
Report to Enterprise and Environment Committee

Date: 8th November 2012

**Subject: Facilities Management
Financial Performance to August 2012**

Report by: Head of Facilities Management

1.0 Purpose

- 1.1. The purpose of this report is to provide the financial performance of Facilities Management in respect of both revenue and capital spend for the financial year, 2012/13, based on activity to date up to the end of August 2012. Projected outturns up to March 2013 are also set out in the report.

2.0 Recommendations

- 2.1. The Committee is asked to note, comment on and challenge the current financial position.

3.0 Background

- 3.1 This second financial performance report will focus on outturn rather than budget v actual. This will further aid effective scrutiny of budgetary performance.
- 3.2 Budget monitoring reports to Committees offer more service specific detail than the overall Council position that is reported to the Resources and Audit Committee. Members will be supported to gain a greater understanding and awareness of Service activities, which in turn will facilitate more effective scrutiny and the maximisation of the use of resources.
- 3.3. Outturn positions reflected in this report are based on rigorous reviews of service spending activity by accountants and service managers which have been reinforced through ongoing budget challenge sessions conducted by the Directors Group.

4.0 Budget Position

- 4.1 The undernoted table provides an overview of Facilities Management outturn position within each Service Expenditure area. The commentary aims to flag the key reasons for material variances from the approved budget.
- 4.2 Appendix A to this paper sets out the revised estimate for each service area. Budgeted and actual spend for the five months to 31st August are shown together with projected outturns for the full year which have been prepared following discussions with managers within each service area, and subsequent review at budget challenge sessions.
- 4.3 Appendix B to this paper contains a detailed analysis of variances in respect of each service area.

Revenue Budgets Facilities Management	Actual v Budget to 31/08/2012 (under)/over	Projected variance to 31/03/2013 (under)/over	Commentary
	£'000	£'000	
Property Costs	(338)	(33)	Outstanding invoices for internal works and utilities. Overall rates savings.
Asset Management	33	13	Recharges for asset management fees outstanding.
Property Maintenance	0	0	Projected as on budget
Kelliebank	(2)	0	Projected as on budget
Schools PPP	(191)	(78)	Rebate received for 11/12 & 12/13. Deductions from contract carried forward from 11/12.
Fleet Services	27	2	Fuel stock holding
Catering	(87)	0	Phasing of food budget. Schools closed during holidays and therefore no food requirement during this period
Janitors	(9)	(8)	Staff vacancy savings
Cleaning	4	0	Projected as on budget
Leisure	71	2	Phasing of income to be reviewed.
Public Conveniences	(26)	(10)	Alloa toilets opened in June 2012.
Security	(5)	0	Projected as on budget
Management Unit	86	170	LLP Payment for Kilncraigs not built into budget.
Land Services and Burial Grounds	(25)	1	Seasonal internal income ahead of budget , phasing to be reviewed
Streetcare	(73)	(40)	Zero based budgeting savings identified. Vacancy savings.
Waste Management	(252)	(202)	Zero based budgeting savings identified. Reduced tonnages to landfill
Property Contracts Unit	423	0	Outstanding recharges to services for work undertaken (work in progress)
Total Facilities Management	(364)	(183)	

Capital Budgets Facilities Management	Actual v Budget to 31/08/2012 (under)/over	Projected variance to 31/03/2013 (under)/over	Commentary
	£'000	£'000	
Property Asset Management Plan	(190)	(1,159)	St Johns/Claremont and Speirs centre works commencing later than originally expected
Land Asset Management Plan	(146)	(311)	Due to proximity of the SSSI Blackdevon Landfill Gas Collection & Treatment Project will not complete until 13/14
Fleet Asset Management Plan	(319)	0	Timing of ordering and delivery of vehicles. £972,000 ordered to date - remainder of quotes being received
Total General Fund Capital Facilities Management	(655)	(1,470)	

- 4.4 Overall the service revenue expenditure to the end of August is recording a favourable position of (£364K) compared to our profiled budget at this stage of the year. This is mainly due to delays in receiving invoices alongside current projected savings. The outturn position is showing a favourable variance of (£183K). This predicted favourable variance is mainly due to Schools PPP one off insurance payment, Waste Management and Streetcare identified zero based budgeting savings, Waste Management reduced tonnages and rates savings. These underspends are currently offset by LLP (Limited Liability Partnership) payment for Kilncraigs.
- 4.5 Overall the capital revenue expenditure to the end of August is recording an underspend of (£655K) compared to our profiled budget at this stage of the year. The outturn position is showing an underspend of (£1,470K). This is part of an overall £1,720K corporate underspend when included with other Services capital underspends. This predicted underspend is mainly due to St Johns/Claremont and Speirs centre works commencing later than originally expected and Blackdevon Landfill Gas collection & treatment plant works unable to commence due to the proximity of the SSSI.

5.0 Progress in Delivering Planned Budget Savings in 2012/13

- 5.1 The 2012/13 budget incorporated savings agreed in 2011/12 of £288k for Facilities Management through a combination of budget challenge savings, management actions and specific Council decisions. After five months of the year we are able to report that 94% of these savings have been secured totalling £270k. The table below summarises the position. This is the same as was previously reported

Description of Saving	Saving 12-13	Progress	Comment
	£	£	
Restructure to reduce staffing - Facilities Management - Property Maint	(17,500)	0	Restructure not yet complete - ongoing
Restructure to reduce staffing - Burials Staff	(12,500)	(12,500)	Restructure complete

Restructure to reduce staffing - Streetcare	(8,750)	(8,750)	Restructure complete
Reduction in Service Provision - Lands Maintenance	(25,000)	(25,000)	Restructure complete
Reduce frequency of cleaning buildings - frequency and area of clean	(25,000)	(25,000)	Actioned
Review opening hours of Council buildings - Reduce Janitor Cover	(25,000)	(25,000)	Actioned
Waste - New Disposal Agreement	(12,500)	(12,500)	New composting arrangements at lower cost now in operation
Waste - Service Redesign Trade	(2,500)	(2,500)	Reduction of waste to landfill - increased recycling
Tullibody Public Conveniences has now closed and moved to portaloo's staff savings for 12-13	(12,360)	(12,360)	Complete and budget removed
Murray Square Public Conveniences now closed and moved to portaloo's staff savings for 12-13	(35,720)	(35,720)	Complete and budget removed
Streetcare - budget no longer required due to single status	(6,850)	(6,850)	Actioned
Streetcare - external vehicle maint costs reduced requirement	(10,000)	(10,000)	Actioned
Refuse collection - service redesign less requirement for overtime	(20,000)	(20,000)	budgets realigned zero based budget exercise
Refuse collection - service redesign less requirement for other Council accounts payments	(25,000)	(25,000)	budgets realigned zero based budget exercise
Housing special up lifts - income budget understated	(10,000)	(10,000)	Income budget increased - budgets realigned zero based budget exercise
Forthbank - less requirement for other Council accounts payments	(5,000)	(5,000)	budgets realigned zero based budget exercise
New Kerbside collection contract with ACE - no requirement for this budget	(1,010)	(1,010)	budgets realigned zero based budget exercise
Reduction in service - land services - Glenochil	(20,000)	(20,000)	budgets realigned zero based budget exercise
Review and consolidate council buildings - Tillicoultry	(13,000)	(13,000)	no overspend
	(287,690)	(270,190)	

6.0 Conclusions

- 6.1 This is the second financial monitoring report under the new Committee reporting arrangements. This report focuses on outturns rather than budget v actual. This should aid effective scrutiny of service budgetary performance.
- 6.2 The budget monitoring approach is being designed to link with other reporting arrangements. In other words, the Service Committee financial reports will feed into the corporate financial reporting through the Resources and Audit Committee, and Council Budget Strategy updates.

7.0 Sustainability Implications

- 7.1 N/A.

8.0 Resource Implications

8.1 The financial implication are outlined within the report.

9.0 Exempt Reports

9.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

10.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities 2008 - 2011** (Please tick ☒)

The area has a positive image and attracts people and businesses

Our communities are more cohesive and inclusive

People are better skilled, trained and ready for learning and employment ☐

Our communities are safer ☐

Vulnerable people and families are supported ☐

Substance misuse and its effects are reduced ☐

Health is improving and health inequalities are reducing ☐

The environment is protected and enhanced for all

The Council is effective, efficient and recognised for excellence ☒

(2) **Council Policies** (Please detail)

Not applicable

11.0 Equalities Impact

11.1. Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Not applicable

12.0 Legality

12.1. In adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

13.0 Appendices

13.1. Appendix A - Overall budget

Appendix B - Detailed analysis

Appendix C - Leisure Breakdown

14.0 Background Papers

- 14.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☒ (please list the documents below) No ☐

Clackmannanshire Council General Services Revenue and Capital Budget
2012/13

Clackmannanshire Council: Budget Strategy Update 16 August 2012

Author(s)

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APPENDIX A

Revenue Budgets Facilities Management	Annual Budget	Projected Outturn to 31/03/13	Variance Outturn v Budget	Budget to 31/08/2012	Actual to 31/08/2012	Variance Budget to date v Actual to date
	£'000	£'000	£'000	£'000	£'000	£'000
Property Costs	5,785	5,752	(33)	3,767	3,429	(338)
Asset Management	163	176	13	103	136	33
Property Maintenance	272	272	0	35	35	0
Kelliebank	226	226	0	92	90	(2)
Schools PPP	7,223	7,145	(78)	3,009	2,818	(191)
Fleet Services	1,442	1,444	2	711	738	27
Catering	825	825	0	392	305	(87)
Janitors	365	357	(8)	153	144	(9)
Cleaning	839	839	0	352	356	4
Leisure	1,169	1,171	2	637	708	71
Public Conveniences	94	84	(10)	36	10	(26)
Security	23	23	0	10	5	(5)
Management Unit	234	404	170	135	221	86
Land Services and Burial Grounds	1,133	1,134	1	501	476	(25)
Streetcare	673	633	(40)	282	209	(73)
Waste Management	3,317	3,115	(202)	1,146	894	(252)
Property Contracts Unit	(897)	(897)	0	586	1,009	423
Total FM excluding Leisure	22,886	22,703	(183)	11,947	11,583	(364)

General Fund Capital Facilities Management	Annual Budget	Projected Outturn to 31/03/13	Variance Outturn v Budget	Budget to 31/08/2012	Actual to 31/08/2012	Variance Budget to date v Actual to date
	£'000	£'000	£'000	£'000	£'000	£'000
Property Asset Management Plan	5,196	4,037	(1,159)	985	795	(190)
Land Asset Management Plan	487	176	(311)	203	57	(146)
Fleet Asset Management Plan	1,104	1,104	0	435	116	(319)
Total General Fund Capital Facilities Management	6,787	5,317	(1,470)	1,623	968	(655)

APPENDIX B

Facilities Management Budget v Outturn
August '2012

	Budget £'000	Outturn £'000	Variance £'000
Facilities Management	22,886	22,703	(183)
Property Costs			
Rates - Alva Pool not transferred until July			9
Rates - Greenfield and Lime Tree House- saving over 3 years for reduced Rateable values			(41)
Rates - Hillfoots FC for 11-12 rebate for vacant property			(1)
Total Property Costs	5,785	5,752	(33)
Total Kelliebank	226	226	0
Asset Management			
Income for recharge of Gas/Electric to Glentanna			(5)
Consultancy for school estate evaluation and rateable value reductions			8
Reduced space usage by Forth Valley Partnership in Kilncraigs - reduction in income			8
Others			2
Total Asset Management	163	176	13
Total Property Maintenance Management	272	272	0
Schools PPP			
One off rebate for insurance			(78)
Total Schools PPP	7,223	7,145	(78)
Total Fleet Services	1,442	1,444	2
Total Catering Contract	825	825	0
Janitors			
Vacancy Savings			(8)
Total Janitors	365	357	(8)
Total Cleaning Contracts	839	839	0
Leisure Services			
Training actual to date - centrally held			2
Total Leisure Services	1,169	1,171	2
Public Conveniences			
Alloa toilets not open at beginning of financial year			(10)
Total Public Conveniences	94	84	(10)
Security			
Projected as on budget			0
Total Security	23	23	0
Management Unit			
LLP Payment for Kilncraigs not built in as a budget pressure			167
Training actual to date - centrally held			3
Total Management Unit	234	404	170
Land Services & Burial Grounds			
Training actual to date - centrally held budget			1
Total Land Services & Burial Grounds	1,133	1,134	1

	Budget £'000	Outturn £'000	Variance £'000
Streetcare			
<u>Per Zero Based Budget</u>			
Vacant posts filled at lower point than budgeted			(43)
Training actual to date - centrally held budget			3
Total Streetcare	673	633	(40)
Waste Management			
<u>Per Zero Based Budget</u>			
Vacant post - part year saving			(10)
Vacant posts filled at lower point than budgeted			(47)
Savings from payment to contractors/other a/cs			(26)
Reduction in tonnage from budgeted in 11/12			(58)
<u>Other over/underspends</u>			
Payments to contractors - budgeted 1375 tonnes per month actual average April - June 1143 approx £60K underspend. Further underspends likely as more green bin waste goes via the cheaper MRF route - at this stage assume budgeted tonnage July to March			(60)
Other over/underspends			(1)
Total Waste Management	3,317	3,115	(202)
<u>Significant Trading Organisations (STO)</u>			
<u>Property Contracts</u>			
Projecting on budget but this may change but work levels remain high.			0
	(897)	(897)	0
FACILITIES MANAGEMENT REVENUE TOTAL	22,886	22,703	(183)
<u>CAPITAL</u>			
3-12 School Development (Primary & Nursery) & School Fund & Additional 12-13 Funding	493	342	(151)
Forthbank Waste Recycling Project & Accomodation			
Rationalisation	29	24	(5)
Cochrane Hall, Alva Refurbishment & Upgrading	2	2	0
Alloa Town Centre Regeneration: Speirs Centre	211	137	(74)
St. Johns / Claremont	6	11	5
Tillicoultry Asset Plan: Conversion of family centre to community hub	94	85	(9)
Tillicoultry Asset Plan: Redevelop existing CAP/Library to housing	0	8	8
Purchase of Former Health Centre Site, Marshall, Alloa	150	159	9
Alloa Gymnastic Club	0	0	0
Property Asset Management Improvements	0	0	0
Public Convenience Replacement	0	4	4
Asbestos Removal	0	1	1
Kilncraigs 1936 BPRA Project	0	22	22
	985	795	(190)
<u>Land Asset Management Plan</u>			
Black Devon Landfill Gas Collection & Treatment Project	122	12	(110)
Cemeteries Strategy	25	0	(25)
Contaminated Land / Alva Gas Works	33	19	(14)
Wheeled/Litter Bins / Strategic Waste Fund	23	26	3
	203	57	(146)
<u>Fleet Asset Management Plan</u>			
Vehicle Replacement Programme	435	116	(319)
Zero Waste Plan Vehicles	0	0	0
Plugged in places - grant funded	0	0	0
	435	116	(319)
Total Facilities Management Capital Programme	1,623	968	(655)

APPENDIX C

Facilities Management - Leisure - August Budget v Actual

	Annual Budget	Budget to 31/08/2012	Actual to 31/08/2012	Variance Budget to date v Actual to date	Reason for Variance
	£'000	£'000	£'000	£'000	
Alloa Town Hall	(14,600)	(5,785)	(1,865)	3,920	Phasing of Income
Clackmannan Town Hall	5,000	5,000	4,953	(47)	
Devonvale Hall	5,000	5,000	5,000	0	
Coalsnaughton Hall	5,000	5,000	5,000	0	
Gartmorn Fishery	41,270	6,402	8,982	2,580	Fishery closed with no income, small amount of staff costs
Speirs Centre	1,000	557	5,607	5,050	Alloa Gymnastics club using Speirs although building closed - staffing costs
Dumyat Leisure Centre	16,890	7,136	6,573	(562)	
Tullibody Civic Centre	8,100	3,538	8,839	5,301	Phasing of Income
Alloa Leisure Bowl	475,700	192,652	192,651	(0)	
Management	245,050	102,893	90,346	(12,547)	
Admin Support	86,340	35,989	17,272	(18,698)	Vacant Post
Activities Events	10,350	3,032	1,286	(1,745)	
Letting Scheme	6,470	2,695	2,761	66	
Cochrane Hall	4,100	1,807	5,991	4,184	Phasing of Income
Alva Pool	250,000	250,000	251,464	1,464	No Budget for costs
Tulliallan Swimming Pool	-	-	1,107	1,107	No budgets - Income covers costs
Alloa Academy	12,860	9,775	17,866	8,091	Phasing of Income
Alva Academy	21,110	11,355	19,263	7,908	Phasing of Income
Lornhill Academy	5,560	3,467	13,668	10,201	Phasing of Income
Sauchie Hall	6,590	2,891	8,570	5,679	Phasing of Income
Dollar Civic Centre	(8,390)	(3,484)	6,520	10,003	Phasing of Income
Firpark Ski Centre	(46,370)	(12,180)	14,648	26,828	Phasing of Income
Bowmar Community Centre	9,500	4,069	9,759	5,690	Phasing of Income
Tillicoultry Community Centre	7,540	3,264	11,718	8,454	Phasing of Income
Christmas Lights	14,510	1,679	0	(1,679)	
Total Leisure	1,168,580	636,731	707,978	71,247	

Leisure projected as on budget until full analysis of income and budget phasings completed.

