

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: REVENUE MONITORING REPORT 01.04.15 – 04.03.16 (PERIOD 12) REGENERATION & ENVIRONMENTAL SERVICES TRADING ACCOUNT
From: ACTING EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 26 April 2016	Ref:KW/RC/JM/P12	

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 2015 to 4 March 2016 (Period 12). The report forecasts the outturn as at 31 March 2016, with major outturn variances highlighted and explained per the Council's approved Financial Regulations.

2. Summary of Financial Position

2.1. The Trading Account monitors and reports upon the external trading activity of the Council (Building Cleaning, Waste Management, Fleet Operations). The Council approved its General Fund Revenue Budget on 12 February 2015, of which £146,792 is the approved surplus for the Regeneration and Environmental Services Trading Account.

2.2. The Trading Account is currently showing a projected outturn of £297,618 against a budgeted surplus of £146,792, resulting in an increased surplus of £150,825. This is due to an underspend of £87,679 within Fleet Operations, which is mainly due to an underspend on materials due to the a newer fleet profile, and an underspend of £47,250 within Waste Management Services, which is mainly due to savings on transport and gate fees, and an over-recovery of trade income. Building Cleaning has a minor underspend of £15,897. The current financial position is detailed in Appendices 1 to 4 of this report per the requirements of the Council's approved Financial Regulations.

3. Analysis of Significant Variations

3.1. The Trading Account operates with an establishment of 100.01 FTEs and a budgeted turnover requirement of £59,220 (3 FTEs). As at Period 12, the Service has 5.99 FTE vacant posts, equating to projected net full-year savings of £71,592.

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

4. Management Actions

4.1. The three service areas are taking a range of corrective management action to ensure they contain expenditure within the 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. All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy (September 2012), Services manage these as part of their overall corporate and service planning processes. There are currently notable risks associated with two partnership LLP organisations which the Council is currently assessing and which may impact on the financial outcome of the Service.

6. Trading Accounts – Statutory Position

6.1. The Trading Account has to comply with the statutory requirement to break-even over a rolling three year period. In year 1 2014/15 the Trading Account reported a surplus of £0.431m.

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 following assessment and due diligence by service-based finance personnel.

8. Recommendations

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



KENNETH WILSON
ACTING 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 2015 - 04 March 2016 (PERIOD 12)
Period 12

Appendix 1

CATEGORY	BUDGET TO DATE	ACTUAL TO DATE	YEAR TO DATE VARIANCE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EMPLOYEE COSTS	1,751,124	1,739,538	11,586 FAV	1,943,771	1,944,979	(1,208) ADV	-0.1%	20,069	Minor variance.
PROPERTY COSTS	350,441	352,881	(2,439) ADV	436,473	420,786	15,687 FAV	3.6%	(4,258)	Minor variance
SUPPLIES & SERVICES	655,426	536,629	118,797 FAV	875,557	876,671	(1,114) ADV	-0.1%	(114)	
TRANSPORT & PLANT	638,935	576,586	62,349 FAV	843,765	740,890	102,875 FAV	12.2%	41,127	Underspend on materials £40k, tyres £4k, external hires £8.5k and fuel £8.5k
ADMINISTRATION COSTS	59,607	62,691	(3,084) ADV	183,262	184,168	(906) ADV	-0.5%	(486)	Minor variance
PAYMENTS TO OTHER BODIES	15,670	15,670	0	21,000	21,000	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	81	81	0	147	147	0	0.0%	0	
TOTAL EXPENDITURE	3,471,285	3,284,076	187,209 FAV	4,303,975	4,188,641	115,333 FAV	2.7%	56,338	
INCOME	4,185,715	4,258,642	72,927 FAV	4,450,767	4,486,259	35,492 FAV	0.8%	17,568	Minor variance.
SURPLUS/(DEFICIT)	714,430	974,566	260,136 FAV	146,792	297,618	150,825 FAV	102.7%	73,906	

Regeneration and Environmental Services
 Building Cleaning Trading
 Revenue Budget Monitoring Report - Subjective Analysis
 1 April 2015 - 04 March 2016 (PERIOD 12)
 Period 12

CATEGORY	BUDGET TO DATE	ACTUAL TO DATE	YEAR TO DATE VARIANCE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EMPLOYEE COSTS	1,143,439	1,125,576	17,863 FAV	1,270,296	1,256,748	13,548 FAV	1.1%	8,845	Minor Variance
PROPERTY COSTS	20,122	22,561	(2,439) ADV	20,122	22,561	(2,439) ADV	-12.1%	(11)	Overspend on Cleaning Materials £2k
SUPPLIES & SERVICES	24,765	24,765	0	50,183	50,183	0	0.0%	0	Balanced Budget
TRANSPORT & PLANT	0	0	0	762	762	0	0.0%	0	Balanced Budget
ADMINISTRATION COSTS	17,911	19,578	(1,667) ADV	60,912	60,189	723 FAV	1.2%	(400)	Minor Variance
PAYMENTS TO OTHER BODIES	0	0	0	0	0	0	0.0%	0	Balanced Budget
CAPITAL FINANCING COSTS	0	0	0	0	0	0	0.0%	0	Balanced Budget
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	Balanced Budget
OTHER EXPENDITURE	0	0	0	0	0	0	0.0%	0	Balanced Budget
TOTAL EXPENDITURE	1,206,237	1,192,480	13,757 FAV	1,402,275	1,390,443	11,832 FAV	0.8%	8,434	
INCOME	1,463,632	1,505,712	42,080 FAV	1,463,632	1,467,697	4,065 FAV	0.3%	7,100	Minor Variance
SURPLUS/(DEFICIT)	257,395	313,232	55,837 FAV	61,357	77,254	15,897 FAV	25.9%	15,534	

Regeneration and Environmental Services
Waste Management Trading
Revenue Budget Monitoring Report - Subjective Analysis
1 April 2015 - 04 March 2016 (PERIOD 12)
Period 12

Appendix 3

CATEGORY	BUDGET TO DATE	ACTUAL TO DATE	YEAR TO DATE VARIANCE		ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS	
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)	
EMPLOYEE COSTS	332,706	337,840	(5,134)	ADV	366,969	387,978	(21,009)	ADV	-5.7%	0	Overspend in overtime
PROPERTY COSTS	290,998	290,998	0		359,007	340,231	18,776	FAV	5.2%	(4,247)	Reduced gate fees
SUPPLIES & SERVICES	17,753	18,407	(654)	ADV	20,336	21,336	(1,000)	ADV	-4.9%	0	Minor variance
TRANSPORT & PLANT	109,089	91,871	17,219	FAV	228,751	207,498	21,253	FAV	9.3%	7,405	Underspend on external hires £9k & fuel £10k
ADMINISTRATION COSTS	33,519	34,936	(1,417)	ADV	99,943	101,530	(1,587)	ADV	-1.6%	(33)	Minor variance
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	784,065	774,051	10,014	FAV	1,075,006	1,058,573	16,433	FAV	1.5%	3,125	
INCOME	1,136,526	1,167,372	30,846	FAV	1,138,177	1,168,993	30,816	FAV	2.7%	7,816	Increased income for uplift of Trade Waste
SURPLUS/(DEFICIT)	352,461	393,322	40,860	FAV	63,171	110,420	47,249	FAV	74.8%	10,941	

Regeneration and Environmental Services
 Fleet Operations Trading
 Revenue Budget Monitoring Report - Subjective Analysis
 1 April 2015 - 04 March 2016 (PERIOD 12)
 Period 12

CATEGORY	BUDGET TO DATE	ACTUAL TO DATE	YEAR TO DATE VARIANCE	ANNUAL BUDGET	PROJECTED OUTTURN	PROJECTED OUTTURN VARIANCE	%	PERIOD MOVEMENT	ANALYSIS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EMPLOYEE COSTS	274,979	276,122	(1,144) ADV	306,506	300,253	6,252 FAV	2.0%	11,224	Minor variance.
PROPERTY COSTS	39,321	39,321	0	57,344	57,994	(650) ADV	-1.1%	0	Balanced budget.
SUPPLIES & SERVICES	612,909	493,457	119,451 FAV	805,038	805,152	(114) ADV	0.0%	(114)	Minor variance.
TRANSPORT & PLANT	529,846	484,716	45,130 FAV	614,252	532,630	81,622 FAV	13.3%	33,722	Underspend on materials £61k and tyres £17k.
ADMINISTRATION COSTS	8,178	8,178	0	22,407	22,449	(42) ADV	-0.2%	(53)	Minor variance.
PAYMENTS TO OTHER BODIES	15,670	15,670	0	21,000	21,000	0	0.0%	0	Balanced budget.
CAPITAL FINANCING COSTS	0	0	0	0	0	0	0.0%	0	Balanced budget.
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	Balanced budget.
OTHER EXPENDITURE	81	81	0	147	147	0	0.0%	0	Balanced budget.
TOTAL EXPENDITURE	1,480,983	1,317,546	163,437 FAV	1,826,694	1,739,625	87,068 FAV	4.8%	44,779	
INCOME	1,585,557	1,585,558	1 FAV	1,848,958	1,849,569	611 FAV	0.0%	2,652	Minor variance.
SURPLUS(DEFICIT)	104,574	268,012	163,438 FAV	22,264	109,944	87,679 FAV	393.8%	47,431	

Regeneration and Environmental Services
 Trading Summary
 Revenue Budget Monitoring Report - Payments to Other Bodies
 1 April 2015 - 04 March 2016 (PERIOD 12)
 Period 12

Appendix 5

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	15,670	15,670	0	21,000	21,000	0	0.0%	0	
TOTAL EXPENDITURE	15,670	15,670	0	21,000	21,000	0	0.0%	0	