

**ANGUS COUNCIL**

**NEIGHBOURHOOD SERVICES COMMITTEE – 19 NOVEMBER 2009  
CORPORATE SERVICES COMMITTEE – 3 DECEMBER 2009**

**NEIGHBOURHOOD SERVICES (NON-HRA) BUDGET MONITORING  
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

**JOINT REPORT BY THE DIRECTOR OF NEIGHBOURHOOD SERVICES  
AND THE DIRECTOR OF CORPORATE SERVICES**

**Abstract:**

This report appraises members of the actual expenditure compared with budget in respect of the Neighbourhood Services department (non-HRA) for the period 1 April 2009 to 30 September 2009, together with the anticipated year end position.

**1 RECOMMENDATION**

It is recommended that the Committees note the contents of this report for their respective interests.

**2 INTRODUCTION**

The responsibilities of chief officers with regard to revenue monitoring are set out in Section 3 of the Council's Financial Regulations. To ensure that budgetary control is exercised in accordance with these regulations, reports on budget monitoring covering revenue, capital and renewal and repair fund expenditure are presented to the Neighbourhood Services and Corporate Services Committees at key points during the financial year.

This report sets out the actual net expenditure position for Neighbourhood Services (Non-HRA) for the period 1 April 2009 to 30 September 2009 (6 months) and the projected outturn for each division.

**3 CAPITAL MONITORING**

Table 1 below summarises the net capital position:

Table 1 – Neighbourhood Services Net Capital Budget

<b>Table 1</b>					
<b>Capital Programme 2009/10 (per report 626/09)</b>	<b>Net Budget £000's</b>	<b>Actual to 30 Sept 09 £000's</b>	<b>Budget Balance At 30 Sept 09 £000's</b>	<b>Projected Outturn £000's</b>	<b>Projected Over / (Under) Spend £000's</b>
Headquarters	0	0	0	0	0
Cultural Services	0	0	0	0	0
Environmental Management	1,333	506	(827)	654	(679)
Leisure Services	312	0	(312)	312	0
Other Housing	0	0	0	0	0
<b>Neighbourhood Services Total</b>	<b>1,645</b>	<b>506</b>	<b>(1,139)</b>	<b>966</b>	<b>(679)</b>

In overall terms, at 30 September there is actual spend of £506,000 (31%) against a net budget of £1.645 million, leaving a balance of £1.139 million in 2009/10. The department is however currently projecting an underspend of £679,000 at the year end. A brief commentary on the reasons for the projected underspend is set out below:

#### Environmental Management

Environmental Management have thus far spent 38% of their net budget, primarily in respect of vehicle purchases as part of the planned vehicle replacement programme. It is however projected that only a further £148,000 will be spent in this area - primarily on further vehicle replacements and the planned Ground Maintenance Machinery Replacement Programme. This will however only take projected spend in year to 49% of the net budget.

The slippage of £679,000 primarily arises as follows:-

- Shredding / Screening plant for the compost area at Restenneth slipped to 2010/11, due to unexpected extended delivery timescales (£385,000);
- Utilisation of identified capacity in CFCR allocations within the Waste Strategy Fund 2009/10 revenue budget (£236,000) - therefore reducing the funding required from the capital budget in the current year; and
- Reallocation of budget from recycling facilities in 2009/10 to Arrats Mill closure implementation planned to be undertaken in 2010/11 (£50,000).

The last 2 points above are essentially technical adjustments and accordingly the £679,000 of slippage comprises unplanned slippage of £385,000 and management planned deferrals totalling £286,000.

#### Leisure Services

Fees in respect of the development of the Montrose Swimming Pool replacement project have yet to be processed and these are projected to amount to £350,000 in 2009/10.

Combined with some minor underspends on other projects, it is currently projected that Leisure Services will be on budget at the year end in respect of net capital spend.

#### 4 REVENUE MONITORING

Table 2 below summaries the net revenue expenditure position for the period ended 30 September 2009.

<b>Table 2</b>	Net Vired Budget £000's	Profiled Monitoring Budget to 30 Sept 09 £000's	Actual to 30 Sept 09 £000's	Variance Profile v Actual Over / (Under) £000's	Outturn £000's
Revenue Budget 2009/10 (excluding Central Support Recharge)					
<b>NON-TRADING</b>					
- Directorate / Admin	3	0	0	0	3
- Leisure Services	4,734	2,558	2,557	(1)	4,734
- Cultural Services	2,838	1,419	1,419	0	2,838
- Environmental Management	14,005	2,699	2,690	(9)	14,258
- Access	0	0	0	0	0
- Other Housing	2,263	36	89	53	2,263
<b>TOTAL NON-TRADING</b>	<b>23,843</b>	<b>6,712</b>	<b>6,755</b>	<b>43</b>	<b>24,096</b>
<b>TRADING</b>					
- Ground Operations	(290)	(145)	(215)	(70)	(440)
- Leisure Services	(358)	(180)	(280)	(100)	(508)
- Waste Operations	(221)	2,954	3,158	204	(186)
<b>TOTAL TRADING</b>	<b>(869)</b>	<b>2,629</b>	<b>2,663</b>	<b>34</b>	<b>(1,134)</b>
<b>NEIGHBOURHOOD SERVICES TOTAL</b>	<b>22,974</b>	<b>9,341</b>	<b>9,418</b>	<b>77</b>	<b>22,962</b>

In overall terms, there is currently an overspend of £77,000 compared to the profiled monitoring budget at this stage in the year, however the year end outturn for the department is projected to be slightly under budget by £12,000. Set out below is a brief commentary on each division.

#### Directorate / Admin, Leisure Services (Non-Trading) and Cultural Services

As at the end of September actual net expenditure in respect of these divisions is in line with the profiled monitoring budget and the year end projected outturn is broadly "on-budget".

#### Environmental Management (Non-Trading)

As at the end of September actual net expenditure in respect of this division is broadly in line with the profiled monitoring budget. Currently however the year end projected outturn

is showing an overspend of £253,000 made up as follows:

- The Vehicle Hire Centre is projecting an overspend of £233,000 primarily due to increased contract payment costs from the Vehicle Maintenance Workshop resulting from: additional vehicle parts; consumables; and outside garage works costs. Due to the fixed nature of the current recharging mechanism, the Vehicle Hire Centre is currently unable to pass these increased costs onto the fleet vehicle users.
- Waste Management is predicting a net overspend of £20,000 in relation to: the purchase of grey / green bins and recycling boxes; and unexpected landfill compactor maintenance costs. This will however be offset in overall departmental terms by additional surpluses from Waste Management Operations (Trading Account) as set out below.

### Other Housing

As at the end of September actual net expenditure in respect of this division is showing an overspend of £53,000 against the profiled monitoring budget. This is due to the timing of year end budget carry-forward adjustments and the year end projected outturn is “on-budget”.

### Ground Operations (Trading Account)

The Trading Account for Grounds Maintenance is broadly on target to achieve its financial objective as determined in the budget setting process. It is estimated that Ground Operations has achieved surpluses in excess of profiled budget by £70,000 at this point in the financial year. It is projected that surpluses will exceed the budgeted requirement by £150,000 by the financial year end.

### Leisure Services (Trading Account)

The Leisure Services Trading Account is broadly on target to achieve its financial objective as determined in the budget setting process. It is estimated that Leisure Services has achieved surpluses in excess of profiled budget by £100,000 at this point in the financial year. It is projected that surpluses will exceed the budgeted requirement by £150,000 by the financial year end.

### Waste Operations (Trading Account)

Waste Operations Trading Account is currently £204,000 above the profiled monitoring budget. This is primarily due to timing issues regarding the raising of rechargeable income invoices and increased staff costs pertaining to agency costs. Currently however it is projected that at the year end, surpluses for the Trading Account will be lower than the budgeted requirement by £35,000 made up as follows:

- Waste Management Operations are predicting an underspend of £20,000 resulting from a decrease in rates costs at the Restenneth landfill site. This will however be utilised in overall departmental to offset the Waste Management (Non-Trading) overspend noted above.
- The Vehicle Maintenance Workshop is projecting a net overspend of £55,000 in relation to agency staff costs to cover long term sickness absence.

## OVERALL POSITION

Overall, the Neighbourhood Services department (Non-HRA) is projecting an underspend of £12,000 at the year end. The individual overspend positions shown above can therefore be contained within the overall cash limited budget of the department.

### 5 **Recreation Renewal and Repairs Fund 2009/10**

Table 3 below summaries the position on the Recreation Renewal & Repair Fund as at 30 September 2009.

<b>Table 3</b>	<b>£000's</b>
<b>Total R&amp;R Fund as at 1 April 2009</b>	<b>702</b>
Total expenditure to 30 Sept 2009	<u>(254)</u>
<b>Total R&amp;R Fund as at 30 Sept 2009</b>	<b>448</b>
Total committed expenditure outstanding	<u>(354)</u>
<b>Uncommitted Fund balance as at 30 Sept 2009</b>	<b>94</b>
Less minimum Fund balance	<u>(15)</u>
<b>Available Fund balance as at 30 Sept 2009</b>	<b>79</b>

The committed expenditure outstanding shown above relates to expenditure on R&R projects which are already underway and these projects are progressing to plan. There is however a small number of projects within the approved R&R programme which have yet to begin and accordingly it is anticipated that the current R&R funding allocation (including the available balance shown above) will be fully utilised by the year end.

### 6 **FINANCIAL IMPLICATIONS**

The financial implications are as set out in the body of the report and there are no additional financial implications arising directly as a result of the recommendation in this report.

Overall the department is projecting a slight underspend of £12,000 at the year end for net revenue expenditure. A more material underspend of £679,000 is projected in respect of net capital expenditure, comprising unplanned slippage of £385,000 and management planned deferrals of £286,000.

These positions will continue to be closely monitored and any alterations will be reported as part of the regular revenue and capital monitoring reports presented to each cycle of the Corporate Services Committee.

### 7 **HUMAN RIGHTS IMPLICATIONS**

There are no Human Rights implications arising from this Report.

## **8 EQUALITIES IMPLICATIONS**

The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An [equalities impact assessment](#) is not required.

## **9 CONSULTATION**

The Chief Executive, Head of Finance and Head of Law & Administration have been consulted in the preparation of this report.

## **10 CONCLUSION**

It will be noted from the information set out above that in the main expenditure is currently behind the phased budget. There are no particular concerns arising from these areas at present but the position will continue to be monitored closely during the course of the financial year.

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DIRECTOR OF CORPORATE SERVICES

### **NOTE**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.