

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cultural Services and Sport Delegated Powers Meeting
2.	Date:	9th March, 2010
3.	Title:	January Revenue Budget Monitoring Report
4.	Directorate:	Environment and Development Services

5. Summary

To report on performance against the revenue budget for the Environment and Development Services Directorate as at **the end of January 2010** and to provide a forecast outturn for the whole of the 2009/10 financial year.

6. Recommendations

That Members note the current forecast year end outturn position of an overspend of £259,000 for the Environment & Development Services Directorate based on expenditure and income as at January 2010 and forecast expenditure and income to 31st March 2010.

That this report be referred to the Regeneration Scrutiny Panel for information.

7. Proposals and Details

Members are asked to receive and comment upon budget monitoring reports on a monthly basis from May onwards. This report reflects the position against budget for the period 1 April 2009 to 31 January 2010. The attached **appendices** give a summary of the projected 2009/10 revenue position for the Directorate;

Appendix A – E&DS Summary Report.

Appendix A1 to A5 – Service Level Summary Report.

Following the January cycle of budget monitoring the Directorate has identified that it is likely to incur an overspend of £259,000 (0.57%) against its total net revenue budget of £45,557,387. However, all possible actions to mitigate this are being taken.

The key pressures contributing to this position are :

- Under recovery of income due to a reduced number of planning applications
- Flood related costs (June 2009)
- Under recovery of income on the Parking Budget
- Winter maintenance pressures

Asset Management (£4k-)

The Service Director has worked to mitigate pressures within the Asset Management by offering savings on repairs and maintenance by only undertaking essential works, plus savings across the rest of the Service generated by an imposed moratorium on non pay budgets (Appendix A). All costs currently charged to the Land and Property Bank are being absorbed within this Service. The costs are unbudgeted and would normally be funded by de-minimus capital receipts, however, there have been no receipts in year to fund this expenditure. (Please refer to the section 9 for more details on this).

Business Unit (£117k-)

The Business Unit is effectively managing vacant posts (£90k saving), but has a small overspend (£20k) within Performance and Quality and has imposed a moratorium on the uncommitted Training budget (£47k) to mitigate the Directorate forecast overspend by £117k in 2009/10.

Culture and Leisure (£21k-)

Pressures within Culture and Heritage include staffing costs in Theatres (£38k) and the payment for SY Archives (£15k) these pressures are being offset by an underspend on staffing in Museums (£50k).

Pressures within Sports and Recreation include solicitor costs (£18k), operational costs at the Stadium (£35k), unrecovered debts (£64k), loss of income within Countryside budgets (£30k) but the delay in opening Clifton Park is partially offsetting these pressures (£59k-), as are savings in pay across the service area (£36k-).

The Service continues to work towards establishing the financial position of the Clifton Park Restoration Project. The Service is taking legal advice with regard to payments either due or from the Administrator dependant of the results of the assessment being carried out by the Quantity Surveyor. This is expected March 2009. However, additional costs have already been incurred for site security and fees as a result of UCS Civils leaving the site (£60k+).

Overall Libraries are forecasting an underspend (£51k-) and pressures within Libraries management are being offset by staff vacancies, materials fund savings and an expected reduction RBT charges (£39k-). The Service is continuing to work to achieve the savings offered in the 2009/10 budget.

Additionally, unbudgeted security costs at Ulley Reservoir (£27k) have been incurred.

A proposal has been made to offer part of the Museum Insurance monies post Floods 2007 to mitigate pressures within EDS Services (£100k-). A detailed report will be presented to Cabinet Member Cultural Services, outlining the risks of this proposal.

Planning and Regeneration (£400k+)

The key pressures for this Service are due to a continuing decline in planning applications. The projected income under-recovery is £590k. The Housing Planning Delivery Grant allocation has now been declared, and is lower than anticipated but is contributing (£96k-) to help offset the Service pressure of £470k. Other pressures within the service exist, £55k relating to the Mapping Systems, these are being offset by non recruitment to some posts (£21k-), and increased activity resulting in additional fee income from the LTP (£61k-). Work is continuing on a restructure of this service, though any savings will not be deliverable until the next financial year.

Streetpride (£0k)

There are some pressures being reported across Streetpride which include a shortfall on income within Parking (£109k), and energy costs on Street Lighting (£49k). Costs of £80k have been identified by Streetpride relating to the localised floods, which are unbudgeted. Some savings have been identified within Waste (£323k-) due to new contractual arrangements to help mitigate the pressures in this service. Analysis is shown on Appendix A – 5.

As a result of the recent severe winter weather, the Streetpride service are expecting that by the financial year end 90 gritting runs will have been delivered, but it is not possible to be certain on this. Current projections indicate a spend of £850k. The current revenue budget available for Winter Maintenance is £565,554 based on requirements for a milder Winter. A detailed report will be submitted outlining the types of work undertaken. The workforce will always be used to respond as required, and therefore, there can be additional daytime activity which will create a financial pressure. It is recommended that the Cabinet Member supports using the full amount of the Winter Maintenance Reserve as this Winter to date has been exceptional and would be classified as severe. If this is acceptable, the Reserve will be

depleted and its position will be need to be reviewed for future years. This budget will be regularly updated, and any changes reported.

Members have requested details of Agency and Consultancy spend to be included in Budget Monitoring reports. These costs are included in the overall Directorate forecast outturn position.

Table 1 : EDS Agency Spend For the Period : April to January 2010

Month	On Contract	Off Contract	Total
	£	£	£
April	23,114	14,360	37,474
May	44,426	15,324	59,750
June	61,594	24,318	85,912
July	56,717	35,684	92,401
August	36,467	19,357	55,824
September	73,054	25,423	98,477
October	59,650	23,478	83,128
November	70,972	33,588	104,560
December	43,153	10,511	53,664
January	95,374	21,281	116,655
Total	564,521	223,322	787,843

Table 2 : EDS Agency Spend Analysed By Expenditure Type For The Period :April to January 2010

	On Contract	Off Contract	Total
	£	£	£
Capital	48,478	0	48,478
Revenue	235,446	2,340	237,786
Trading	280,597	220,982	501,579
Total	564,521	223,322	787.843

The details for Consultancy spend will be provided from 2010/11, as the new arrangements were started part year, so the current data does not provide meaningful comparisons.

8. Finance

Please refer to the attached appendices for detailed financial analysis. The Directorate will continue to review its planned expenditure and identify and implement management actions to help mitigate the forecast overspend. The Directorate is now operating with an imposed a moratorium on all uncommitted, non-essential non-pay budgets in addition to the strict vacancy management arrangements already in place.

9. Risks and Uncertainties

The overall Directorate budget currently shows a projected overspend of £259,000. The Service continues to work to mitigate known pressures around Office Accommodation, the Land and Property Bank, and work is continuing

to determine the current position relating to Clifton Park, the findings were expected by the end of February, but an extension to this date has been requested.

It is now expected that the Winter Maintenance Reserve will be required in full (£154k) to partially offset the overspend, a result of the recent severe winter weather. A risk is also attached to the non use of Insurance monies relating to the Museum, and report to Cabinet Member, Cultural Services will present these risks, To date the reported position has reflected a combination of cost pressures partially being compensated for by savings/additional income being generated across the Service. The Strategic Director of Environment and Development Services and Cabinet Member have determined this is an acceptable way of balancing the budget in accordance with Financial Regulation Virement Note Section 11, without the need for implementing virement.

10. Policy and Performance Agenda Implications

Directorate budgets are aligned only to corporate priorities and spending within the agreed Directorate cash allocation is key to demonstrate the efficient Use of Resources.

11. Background Papers and Consultation

This is the ninth budget monitoring report for the Directorate for 2009/10 and reflects the position from April 2009 to January 2009. This report has been discussed with the Strategic Directors of Environment and Development Services and Finance.

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