

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Director of Housing, Regeneration and Environmental Services

#### Community Safety and Environmental Services Committee: 4 October 2006

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**Subject: Financial Report 2006/2007 to 15 August 2006 (Period 4)**

#### **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 August 2006 (Period 4).

#### **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 August 2006 to the phased estimate as at that date.
- 2.2** The report also identifies the General Services Capital expenditure (Appendix3).

#### **3. Financial Performance – Statutory Services**

- 3.1** The Department's Statutory Trading Accounts, as detailed on Appendix 1, show a surplus of £326,954 at period 4, which is £62,964 greater than the estimated period target of £263,990. Significant variances are explained below.

##### **3.2** Catering - £111,072 (Favourable)

The Catering Trading Account is showing a surplus at period 4 of £126,239, which is £111,072 above the period estimate of £15,167. This is mainly due an underspend on employee costs and other direct costs and also a small increase in turnover.

##### **3.3** Leisure Services - £45,028 (Favourable)

The Leisure Services Trading Account is showing a surplus at period 4 of £122,015, which is £45,028 greater than the period estimate of £76,987. 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 - £23,183 (Adverse)

The Roads Trading Account is showing a deficit at period 4 of £133,901, which is £23,183 greater than the period estimate of £110,718. 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 back into line with budget.

### **3.5 Grounds Maintenance/Street Cleaning - £69,953 (Adverse)**

The Grounds Maintenance/Street Cleaning Trading Account is showing a surplus at period 4 of £212,601, which is £69,953 less than the period estimate of £282,554. This is due in the main to an overspending on Payments to Greenlight Environmental Ltd in respect of the Care of Gardens Scheme.

At its meeting on 2 August 2006 the Committee agreed to enhance this budget by £100,000 to be “funded from Council balances and underspends that are anticipated to arise within Council contingency fund in 2006/2007.”

We have now agreed with Corporate Finance that the Payments to Contractor budget will be increased by £100,000 and this will be effective as from period 5 (15 September 2006).

## **4. General Services Revenue Budgets**

The General Services Revenue budget as detailed at appendix 2 amounts to £19,798,450. As at period 4 (15 August 2006) £6,695,408 has been spent against a phased budget of £6,626,892, resulting in an overspend of £68,516. Significant variances are explained below.

### **4.1 Directorate & Administration - £33,480 (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 Refuse Collection - £64,230 (Adverse)**

This adverse variance is mainly due to an overspend on employee and transport costs coupled with an under-recovery of income. This budget will be closely monitored and the appropriate management action taken to bring the Refuse Collection estimate back into line with budget.

## **5. Capital Programme**

### **5.1** The Department has a Capital Programme of £10,382,000 (including additional funding received) and £562,000 has been processed through the finance ledger at period 4. There is also £705,000 of expenditure incurred as at period 4, but not yet processed through the financial ledger, resulting in a total spend to date including accruals of £1,267,000 compared to a phased budget of £1,327,000, which results in a period 4 phased underspend of £60,000.

## **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 £62,964 more of a surplus, and the General Services Revenue budgets have spent £68,516 more than anticipated as at period 4. The Department's Capital Account is £60,000 underspent as at period 4.

## **8. Recommendation**

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

**pp David McMillan**  
**Director of Housing, Regeneration and Environmental Services**  
**Date: 18 September 2006**

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**Wards:** All

**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

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