

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.13 – 20.06.14 (PERIOD 3) REGENERATION & ENVIRONMENTAL SERVICES TRADING ACCOUNT
From: EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 03 JULY 2014	Ref: PJ/RC/JM/DW/P3	

1. Purpose of Report

1.1. This report provides a summary of Regeneration and Environmental Services Trading Account's financial performance for the period 1 April 2014 to 20 June 2014 (period 3). The report forecasts the outturn as at 31 March 2015, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

2. Summary of Financial Position

2.1. The creation of a single combined Trading Account was approved in January 2014 to monitor and report upon the external trading activity of the Council (Building Cleaning, Waste Management, Fleet Operations). The Council approved its General Fund Revenue Budget on 13 February 2014, of which £90,204 is the approved surplus for the Regeneration and Environmental Services Trading Account.

2.2. The Service is currently projecting that the budgeted surplus will be achieved. There are no significant budget variations to highlight at this early stage in the financial year. The current overall financial position is detailed in Appendix 1 to this report per the requirements of the Council's approved Financial Regulations. There is also a summary of each of the individual activities within the Service in Appendices 2 – 4.

3. Analysis of Significant Variations

3.1. The Service operates with an establishment of 99.99 FTEs and a budgeted turnover requirement of £58,000 (3 FTEs). As at period 3, the Service has 4.57 FTE vacant posts, equating to projected net full-year savings of £64,241. The Service is currently achieving its turnover requirement and is in the process of recruiting for essential posts.

3.2. Payments to other bodies are detailed in Appendix 5.

4. 2013-2014 Budget Savings

4.1. No specific budget savings were allocated against the Regeneration and Environmental Services Trading Account this financial year.

5. Management Actions

5.1. The service is taking a range of corrective management action to ensure it contains expenditure within its approved budget. These actions include; monitoring vacancy levels and assessing the necessity for new appointments; monitoring sickness absence levels in accordance with the Council's policy; monitoring overtime expenditure throughout the Service including reviewing overtime working practices to rationalise/reduce the extent of overtime costs.

6. Risks and Uncertainty

6.1. The Council's Risk Management Strategy, approved in September 2012 recognises that all activities are subject to risk, with the current economic climate in particular having the potential to impact upon the Council's ability to provide quality services within its existing budgetary provision.

6.2. Risks are a combination of probability and impact of particular events, which Regeneration and Environmental Services manage as part of their overall corporate and service planning processes. Reflecting the risk analysis matrix included within the Council's approved Risk Management Strategy, there is currently a risk associated with a partnership LLP organisation which the Council is currently assessing which may impact on the financial outcome of the Service.

7. Trading Accounts – Statutory Position

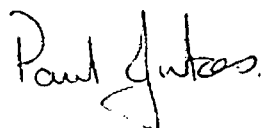
7.1. This new Trading Account has to comply with the statutory requirement to break-even over a rolling three year period. The financial year 2014/15 will be year 1.

8. Financial Concurrence

8.1. 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.

9. Recommendations

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



PAUL JUKES
EXECUTIVE DIRECTOR OF REGENERATION AND 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

Regeneration and Environmental Services
Trading Summary
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2014 - 20th June 2014
Period 3

Appendix 1

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	ANALYSIS (10)
EMPLOYEE COSTS	411,326	412,561	(1,235) ADV	1,910,191	1,928,097	(17,906) ADV	-0.9%	(13,525)	Additional overtime recovered in additional income.
PROPERTY COSTS	108,421	108,421	0	496,970	496,970	0	0.0%	0	
SUPPLIES & SERVICES	224,410	224,410	0	1,007,545	1,007,545	0	0.0%	0	
TRANSPORT & PLANT	220,140	220,140	0	955,538	955,538	0	0.0%	0	
ADMINISTRATION COSTS	49,593	49,593	0	296,365	296,365	0	0.0%	0	
PAYMENTS TO OTHER BODIES	5,439	5,439	0	23,580	23,580	0	0.0%	0	
CAPITAL FINANCING COSTS	0	0	0	1,665	1,665	0	0.0%	0	
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	
OTHER EXPENDITURE	138	8,538	(8,400) ADV	593	8,993	(8,400) ADV	-1416.5%	(8,400)	
TOTAL EXPENDITURE	1,019,467	1,029,102	(9,635) ADV	4,692,447	4,718,753	(26,306) ADV	-0.6%	(21,925)	
INCOME	1,164,890	1,173,290	8,400 FAV	4,782,651	4,808,957	26,306 FAV	0.6%	21,925	Transport - Additional income in line with service demand.
SURPLUS/(DEFICIT)	145,423	144,188	(1,235) ADV	90,204	90,204	0	0.0%	0	

Regeneration and Environmental Services
 Building Cleaning Trading
 Revenue Budget Monitoring Report - Subjective Analysis
 1 April 2014 - 20th June 2014
 Period 3

Appendix 2

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	ANALYSIS (10)
EMPLOYEE COSTS	259,558	259,558	0	1,209,538	1,209,538	0	0.0%	0	
PROPERTY COSTS	2,836	2,836	0	20,122	20,122	0	0.0%	0	
SUPPLIES & SERVICES	7,468	7,468	0	50,183	50,183	0	0.0%	0	
TRANSPORT & PLANT	0	0	0	762	762	0	0.0%	0	
ADMINISTRATION COSTS	0	0	0	80,011	80,011	0	0.0%	0	
PAYMENTS TO OTHER BODIES	0	0	0	0	0	0	0.0%	0	
CAPITAL FINANCING COSTS	0	0	0	1,665	1,665	0	0.0%	0	
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	
OTHER EXPENDITURE	0	0	0	0	0	0	0.0%	0	
TOTAL EXPENDITURE	269,862	269,862	0	1,362,281	1,362,281	0	0.0%	0	
INCOME	369,906	369,906	0	1,367,762	1,367,762	0	0.0%	0	
SURPLUS/(DEFICIT)	100,044	100,044	0	5,481	5,481	0	0.0%	0	

Regeneration and Environmental Services
Waste Management Trading
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2014 - 20th June 2014
Period 3

Appendix 3

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	ANALYSIS (10)
EMPLOYEE COSTS	78,522	76,284	2,238 FAV	360,004	360,004	0	0.0%	0	
PROPERTY COSTS	94,815	94,815	0	410,867	410,867	0	0.0%	0	
SUPPLIES & SERVICES	774	774	0	20,336	20,336	0	0.0%	0	
TRANSPORT & PLANT	52,644	52,644	0	228,752	228,752	0	0.0%	0	
ADMINISTRATION COSTS	22,560	22,560	0	97,759	97,759	0	0.0%	0	
PAYMENTS TO OTHER BODIES	0	0	0	0	0	0	0.0%	0	
CAPITAL FINANCING COSTS	0	0	0	0	0	0	0.0%	0	
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	
OTHER EXPENDITURE	0	0	0	0	0	0	0.0%	0	
TOTAL EXPENDITURE	249,315	247,077	2,238 FAV	1,117,718	1,117,718	0	0.0%	0	
INCOME	279,435	279,435	0	1,180,177	1,180,177	0	0.0%	0	
SURPLUS/(DEFICIT)	30,120	32,358	2,238 FAV	62,459	62,459	0	0.0%	0	

Regeneration and Environmental Services
Fleet Operations Trading
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2014 - 20th June 2014
Period 3

CATEGORY (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCE (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	ANALYSIS (10)
EMPLOYEE COSTS	73,246	76,719	(3,473) ADV	340,649	358,555	(17,906) ADV	-5.3%	(13,525)	Additional overtime recovered in additional income.
PROPERTY COSTS	10,770	10,770	0	65,981	65,981	0	0.0%	0	
SUPPLIES & SERVICES	216,168	216,168	0	937,026	937,026	0	0.0%	0	
TRANSPORT & PLANT	167,496	167,496	0	726,024	726,024	0	0.0%	0	
ADMINISTRATION COSTS	27,033	27,033	0	118,595	118,595	0	0.0%	0	
PAYMENTS TO OTHER BODIES	5,439	5,439	0	23,580	23,580	0	0.0%	0	
CAPITAL FINANCING COSTS	0	0	0	0	0	0	0.0%	0	
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	
OTHER EXPENDITURE	138	8,538	(8,400) ADV	593	8,993	(8,400) ADV	-1416.5%	(8,400)	
TOTAL EXPENDITURE	500,290	512,163	(11,873) ADV	2,212,448	2,238,754	(26,306) ADV	-1.2%	(21,925)	Additional income in line with service demand.
INCOME	515,550	523,950	8,400 FAV	2,234,712	2,261,018	26,306 FAV	1.2%	21,925	
SURPLUS/(DEFICIT)	15,260	11,787	(3,473) ADV	22,264	22,264	0	0.0%	0	

Regeneration and Environmental Services
Trading Summary
Financial Monitoring Report - PTOB
1 April 2014 - 20th June 2014
Period 3

DESCRIPTION (1)	BUDGET TO DATE (2)	ACTUAL TO DATE (3)	YEAR TO DATE VARIANCES (4)	ANNUAL BUDGET (5)	PROJECTED OUTTURN (6)	PROJECTED OUTTURN VARIANCE (7)	% (8)	PERIOD MOVEMENT (9)	TYPICAL AREAS OF EXPENDITURE / ANALYSIS OF VARIATIONS (10)
Payments Other Bodies - General	5,439	5,439	0	23,580	23,580	0	0.0%	0	End of lease charges allocation.
TOTAL EXPENDITURE	5,439	5,439	0	23,580	23,580	0	0.0%		