

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.14 – 12.09.14 (PERIOD 6) REGENERATION & ENVIRONMENTAL SERVICES TRADING ACCOUNT
From: EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 28 OCTOBER 2014	Ref:PJ/RC/JM/DW/P6	

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 to 12 September 2014 (period 6). 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 £90,205 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. Details of significant budget variations within this projection are outlined in paragraph 3 below and the appendices of this report. 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 6, the Service has 4.55 FTE vacant posts, equating to projected net full-year savings of £69,862. The Service is currently achieving its turnover requirement and is in the process of recruiting for essential posts.

3.2. Within Supplies and Services there is an underspend on leasing of £30,748 as a result of disposed vehicles which is offset by an under-recovery in income.

3.3. Within Transport and Plant there is an underspend in materials of £72k and an overspend on external hires £77k which is offset by an over-recovery in income.

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

4. Management Actions

4.1. 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.

5. Risks and Uncertainty

- 5.1. 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.
- 5.2. 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 are currently risks associated with two partnership LLP organisations which the Council is currently assessing which may impact on the financial outcome of the Service.

6. Trading Accounts – Statutory Position

- 6.1. 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.

7. Financial Concurrence

- 7.1. 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.

8. Recommendations

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



**(on behalf of) 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 - 12 September 2014
Period 06

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	846,705	832,934	13,771 FAV	1,910,191	1,921,316	(11,125) ADV	-0.6%	7,049	Minor variance.
PROPERTY COSTS	237,954	240,227	(2,273) ADV	496,970	499,380	(2,410) ADV	-0.5%	3,692	Minor variance.
SUPPLIES & SERVICES	401,699	382,752	18,947 FAV	903,040	872,614	30,426 FAV	3.4%	(72,759)	Underspend on leasing as a result of disposed vehicles
TRANSPORT & PLANT	440,452	450,798	(10,346) ADV	826,337	850,527	(24,190) ADV	-2.9%	72,752	Minor variance.
ADMINISTRATION COSTS	62,977	63,209	(232) ADV	296,365	296,446	(81) ADV	0.0%	(81)	Minor variance.
PAYMENTS TO OTHER BODIES	10,881	10,881	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	276	8,676	(8,400) ADV	593	8,993	(8,400) ADV	-1416.5%	0	Transport - Vehicle adaptations offset by additional income.
TOTAL EXPENDITURE	2,000,944	1,989,476	11,467 FAV	4,458,741	4,474,521	(15,780) ADV	-0.4%	10,653	
INCOME	1,924,600	1,876,482	(48,118) ADV	4,548,946	4,564,726	15,780 FAV	0.3%	(10,652)	Minor variance.
SURPLUS/(DEFICIT)	(76,344)	(112,995)	(36,651) ADV	90,205	90,205	0	0.0%	1	

Regeneration and Environmental Services
 Building Cleaning Trading
 Revenue Budget Monitoring Report - Subjective Analysis
 1 April 2014 - 12 September 2014
 Period 06

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	534,377	526,587	7,790 FAV	1,209,538	1,216,176	(6,638) ADV	-0.5%	(1,286)	Minor variances
PROPERTY COSTS	7,260	8,554	(1,294) ADV	20,122	20,122	0	0.0%	0	
SUPPLIES & SERVICES	17,497	12,574	4,923 FAV	50,183	50,183	0	0.0%	0	
TRANSPORT & PLANT	0	0	0	762	762	0	0.0%	0	
ADMINISTRATION COSTS	8,900	8,900	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	568,034	556,615	11,419 FAV	1,362,281	1,368,919	(6,638) ADV	-0.5%	(1,286)	
INCOME	437,421	444,059	6,638 FAV	1,367,762	1,374,400	6,638 FAV	0.5%	1,286	Minor variances
SURPLUS/(DEFICIT)	(130,613)	(112,556)	18,057 FAV	5,481	5,481	0	0.0%	0	

Regeneration and Environmental Services
Waste Management Trading
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2014 - 12 September 2014
Period 06

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	161,133	151,101	10,032 FAV	360,004	360,004	0	0.0%	0	
PROPERTY COSTS	189,631	189,631	0	410,867	410,867	0	0.0%	0	
SUPPLIES & SERVICES	0	0	0	20,336	20,336	0	0.0%	0	
TRANSPORT & PLANT	71,490	71,490	0	228,751	228,751	0	0.0%	0	
ADMINISTRATION COSTS	0	0	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	422,254	412,222	10,032 FAV	1,117,717	1,117,717	0	0.0%	0	
INCOME	563,712	563,712	0	1,180,177	1,180,177	0	0.0%	0	
SURPLUS/(DEFICIT)	141,458	151,490	10,032 FAV	62,460	62,460	0	0.0%	0	

Regeneration and Environmental Services
 Fleet Operations Trading
 Revenue Budget Monitoring Report - Subjective Analysis
 1 April 2014 - 12 September 2014
 Period 06

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	151,195	155,246	(4,051) ADV	340,649	345,136	(4,487) ADV	-1.3%	8,334	Minor variance
PROPERTY COSTS	41,063	42,042	(979) ADV	65,981	68,391	(2,410) ADV	-3.7%	3,692	Minor variance
SUPPLIES & SERVICES	384,202	370,178	14,024 FAV	832,521	802,095	30,426 FAV	3.7%	(72,759)	Underspend on leasing as a result of disposed vehicles
TRANSPORT & PLANT	368,962	379,308	(10,346) ADV	596,824	621,014	(24,190) ADV	-4.1%	72,752	Minor variance
ADMINISTRATION COSTS	54,077	54,309	(232) ADV	118,595	118,676	(81) ADV	-0.1%	(81)	Minor variance
PAYMENTS TO OTHER BODIES	10,881	10,881	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	276	8,676	(8,400) ADV	593	8,993	(8,400) ADV	-1416.5%	0	Offset by additional income.
TOTAL EXPENDITURE	1,010,656	1,020,639	(9,984) ADV	1,978,743	1,987,885	(9,142) ADV	-0.5%	11,938	
INCOME	923,467	868,711	(54,756) ADV	2,001,007	2,010,149	9,142 FAV	0.5%	(11,938)	Minor variance
SURPLUS/(DEFICIT)	(87,189)	(151,929)	(64,740) ADV	22,264	22,264	0	0.0%	0	

Regeneration and Environmental Services
 Trading Summary
 Financial Monitoring Report - PTOB
 1 April 2014 - 12 September 2014
 Period 06

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	10,881	10,881	0	23,580	23,580	0	0.0%	0	
TOTAL EXPENDITURE	10,881	10,881	0	23,580	23,580	0	0.0%	0	