
Report To:	Safe, Sustainable Communities Committee	Date:	1 September 2009
Report By:	Chief Financial Officer and Corporate Director Environment & Community Protection	Report No:	FIN/45/09/AP/CF
Contact Officer:	Mary McCabe	Contact No:	01475 712222
Subject:	Safe, Sustainable Communities 2009/10 Trading Account Revenue Budget Period 3 to 30 June 2009		

1.0 PURPOSE

- 1.1 To advise Committee of the 2008/09 Revenue Budget out-turn and the 2009/10 position at Period 3 to 30 June 2009 for the Roads and Vehicle Management Trading Accounts.

2.0 SUMMARY

- 2.1 In 2008/09 Roads made a surplus of £143,000 and achieved the statutory break even requirement over the three year rolling period. The surplus for the three year period was £663,000.
- 2.2 In 2008/09 Vehicle Management made a surplus of £9,000 and achieved the statutory break even requirement over the three year rolling period. The surplus for the three year period was £30,000.
- 2.3 In the current year Roads are projecting a cash surplus of £106,000 which is on target. The statutory position is a surplus of £91,000, therefore achieving the three year rolling break even requirement. The projected surplus for the three year rolling period is £524,000.
- 2.4 In the current year Vehicle Management is projecting a cash surplus of £19,000 which is on target. Whilst the statutory position is a deficit of £2,000, the three year rolling break even requirement is projected to be achieved with a surplus for the three year rolling period of £37,000.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the out-turn for 2008/09 and the current position as at 30 June 2009.

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 2009/10 Trading Account revenue budgets as well as the 2008/09 out-turn and to highlight the main reasons for the surplus shortfall of £32,000 for Roads Trading Account in 2008/09 and £53,000 for Vehicle Management Trading Account in 2008/09.
- 4.2 In March 2009, the Policy and Resources Committee agreed that 2009/10 would be the final year that Roads and Vehicle Management would be classed as significant Trading Operations.

5.0 2008/09 OUT-TURN

The shortfall in budgeted surplus was due to:

- 5.1 Roads Trading Account: There was a surplus shortfall of £32,000 which was a decrease of £7,000 since that reported to Committee in March, mainly due to:

£20,000 overspend on Transport and Plant Costs due to increase in repairs costs due to the age profile of the vehicles and an increase in call out charges due to winter weather conditions.

£10,000 under-spend on Other Expenditure due to no charges being incurred against the budget of Internal Resources Interest. This was due to the Trading Account maintaining a surplus throughout the year.

£37,000 under-recovery of Income which was not anticipated at March's Committee. This under-recovery was due to a lower than projected workload.

£15,000 underspend in FRS17 pension costs which were charged as part of the year end process.

- 5.2 Vehicle Management Trading Account: There was a surplus shortfall of £53,000 which was an increase of £27,000 since that reported to Committee in March, mainly due to:

£18,000 overspend on Employee Costs which was not anticipated in March. This overspend was mainly due to an increase in overtime costs due to winter weather conditions.

£44,000 under-recovery of Income which was not anticipated in March.

£20,000 underspend in FRS17 pension costs which were charged as part of the year end process.

£11,000 overspend on Capital Charges which were charged as part of the year end process.

6.0 2009/10 PROJECTION

- 6.1 The Roads Trading Account is projecting on budget.
- 6.2 The Vehicle Management Trading Account is also projecting on budget.

- 6.3 The Vehicle Management budget has not yet been amended to reflect the revised charging policy approved by Policy and Resources Committee in June 2009. This will be actioned in August 2009 and reported to the next Committee, as will any resulting changes to projected capital charges.
- 6.4 FRS17 pension costs are projected at 2007/08 rates as this is more prudent than using the 2008/09 rates which were credits. The actual charges will not be known until March 2010, when the next actuarial review is scheduled, and will form part of the year end process.
- 6.5 Single Status for mechanics will be implemented on 3rd August 2009. Any resulting financial implications will be included within the next Committee report.

7.0 VIREMENT

- 7.1 There are no virement requests to report as at period 3.

8.0 CONCLUSIONS

- 8.1 There are no other significant variances to report at this time.

9.0 FINANCIAL IMPLICATIONS

- 9.1 The current projected cash surplus per Service is:

2008/09	Service	Approved Budget 2009/10 £'000	Revised Budget 2009/10 £'000	Projected Out-turn 2009/10 £'000	Projected over/(under) spend £'000
(143)	Roads	(106)	(106)	(106)	0
(9)	Vehicle Management	(19)	(19)	(19)	0

10.0 EQUALITIES

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

11.0 CONSULTATIONS

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

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

ROADS TRADING ACCOUNT - SUBJECTIVE ANALYSIS

PERIOD 3: 1st April 2009 - 30th June 2009

2007/08 Annual (Surplus)/ Deficit £000	2008/09 Annual (Surplus)/ Deficit £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Year 1	Year 2		Year 3				
740	789	Employee Costs	783	783	783	0	0.00
7	11	Property Costs	14	14	14	0	0.00
1,194	966	Supplies & Services	989	989	989	0	0.00
373	379	Transport & Plant Costs	353	353	353	0	0.00
57	57	Administration Costs	65	65	65	0	0.00
2	0	Payments to Other Bodies	10	10	10	0	0.00
(2,671)	(2,342)	Income	(2,320)	(2,320)	(2,320)	0	0.00
(298)	(140)	NET EXPENDITURE - CASH TARGET	(106)	(106)	(106)	0	0.00
1	8	Capital Charges	8	8	8	0	0.00
7	(11)	FRS 17 Pension Costs	7	7	7	0	0.00
(290)	(143)	ROADS TA STATUTORY POSITION	(91)	(91)	(91)	0	0.00

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

VEHICLE MANAGEMENT TRADING ACCOUNT - SUBJECTIVE ANALYSIS

PERIOD 3: 1st April 2009 - 30th June 2009

2007/08 Annual (Surplus)/ Deficit £000	2008/09 Annual (Surplus)/ Deficit £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Year 1	Year 2		Year 3				
810	890	Employee Costs	909	909	909	0	0.00
73	64	Property Costs	67	67	67	0	0.00
323	372	Supplies & Services	305	305	305	0	0.00
725	854	Transport & Plant Costs	716	716	716	0	0.00
16	20	Administration Costs	170	170	170	0	0.00
0	1	Payments to Other Bodies	2	2	2	0	0.00
(1,986)	(2,209)	Income	(2,188)	(2,188)	(2,188)	0	0.00
(39)	(8)	NET EXPENDITURE - CASH TARGET	(19)	(19)	(19)	0	0.00
0	12	Capital Charges	12	12	12	0	0.00
9	(13)	FRS 17 Pension Costs	9	9	9	0	0.00
(30)	(9)	VEHICLE MANAGEMENT TA STATUTORY POSITION	2	2	2	0	0.00