

WEST DUNBARTONSHIRE COUNCIL

Report by the Acting Director of Housing, Regeneration and Environmental Services (Land & Environmental Services)

Community Safety and Environmental Services Committee: 7 February 2007

Subject: Financial Report 2006/2007 to 15 December 2006 (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, Regeneration and Environmental Services Department to 15 December 2006 (Period 8).

2. Background

- 2.1 The attached information provides details of the financial performance of the Department's Statutory Trading Accounts (Appendix 1), and the General Services Revenue Budget, excluding Housing, (Appendix 2) for each of the major services within the Department. It should be noted that this report compares the actual expenditure to 15 December 2006 to the phased estimate as at that date.
- 2.2 The report also identifies the General Services Capital expenditure (Appendix 3).

3. Financial Performance – Statutory Services

- 3.1 The Department's Statutory Trading Accounts, as detailed in Appendix 1, show a surplus of £794,231 at period 8, which is £11,228 less than the estimated period target of £805,459. Significant variances are explained below.

3.2 Catering - £171,787 (Favourable)

The Catering Trading Account is showing a surplus at period 8 of £234,613, which is £171,787 above the period estimate of £62,826. This is mainly due to an underspend on employee costs and other direct costs and also a small increase in turnover.

3.3 Leisure Services - £12,995 (Favourable)

The Leisure Services Trading Account is showing a surplus at period 8 of £54,495, which is £12,995 greater than the period estimate of £41,500. This is mainly due to an underspend on employee costs and an increase in contract income which is offset by an increase in fixed asset rentals.

3.4 Roads - £133,406 (Adverse)

The Roads Trading Account is showing a deficit at period 8 of £107,769, which is £133,406 greater than the period estimated surplus of £25,637. This is due to a reduction in turnover and is offset to some extent by a reduction in direct costs.

3.5 Grounds Maintenance/Street Cleaning - £62,604 (Adverse)

The Grounds Maintenance/Street Cleaning Trading Account is showing a surplus at period 8 of £612,892, which is £62,604 less than the period estimate of £675,496. This is mainly due to an overspend on direct costs offset to some degree by an over-recovery of income.

4. General Services Revenue Budgets

The General Services Revenue budget as detailed in appendix 2 amounts to £19,798,450. As at period 8 (15 December 2006) £13,220,811 has been spent against a phased budget of £13,289,522, resulting in a small underspend of £68,711. Significant variances are explained below.

4.1 Directorate & Administration - £63,155 (Adverse)

Although savings are held within this budget, the actual savings will be made across various service areas as the year progresses. This results in an adverse variance within Directorate and Administration but will be offset by savings in other areas.

4.2 Design and Maintenance - £89,499 (Favourable)

This favourable variance is mainly the result of an underspending on property costs of £11,425, due to the receipt of a refund of rates from a previous year, an underspending on transport costs of £43,098 and an over-recovery of salaries charged to capital of £32,000.

4.3 Traffic Management - £30,012 (Favourable)

This favourable variance is the result of a number of underspendings, including employee costs underspent by £11,237 due to vacancies and an underspend of £10,717 on contractor payments.

4.4 Architectural & Related Services - £100,133 (Favourable)

This favourable variance is caused in the main by an underspend on employee costs of £81,584 as a result of vacancies, coupled with an over-recovery of income of £13,392.

4.5 Regeneration - £64,470 (Favourable)

This favourable variance is primarily due to an over-recovery on income of £58,550 mainly associated with planning application fees along with an underspendings in employee costs of £5,320 due to vacancies.

4.6 Refuse Collection - £211,660 (Adverse)

This adverse variance is due to an under-recovery of £211,910 on the budget line recovered from Other Accounts of the Authority. This income line was overstated during the preparation of the 2006/2007 estimate

4.7 Skillseekers - £30,010 (Favourable)

Additional skillseeker placements have been made this year resulting in additional expenditure of £30,120, but offset by additional income of £60,130, resulting in a net favourable variance at period 8 of £30,010.

5. Capital Programme

5.1 The Department has a Capital Programme of £11,240,000 (including additional funding received) and £3,441,000 has been processed through the finance ledger at period 8. There is also £1,509,000 of expenditure incurred as at period 8, but not yet processed through the financial ledger, resulting in a total spend to date including accruals/commitments of £4,950,000 compared to a phased budget of £5,017,000, which results in a period 8 phased underspend of £67,000.

6. Personnel Issues

6.1 There are no personnel issues.

7 Financial Implications

7.1 The financial implications are that, overall, the Departments Trading Accounts have achieved £11,228 less of a surplus, and the General Services Revenue budgets have spent £68,711 less than anticipated as at period 8. The Department's Capital Account is £67,000 underspent as at period 8.

8 Risk Analysis

8.1 The risk to the Council is that the year end position is significantly worse than the period 8 figures are indicating. However there is nothing at the time of writing this report that would suggest that this is likely to happen.

9. Recommendation

9.1 **The Committee is invited to note the financial performance of the Housing, Regeneration and Environmental Services Department.**

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Appendix 1: Analysis of Income and Expenditure – Trading Accounts
Appendix 2: General Services Revenue Budget 2006/2007
Appendix 3: General Services Capital Programme 2006/2007

Background Papers: None

Wards: All