

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE	Subject: REVENUE MONITORING REPORT 01.04.12 – 20.07.12
From: HEAD OF FINANCIAL SERVICES	TRADING ACCOUNTS/PPP
Date: 10th August 2012	Ref: KH/KS/FR

### 1. Purpose of Report

- 1.1. This report advises members of the overall financial position of Environmental Services Trading Accounts plus the expected return from the Public Private Partnerships for the financial year to 31<sup>st</sup> March 2013. Major outturn variances are highlighted and explained.

### 2. Summary of Financial Position

- 2.1. The Trading Accounts currently highlight that the budgeted surplus of £983,419 will be achieved by the financial year-end.
- 2.2. Similarly, it is presently envisaged that budgeted Public Private Partnership income of £1.650m will be achieved.

### 3. Risks and Uncertainty

- 3.1. There is a risk that income associated with 186 external fleet leases (17.8% of total leases) due for renewal this financial year may not be achieved. This will be closely monitored with members advised of any further details.
- 3.2. Waste Management projections assume that the current economic climate regarding waste arising and commodities will remain stable. With such factors outwith Waste Management Services Control, any significant variations have scope to impact the service's outturn position. This position will be monitored and reviewed as necessary during the remainder of the financial year.
- 3.3. The income associated with the Public Private Partnerships is dependent on a minimum turnover of £26.3m (equivalent of 6.28%) going through the Morrison Scotland LLP Non-Housing Repairs and Maintenance contract.
- 3.4. There are no further risks envisaged regarding Trading Accounts or Public Private Partnerships arrangements.

### 4. Major Variations from Budget

- 4.1. A summary of the major variances projected at year-end regarding individual operations is outlined within Table 1.

<i>Service Division</i>	<i>Budgeted Surplus (£s)</i>	<i>Projected Surplus (£)</i>	<i>Analysis</i>
Waste Management	£123,230	£123,230	Each Trading account is projecting surpluses in accordance with budget.
Land Management	£378,547	£378,547	
Fleet Operations	£75,948	£75,948	
Building Cleaning	£85,905	£85,905	
Catering	£319,789	£319,789	
PPP Income	£1,650,000	£1,650,000	On target
<b>Totals</b>	<b>£2,633,419</b>	<b>£2,633,419</b>	<b>On target</b>

Table 1

## **5. Trading Accounts – Statutory Position**

5.1. The figures show all trading accounts expect to achieve their budgeted surplus for the financial year 2012/13. Recognising the statutory requirement under the Local Government Scotland Act (2003) for trading accounts to achieve at least break-even on a rolling three year basis, future reports will also illustrate any pressures which have scope to affect achievement of this position.

## **6. Recommendations**

6.1. Members are asked to note the contents of this report.

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'MR'.

**Head of Financial Services**

**NORTH LANARKSHIRE COUNCIL**  
**TRADING ACCOUNTS/PPP FINANCIAL POSITION STATEMENT**  
**1 APRIL 2012 TO 20 JULY 2012 (4 ACCOUNTING PERIODS)**

TRADING ACCOUNTS/PPP	ANNUAL BUDGETED SURPLUS	YEAR TO DATE BUDGETED SURPLUS	ACTUAL SURPLUS TO 20TH JULY (P4)	PROVISIONAL OUTTURN SURPLUS (P4)	PROVISIONAL OUTTURN VARIANCE (P4)
<b><u>ENVIRONMENTAL SERVICES TRADING ACCOUNTS</u></b>	£	£	£	£	£
WASTE MANAGEMENT SERVICES TRADING ACCOUNT	123,230	39,729	41,759	123,230	0
LAND MANAGEMENT TRADING ACCOUNT	378,547	108,632	82,022	378,547	0
FLEET OPERATIONS TRADING ACCOUNT	75,948	70,777	37,212	75,948	0
BUILDING CLEANING TRADING ACCOUNT	85,905	213,666	359,301	85,905	0
CATERING TRADING ACCOUNT	319,789	(428,855)	(46,480)	319,789	0
<b>TOTAL TRADING ACCOUNT SURPLUS</b>	<b>983,419</b>	<b>3,949</b>	<b>473,814</b>	<b>983,419</b>	<b>0</b>
<b><u>PPP CONTRIBUTIONS</u></b>					
GENERAL FUND	1,650,000	412,500	412,500	1,650,000	0
<b>TOTAL PPP CONTRIBUTIONS</b>	<b>1,650,000</b>	<b>412,500</b>	<b>412,500</b>	<b>1,650,000</b>	<b>0</b>
<b>TOTAL TRADING ACCOUNT/PPP SURPLUS</b>	<b>2,633,419</b>	<b>416,449</b>	<b>886,314</b>	<b>2,633,419</b>	<b>0</b>