

NORTH LANARKSHIRE COUNCIL

REPORT

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: PARKS TRADING ACCOUNTS FOR THE PERIOD 1 APRIL 2007 TO 22 JUNE 2007
From: EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES		
Date: 22 AUGUST 2007	Ref:KW/RC/JM/RE/P3	

1. INTRODUCTION

- 1.1 The purpose of this report is to advise Committee of the current position of the Parks Trading Account and to outline the management action required to control income and expenditure levels.
- 1.2 A year to date surplus of £86,317 is being reported against a budget of £84,168. The projected outturn surplus is £378,547, which is in accordance with budget.
- 1.3 Previous reports to Policy & Resources Committee identified that implementing job evaluation would cost approximately £13.4 million by 2007/2008. The Council previously agreed a funding framework amounting to £9.4 million to assist Services in part-funding the early years' job evaluation costs and this is reflected within 2007/2008 budget. For the Parks Trading operation the impact of job evaluation for 2007/2008 is estimated to be £281,000. Management action is being taken to assist in funding these costs. Savings estimated to arise from this action have been built into the budget. At this early stage in the year the accounts have been prepared on the basis that the planned savings will be delivered.

2. BACKGROUND

- 2.1 The Parks Trading Account encompasses Grounds Maintenance, Estates Maintenance and Environmental Improvement Projects, Arboriculture Maintenance, New Deal Scheme, Plant Maintenance Workshops, Green Waste Recycling Project, Community Regeneration Fund Projects, and Schools Project.
- 2.2 In addition to the savings required to contribute to the unfunded Job Evaluation costs shown above there is also a requirement to realise the year 2 efficiency saving of £150,000 from the revision of the shrub bed maintenance regimes. Work is progressing on this.

3. FINANCIAL POSITION

- 3.1** Property costs are projected to be over budget by £167,000 due to additional costs of tipping fees, landfill tax, sweeping charges and uplift of waste charges. Also included within this variance are gate fees payable to Scottish Water in relation to the recycling of green waste, which will be recovered in income. Management action will continue to ensure these overspend pressures are contained within existing resources.
- 3.2** Transport costs are projected to be over budget by £93,000 due to additional hires and an overspend in fuel costs (mainly due to price rises). However, the annual cost of fuel is projected to be less than experienced in previous years as a result of the fuel utilisation review currently being undertaken by the Service.
- 3.3** Supplies and Services costs are projected to be under budget by £144,000. This is due to savings expected in material purchases and subcontracted work.
- 3.4** Employee costs are projected to be under budget by £159,000 due to management of vacancies and delays in filling seasonal posts.

4. MANAGEMENT ACTION

4.1 Management action referred to above comprises the under-noted:-

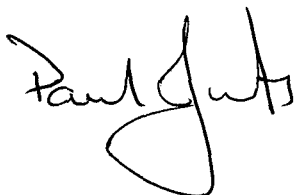
- 4.1.1** Planned reduction in overtime working.
- 4.1.2** Efficiency review of fuel costs and supplies.
- 4.1.3** Rationalisation of plant repair workshops.
- 4.1.4** Generation of additional income.
- 4.1.5** Management of vacant posts.
- 4.1.6** Reassessment of work originally classified as subcontracted.
- 4.1.7** Close control and monitoring of purchasing.

5. FINANCIAL CONCURRENCE STATEMENT

5.1 The Executive Director of Finance and Customer Services concurs with the financial information in this report and has been fully involved in its preparation.

6. RECOMMENDATION

6.1 The Committee is asked to note the content of this report.



NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1st April 2007 to 22nd June 2007

COMMITTEE : ENVIRONMENTAL SERVICES

SERVICE: PARKS - TRADING

LINE NO. (1)	DESCRIPTION (2)	ANNUAL BUDGET (3)	ACTUAL TO DATE (4)	VARIANCE (5)		(6)
		£	£	£		
1.	EMPLOYEE COSTS	2,551,017	2,493,400	57,617	Underspend	2%
2.	PROPERTY COSTS	120,921	155,145	(34,223)	Overspend	-28%
3.	SUPPLIES & SERVICES	245,844	267,719	(21,875)	Overspend	-9%
4.	TRANSPORT & PLANT	551,923	628,712	(76,789)	Overspend	-14%
5.	ADMINISTRATION COSTS	579,249	578,878	371	Underspend	0%
6	PAYMENTS TO OTHER BODIES	0	125	(125)	Overspend	0%
7	CAPITAL FINANCING COSTS	32,352	32,352	0		0%
8	OTHER EXPENDITURE	2,319	4,234	(1,915)	Overspend	0%
9	REVENUE FINANCING COSTS	711	711	0		0%
10	TOTAL EXPENDITURE	4,084,336	4,161,275	(76,939)	Overspend	-2%
11.	INCOME	4,168,504	4,247,592	79,088	Over-Recovery	2%
11	SURPLUS/(DEFICIT)	84,168	86,317	(2,149)	Increased Surplus	-3%

84168

86317

ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCE (9)		(10)
9,589,310	9,430,351	158,959	Underspend	2%
530,445	696,947	(166,502)	Overspend	-31%
1,079,121	934,582	144,539	Underspend	13%
2,391,948	2,484,770	(92,822)	Overspend	-4%
2,521,773	2,542,844	(21,071)	Overspend	-1%
0	125	(125)	Overspend	0%
140,237	140,237	0		0%
10,056	10,515	(459)	Overspend	0%
3,088	3,088	0		0%
16,265,978	16,243,458	22,520	Underspend	0%
16,644,525	16,622,005	(22,520)	Under-Recovery	0%
378,547	378,547	0	Decreased Surplus	0%

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