

WEST DUNBARTONSHIRE COUNCIL

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

Housing, Environment and Economic Development Committee: 2 February 2011

Subject: Financial Report 2010/2011 to 30 November 2010 (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 30 November 2010 (Period 8).

2. Background

- 2.1** The attached information provides a summary of the financial performance of the Department's General Services and Trading Accounts (Appendix 1), a detailed analysis of the spend for each budget (Appendix 2), and the General Services Capital Expenditure (Appendix 3). It should be noted that this report compares the actual expenditure to 30 November 2010 to the phased probable as at that date. Members will recall that probable outturns for 2011/12 were developed earlier than in previous years. For the first time the three services - Office Accommodation, Clydebank Town Hall and Courier - transferred to Housing, Environmental and Economic Development in September are also included. These services are shown separately as they have not previously been included in departmental figures that have been given and so would distort any comparisons which may be made.
- 2.2** The additional information included at Appendix 2 provides the Committee with the opportunity to review the spending performance in more detail, and this greater transparency will assist the Committee in fulfilling its scrutiny role.
- 2.3** During the 2011/2012 estimate exercise and taking cognisance of the revised departmental structure, it is intended to reduce the number of individual budget pages, which will simplify and rationalise the budgets and align them to the revised management arrangements.

3. Financial Performance - General Services and Trading Accounts

The Department's General Services and Trading Accounts, as detailed in Appendix 1, show a total spend of £12,779,029 at period 8, against a phased probable of £12,681,798 resulting in an adverse variance of £97,231. In addition, there is expenditure of £1,010,674 against a phased probable of £999,583 for the services transferred to HEED in September resulting in an adverse variance for these services of £11,091. Significant variances are explained below.

3.1 Directorate & Administration - (£94,762) Adverse

The main reason for the adverse variance is an under-recovery of reallocated salaries due to the probable outturn being overstated.

3.2 Building Cleaning - PPP - £78,552 Favourable

The number of staff required has been less than that assumed in the probable outturn as have levels of overtime.

3.3 Leisure Services - £38,189 Adverse

This adverse variance has arisen principally because the probable outturn for weekly paid staff was set too low.

3.4 Homeless Persons - £111,934 Favourable

There has been a small increase in both the number of units and the occupancy rate which has resulted in income being higher than anticipated. In addition, removals and storage expenditure has been reduced following a change in policy.

3.5 Estates Administration - £45,130 Favourable

Rental income has not fallen as anticipated when the probable outturn was set.

3.6 Refuse Collection - £59,530 Adverse

This adverse variance has arisen because of an under-statement in the probable outturn for manual employee costs and the continuing reduction in income from commercial customers.

4. Capital Programme

4.1 At Appendix 3 it can be seen that the Department has a Capital Programme of £12.294m (including additional funding received), but the projected spend to 31 March 2011 is now £8.428m, and it is estimated that £3.866m will require to be slipped into the 2011/2012 financial year. To period 8, £4.068m has been processed through the financial ledger compared to a phased probable at 30 November 2010 of £4.069m.

5. People Implications

5.1 There are no implications.

6. Financial Implications

- 6.1** The Department's General Services and Trading Accounts have spent £97,231 more than anticipated as at period 8. In addition, the services transferred to HEED in September 2010 are presently in aggregate £11,091 more than anticipated when the probable outturn was submitted. The overall budget will continue to be closely monitored throughout the year to ensure that services are delivered within budget limits. The Department's Capital Account has spent £4.068m at period 8 which is what we would expect with a probable outturn is £8.428m.

7. Risk Analysis

- 7.1** 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 2011 which could affect the year end spend.
- 7.2** 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.

8. Equalities Impact

- 8.1** No significant issues were identified in a screening for potential equality impact of this report.

9. Conclusions and Recommendations

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

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Date: 13 January 2011

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Appendices:

1. General Services and Trading Accounts Summary
2. General Services and Trading Accounts Detail
3. General Services Capital Programme 2010/2011

Background Papers: None

Wards: All