

WEST DUNBARTONSHIRE COUNCIL

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

Community Safety and Environmental Services Committee: 4 April 2007

Subject: Financial Report 2006/2007 to 15 February 2007 (Period 10)

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 February 2007 (Period 10).

2. Background

- 2.1 The attached information provides details of the financial performance of the Department's Statutory Trading Accounts, excluding Housing Repairs, (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 February 2007 to the phased probable outturn 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 £1,059,780 at period 10, which is £93,950 more than the estimated period target of £965,830. Significant variances are explained below.

3.2 Catering - £95,810 (Favourable)

The Catering Trading Account is showing a surplus at period 10 of £251,090, which is £95,810 above the period estimate of £155,280. This is mainly due to an underspend on food purchases.

3.3 Leisure Services - £67,140 (Favourable)

The Leisure Services Trading Account is showing a surplus at period 10 of £138,030, which is £67,140 greater than the period estimate of £70,890. This is mainly due to underspendings on a number of direct costs including employee costs £7,010, property costs £17,890 and administration costs £15,760.

3.4 Roads - £55,780 (Adverse)

The Roads Trading Account is showing a surplus at period 10 of £44,630, which is £55,780 less than the period estimated surplus of £100,410. 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 - £13,220 (Adverse)

The Grounds Maintenance/Street Cleaning Trading Account is showing a surplus at period 10 of £626,030, which is £13,220 less than the period estimate of £639,250. This is mainly due to an overspend on indirect costs offset by an underspend on direct costs.

4. General Services Revenue Probable Outturn

The General Services Revenue probable outturn as detailed in appendix 2 amounts to £20,065,440. As at period 10 (15 February 2007) £17,845,674 has been spent against a phased budget of £17,888,488, resulting in a small underspend of £42,814. Significant variances are explained below.

4.1 Design and Maintenance - £33,533 (Favourable)

This favourable variance is mainly the result of an underspending on property costs of £16,566, due to the receipt of a refund of rates from a previous year, and an underspend on transport costs of £14,573.

4.2 Street Lighting - £48,113 (Favourable)

This favourable variance is due to favourable variances of £7,150 on employee costs, £18,130 on supplies and services, mainly electrical power, and £14,830 on contractor payments.

4.3 Traffic Management - £29,179 (Favourable)

This favourable variance is mainly due to an underspending of £37,279 on contractor payments offset by an overspend on employee costs.

4.4 Architectural & Related Services - £82,176 (Favourable)

This favourable variance is caused in the main by an underspend on employee costs of £5,310 and administration costs of £6,649 plus an over-recovery of income of £68,331.

4.5 Central Repairs and Maintenance - £86,303 (Adverse)

This adverse variance is due to an overspend on employee costs of £15,278 along with an under-recovery of income of £57,938.

4.6 Regeneration - £49,880 (Favourable)

This favourable variance is primarily due to an underspending on employee costs of £32,980 due to vacancies.

4.7 Estates Administration - £71,060 (Adverse)

This adverse variance is the result of an under-recovery of rental income of £58,510 which is being investigated. There is also an overspend on property costs of £9,660 due to the probable outturn being understated.

4.8 Clyde Regional Centre - £61,250 (Adverse)

This adverse variance is the result of an under-recovery of rental income of £61,250 which is being investigated.

5. Capital Programme

5.1 The Department has a Capital Programme of £11,055,000 (including additional funding received) and £4,718,000 has been processed through the finance ledger at period 10. There is also £1,398,000 of expenditure incurred as at period 10, but not yet processed through the financial ledger, resulting in a total spend to date including accruals/commitments of £6,116,000 compared to a phased budget of £6,375,000, which results in a period 10 phased underspend of £259,000.

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 £93,950 more of a surplus, and the General Services Revenue budgets have spent £42,814 less than anticipated as at period 10. The Department's Capital Account is £259,000 underspent as at period 10.

8 Risk Analysis

8.1 The risk to the Council is that the year end position is significantly worse than the period 10 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 recommendation is that the Committee notes the financial performance of the Housing, Regeneration and Environmental Services Department.**

Ronald M. Dinnie
Acting Director of Housing, Regeneration and Environmental Services
(Land & Environmental Services)
Date: 26 March 2007

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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