Manager of Finance, Garshake Road, Dumbarton, G82 3PU, telephone: 01389 737535, e-mail: [jim.pow@west-dunbarton.gov.uk](mailto:jim.pow@west-dunbarton.gov.uk)

**Appendices:**

1. Analysis of Income and Expenditure - Statutory Trading Accounts
2. General Services Revenue Probable Outturn 2009/2010
3. General Services Capital Programme Probable Outturn 2009/2010

**Background Papers:** None

**Wards Affected:** All