



Title of Report:	Period 9 ES Management Accounts and Financial Positions 2023/24
Committee Report Submitted To:	Environmental Services Committee
Date of Meeting:	12th March 2024
For Decision or For Information	For Information

Linkage to Council Strategy (2021-25)	
Strategic Theme	Protecting and Enhancing Our Environments & Assets
Outcome	Our natural assets will be carefully managed to generate economic and social returns without compromising their sustainability for future generations.
Lead Officer	Director of Environmental Services

Budgetary Considerations	
Cost of Proposal	N/A
Included in Current Year Estimates	YES/NO
Capital/Revenue	Revenue
Code	
Staffing Costs	

Screening Requirements	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date:
	EQIA Required and Completed:	Yes/No	Date:
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date:
	RNA Required and Completed:	Yes/No	Date:
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date:
	DPIA Required and Completed:	Yes/No	Date:

1.0 Purpose of Report

The purpose of this report to provide Members with information on the current financial position of Environmental Services Directorate at the end of Period 9.

2.0 Background

Council has approved the annual budget for Environmental Service and delegated authority to officers to utilise this budget in the provision of services to the rate payers. ES budget for 2023/24 is **£ 28,731,095.78**. This is based on expenditure budget of **£34,228,754.98** and income budget of **£5,497,659.20**

The Environmental Services position at Period 9 shows a **£873,994.30 positive variance**. This includes predicted increases in employee costs based on the proposed National Pay Award which is greater than the predicted budget increase.

The main costs and income attributing to the ES P9 position are summarised as follows as variances against budget.

Head of Service	Actual Net Expenditure	Budgeted Net Expenditure ex 62997	Net Expenditure Variance ex 62997	Budgeted Net Expenditure ex 62997	Annual Net Expenditure Budget Remaining ex 62997
⊕ Estates	3,823,679.91	4,605,501.66	781,821.75	6,160,075.00	2,336,395.09
⊕ Health and Built Environment	1,637,385.20	1,772,806.03	135,420.83	2,422,277.12	784,891.92
⊕ Infrastructure	(417,177.75)	(52,122.38)	365,055.37	112,563.66	529,741.41
⊕ Operations	14,344,524.48	13,950,555.23	(393,969.25)	19,254,231.00	4,909,706.52
⊕ ES Business Support	501,314.63	479,573.31	(21,741.32)	639,662.00	138,347.37
⊕ Environmental Services Centrally Managed	93,642.92	101,049.84	7,406.92	142,287.00	48,644.08
	19,983,369.39	20,857,363.69	873,994.30	28,731,095.78	8,747,726.39

Estates.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
4,089,898.53	4,767,016.35	(266,218.62)	(161,514.69)	781,821.75

£782k favourable mainly due to Employee costs which are £504k favourable. This is a result of difficulty in recruiting the number of seasonal grounds maintenance staff. A number of vacant posts within the Estates section remain unfilled. Income is positive by £79k.

Health and Built Environment.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
2,914,065.88	2,875,124.95	(1,276,680.68)	(1,102,318.92)	135,420.83

£135k positive. Employee costs are £89k favourable. Fee Income is favourable by £132k.

Infrastructure.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
1,340,901.55	1,581,435.51	(1,758,079.30)	(1,633,557.89)	365,055.37

£362k favourable mainly due to income favourable by £125k. Car Park income is favourable by £81k and Harbour and Marina income is favourable by £48k. Employee costs are £115k favourable mainly due to the Asset Realisation Officer post not having been filled and Harbour and Marina structure not permanently filled.

Operations.

P9 Actual Expenditure	P9 Budget Expenditure	P9 Actual Income	P9 Budget Income	Net Expenditure Variance
16,083,210.51	15,269,289.17	(1,738,686.03)	(1,318,733.94)	(393,969.25)

£394k adverse variance in Period 9. Employee costs are adverse by £693k, this includes an accrued pay award which was underprovided for in the budget estimates agreed by Members. Seasonal profiling has not been completed. A breakdown of the variances are as follows

Function	Variance	Comments
Waste Collection & Street Cleansing	£342k Favourable	Employee cost pay award increase and profiling not complete.
Landfill & Compost Site	£440k Adverse	Increased 3 rd party waste and Council waste being landfilled so increased HMRC costs. 3 rd party income for Letterloan did not materialise. (£100k)
HRC's	£407k Adverse	Employee cost pay award increase and profiling not complete.
Waste Disposal Contracts	£380k Favourable <ul style="list-style-type: none"> ○ Black Bin Contract - £193k (fav) ○ Blue Bin Contract - £43k (fav) ○ Brown Bin Contract £48k (adv) ○ Other Waste Contracts - £192k (fav) 	On target Variations on predicted tonnages and price increases due to RPI.
Transfer Stations	£20k Adverse	On target
Depots	£17k Favourable	On target

Public Conveniences	£128k Adverse	Employee cost pay award increase and profiling not complete.
Ops Management	£121k Adverse	Employee cost pay award increase.

ES Business Support.

£22k adverse due to increased employee costs.

ES Centrally Managed.

£7k positive variance.

3.0 In-year Savings

Officers have and will continue to manage and scrutinise the budget to identify opportunities for reducing expenditure and increasing income. This includes

- not filling vacant posts,
- reducing season staff durations,
- not filling staff on sick leave in all non-essential service areas.
- completing only essential maintenance on ES properties.

Therefore, at Period 9 ES financial position has a positive variance of **£873,994.30**

4.0 Recommendation

Members are requested to note the paper.