Environmental Services - Variations – 31 May 2011

1. Off Street Car Parking £0k

Off-street car parking income is projected to be £100k below budget expectation. This is mainly due to reduced demand, and the fact that parking fees have not been increased to address the inflation added to the budget as a result of the normal estimate process, nor the loss of income as a direct result of the increase in VAT.

This projected shortfall is from the four multi-storey car parks where income was £32k below budget for April and May, with the majority (£23k) occurring in April, probably due to the high number of bank holidays.

This projected shortfall in income is offset by £50k savings as a result of management action, and a balance from a provision of £50k no longer required for contract payments following successful negotiations with the parking contractor.

2. Waste Management £0k

Prices for trade waste collections were increased by 15% in April 2011 and 13% in April 2010. For 2010/11 the fall-out of customers equated to 3.8%, however in 2011/12 this percentage has more than doubled, currently 9.75%. When setting the new fees and budgets an assumption was made that there would be reduction of a further 5% of customers and therefore the additional reduction of 4.75% has meant that income is currently projected to be £90k below budget.

It should be noted that this is partly offset by a corresponding reduction in contract collection costs of £20k and £50k for disposal costs due to a projected reduction of 700 tonnes from the decrease in customers. This leaves a balance of Dr £20k which is offset by a small reduction in other disposal tonnage of Cr £20k.

This is summarised in the table below : -

Summary of variations	£'000
Shortfall of trade waste collected income due to reduction in customers	90
Corresponding reduction in trade waste collection contract costs	(20)
Reduction in disposal tonnage from trade waste collection customers	(50)
Minor reduction in other disposal tonnages	(20)
Total variation for waste management	**0**