
Report To:	Safe, Sustainable Communities Committee	Date:	10 March 2009
Report By:	Chief Financial Officer and Corporate Director Environment & Community Protection	Report No:	FIN/16/09/MMcC/GJ
Contact Officer:	Mary McCabe	Contact No:	01475 712222
Subject:	2008/09 Trading Account Revenue Budget Period 9 to 31 December 2008		

1.0 PURPOSE

- 1.1 To advise Committee of the 2008/09 position at Period 9 to 31 December 2008 for the Roads and Vehicle Maintenance Trading Accounts.

2.0 SUMMARY

- 2.1 The Roads Trading Account is currently projecting a surplus of £135,000, which represents a shortfall of £31,000 against the cash target and is a favourable movement of £11,000 since last Committee. The Trading Account is projected to achieve its three year rolling break even requirement.
- 2.2 The Vehicle Maintenance Trading Account is currently projecting a surplus of £44,000, this represents a shortfall of £16,000 against the cash target and is a favourable movement of £39,000 since last Committee. The Trading Account is still projecting to achieve its statutory 3 year breakeven requirement.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected overspends of £31,000 within the Roads Trading Account and £16,000 within the Vehicle Maintenance Trading Account as at 31 December 2008.

Alan Puckrin
Chief Financial Officer

Neil Graham
Corporate Director Environment & Community
Protection

4.0 BACKGROUND

- 4.1 The purpose of the report is to advise Committee of the current position of the 2008/09 Trading Account revenue budgets.
- 4.2 The projected outturn includes the Pay Award at 3% in both Trading Accounts.

5.0 2008/09 PROJECTION

- 5.1 The Roads Trading Account is projecting to outturn £31,000 lower than its cash target, a favourable movement of £11,000, since the last report to Committee. The under-recovery is due to a lower than anticipated workload, as previously reported.

Single Status and pay award budget have been allocated with a resulting decrease in the Cash Target of £15,000.

Please refer to Appendix 1 page 1 for a subjective analysis of expenditure and income.

- 5.2 The Vehicle Maintenance Trading Account is projecting a surplus of £44,000, this equates to a £16,000 shortfall against its cash target, representing a net increase in income of £39,000 since last Committee, with the 3 key movements being:
- Profit on Materials (£5,000)
 - Reduced spend on Tyres (£8,000)
 - Over-recovery of Vehicle Admin Income (£26,000)
(£39,000)

These movements are explained in more detail in 5.3.

The Vehicle Maintenance Trading Account's Cash Target has reduced due to additional Single Status and pay award budget allocation of £10,000.

- 5.3 Appendix 1, Page 2 provides more details of the Vehicle Maintenance Trading Accounts overspend. The main variances to highlight are as follows:

Supplies & Services

There is a projected overspend of £80,000 on materials and subcontractors due to the current workload. This represents an increase of £50,000 since last Committee. However, this overspend will be recovered through recharges income, as outlined below.

Transport & Plant Costs

There is a projected reduction in spend on licences of £8,000, based on current activity.

As reported to last Committee, there is a projected overspend of £23,000 on tyres. As with materials, this overspend will be recovered through additional income.

Income

The net income position is an over-recovery of £79,000 and is made up as follows:

(£26,000)	Vehicle Admin Income over-recovery.
(£88,000)	Additional income as a result of materials overspend (as above).
(£30,000)	Additional income as a result of tyres overspend.
(£20,000)	Additional Fuel income
£85,000	Materials underlying under-recovery

This is a favourable movement of £81,000 since last Committee, comprising £55,000 additional income as a result of increased spend on materials and subcontractors and £26,000 over-recovery of Vehicle Admin income.

6.0 VIREMENT

6.1 There are no virement requests to report as at period 9.

7.0 CONCLUSIONS

7.1 The Roads Trading Account is projecting an under-recovery of £31,000 on its cash target. However, the Trading Account should be in a position to achieve its 3 year breakeven target.

7.2 Similarly, although the Vehicle Maintenance Trading Account is projecting an under-recovery of £16,000, it is still projected to achieve its 3 year breakeven target.

8.0 FINANCIAL IMPLICATIONS

8.1 The current projected cash surplus per Service is:

2007/08 £'000	Service	Approved Budget 2008/09 £'000	Revised Budget 2008/09 £'000	Projected Out-turn 2008/09 £'000	Projected over/(under) spend £'000
(298)	Roads	(181)	(166)	(135)	31
(39)	Vehicle Maintenance	(70)	(60)	(44)	16

9.0 CONSULTATIONS

9.1 The report has been jointly prepared by the Corporate Director Environment & Community Protection and Chief Financial Officer.

10.0 EQUALITIES

10.1 This report has no impact on the Council's Equality Agenda.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

ROADS TRADING ACCOUNT - SUBJECTIVE ANALYSIS

PERIOD 9: 1st April 2008 - 31st December 2008

2006/07 Annual (Surplus)/ Deficit £000	2007/08 Annual (Surplus)/ Deficit £000	Subjective Heading	Approved Budget 2008/09 £000	Revised Budget 2008/09 £000	Projected Out- turn 2008/09 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Year 1	Year 2		Year 3				
708	740	Employee Costs	778	792	750	(42)	(5.35)
11	7	Property Costs	14	14	14	0	0.00
848	1,194	Supplies & Services	972	972	931	(41)	(4.18)
325	373	Transport & Plant Costs	359	359	356	(3)	(0.93)
52	57	Administration Costs	65	65	65	0	0.00
(3)	2	Payments to Other Bodies	10	11	15	4	40.71
(2,220)	(2,671)	Income	(2,379)	(2,379)	(2,266)	113	4.76
(279)	(298)	NET EXPENDITURE - CASH TARGET	(181)	(166)	(135)	31	18.85
14	1	Capital Charges			1	1	
35	7	FRS 17 Pension Costs			7	7	
(230)	(290)	ROADS TA STATUTORY POSITION	(181)	(166)	(127)	39	23.65

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Budget Fix:
Income figure +9000+35000 per MT/JB

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE**TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT****VEHICLE MAINTENANCE TRADING ACCOUNT - SUBJECTIVE ANALYSIS****PERIOD 9: 1st April 2008 - 31st December 2008**

2006/07 Annual (Surplus)/ Deficit £000	2007/08 Annual (Surplus)/ Deficit £000	Subjective Heading	Approved Budget 2008/09 £000	Revised Budget 2008/09 £000	Projected Out-turn 2008/09 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Year 1	Year 2		Year 3				
825	810	Employee Costs	866	876	876	0	0.01
58	73	Property Costs	59	59	59	0	0.00
346	323	Supplies & Services	305	305	385	80	26.21
640	725	Transport & Plant Costs	765	965	980	15	1.50
51	16	Administration Costs	20	20	20	0	0.00
5	0	Payments to Other Bodies	2	2	2	0	0.00
(1,948)	(1,986)	Income	(2,087)	(2,287)	(2,366)	(79)	(3.45)
(23)	(39)	NET EXPENDITURE - CASH TARGET	(70)	(60)	(44)	16	26.17
0	0	Capital Charges	0	0	0	0	0.00
32	9	FRS 17 Pension Costs	0	0	10	10	0.00
9	(30)	VEHICLE MAINTENANCE TA STATUTORY POSITION	(70)	(60)	(34)	26	42.97