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<b>Report To:</b>	<b>Safe, Sustainable Communities Committee</b>	<b>Date:</b>	<b>12 January 2010</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Environment &amp; Community Protection</b>	<b>Report No:</b>	<b>FIN/81/09/AP/LB</b>
<b>Contact Officer:</b>	<b>Lesley Bairden</b>	<b>Contact No:</b>	<b>01475 712257</b>
<b>Subject:</b>	<b>Safe, Sustainable Communities 2009/10 Trading Account Revenue Budget Period 7 to 31 October 2009</b>		

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### 1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 position at Period 7 to 31 October 2009 for the Roads and Vehicle Management Trading Accounts.

### 2.0 SUMMARY

- 2.1 The Roads Trading Account is currently projecting a surplus of £157,000, which represents an over-recovery of £3,000 against the cash target. The statutory position is a surplus of £142,000, therefore achieving the three year rolling break even requirement. The projected surplus for the three year rolling period is £575,000. There has been no movement in projections since last Committee.
- 2.2 In the current year Vehicle Management Trading Account is projecting a cash surplus of £23,000 which is on target. The statutory position is a surplus of £2,000 and the three year rolling break even requirement is projected to be achieved with a surplus for the three year rolling period of £41,000. There is a favourable movement on the statutory position of £3,890 since last report to Committee due to a decrease in transport cost budget to reflect the new charging structure.

### 3.0 RECOMMENDATIONS

- 3.1 The Committee notes the current out-turn for Vehicle Management Trading Account and the current projected over-recovery of £3,000 for Roads Trading Account as at 31 October 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.
- 4.2 The Roads Trading Account and Vehicle Management Account revised budget reflects a decrease of £47,870 and £3,890 respectively from last Committee due to revision of transport cost budgets reflecting new charging structure.

#### 5.0 2009/10 PROJECTION

- 5.1 The Roads Trading Account is projecting to outturn £3,000 more than its cash target. The over-recovery is due to a lower than anticipated workload, resulting in a reduction in employee costs of £46,000 (reduction in overtime and other employee costs) and supplies and services of £65,000 which is then partly offset by an overspend in transport and plant costs of £26,000, as per below, and under-recovery of income of £82,000.

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

- 5.2 The Vehicle Management budget has been amended to reflect the revised charging policy approved by Policy and Resources Committee in June 2009 whereby under the new policy the vehicle charges will be based on vehicle weightings.

The projected out-turn is based upon implementation of the new charging policies. There is a projected overspend on Materials by £40,000 which is offset by an increase in income of £40,000. This increase is due to an increase in repairs costs due to the age profile of the vehicles, for Roads Trading account £26,000 as above and £14,000 for Waste Strategy.

Please refer to Appendix 2, page 2, for a subjective analysis of expenditure and income.

#### 6.0 VIREMENT

- 6.1 Committee are asked to approve virement as detailed in Appendix 3. Where appropriate, the virements are reflected throughout the report.

#### 7.0 FINANCIAL IMPLICATIONS

- 7.1 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
(140)	Roads	(106)	(154)	(157)	(3)
(8)	Vehicle Management	(19)	(23)	(23)	0

#### 8.0 EQUALITIES

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

#### 9.0 CONSULTATIONS

- 9.1 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 7: 1st April 2009 - 31st October 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	737	(46)	(5.93)
7	11	Property Costs	14	14	14	0	0.00
1,194	966	Supplies & Services	989	989	924	(65)	(6.60)
373	379	Transport & Plant Costs	353	305	331	26	8.53
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)	(2,236)	82	(3.55)
(298)	(140)	<b>NET EXPENDITURE - CASH TARGET</b>	<b>(106)</b>	<b>(154)</b>	<b>(157)</b>	<b>(3)</b>	<b>2.25</b>
1	8	Capital Charges	8	8	8	0	
7	(11)	FRS 17 Pension Costs	7	7	7	0	
(290)	(143)	<b>ROADS TA STATUTORY POSITION</b>	<b>(91)</b>	<b>(139)</b>	<b>(142)</b>	<b>(3)</b>	<b>2.49</b>

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

VEHICLE MANAGEMENT TRADING ACCOUNT - SUBJECTIVE ANALYSIS

PERIOD 7: 1st April 2009 - 31st October 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	905	905	0	0.00
73	64	Property Costs	67	67	67	0	0.00
323	372	Supplies & Services	305	308	348	40	12.98
725	854	Transport & Plant Costs	866	853	851	(2)	(0.23)
16	20	Administration Costs	20	20	20	0	0.00
0	1	Payments to Other Bodies	2	2	2	0	0.00
(1,986)	(2,209)	Income	(2,188)	(2,178)	(2,216)	(38)	1.75
(39)	(8)	<b>NET EXPENDITURE - CASH TARGET</b>	(19)	(23)	(23)	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)	<b>VEHICLE MANAGEMENT TA STATUTORY POSITION</b>	2	(2)	(2)	0	0.00

## TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

## VIREMENT REQUEST

Period 7: 1st April 2009 - 31st October 2009

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Pottery Street Manual Employee Costs	1		(21,160)
Refuse Collection Manual Employee Costs		25,350	
Vehicle Management Trading Account - Manual Employee Costs		21,160	
Vehicle Management Trading Account - Manual Employee Costs Licenses			(25,350)
Software Maintenance		3,000	
External Income		21,110	
Internal Income			(10,760)
Refuse Transfer Station - Landfill Tax			(4,190)
Roads Trading Account - Transport & Plant			(172,110)
Vehicle Management Account - Transport & Plant			(14,930)
Vehicle Management Account - Transport & Plant		11,040	
Roads Trading Account - Transport & Plant		124,240	
Increase in charges over other Council services		51,760	
<b>Total</b>		<b>257,660</b>	<b>(257,660)</b>

1) Reallocation of budgets to reflect transport cost re-alignment for new charging regime resulting in a net decrease in budget by £51,760. Please note that virement related to Vehicle Management charging have a nil balance council wide.