

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT BUILDING CLEANING TRADING ACCOUNT 1 APRIL 2012–14 SEPTEMBER 2012 (PERIOD 6)
From: EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES		
Date: 30 OCTOBER 20112	Ref: PJ/RC/JM/DW/P6	

**1 Purpose of Report**

1.1 This report advises the Environmental Services Committee on the overall financial position of the Building Cleaning Trading Account for the period 1<sup>st</sup> April 2012 to 14<sup>th</sup> September 2012. Variances are reported for both year-to-date and projected outturn, with major variances being highlighted and explained.

**2 Summary of Financial Position**

2.1 The Service is projecting a year-end surplus of £85,905, which is in line with budget.

**3 Risks and Uncertainty**

3.1 Unprecedented levels of savings combined with the uncertainty surrounding the current economic climate make it extremely challenging to provide Services within existing budgetary provision. At this stage in the year, there are no significant risks relating to the Building Cleaning Trading Account which are likely to impact upon the overall financial position of the service. This position will continue to be reviewed during the remainder of the financial year.

**4 Major Variations from Budget**

4.1 A summary of the major variances projected at year-end is outlined within table 1 below.

<b>Service</b>	<b>Outturn Position (£s)</b>	<b>Analysis</b>
Building Cleaning Trading	85,905	On budget

**Table 1**

4.2 Management have identified the following efficiencies and savings to ensure the service remains in a balanced budget position:

4.2.1 The Building Cleaning Trading Activity budget incorporates a staff turnover requirement of £216,000, equivalent to 12.12 FTE. There are currently 26.26 FTE vacancies within the service, which can be considered management action, as stricter controls have been put on vacancies across the service. The potential gross annual saving associated with these vacancies for the year is £364,000. As a result of on-going recruitment to meet service delivery requirements for the remainder of the financial year, the actual projected employee underspend is £24,000.

## **5 Management Actions**

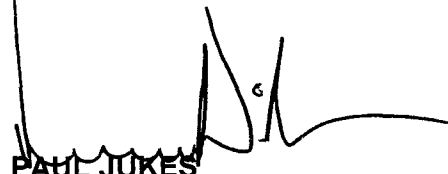
- 5.1 Management are continuing to monitor vacancy levels and assess the necessity for new appointments. Sickness absence levels are also being monitored in accordance with the Council's policy.
- 5.2 Management action is also being taken to ensure spend remains within budget, through maximising income and minimising non essential expenditure.

## **6 Financial Concurrence**

- 6.1 Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services.

## **7 Recommendations**

- 7.1 It is recommended that the contents of this report be noted.



**PAUL JUKES**

**EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES**

Local Government Access to Information Act: for further information about this report, please contact Robert Colquhoun, Business Service Manager, Finance & Technology Solutions 01236 632444

**NORTH LANARKSHIRE COUNCIL**

**BUILDING CLEANING TRADING ACCOUNT**

**FINANCIAL MONITORING REPORT - SUBJECTIVE ANALYSIS**

**1st APRIL 2011 - 14TH SEPTEMBER 2012 (PERIOD 6)**

**ENVIRONMENTAL SERVICES COMMITTEE**

NE O. 1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		ANNUAL BUDGET (6)	PROJECTED OUTTURN (7)	PROJECTED OUTTURN VARIANCE (8)	% (9)	ANALYSIS (10)
								£	%	
1.	EMPLOYEE COSTS	3,326,968	3,069,107	257,861	Underspend	7,270,265	7,246,316	23,949	Underspend	0.3%
2.	PROPERTY COSTS	39,412	41,504	(2,092)	Overspend	157,466	157,466	0	On Target	0.0%
3.	SUPPLIES & SERVICES	40,543	31,356	9,187	Underspend	141,633	141,633	0	On Target	0.0%
4.	TRANSPORT & PLANT	1,060	2,610	(1,550)	Overspend	6,309	6,309	0	On Target	0.0%
5.	ADMINISTRATION COSTS	127,973	108,671	19,302	Underspend	788,624	788,624	0	On Target	0.0%
6.	PAYMENTS TO OTHER BODIES	0	0	0	On Target	0	0	0	On Target	0.0%
7.	CAPITAL FINANCING COSTS	7,352	7,352	0	Underspend	15,559	15,559	0	On Target	0.0%
8.	REVENUE FINANCING COSTS	0	0	0	On Target	0	0	0	On Target	0.0%
9.	OTHER COSTS	0	0	0	On Target	0	0	0	On Target	0.0%
10.	TOTAL EXPENDITURE	3,543,308	3,260,600	282,708	Underspend	8,379,856	8,355,907	23,949	Underspend	0.3%
11.	INCOME	3,891,595	3,883,545	(8,050)	Under-Recovery	8,465,761	8,441,812	(23,949)	Under-Recovery	-0.3%
12.	NET SURPLUS/(DEFICIT)	348,287	622,946	274,659	Increased Surplus	85,905	85,905	0	On Target	0.0%