



<b>Title of Report:</b>	<b>Period 11 ES Management Accounts and Financial Positions 2023/24</b>
<b>Committee Report Submitted To:</b>	<b>Environmental Services Committee</b>
<b>Date of Meeting:</b>	<b>17<sup>th</sup> April 2024</b>
<b>For Decision or For Information</b>	<b>For Information</b>

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

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

<b>Screening Requirements</b>	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 11.

## 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 11 shows a **£462,143.25 positive variance**. This includes predicted increases in employee costs based on the now implemented National Pay Award which is greater than the predicted budget increase.

The main costs and income attributing to the ES P11 position are summarised as follows as variances against budget.

Head of Service	Actual Net Expenditure	Budgeted Net	Net Expenditure	Annual	Net Expenditure
		Expenditure ex 62997	Variance ex 62997	Budgeted Net Expenditure ex 62997	Remaining ex 62997
Estates	4,952,259.00	5,588,371.85	636,112.85	6,160,075.00	1,207,816.00
Health and Built Environment	2,002,096.83	2,214,911.16	212,814.33	2,422,277.12	420,180.29
Infrastructure	(549,237.44)	(109,878.84)	439,358.60	112,563.66	661,801.10
Operations	17,941,014.62	17,127,091.84	(813,922.78)	19,254,231.00	1,313,216.38
ES Business Support	595,091.96	585,344.23	(9,747.73)	639,662.00	44,570.04
Environmental Services Centrally Managed	125,976.66	123,504.64	(2,472.02)	142,287.00	16,310.34
	<b>25,067,201.63</b>	<b>25,529,344.88</b>	<b>462,143.25</b>	<b>28,731,095.78</b>	<b>3,663,894.15</b>

### Estates.

P11 Actual Expenditure	P11 Budget Expenditure	P11 Actual Income	P11 Budget Income	Net Expenditure Variance
5,258,971.12	5,783,882.42	(306,712.12)	(195,510.57)	<b>636,112.85</b>

£636k favourable mainly due to Employee costs which are £306k 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 £111k.

### Health and Built Environment.

P11 Actual Expenditure	P11 Budget Expenditure	P11 Actual Income	P11 Budget Income	Net Expenditure Variance
3,521,872.21	3,516,833.26	(1,519,775.38)	(1,301,922.20)	<b>212,814.33</b>

£213k positive. Employee costs are £103k favourable. Fee Income is favourable by £218k including £71k from Building Control at P11.

## Infrastructure.

P11 Actual Expenditure	P11 Budget Expenditure	P11 Actual Income	P11 Budget Income	Net Expenditure Variance
1,529,910.12	1,883,852.23	(2,079,147.56)	(1,993,731.07)	<b>439,358.60</b>

£439k favourable mainly due to income favourable by £85k. Car Park income is favourable by £54k. Employee costs are £142k favourable mainly due to the Asset Realisation Officer post not having been filled and Harbour and Marina structure not permanently filled.

## Operations.

P11 Actual Expenditure	P11 Budget Expenditure	P11 Actual Income	P11 Budget Income	Net Expenditure Variance
19,861,756.93	18,622,993.52	(1,920,742.31)	(1,495,901.68)	<b>(813,922.78)</b>

£814k adverse variance in Period 11. Employee costs are adverse by £919k, 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	£362k Favourable	Employee cost pay award increase and profiling not complete.
Landfill & Compost Site	£518k Adverse	Increased 3 <sup>rd</sup> party waste and Council waste being landfilled so increased HMRC costs. 3 <sup>rd</sup> party income for Letterloan did not materialise. (£100k)
HRC's	£497k Adverse	Employee cost pay award increase and profiling not complete.
Waste Disposal Contracts	£257k Favourable <ul style="list-style-type: none"> <li>○ Black Bin Contract - £42k (fav)</li> <li>○ Blue Bin Contract - £11k (fav)</li> <li>○ Brown Bin Contract £2k (adv)</li> <li>○ Other Waste Contracts - £206k (fav)</li> </ul>	On target Variations on predicted tonnages and price increases due to RPI.
Transfer Stations	£28k Adverse	On target
Depots	£21k Adverse	On target

Public Conveniences	£72k Adverse	Employee cost pay award increase and profiling not complete.
Ops Management	£150k Adverse	Employee cost pay award increase.

ES Business Support.

£10k adverse due to increased employee costs.

ES Centrally Managed.

£2k adverse 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 11 ES financial position has a positive variance of **£462,143.25**.

**4.0 Recommendation**

Members are requested to note the paper.