
Report To:	Safe, Sustainable Communities Committee	Date:	31 August 2010
Report By:	Chief Financial Officer and Corporate Director Regeneration & Environment	Report No:	FIN/45/10/AP/CMcL
Contact Officer:	Mary McCabe	Contact No:	01475 712222
Subject:	Safe, Sustainable Communities 2009/10 Trading Account Revenue Budget to 31 March 2010		

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Revenue Budget out-turn.

2.0 SUMMARY

- 2.1 In 2009/10 Roads made a surplus of £293,000 and achieved the statutory break even requirement over the three year rolling period. The surplus for the three year period was £726,000.
- 2.2 In 2009/10 Vehicle Management made a surplus of £101,000 and achieved the statutory break even requirement over the three year rolling period. The surplus for the three year period was £140,000.
- 2.3 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. For 2010/11 the financial performance of these budgets is being reported through Environmental Services under Safe, Sustainable Communities Committee.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the out-turn for 2009/10.

Alan Puckrin
Chief Financial Officer

Aubrey Fawcett
Corporate Director
Regeneration & Environment

4.0 BACKGROUND

- 4.1 The purpose of the report is to advise Committee of the 2009/10 out-turn and to highlight the main reasons for the surplus increase of £172,000 for Roads Trading Account and £99,000 for Vehicle Management Trading Account since the last Committee in March 2010.

5.0 2009/10 OUT-TURN

- 5.1 Roads Trading Account: There was a surplus of £293,000 which was an increase of £172,000 since that reported to Committee in March 2010, mainly due to:

Employee Costs: £26,000 overspend on overtime costs due to the continuing severe adverse weather conditions.

Supplies & Services: £72,000 underspend primarily due to decrease in material and subcontractor costs. This was due to the ongoing severe winter maintenance which resulted in other revenue and capital works being delayed and resources being reallocated to gritting and snow clearing. The material costs relating to winter maintenance are reported through Safe Sustainable Communities 2010/11 Revenue Budget Period 3 to 30 June 2010.

Other Expenditure: £10,000 underspend on internal resource interest in 2009/10 due to a combination of high level of income throughout the year and low interest rates, resulting in a saving.

Income: £94,000 over-recovery mainly due to additional winter gritting, resurfacing, drainage works and reservoir repairs not anticipated at the previous Committee.

£10,000 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 of £101,000 which was an increase of £99,000 since that reported to Committee in March, mainly due to:

Supplies & Services: £18,000 underspend on sub-contractors due to less damage repairs being conducted as new fleet was imminent.

Transport Costs: £38,000 underspend primarily on fuel due to a combination of reduction in price and usage.

£22,000 over-recovery on driver recharges due to a member of Vehicle Maintenance management doing driver's duties.

£13,000 underspend in FRS17 pension costs which were charged as part of the year end process.

- 5.3 Statutory 3 Year Position: Both the Roads Trading Account and Vehicle Management Trading Account achieved the statutory break even requirement over the three year rolling period. The surplus for the three year period was £726,000 for Roads Trading Account and £140,000 for Vehicle Management Trading Account.

6.0 CONCLUSIONS

- 6.1 The Committee note the out-turn for 2009/10.

7.0 EQUALITIES

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

8.0 CONSULTATIONS

8.1 The report has been jointly prepared by the Corporate Director Regeneration & Environment and Chief Financial Officer.

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

ROADS TRADING ACCOUNT - SUBJECTIVE ANALYSIS

PERIOD 12: 1st April 2009 - 31st March 2010

2007/08 Annual (Surplus)/ Deficit £000	2008/09 Annual (Surplus)/ Deficit £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Out-turn 2009/10 £000	Percentage Variance %
Year 1	Year 2		Year 3			
740	789	Employee Costs	783	783	777	(0.77)
7	11	Property Costs	14	13	12	(7.69)
1,194	966	Supplies & Services	989	989	848	(14.26)
373	379	Transport & Plant Costs	353	305	328	7.50
57	57	Administration Costs	65	63	52	(17.46)
2	0	Payments to Other Bodies	10	10	(2)	(120.00)
(2,671)	(2,342)	Income	(2,320)	(2,320)	(2,318)	0.09
(298)	(140)	NET EXPENDITURE - CASH TARGET	(106)	(157)	(303)	(92.99)
1	8	Capital Charges	8	8	13	62.50
7	(11)	FRS 17 Pension Costs	7	7	(3)	(142.90)
(290)	(143)	ROADS TA STATUTORY POSITION	(91)	(142)	(293)	(106.34)

SAFE, SUSTAINABLE COMMUNITIES COMMITTEE

TRADING ACCOUNTS' REVENUE BUDGET MONITORING REPORT

VEHICLE MANAGEMENT TRADING ACCOUNT - SUBJECTIVE ANALYSIS

PERIOD 12: 1st April 2009 - 31st March 2010

2007/08 Annual (Surplus)/ Deficit £000	2008/09 Annual (Surplus)/ Deficit £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget 2009/10 £000	Out-turn 2009/10 £000	Percentage Variance %
Year 1	Year 2		Year 3			
810	890	Employee Costs	909	905	906	0.11
73	64	Property Costs	67	67	64	(4.47)
323	372	Supplies & Services	305	308	339	10.06
725	854	Transport & Plant Costs	866	853	758	(11.37)
16	20	Administration Costs	20	20	22	10.00
0	1	Payments to Other Bodies	2	2	0	(100.00)
(1,986)	(2,209)	Income	(2,188)	(2,178)	(2,198)	0.09
(39)	(8)	NET EXPENDITURE - CASH TARGET	(19)	(23)	(109)	(373.91)
0	12	Capital Charges	12	12	12	0.00
9	(13)	FRS 17 Pension Costs	9	9	(4)	(144.44)
(30)	(9)	VEHICLE MANAGEMENT TA STATUTORY POSITION	2	(2)	(101)	(4,950.00)