

WEST DUNBARTONSHIRE COUNCIL

Report by the Acting Executive Director of Housing, Environmental and Economic Development (Land and Environment)

Housing, Environment and Economic Development Committee: 7 November 2007

Subject: Financial Report 2007/2008 to 15 September 2007 (Period 5)

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 September 2007 (Period 5).

2. Background

- 2.1** The attached information provides details of the financial performance of the Department's Statutory Trading Accounts, (Appendix 1), Non Statutory Trading Accounts (Appendix 2) and the General Services Revenue Budgets (Appendix 3) for each of the major services within the Department. It should be noted that this report compares the actual expenditure to 15 September 2007 to the phased budget as at that date.
- 2.2** The report also identifies the General Services Capital expenditure (Appendix 4).

3. Financial Performance – Statutory Services

- 3.1** The Department's Statutory Trading Accounts, as detailed in Appendix 1, show a surplus of £434,458 at period 5, which is £12,894 less than the period estimated surplus of £447,352. There are no significant variances.

4. Financial Performance – Non Statutory Services

- 4.1** The Department's Non Statutory Trading Accounts, as detailed in Appendix 2, show a surplus of £556,015 at period 5, which is £15,654 less than the period estimated surplus of £571,669. Significant variances are explained below.

4.2 Roads – £41,895 (Adverse)

The Roads Trading Account is showing a surplus at period 5 of £39,771, which is £41,895 less than the period estimate of £81,666. 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.

5. General Services Revenue Budget

5.1 The General Services Revenue budget as detailed in appendix 3 amounts to £19,713,560. As at 15 September 2007, £8,963,524 has been spent against a phased budget of £8,884,457, resulting in an adverse of £79,067. Significant variances are explained below.

5.2 Directorate & Administration - £66,786 (Favourable)

This favourable variance is due to staffing vacancies.

5.3 Central Repairs and Maintenance - £47,764 (Favourable)

This favourable variance is mainly due to vacancies.

5.4 Homelessness - £113,639 (Adverse)

This adverse variance is due to a number of offsetting variances including an overspend of £14,688 on Employee Costs, an underspending of £33,852 on Property Costs and an under-recovery of £131,421 on rental income.

5.5 Regeneration - £59,120 (Favourable)

This favourable variance is mainly due to additional income generated from an increase in planning applications and building warrants.

5.6 Refuse Collection - £60,450 (Adverse)

This adverse variance is primarily due to a fall in the level of commercial charges income and a fall in the sale/demand of wheelie bins through the issue of pre-owned free bins.

5.7 Refuse Disposal - £33,750 (Adverse)

This adverse variance is due to the increased cost of diverted waste, an element of which is not funded by the Strategic Waste implementation Fund.

6. Capital Programme

6.1 The Department has a Capital Programme of £10,529,000 (including additional funding received) and £1,305,000 has been processed through the financial ledger at period 5. There is also £1,030,000 of expenditure incurred as at period 5, but not yet processed through the financial ledger, resulting in a total spend to date including accruals of £2,335,000 compared to a phased budget of £2,227,000, which results in a period 5 phased overspend of £108,000.

7. Personnel Issues

7.1 There are no personnel issues.

8 Financial Implications

- 8.1** The financial implications are that, overall, the Department's Statutory Trading Accounts have achieved £12,894 less of a surplus, the Non Statutory Trading Accounts have achieved £15,654 less of a surplus and the General Services Revenue budget has spent £79,067 more than anticipated as at period 5. The Department's Capital Account is £108,000 overspent as at period 5.

9 Risk Analysis

- 9.1** 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 2008 which could affect the year end spend.

10. Conclusion

- 10.1** The report identifies an adverse variance on the Department's Statutory and Non Statutory Trading Accounts, the General Services Revenue Accounts and on the General Services Capital Account.
- 10.2** Management action will be taken to try and bring these budgets back into line.

11. Recommendation

- 11.1** The Committee is asked to note the contents of this report.

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Development (Land and Environmental)**

Date: 19 October 2007

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Appendix 1: Analysis of Income and Expenditure – Statutory
Trading Accounts

Appendix 2: Analysis of Income and Expenditure – Non Statutory
Trading Accounts

Appendix 3: General Services Revenue Budget 2007/2008

Appendix 4: General Services Capital Programme 2007/2008

Background Papers: None