

Working for you

Agenda Item No...

**REPORT TO:** Organisation, Improvement and Environment Overview  
and Scrutiny Commission

**DATE:** 18 January 2007

**DEPARTMENT:** Community Services

**REPORTING OFFICER:** Simon Johnson (Head of Environment )

**SUBJECT:** **DRAFT GENERAL FUND REVENUE BUDGET  
2007/08 ENVIRONMENT BUSINESS UNIT**

**WARD/S AFFECTED:** All

**FORWARD PLAN REF:** N/A

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**1.0 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to consider budget details as they relate to services and functions in the Environment Business Unit, which fall under the terms of reference of the Cabinet Member (Environment).
- 1.2 The Director of Resources has been consulted during the preparation of this report.

**2.0 RECOMMENDATION/S**

- 2.1 The latest financial position shown in the Revised Estimates for 2006/2007, as detailed in Appendix A, is noted.
- 2.2 The Draft General Fund Revenue Estimates for 2007/2008 as detailed in Appendix A are recommended to the Cabinet.
- 2.3 That the Cabinet Member (Environment) notes the projections for 2008/09 and 2009/2010.
- 2.4 Recommend to cabinet the growth items listed in section 7 of this report are included in the 2007/08 budget.



### 3.0 RECOMMENDED REASON/S FOR DECISION/S

- 3.1 To assist in monitoring the current years financial position and in the setting of the overall Council Draft General Fund Revenue Estimates for 2007/08 and make recommendations to the Cabinet meeting in January 2007.

### 4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 Not to approve the budget estimates and make no recommendations to the Cabinet Meeting in January 2007 – rejected as not in accordance with the Council's medium term financial strategy, or the legal framework which governs Local Authority accounting.

### 5.0 THE REPORT

The information contained in this report is as follows: -

Main Report - which includes specific information and comments on the main features of the detailed budget from the Director of Community Services.

Appendix A - contains the draft summary budget and details of the variances between the Original Estimate 2006/07 and the Revised Estimate 2006/07 and Original Estimate 2007/08, for this portfolio.

#### 5.1 **Budget Changes Resulting from new Statement of Recommended Practice 2006**

The CIPFA Accounting Code of Practice issued in 2006 has brought in a number of changes to the way that Local Authorities present their accounts from 2006/07.

In order to prepare for 2006/07 Final Accounts, we have introduced these changes from 2006/07 Revised Estimates. The changes affecting service budgets are:

#### 5.2 **Capital Charges**

The main change is the removal of the notional interest element of the capital charge. The notional interest charge was 3.5% of the net book value of assets and its removal has resulted in a large reduction in the capital charges shown in the estimates. The remaining element is a charge for depreciation.

The notional interest charges were charged to services, but reversed centrally. Their removal, therefore, has no impact on the General Fund bottom line, because the central reversal is also removed.

#### 5.3 **Release of Grants Deferred**

'Release of Grants Deferred' relates to capital expenditure on fixed assets financed from grants. These grants are credited to the balance sheet and released to revenue over the life of the asset, to offset the depreciation charges to services.



Prior to 2006/07 the release of grants was a central credit to AMRA. From 2006/07, the release of grant is now shown as service income in the relevant service. This has resulted in a cost reduction to services, **but there is no impact on the general fund bottom line, because the central credit is also removed.**

#### 5.4 Key Changes in the Revised Estimates 2006/07 for the Environment Business Unit.

5.4.1 The key variances between Original Estimate and Revised Estimate 2006/07 are highlighted in page 2 of Appendix A.

It should be noted that the Refuse and Street Cleansing services are no longer being accounted for as DSOs from Revised Estimate 2006/07 onwards. This has meant that it has been necessary to restate the Original Estimate for 2006/07 in order to make it comparable to the Revised Estimate 2006/07 and Original Estimate 2007/08. This restatement simply involved moving costs between headings on the subjective analysis (e.g. between supplies & services and employees) and has had no overall effect on the net expenditure of the Business Unit. The variances detailed below are between 'Restated' Original Estimate 2006/07 and Revised Estimate 2006/07.

5.4.2 The following variances have no overall net effect on the budget:

1) Environmental Projects salaries (+£11k) and supplies and services (+£2k) are being funded from reserves (-£7k) and grant income (-£6k).

2) A number of items of expenditure have been funded from reserves:

- a. Environmental Strategy Review salaries (£9k)
- b. Increased Car Share Scheme salaries (£1k)
- c. Street Cleansing ENCAMS subscription (£4k)
- d. Recycling consultants (£21k)
- e. Recycling marketing – Waste Watch (£8k)
- f. Waste Management Partnership (£7k)
- g. Recycling container purchases (£6k)
- h. Hire of loading shovel, pending replacement (£4k)

10) The budget associated with vehicle purchases charged to revenue has moved from 'Capital Expenditure Charged to Revenue' (-£429k) to 'Appropriation to/from Reserves' (+£429k).

11) Income from DEFRA for the Waste Performance & Efficiency Grant (-£127k) is offset by an appropriation to reserve (+£127k).

12) Following the disbanding of the Refuse DSO, there is now an internal recharge from refuse (-£378k internal income) to Trade Waste and Recycling (+£378 Additional Expenditure charge) to cover the costs of staff time etc.

This leaves the following variances, which explain the **-£48k decrease** in net expenditure from Original Estimate 'Restated' to Revised Estimate 2006/07:



#### 5.4.3 **Controllable Expenditure**

- There has been a net increase in salaries and temporary staff costs **(+£8k)**, made up of variances within Street Cleansing (-£33k), Refuse Collection (+£29k) and Recycling (+£12k).
- There has been a movement of some training budget to the Environmental Services Unit holding account **(-£8k)**.
- There is an increased charge from NYCC for the cost of disposing of trade waste **(+£14k)** and recycling payments have increased by **+£19k**.
- There have been decreases in expenditure on purchases of bin liners **(-£12k)** and garden waste sacks **(-£5k)**.
- Fuel charges in the year have increased by **+£49k**. This in part is a result of longer journey trips to landfill (due to a recent closure), the fluctuating price of oil, and budgets that were under estimated the previous year.
- There has been an appropriation from reserves made to cover the overspends of the Environment Business Unit in 2005/06 **(-£32k)**.

#### 5.4.4 **Income**

- Income from trade waste has decreased **(+£34k)**. This is due mostly to a decrease in collections (rather than contracts).
- There is a release of grants deferred [see note in paragraph 5.3] relating to the purchase of wheeled bins for the existing Green Waste Recycling scheme **(-£21k)**. This has no net effect on the overall Council budget, as there is a reverse entry elsewhere in the accounts.
- Sales of recycled materials have increased **(-£20k)** and there has been increased income from the Recycling incentives received from NYCC **(-£9k)**.
- Pest control income has decreased **(+£13k)**, due to reduced numbers of wasp nest treatments.

#### 5.4.5 **Additional Expenditure**

- Capital charges have decreased **(-£101k)**, with -£82k of this being due to the removal of notional interest charges (see note in paragraph 5.2).
- Support charges from the Environmental Services Unit holding account have increased **(+£30k)** and there have also been increases in various other support charges **(+£10k)**. In contrast, Building Management charges have decreased **(-£16k)**.

#### **Other Small Variances: -£1k**

#### 5.5 **Environmental Services Unit Rechargeable Account**

5.5.1 The key variances between Original Estimate and Revised Estimate 2006/07 are highlighted in page 5 of Appendix A.

There has been an increase in the recharges to services of **+£30k**, as explained by the following variances:

#### 5.5.2 **Controllable Expenditure**

- There has been a movement of some staff training budget from Refuse Collection **(+£8k)**.



- Various employee costs have increased by a total of **£5k** and the removal of the vacancy provision at Revised Estimate accounts for **£4k**.

#### 5.5.3 Additional Expenditure

- Support charges have increased (**£14k**), with the main variances being in the charges from DCS Admin Support (-£27k), Human Resources (+£19k) and DCS Departmental Overheads (+£17k).
- Capital charges have decreased (**£1k**), due to the removal of notional interest charges (see note in paragraph 5.2).

### 5.6 5.6 Central Transport Organisation

5.6.1 The key variances between Original Estimate and Revised Estimate 2006/07 are highlighted in page 7 of Appendix A.

There has been an increase in expenditure of **£43k**, as explained by the following variances:

#### 5.6.2 Controllable Expenditure

- There has been a large increase in the costs of spare parts purchases (**£43k**), due to the increasing size and age of the vehicle fleet.
- Various employee costs have increased by a total of **£7k** and there has been a small increase in expenditure on heating oil (**£2k**).

#### 5.6.3 Income

- Income from MOT test fees has increased by **£1k**.

#### 5.6.4 Additional Expenditure

- Capital charges have decreased (**£8k**), with -£9k being due to the removal of notional interest charges (see note in paragraph 5.2).

### 5.7 Key Changes in the Original Estimates 2007/08 For the Environment Business Unit.

5.7.1 The key variances between Original Estimate 2007/8 and Original Estimate 2007/08 are highlighted in page 3 of Appendix A.

Subject to service considerations and market forces fees and charges have been increased by a minimum of 3.9% in accordance with the guidelines in the medium term financial strategy.

5.7.2 The following variances have no overall net effect on the budget:

- 1) Environmental Projects salaries (+£23k) and supplies and services (+£4k) are being funded from reserves (-£14k) and grant income -£13k).
- 2) Decreases in Car Share Pilot Scheme salaries (-£1k) and supplies & services (-£1k) are offset by a decreased appropriation from reserves (+£2k).
- 3) A contribution to the Waste Management Partnership (+£7k) is offset by an appropriation from reserves (-£7k).
- 4) The budget associated with vehicle purchases charged to revenue has



moved from 'Capital Expenditure Charged to Revenue' (-£429k) to 'Appropriation to/from Reserves' (+£429k).

- 5) Following the disbanding of the Refuse DSO, there is now an internal recharge from refuse (-£388k internal income) to Trade Waste and Recycling (+£388 Additional Expenditure charge) to cover the costs of staff time etc.

This leaves the following variances, which explain the **+£508k increase** in net expenditure from Original Estimate 'Restated' 2006/07 to Original Estimate 2007/08:

#### 5.7.3 Controllable Expenditure

- There is an increase in employee costs of **+£97k**, due to the 2.5% pay award (+£72k) and the increase in superannuation rate from 19.9% to 21% (+£25k).
- There has been a movement of some training budget to the Environmental Services Unit holding account (**-£8k**).
- The Green Waste Recycling scheme is being extended to cover Knaresborough. This accounts for the following variances: - Employees increase (**+£76k**), recycling payments (**+£40k**), marketing costs (**+£10k**), and fuel costs (**+£15k**).
- A review of the street cleansing salary budget had led to a decrease in salaries and related costs. (**-£39k**).
- There is an increased charge from NYCC for the cost of disposing of trade waste (**+£114k**) and recycling payments have increased by **+£19k**.
- Fuel costs have increased by **+£49k**.
- The increased central transport charges (**+£47k**) are a result of increases in the size and age of the fleet.
- Previously, some vehicle funding was moved from revenue to capital. In 2007/08, the funding is restored to the revenue budget and results in an increased cost of vehicle purchases charged to revenue of **+£208k**.

#### 5.7.4

##### Income

- Income from trade waste collection has increased (**-£85k**), largely due to an increase in the fees charged to customers following the increase in waste disposal charges from NYCC (see para 5.7.3).
- Income from recycling incentives has increased (**-£92k**), of which -£70k relates to the new Green Waste Recycling scheme, and income from sales of recycled materials has also increased (**-£20k**).
- There is a release of grants deferred [see note in paragraph 5.3] relating to the purchase of wheeled bins for the existing Green Waste Recycling scheme (**-£21k**). This has no net effect on the overall Council budget, as there is a reverse entry elsewhere in the accounts.
- Street Cleansing income has increased (**-£11k**), whilst Pest Control income has decreased (**+£10k**), largely due to a decrease in demand for wasp nest treatments.



### 5.7.5 Additional Expenditure

- Capital charges have decreased (**-£4k**), with -£82k being due to the removal of notional interest charges (see note in paragraph 5.2) and an increase of +£85k due to the new Green Waste Recycling scheme.
- Support charges from the Environmental Services Unit holding account have increased (**+£116k**) and there have also been increases in various other support charges (**+£13k**). In contrast, charges from DCS Directorate have decreased (**-£13k**), as have Insurance charges (**-£9k**) and Building Management charges (**-£3k**).

**Other Small Variances: -£1k**

### 5.8 Environmental Services Unit Rechargeable Account

5.8.1 The key variances between Original Estimate 2006/07 and Original Estimate 2007/08 are highlighted in page 6 of Appendix A.

There has been an increase in the recharges to services of **+£116k**, as explained by the following variances:

#### 5.8.2 Controllable Expenditure

- One FTE post has been transferred from DCS Business Support (**+£76k**).
- There has been a movement of some staff training budget from Refuse Collection (**+£8k**).
- There is an increase in salaries of **+£19k**, due to the 2.5% pay award together (+£8k), salary increments (+£8k) and the increase in superannuation rate from 19.9% to 21% (+£3k).

#### 5.8.3 Additional Expenditure

- Support charges have increased (**+£5k**), with the main variances being in the charges from DCS Departmental Overheads (+£38k), DCS Admin Support (-£25k), Payroll (-£15k) and Human Resources (+£8k).
- There have also been increases in the charge from Building Management (**+£4k**) and the Computer SLA charge (**+£2k**).
- Capital charges have decreased (**-£1k**), due to the removal of notional interest charges (see note in paragraph 5.2).

**Other Small Variances: +£3k**

### 5.9 Central Transport Organisation

5.9.1 The key variances between Original Estimate and Revised Estimate 2006/07 are highlighted in page 8 of Appendix A.

There has been an increase in expenditure of **+£37k**, as explained by the following variances:



## 5.9.2 Controllable Expenditure

- There has been a large increase in the costs of spare parts purchases **(+£49k)**, due to the increasing size and age of the vehicle fleet.
- Employee costs have increased by **+£12k**, due to the pay award (+£6k), the increase in superannuation rate from 19.9% to 21.0% (+£2k), and other employee costs (+£4k). There has also been a small increase in expenditure on heating oil **(+£2k)**.

### Additional Expenditure

- Insurance charges have decreased **(-£22k)** and the support charge from the Environmental Services Unit holding account has increased **(+£5k)**.
- Capital charges have decreased **(-£9k)**, due entirely to the removal of notional interest charges (see note in paragraph 5.2).

## 6.0 EFFICIENCY SAVINGS

### 6.1 Cash Efficiency Savings

As part of the efficiency target the following has been identified and incorporated into the base budget for 2007/08.

- 1) Reduction in contractual costs for discarded fridge collection totalling £3680.

### 6.2 Non cash efficiency savings

- 1) Recycling – reduced costs per tonne of recycled material collected. Saving of £34,780.
- 2) Domestic waste collection – More households covered with the same manpower numbers. Saving of £10,040.

## 7.0 Discretionary Growth

### 7.1 Expansion of recycling

At its meeting on 13 December 2006 Cabinet agreed an approach proposed to expand dry recycling in rural and urban areas not presently covered, and to improve the recycle handling infrastructure necessary to enable that expansion. The revenue implications of that expansion in 2007/08 is budgetary growth of £137,200.

### 7.2 Clean Neighbourhoods and Environment Act 2003

Powers are now available to the Council to enhance its enforcement capacity and use fixed penalty notices to tackle litter, graffiti, flytipping, abandoned vehicles and other environmental offences. Existing resources are limited, and unlikely to be able to serve more than a few notices. A growth item has been submitted to CMT but did not receive support. They agreed that the growth proposal be included in the list of 2007/08 budgetary growth on the basis of a £50,640 item, to cover the appointment of an enforcement office, and part-time technical support.



## **8.0 FINANCIAL RISK MANAGEMENT**

- 8.1 A key aspect of the Council's approach to budgeting is a risk management assessment, which is carried out throughout the budget process.
- 8.2 In the case of expenditure, there is little risk to most of the General Fund Estimates and the budget can be fairly accurately predicted, for example employee costs and most running costs.
- 8.3 The Council is very dependent on income from sales, fees and charges. In Environment the market for trade waste and post control is very competitive. The income is carefully and prudently assessed for budget purposes by relevant managers on the basis of contracted or confidently expected income. Regular monitoring meetings are held and any remedial action taken as necessary.
- 8.4 A key element of the risk assessment process is the review of all budgets, especially those reflecting material risk, by the Director of Resources and the Head of Financial Management in conjunction with Directors, which takes part routinely as part of the Budget preparation process.

## **9.0 Projections For 2008/09 and 2009/10**

- 9.1 We are now required, under the Government's new Prudential Code and also for the Comprehensive Performance Assessment, to produce projections for the next three years. These projections are only a broad indication of likely net expenditure levels and have been compiled in accordance with the guidance and parameters set.

## **10.0 Scrutiny**

- 10.1 The Environment 2007/08 Budget will be scrutinised by the Organisation, Improvement & Environment Overview & Scrutiny Commission on 18th January 2007.

## **11.0 CONCLUSION/S**

- 11.1 Estimates are in accordance with the Council's medium term financial strategy to assist in the setting of the overall Council Draft General Fund Revenue Estimates for 2007/2008.

### **Background Papers -**

1. *Estimate working papers held within the Resources Department.*
2. *Working papers held within the Department of Community Services.*



**OFFICER CONTACT:** Please contact Simon Johnson if you require any further information on the contents of this report. The officer can be contacted at the Department of Community Services, Springfield House, Kings Road, Harrogate HG1 5NX by telephone on 01423 556847 or by Email – [simon.johnson@harrogate.gov.uk](mailto:simon.johnson@harrogate.gov.uk)

## SUSTAINABILITY ASSESSMENT / POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A	Economy			
B	Environment			
C	Social Equity			
i)	General			
ii)	Customer Care / People with Disabilities			
iii)	Health Implications			
D	Crime and Disorder Implications			

If all comments lie within the shaded areas, the proposal is sustainable.



**ENVIRONMENTAL HEALTH PORTFOLIO**

**Business Unit: Environment**

2006/07 Original Estimate	2006/07 Orig Est 'Restated'	2006/07 Revised Estimate	Cost Centre	2007/08 Original Estimate	2008/09 Projection	2009/10 Projection
£		£		£	£	£
4,741,350	4,741,350	4,657,030	Environmental Services Unit	5,067,800	5,143,900	5,228,000
166,860	166,860	175,590	Environmental Strategy	159,250	152,700	150,580
429,350	429,350	0	Vehicle Revenue Account	0	0	0
-84,760	-84,760	371,860	Appropriation to/from(-) Reserves	533,360	864,940	870,130
<b>5,252,800</b>	<b>5,252,800</b>	<b>5,204,480</b>	<b>GF Net Expenditure</b>	<b>5,760,410</b>	<b>6,161,540</b>	<b>6,248,710</b>
			<b>Subjective Analysis</b>			
740,990	3,101,450	3,124,710	Employees	3,246,410	3,308,510	3,382,750
857,590	119,350	123,850	Premises	119,350	119,350	119,350
3,323,890	905,310	963,280	Supplies & Services	1,095,180	1,087,640	1,083,800
164,920	894,430	949,910	Transport	1,005,300	1,021,870	1,038,930
5,410	5,410	5,410	Transfer Payments	5,410	5,410	5,410
429,350	429,350	0	Capital Expenditure Charged to Revenue	0	0	0
-84,760	-84,760	371,860	Appropriation to/from(-) Reserves	533,360	864,940	870,130
<b>5,437,390</b>	<b>5,370,540</b>	<b>5,539,020</b>	<b>Total Controllable Expenditure</b>	<b>6,005,010</b>	<b>6,407,720</b>	<b>6,500,370</b>
0	18,940	396,760	Employees	397,990	407,990	418,250
79,410	89,030	72,170	Premises	86,140	88,720	91,380
-5,090	1,470	1,470	Supplies & Services	1,480	1,500	1,520
599,340	716,220	757,020	Support Services	845,540	868,110	891,250
16,640	16,640	16,460	Service Management	3,340	3,420	3,500
255,880	603,260	502,510	Capital Charges	599,150	599,150	599,150
<b>946,180</b>	<b>1,445,560</b>	<b>1,746,390</b>	<b>Total Additional Expenditure</b>	<b>1,933,640</b>	<b>1,968,890</b>	<b>2,005,050</b>
<b>6,383,570</b>	<b>6,816,100</b>	<b>7,285,410</b>	<b>Total Expenditure</b>	<b>7,938,650</b>	<b>8,376,610</b>	<b>8,505,420</b>
			<b>Less Income</b>			
0	0	127,110	Government Grants	0	0	0
419,040	676,110	448,420	Other Income	538,490	530,170	525,120
801,050	862,000	836,360	Sales, Fees & Charges	953,900	984,850	1,016,990
0	0	21,000	Internal Capital Charges	21,000	21,000	21,000
-89,320	25,190	648,040	Internal Recharges	664,850	679,050	693,600
<b>5,252,800</b>	<b>5,252,800</b>	<b>5,204,480</b>	<b>Net Expenditure</b>	<b>5,760,410</b>	<b>6,161,540</b>	<b>6,248,710</b>

**Full Time Equivalents**

The Employees cost relates to the following numbers of full time equivalent employees:  
135.99 at OE 0607 'Restated', 134.74 at RE 06/07 and 137.67 at OE 07/08.



**ENVIRONMENT PORTFOLIO  
ENVIRONMENT BUSINESS UNIT**

**Major Variances between 2006/07 'Restated' Original Estimates & Revised Estimates**

	£	
Revised Estimate 2006/07	5,204,480	
Original Estimate 2006/07 'Restated'	5,252,800	
<b>Increase/Decrease(-) in Net Expenditure</b>	<b>-48,320</b>	
Note: Numbers against items indicate items that are linked		
<b>Explained by :</b>		
<b><u>CONTROLLABLE EXPENDITURE</u></b>	<b>£'000</b>	<b>£'000</b>
Employee Costs		
Street Cleansing salaries and temporary staff costs	-33	
Refuse Collection salaries and temporary staff costs	29	
Recycling salaries and temporary staff costs	12	
1) Environmental Projects salaries - funded from reserves & grant	11	
2) Environmental Strategy Review salaries - funded from reserves	9	
Training budgets moved to ESU holding account	-8	
3) Increased Car Share Pilot Scheme salaries - funded from reserves	1	
Other Small Variances	2	
Premises Costs		
4) Street Cleansing ENCAMS subscription - funded from reserves	4	
Supplies & Services Costs		
5) Recycling consultants - funded from reserves	21	
Increased Recycling Payments	19	
Increased Waste Disposal Charges for Trade Waste	14	
Purchases of Bin Liners	-12	
6) Recycling Marketing - Waste Watch - funded from reserves	8	
7) Waste Management Partnership - funded from reserves	7	
8) Recycling container purchases - funded from reserves	6	
Purchases of Garden Waste Sacks	-5	
1) Environmental Projects - funded from reserves & grant	2	
Other Small Variances	-2	
Transport Costs		
Increased fuel costs	49	
9) Hire of loading shovel, pending replacement - funded from reserves	4	
Other Small Variances	2	
Capital Expenditure Charged to Revenue		
10) Vehicle Purchases charged to revenue - costs moved to Appropriations	-429	
Appropriations to/from Reserves		
10) Vehicle Purchases charged to revenue - costs moved from above heading	429	
11) Waste Performance & Efficiency Grant - for use in future years	127	
Appropriation to meet Environment overspends in 2005/06	-32	
5) Recycling consultants	-21	
2) Environmental Strategy Review - salaries	-9	
6) Recycling Marketing - Waste Watch	-8	
7) Waste Management Partnership	-7	
1) Environmental Projects	-7	
8) Recycling container purchases	-6	
9) Hire of loading shovel, pending replacement - funded from reserves	-4	
4) Street Cleansing ENCAMS subscription	-4	
3) Car Share Pilot Scheme	-1	168
<b><u>INCOME</u></b>		
12) Internal Recharge from Refuse to Trade Waste & Recycling	-378	
11) Recycling Waste Performance & Efficiency Grant from DEFRA	-127	
Decreased Trade Waste Collection income	34	
Release of grants deferred - Recycling	-21	
Increased Sales of Recycled Materials	-20	
Pest control - decreased wasps nests treatments income	13	
Increased Recycling Incentives	-9	
1) Environmental Projects Grant	-6	
Other Small Variances	-3	-517
<b><u>ADDITIONAL EXPENDITURE</u></b>		
12) Charges from Refuse to Trade Waste & Recycling for staff time etc	378	
Decreased Capital Charges (-£82k due to removal of notional interest charges)	-101	
Increased Environmental Services Support Unit Charges	30	
Decreased Building Management Charges	-16	
Increases in other support charges	10	301
	<b>-48</b>	



**ENVIRONMENTAL HEALTH PORTFOLIO**

**ENVIRONMENT BUSINESS UNIT**

**Major Variances between 2006/07 'Restated' Original Estimates and 2007/08 Original Estimates**

Original Estimate 2007/08	£	
Original Estimate 2006/07 'Restated'	5,760,410	
	5,252,800	
	507,610	
<i>Note: Numbers against items indicate items that are linked</i>		
<b>Explained by :</b>		
<b><u>CONTROLLABLE EXPENDITURE</u></b>	<b>£'000</b>	<b>£'000</b>
Employee Costs		
6) Employee Costs for new Green Waste Recycling Scheme	76	
Pay award 2.5%	72	
Decreased Street Cleansing salaries and other employee costs	-39	
Increase in superannuation rate from 19.9% to 21.0%	25	
1) Environmental Projects salaries - funding from reserves & grant	23	
Training budgets moved to ESU holding account	-8	
2) Decreased Car Share Pilot Scheme salaries - funded from reserves	-1	
Other Small Variances	-3	
Supplies & Services Costs		
Increased Waste Disposal Charges for Trade Waste	114	
6) Recycling payments for new Green Waste Recycling Scheme	40	
Increased Recycling Payments	19	
6) New Green Waste Recycling Scheme - marketing costs	10	
3) Waste Management Partnership - funded from reserves	7	
1) Environmental Projects - funding from reserves & grant	4	
Purchases of Garden Waste Sacks	-3	
2) Decreased Car Share Pilot Scheme expenditure - funded from reserves	-1	
Transport Costs		
Increased fuel costs	49	
Increased CTO charges	47	
6) Fuel costs for new Green Waste Recycling scheme	15	
Capital Expenditure Charged to Revenue		
4) Vehicle Purchases charged to revenue - costs moved to Appropriations	-429	
Appropriations to/from Reserves		
4) Vehicle Purchases charged to revenue - costs moved from above heading	429	
Increase in Vehicle Purchases charged to revenue	208	
1) Environmental Projects	-14	
3) Waste Management Partnership	-7	
2) Car Share Pilot Scheme	2	635
<b><u>INCOME</u></b>		
5) Internal Recharge from Refuse Collection to Trade Waste & Recycling	-388	
Increased Trade Waste Collection Income	-85	
6) Recycling Incentives - new Green Waste Scheme	-70	
Increased Recycling Incentives	-22	
Release of Grants Deferred - Recycling	-21	
Increased Sales of Recycled Materials	-20	
1) Environmental Projects Grant	-13	
Increased Street Cleansing Income	-11	
Decreased Pest Control Income	10	
Decreased Sales of Garden Waste Sacks	6	
Other Small Variances	-1	-615
<b><u>ADDITIONAL EXPENDITURE</u></b>		
5) Charges from Refuse to Trade Waste & Recycling for staff time etc	388	
Increased Environmental Services Support Unit Charges	116	
Decreased Capital Charges (-£82k due to removal of notional interest charges)	-89	
6) Capital Charges for new Green Waste recycling scheme	85	
Decreased DCS Directorate Charges	-13	
Increased Support Charges	13	
Insurance Charges	-9	
Decreased Building Management Charges	-3	488
		<b>508</b>



**ENVIRONMENT PORTFOLIO  
RECHARGEABLE ACCOUNTS**

**Business Unit: Environment**

**Environmental Services Unit Rechargeable Account**

2006/07 Original Estimate	2006/07 Revised Estimate	Cost Centre	2007/08 Original Estimate		
			Gross Expenditure	Gross Income	Net Expenditure
£	£		£		£
		<b>Service Management &amp; Support Services</b>			
713,430	743,900	Environmental Services Unit	829,070	0	829,070
713,430	743,900		829,070	0	829,070
-713,430	-743,900	<b>Recharges to Services</b>	0	829,070	-829,070
0	0	<b>Net Expenditure</b>	829,070	829,070	0
		<b>Subjective Analysis</b>			
331,870	349,290	Employees	435,900	(1)	
8,200	8,680	Supplies & Services	8,680		
3,620	3,000	Transport	4,700		
343,690	360,970	<b>Total Controllable Expenditure</b>	449,280		
5,820	5,510	Premises	10,000		
7,480	7,800	Supplies & Services	9,250		
328,670	342,990	Support Services	342,030		
25,600	25,310	Service Management	17,190		
2,170	1,320	Capital Charges	1,320		
369,740	382,930	<b>Total Additional Expenditure</b>	379,790		
713,430	743,900	<b>Total Expenditure</b>	829,070		
		<b>Less Income</b>			
		Internal Recharges			
664,990	695,990	Environment	776,010		
47,690	47,160	Transport	52,290		
750	750	Corporate Projects	770		
713,430	743,900	Income	829,070		
0	0	<b>Net Expenditure</b>	0		



**ENVIRONMENT PORTFOLIO**  
**ENVIRONMENT BUSINESS UNIT**  
**Environmental Services Unit Rechargeable Account**

**Major Variances between 2006/07 Original Estimates & Revised Estimates**

	£
Revised Estimate 2006/07	743,900
Original Estimate 2006/07	<u>713,430</u>
<b>Increase/Decrease(-) in Recharges to Services</b>	<b><u>30,470</u></b>
<b>Explained by :</b>	
<b><u>CONTROLLABLE EXPENDITURE</u></b>	<b>£'000</b>
Employee Costs	<b>£'000</b>
Staff Training - budget moved from refuse collection	8
Employees - various	5
Vacancy Provision	<u>4</u>
	<b>17</b>
<b><u>ADDITIONAL EXPENDITURE</u></b>	
Increased Support Charges	14
Decreased Capital Charges (due to removal of notional interest charges)	<u>-1</u>
	<b>13</b>
<b>Increase in Recharges to Services</b>	<b><u>30</u></b>



**ENVIRONMENT PORTFOLIO**  
**Environment Business Unit**  
**Environmental Services Unit Rechargeable Account**

**Major Variances between 2006/07 & 2007/08 Original Estimates**

	£	
Original Estimate 2007/08	829,070	
Original Estimate 2006/07	713,430	
<b>Increase/Decrease(-) in Recharges to Services</b>	<b>115,640</b>	
<b>Explained by :</b>		
<b><u>CONTROLLABLE EXPENDITURE</u></b>	<b>£'000</b>	<b>£'000</b>
Employee Costs		
Transfer of post from DCS Business Support	76	
Pay award 2.5%	8	
Staff Training - budget moved from refuse collection	8	
Salary increments	8	
Increase in superannuation rate from 19.9% to 21.0%	3	
Other small variances	1	
Transport Costs		
Increased Car Allowances	1	
Other Small Variances	1	106
<b><u>ADDITIONAL EXPENDITURE</u></b>		
Increased Support Charges	5	
Increased Building Management Charges	4	
Increased Computer SLA	2	
Decreased Capital Charges (due to removal of notional interest charges)	-1	10
<b>Increase in Recharges to Services</b>		<b>116</b>



**ENVIRONMENT PORTFOLIO**  
**ENVIRONMENT BUSINESS UNIT**  
**Central Transport Organisation**

**Major Variances between 2006/07 Original Estimates & Revised Estimates**

	£
<b>Revised Estimate 2006/07 - Total Expenditure</b>	<b>807,000</b>
<b>Original Estimate 2006/07 - Total Expenditure</b>	<b>764,310</b>
<b>Increase/Decrease(-) in Expenditure</b>	<b>42,690</b>
<b>Explained by :</b>	
<b><u>CONTROLLABLE EXPENDITURE</u></b>	<b>£'000</b>
Employee Costs	
Employees - various	7
Premises Costs	
Heating Oil	2
Transport Costs	
Spare Parts Purchases	43
	<u>52</u>
<b><u>ADDITIONAL EXPENDITURE</u></b>	
Decreased Capital Charges	-8
	<u>-8</u>
<b><u>EXTERNAL INCOME</u></b>	
Increased MOT fees	-1
	<u>-1</u>
<b>INCREASE in Expenditure</b>	<u>43</u>
<b>Met by:</b>	
Increased charge to MFI	-43
	<u>-43</u>
<b>NET Expenditure</b>	<u>0</u>



**ENVIRONMENT PORTFOLIO**  
**ENVIRONMENT BUSINESS UNIT**  
**Central Transport Organisation**

**Major Variances between 2006/07 & 2007/08 Original Estimates**

	£	
Original Estimate 2007/08 - Total Expenditure		801,690
Original Estimate 2006/07 - Total Expenditure		<u>764,310</u>
<b>Increase/Decrease(-) in Expenditure</b>		<u><b>37,380</b></u>
<b>Explained by :</b>		
<b><u>CONTROLLABLE EXPENDITURE</u></b>	<b>£'000</b>	<b>£'000</b>
Employee Costs		
Pay award 2.5%	6	
Other employees	4	
Increase in superannuation rate from 19.9% to 21.0%	2	
Premises Costs		
Heating Oil	2	
Transport Costs		
Spare Parts Purchases	<u>49</u>	63
<b><u>ADDITIONAL EXPENDITURE</u></b>		
Decreased Insurance Charges	-22	
Decreased Capital Charges	-9	
Increased Support Charges	<u>5</u>	-26
<b>INCREASE in Expenditure</b>		<u><b>37</b></u>
<b>Met by:</b>		
Increased CTO user charges	-47	
Decreased winter gritting recharge	7	
Decreased charge to MFI	3	-37
<b>NET Expenditure</b>		<u><b>0</b></u>