

Ansa Environmental Services Ltd	
	
PERIOD	Q1 2014 (April to June inclusive)
Ansa DEVELOPMENT & PROGRESS	<ul style="list-style-type: none"> Launch day events went very well with positive feedback from staff and local and national trade coverage. <p>Council-owned waste firm to seek collection deals</p> <p>9 April 2014  • Waste Management • Business • Councils</p> <p>By Tom Goulding</p> <p>Cheshire East council has established its own waste management firm for household and commercial waste collections, which it hopes will also compete for collection contracts from other local authorities.</p> <p>The company is one of the first in the waste management sector to be established as a 'Teckal exempt' firm, meaning that bidding process for any public contracts would be simpler as it has no private sector ownership.</p> <p>Ansa, which is wholly-owned and funded by the council, will initially manage kerbside waste and recycling collection services for Cheshire East's 165,000 households – and will also seek to secure commercial waste contracts in the future.</p> <p>The company will also assume responsibility of fleet management, maintaining the council's refuse collection vehicles, skips wagons and road sweepers. An estimated 400 staff have transferred to the new firm from the council under TUPE regulations.</p>  <p>Cheshire East Council will seek collection contracts through new waste management firm Ansa</p> <ul style="list-style-type: none"> Staff representative nominated and elected for the Board Depots have been re-branded. We have supported our partner company – Orbitas. Ansa Managing Director presented at Apse's <i>The New Municipal Entrepreneurs</i>. Training business area has developed and delivered several training packages to customers such as private sector highways contracts and other local authorities. The Waste & Recycling business area is developing its commercial waste collection offering. Work commenced to create an electronic GIS layer of all areas maintained by Ansa P&G Worked with CEC Communications team to deliver a floral splash

	<p>for the Cheshire Show stand</p> <ul style="list-style-type: none"> • Completion and opening of The Moor Project, Knutsford working with WREN and Friends of The Moor • Knutsford Market transferred to the Knutsford Town Council in June 2014
PERIOD HIGHLIGHTS & KEY SUCCESSES	<ul style="list-style-type: none"> • The Waste & Recycling Service won the 'Team of the Year' award at the National Recycling Awards 2014.  <ul style="list-style-type: none"> • Took delivery of the first phase of new refuse collection vehicles – these will be contributing to efficiencies made across the business area. • Work collaboratively with Wakefield Council and Lancs CC for training resource /agency model
RESIDENTS & CUSTOMERS	<ul style="list-style-type: none"> • The company website is online and is developing - www.ansa.co.uk. • A flyer promoting Ansa and its business services has been produced. • We have engaged with FaceBook users via the Waste & Recycling Face Book page on key subjects – Love Food, Hate Waste, the benefits of reusable nappies etc. • Significant support given to numerous Parish& Town Councils and community groups within the borough e.g. ANTS at Queens Park, Middlewich Clean Team, Crewe Clean Team, Crewe Christian Concern • Support given to Royal British Legion in event planning for forthcoming WW1 commemorative events • A series of radio advertisements on Silk FM were run regarding Love Food, Hate Waste for National Recycling Week. • Ansa supported Cheshire East Council with the winter garden waste shutdown consultation. • A number of very successful events were arranged or supported –

the Junior Recycling Officer of the Year 2014 at Jodrell Bank, the Nantwich Baby Fair at Nantwich Civic Hall, the Primary Schools event at South Cheshire College, the Bollin Valley Taster Day at Riverside Park in Macclesfield and the Bump, Birth, the Baby Fair at Macclesfield District General Hospital. Many more events are also planned before the end of March 2015.

- A number of positive comments have been received from facility users including Deeside Orienteering Club, Middlewich Clean Team, Friends of Meriton Road Park and Sandbach Community Action Group to name just a few.
- Parks & grounds developed roundabout concept for Wilmslow Public Realm improvement

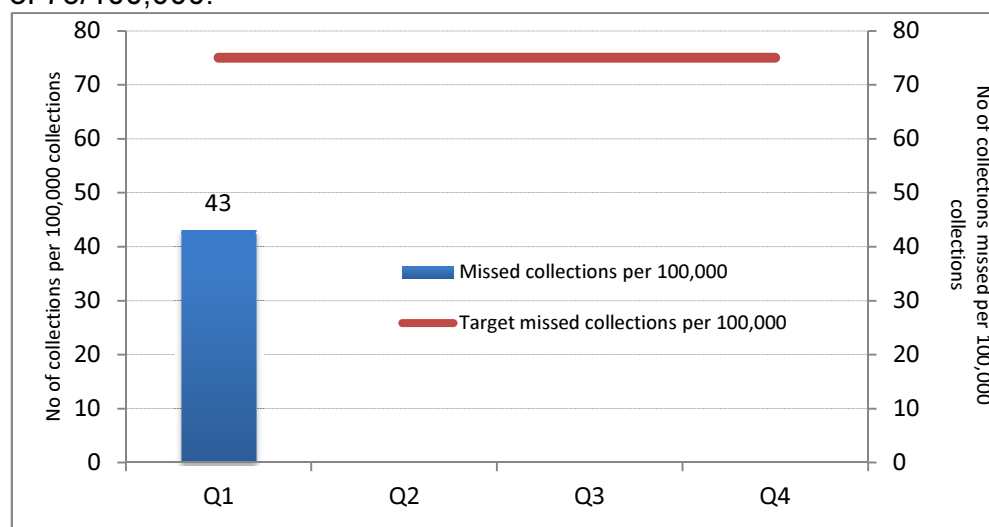
STAFF

- The Ansa staff intranet site (*AnsaNet*) has gone live.
- A series of *Ansa Newsletters* and special edition newsletters have been produced providing staff with key information and advice
- New H&S policies and H & S Forum adopted and Cllr Roger West is Board SHEQ champion.
- *Ansa Aces* – the company's staff recognition scheme has been developed
- Numerous staff stakeholder meetings have taken place ofocusing on various topics eg PPE, recognition and award schemes
- Small number of staff have been relocated to different offices.
- Employee Board representative agreed and working successfully with the Board
- Employee code of conduct developed and distributed

PERFORMANCE

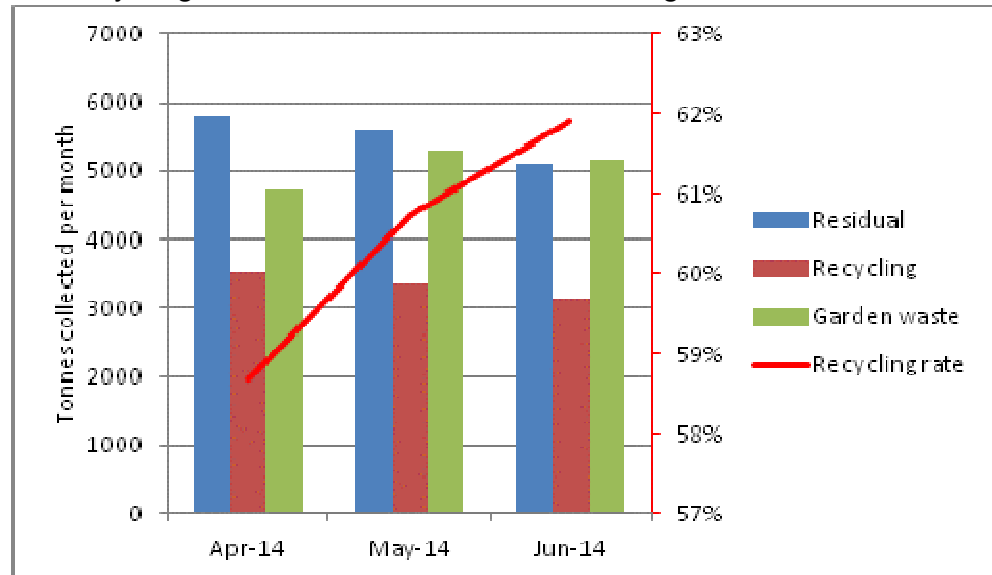
Missed collections

The proportion of collections completed as scheduled during Q1 is 99.957%. The number of collections missed in the first quarter was 43 per 100,000 (from a scheduled 3,081,372) – well below the target of 75/100,000.



Recycling performance – the graph below shows the quantity of household waste collected at the kerbside only and the corresponding recycling performance. Early indications show that CEC will exceed

the national recycling target of 50% of household waste sent for recycling, reuse and composting. Please note full household waste performance for Q1 will be reported in Q2 when all figures have been collated – these will be based on kerbside waste, household waste and recycling centre waste and street cleansing waste.

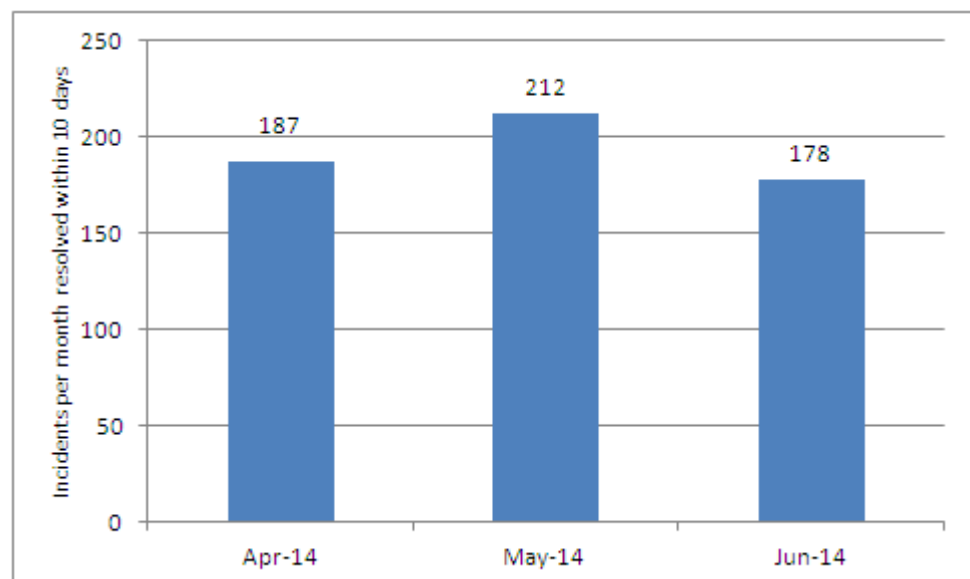


Waste to energy – around 38% of black bin waste that would have previously been sent to landfill was diverted to an energy from waste plant.

Fly tipping performance – in Q1 a total of 574 fly tipping incidents were responded to within 10 days.

Ansa continue to carry out Waste Awareness/Prevention activities which will seek to educate people to improve behaviours and will continue to respond to flytipping reports promptly to reduce risk of the problem escalating.

Work is ongoing to introduce system to collect additional data for more detailed monitoring of flytipping.



Waste Strategy – Ansa is actively supporting and contributing to the development of the Council's emerging Waste Strategy.

Maintain number of Green Flag Awards- Currently there are 4 sites within Ansa's control, currently we are awaiting the outcome of the national judging to see if our sites have retained this prestigious award.

FINANCIAL UPDATE- QUARTER 1

	Budget 2014-15 £'000	Bdgt to Date £'000	Actual to Date £'000	Var to Date £'000	Forecast 2014-15 £'000	Variance 2014-15 £'000
Sales	(28,827)	(5,961)	(5,523)	438	(28,826)	1
Cost of Sales	26,026	5,722	4,589	(1,133)	25,671	(355)
Gross Profit	(2,801)	(239)	(934)	(695)	(3,155)	(354)
Admin Exps	2801	691	476	(215)	3,082	281
Net Profit	0	452	(458)	(910)	(73)	(73)

The Ansa Environmental Services Ltd (Ansa Ltd) Profit & Loss Account as at the 30th June 2014 is attached to this report and a high level summary is shown above.

The Ansa Ltd Management Fee for 2014/15 is £27.2m and is net of annual policy savings of £1.3m, covering efficiency, contract and new company savings.

Based on information to June, the overall annual forecast for 2014/2015 is projecting a net profit of £73k before Tax. It should be noted however that actual income and expenditure to date (as at June 14) is low against profiled target/budget to date, due in part to financial activity in the first month/6 weeks being related to closing down old year accounts plus new business processes (ie: contract novation, bill-back arrangements) bedding in. Therefore the overall favourable annual forecast position is "*indicative*" at this early stage in the year.

Key Variances reflected in the annual forecast are:

- Employee costs- after taking account of unallocated employee savings targets of £148k, a net employee under-spend is reported of £113k, this is predominantly through vacancy management and delivery of planned employee related policy savings.
- Transport costs – Implementation of 20 new fleet vehicles into the Waste & Recycling services in July is reflecting a favourable annual forecast position for 2014-15 against transport costs. Projecting a £157k under-spend at this early stage of the year.
- Forecast spending across other headings is expected to be in line with target, the only exception reflected in the forecast to date

being an under-spend against premises costs of £24,500 (this relates to the delayed extension of the Waste Transfer Station-South).

- The net savings against Employees and Transport are offset in part by an unallocated non pay policy savings target of £201k. (resulting from the "gap" identified in the business case of £108k plus other business plan savings allocated)



**ANSA ENVIRONMENTAL SERVICES LTD
PROFIT & LOSS ACCOUNT AS AT 30th JUNE 2014**

BUSINESS UNIT: ANSA ENVIRONMENTAL SERVICES LTD	Annual Budget 2014-15 £	Budget To Date 2014-15 £	Actual To Date 2014-15 £	Variance To Date 2014-15 £	Commitments 2014-15 £	Annual Forecast 2014-15 £	Variance Forecast 2014-15 £	N o t e s
1. Reimbursements & Contributions	(60,100)	(15,025)	(40,799)	(25,774)		(60,100)	0	
2. Sales	(5,910)	(1,478)	(366)	1,112		(6,276)	(366)	
3. Fees & Charges	(1,203,520)	(194,507)	(257,302)	(62,795)		(1,201,917)	1,603	
4. Rents	(7,060)	(1,765)	(2,427)	(662)		(7,060)	0	
5. Other Income	(27,550,882)	(5,748,001)	(5,222,182)	525,819		(27,550,882)	0	**
SALES	(28,827,472)	(5,960,776)	(5,523,076)	437,700	0	(28,826,235)	1,237	
1. Direct Employees	8,768,033	2,192,008	1,915,053	(276,955)		8,554,270	(213,763)	
2. Direct Transport	4,452,827	1,643,935	878,472	(765,463)	3,727	4,295,578	(157,249)	***
3. Cost of Sales	12,805,663	1,885,738	1,795,308	(90,430)	7,410,564	12,821,815	16,152	
COST OF SALES	26,026,523	5,721,681	4,588,833	(1,132,848)	7,414,291	25,671,663	(354,860)	
GROSS PROFIT	(2,800,949)	(239,095)	(934,243)	(695,148)	7,414,291	(3,154,572)	(353,623)	
1. Indirect Costs - Employees	1,557,457	389,364	306,487	(82,877)	120	1,510,224	(47,233)	
2. Indirect Costs - Other Employee Exps	80,204	20,051	150	(19,901)	99	81,912	1,708	
3. Indirect Costs - Transport	28,510	7,128	3,420	(3,708)		30,598	2,088	
4. Indirect Costs - External Support	862,219	215,555	250	(215,305)	862,219	862,219	0	
5. Indirect Costs - Bank Charges	0	0	0	0		0	0	
6. Indirect Costs - Depreciation	0	0	0	0		0	0	
7. Indirect Costs - Taxation	0	0	0	0		0	0	
8. Indirect Costs - Finance Leases	0	0	0	0	250	0	0	
9. Indirect Costs - Prof fees Subscriptions & Lice	19,540	4,885	70	(4,815)	4,973	19,540	0	
10. Indirect Costs - Donations	1,080	270	0	(270)		1,080	0	
11. Indirect Costs - Insurance	6,000	6,000	0	(6,000)		0	(6,000)	
12. Indirect Costs - Advertising, Marketing & Ho	14,160	3,540	0	(3,540)	2,511	14,160	0	
13. Indirect Costs - Premises	309,068	77,267	98,270	21,003	329,167	284,568	(24,500)	
14. Indirect Costs - Hired & Contracted Services	291,930	72,983	21,224	(51,759)	103,641	298,137	6,207	
15. Indirect Costs - Clothing & Uniforms	2,900	725	605	(120)	2,762	3,000	100	
16. Indirect Costs - Printing & Stationary	11,780	2,945	202	(2,743)	50	9,180	(2,600)	
17. Indirect Costs - Telephones & Mobiles	6,080	1,520	0	(1,520)	0	6,080	0	
18. Indirect Costs - Postage	0	0	6	6	20	20	20	
19. Indirect Costs - Other Exps	3,350	838	164	(674)	0	4,700	1,350	
20. Indirect Costs - Equipment & Materials	(176,197)	(57,912)	30,522	88,434	0	25,333	201,530	
21. Indirect Costs - ICT/Communications	34,080	8,520	14,211	5,691	3,475	34,080	0	
22. Indirect Costs - Accounting Adjustments	(251,212)	(62,803)	0	62,803	0	(103,102)	148,110	
ADMINISTRATIVE EXPENSES	2,800,949	690,876	475,581	(215,295)	1,309,287	3,081,729	280,780	
1. Other Costs	0	0	0	0	0	0	0	
OTHER COSTS	0	0	0	0	0	0	0	
OPERATING (PROFIT)/LOSS (BEFORE INTEREST, T	0	451,781	(458,662)	(910,443)	8,723,578	(72,843)	(72,843)	

*NOTE: Excludes Premises costs (Assets), Capital Charges

** NOTE: Includes Management Fee: Agreed £27,199,769 + £96,663 re closed Landfil Sites to be amended/included in Mgt Fee

*** NOTE: Internal Fleet Recharges have been excluded for presentation against "5. Other Income" and "2.Direct Transport"