

# North Lanarkshire Council Report

## Communities and Housing Committee

approval  noting

**Ref** RS/TO/JM

**Date** 11/09/19

## Enterprise & Communities – Trading Report

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### Executive Summary

This report provides a summary of the Council's Trading Account financial performance for the period 1 April 2019 to 19 July 2019 (Period 4). The report illustrates the projected outturn as at 31 March 2020, with major outturn variances highlighted and explained as per the Council's approved Financial Regulations.

The Council's Trading Account is projected to achieve the budgeted surplus of £0.534m for 2019/20 based on performance to Period 4.

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### Recommendations

It is recommended that Committee:

(1) Notes the financial position of the 2019/20 Enterprise and Communities Trading Account revenue budget

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### The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

## **1. Background**

1.1 The Council's approved Financial Regulations require Executive Directors to remain within their approved budgetary provision, and to report all significant deviations – defined as the higher of £100,000 or 5% - within their budget monitoring reports. Where significant deviations are identified, Executive Directors must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.

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## **2. Report**

### **2.1 Summary of Financial Position**

2.1.1 The Trading Account monitors the external trading activity of the Council (Building Cleaning, Waste Management, Fleet Operations and Town Centre Activities). The budgeted surplus is £0.534m for the Trading Account.

2.1.2 The service is currently projecting to achieve the budgeted surplus of £0.534m. The current financial position is detailed in Appendices 1 to 6 of this report per the requirements of the Council's approved Financial Regulations.

### **2.2 Analysis of Significant Variations**

2.2.1 There are no significant variations to report to date.

2.2.2 Payments to other bodies are detailed in Appendix 6. These account for £0.016m of Trading's annual budget and are projected to outturn on budget.

### **2.3 Management Actions**

2.3.1 The Service is taking a range of corrective management action to ensure it contains expenditure within its approved 2019-20 budget provision. These actions include monitoring vacancy levels, monitoring sickness absence levels in accordance with the Council policies and curtailment of non-essential expenditure.

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## **3. Equality and Diversity**

### **3.1 Fairer Scotland Duty**

3.1.1 There are no specific impacts for Fairer Scotland.

### **3.2 Equality Impact Assessment**

3.2.1 There are no specific Equality Impact Assessments to note.

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## **4. Implications**

### **4.1 Financial Impact**

4.1.1 There are no significant financial impacts which have been identified.

## **4.2 HR/Policy/Legislative Impact**

4.2.1 The Trading Account has to comply with the statutory requirement to break-even for the rolling three year period. The combined surpluses achieved in 2016/17, 2017/18 and 2018/19 totalled £0.246m.

## **4.3 Environmental Impact**

4.3.1 There are no specific environmental impacts.

## **4.4 Risk Impact**

4.4.1 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 no significant risks to note at present.

4.4.2 To minimise risk, this report has been prepared by service-based Financial Solutions personnel in consultation with budget managers, in accordance with the Financial Regulations.

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## **5. Measures of success**

5.1 Compliance with Financial Regulations requirement to remain within approved budgetary provision and to report all significant deviations.

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## **6. Supporting documents**

6.1	Appendix 1	Summary Subjective analysis
	Appendix 2	Summary Building Cleaning analysis
	Appendix 3	Summary Waste Management analysis
	Appendix 4	Summary Fleet Operations analysis
	Appendix 5	Summary Town Centre Activities
	Appendix 6	Payments to Other Bodies



**Robert Steenson**  
**Executive Director (Enterprise & Communities)**

Trading Summary  
Revenue Budget Monitoring Report - Subjective Analysis  
1st April 2019 - 19th July 2019 (PERIOD 4)

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	606,664	699,301	(92,637) ADV		2,451,897	2,457,411	(5,514) ADV	-0.2%	(5,513)	
PROPERTY COSTS	19,607	10,924	8,683 FAV		332,940	333,136	(196) ADV	-0.1%	(196)	
SUPPLIES & SERVICES	125,894	6,863	119,031 FAV		456,892	457,192	(300) ADV	-0.1%	(300)	
TRANSPORT & PLANT	114,705	10,820	103,885 FAV		504,917	504,917	0	0.0%	0	
ADMINISTRATION COSTS	861	0	861 FAV		269,797	269,797	0	0.0%	0	
PAYMENTS TO OTHER BODIES	3,578	0	3,578 FAV		15,500	15,500	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	9	0	9 FAV		38	38	0	0.0%	0	
TOTAL EXPENDITURE	871,318	727,908	143,410 FAV		4,031,981	4,037,991	(6,010) ADV	-0.1%	(0)	
INCOME	1,409,028	1,058,904	(350,124) ADV		4,565,645	4,571,655	6,010 FAV	0.1%	6,010	
SURPLUS/(DEFICIT)	537,711	330,997	(206,714) ADV		533,664	533,664	0	0.0%	(0)	

Building Cleaning Trading  
Revenue Budget Monitoring Report - Subjective Analysis  
1st April 2019 - 19th July 2019 (PERIOD 4)

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	398,570	541,521	(142,951) ADV		1,738,136	1,743,649	(5,513) ADV	-0.3%	(5,513)	
PROPERTY COSTS	13,783	12,675	1,108 FAV		50,688	50,884	(196) ADV	-0.4%	(196)	
SUPPLIES & SERVICES	6,526	6,863	(337) ADV		36,840	37,140	(300) ADV	-0.8%	(300)	
TRANSPORT & PLANT	163	0	163 FAV		763	763	0	0.0%	0	
ADMINISTRATION COSTS	0	0	0		45,436	45,436	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	419,042	561,059	(142,017) ADV		1,871,863	1,877,872	(6,009) ADV	-0.3%	(0)	
INCOME	632,105	527,905	(104,200) ADV		2,012,073	2,018,083	6,010 FAV	0.3%	6,010	
SURPLUS/(DEFICIT)	213,063	(33,154)	(246,217) ADV		140,210	140,211	0	0.0%	(0)	

Waste Management Trading  
Revenue Budget Monitoring Report - Subjective Analysis  
1st April 2019 - 19th July 2019 (PERIOD 4)

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	102,938	103,090	(152) ADV	362,043	362,043	0	0.0%	0	0
PROPERTY COSTS	0	0	0	257,022	257,022	0	0.0%	0	0
SUPPLIES & SERVICES	0	0	0	29,846	29,846	0	0.0%	0	0
TRANSPORT & PLANT	10,820	10,820	0	175,623	175,623	0	0.0%	0	0
ADMINISTRATION COSTS	0	0	0	9,505	9,505	0	0.0%	0	0
PAYMENTS TO OTHER BODIES	0	0	0	0	0	0	0.0%	0	0
CAPITAL FINANCING COSTS	0	0	0	0	0	0	0.0%	0	0
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	0
OTHER EXPENDITURE	0	0	0	0	0	0	0.0%	0	0
TOTAL EXPENDITURE	113,758	113,909	(152) ADV	834,039	834,039	0	0.0%	0	
INCOME	441,511	441,511	0	1,115,381	1,115,381	0	0.0%	0	0
SURPLUS/(DEFICIT)	327,753	327,602	(152) ADV	281,342	281,342	0	0.0%	0	

Fleet Operations Trading  
 Revenue Budget Monitoring Report - Subjective Analysis  
 1st April 2019 - 19th July 2019 (PERIOD 4)

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	105,156	54,691	50,465 FAV		351,718	351,719	(1) ADV	0.0%	0	0
PROPERTY COSTS	5,824	-1,751	7,575 FAV		25,230	25,230	0	0.0%	0	0
SUPPLIES & SERVICES	119,368	0	119,368 FAV		390,206	390,206	0	0.0%	0	0
TRANSPORT & PLANT	103,722	0	103,722 FAV		328,531	328,531	0	0.0%	0	
ADMINISTRATION COSTS	861	0	861 FAV		3,724	3,724	0	0.0%	0	0
PAYMENTS TO OTHER BODIES	3,578	0	3,578 FAV		15,500	15,500	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	9	0	9 FAV		38	38	0	0.0%	0	
TOTAL EXPENDITURE	338,518	52,939	285,579 FAV		1,114,947	1,114,948	(1)	0.0%	0	
INCOME	298,903	89,488	(209,415) ADV		1,227,059	1,227,059	0	0.0%	0	0
SURPLUS/(DEFICIT)	(39,615)	36,549	76,164 FAV		112,112	112,112	(1)	0.0%	0	

Town Centre Activities Trading  
Revenue Budget Monitoring Report - Subjective Analysis  
1st April 2019 - 19th July 2019 (PERIOD 4)

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	0	0	0	0	0	0	0.0%	0	0
PROPERTY COSTS	0	0	0	0	0	0	0.0%	(0)	0
SUPPLIES & SERVICES	0	0	0	0	0	0	0.0%	0	0
TRANSPORT & PLANT	0	0	0	0	0	0	0.0%	0	0
ADMINISTRATION COSTS	0	0	0	211,132	211,132	0	0.0%	0	0
PAYMENTS TO OTHER BODIES	0	0	0	0	0	0	0.0%	0	0
CAPITAL FINANCING COSTS	0	0	0	0	0	0	0.0%	0	0
REVENUE FINANCING COSTS	0	0	0	0	0	0	0.0%	0	0
OTHER EXPENDITURE	0	0	0	0	0	0	0.0%	0	0
TOTAL EXPENDITURE	0	0	0	211,132	211,132	0	0.0%	(0)	0
INCOME	36,509	0	(36,509) ADV	211,132	211,132	0	0.0%	0	0
SURPLUS/(DEFICIT)	36,509	0	(36,509) ADV	0	0	0	0.0%	0	0



Trading Summary  
Revenue Budget Monitoring Report - Payments to Other Bodies  
1st April 2019 - 19th July 2019 (PERIOD 4)

DESCRIPTION (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)	TYPICAL AREAS OF EXPENDITURE / ANALYSIS OF VARIATIONS (10)
Fleet - End of lease charges	3,578	0	3,578 FAV	15,500	15,500	0	0.0%	
TOTAL EXPENDITURE	3,578	0	3,578 FAV	15,500	15,500	0	0.0%	