

CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS

**Venue: Town Hall,
Moorgate Street,
Rotherham. S60 2TH**

Date: Monday, 4th November, 2013

Time: 10.00 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested, in accordance with the Local Government Act 1972 (as amended March 2006).
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Minutes of meeting held on 2nd September, 2013
- See Minute book dated 23rd October, 2013 (pages 7J-9J)
4. Petition - Parking at Shafesbury House (Page 1)
5. Neighbourhoods General Fund Revenue Budget Monitoring 2013-14 (Pages 2 - 5)
6. Housing Revenue Account Budget Monitoring 2013-14 (Pages 6 - 12)
7. Exclusion of the Press and Public
Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 2 of Part I of Schedule 12A to the Local Government Act 1972 (information which is likely to reveal the identity of an individual).
8. Introductory Tenancy Review Panel (Pages 13 - 17)
(Exempt under Paragraph 2 of the Act - information likely to reveal the identity of an individual)

SHAFTESBURY HOUSE – PARKING PERMITS

“Many residents have purchased several fobs for their children to have parking access to see their aged parents which has worked very well until a survey brought chaos to us all. We feel that most of the residents were unaware that it would affect them so badly or even in anyway at all. On realising the full scale of the situation they have now signed a petition in favour of no parking permits.”

Signed by 45 residents.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 4 November 2013
3.	Title:	Neighbourhoods General Fund Revenue Budget Monitoring 2013-14
4.	Directorate:	Neighbourhoods and Adult Social Services

5. Summary

This Budget Monitoring Report provides a financial forecast for Neighbourhoods General Fund within the Neighbourhoods & Adult Services Directorate to the end of March 2014 based on actual income and expenditure for the six month period ending September 2013.

The forecast for the financial year 2013/14 is an overall forecast under spend of (-£104k) against an approved net revenue budget of £2.463m.

6. Recommendation

That the Cabinet Member receives and notes the latest financial projection against budget for 2013/14.

7. Proposals and Details

The table below shows the summary forecast outturn position against the approved Net Revenue Budgets:-

SERVICE AREA	Net Budget	Forecast Outturn	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Safer Neighbourhoods	1,202	1,216	+14	+1.16
Business Regulation	207	171	-36	-17.39
Housing & Communities	265	234	-31	-11.69
Strategic Housing & Investment	188	194	+6	+3.19
Housing Options	289	240	-49	-16.95
Central	312	304	-8	-2.56
TOTALS	2,463	2,359	-104	-4.22

The main variations against budget can be summarised as follows:-

7.1 Safer Neighbourhoods (+£14k)

The main budget pressure is in respect of staffing cost pressures due to lower than expected staff turnover within Community Protection. Savings are being made through vacancy management but there is also a pressure on income due to reduced Environmental Protection Act (EPA) applications, leaving a forecast under spend of -£8k. Also, statutory Health and Safety work on Landfill Sites is resulting in a forecast overspend of £22k.

7.2 Business Regulation (-£36k)

Overall Business Regulation is projecting an under spend of -£36k. Pressures on staffing costs within Health and Safety, Food and Drugs and Animal Health budgets are being offset by additional income from Dignity contract and savings within Trading Standards due to continued vacant posts.

7.3 Housing & Communities (-£31k)

This service area is projecting an overall under spend of -£31k.

This consists of projected under spends both within Area Assemblies and supplies and Services budgets (-£17k) as a result of the Council wide moratorium on non-essential spend, which is partially reduced by a small over spend on Anti Social Behaviour due to lower than expected staff turnover (+£4k).

The under spend includes -£18k within Community Leadership Fund relating to Members Annual budgets which is likely to be requested as an earmarked balance for carry forward at the year end.

7.4 Strategic Housing & Investment Service - SHIS (+£6k)

The SHIS team budget has an overall pressure of +£6k as a result of a small shortfall on the staffing budget.

7.5 Housing Options (-£49k)

This area is projecting an overall under spend of -£49k. This includes a -£62k projected under spend on the Dispersed Units Trading Account which will be requested as an earmarked balance to be carried forward at year end to support the ongoing refurbishment programme for these units.

There are small savings of -£3k on Transport and Supplies and Services within the Private Sector Adaptations Service, and a projected over spend of £16k on the Key Choices Property Management Service as a result of lower than anticipated income.

7.6 Central (-£8k)

A small under spend is forecast due to savings on supplies and services.

7.7 Agency & Consultancy

To date there is no spend on either Agency or Consultancy within Neighbourhoods General Fund Budgets.

8. Finance

The financial implications for each service area have been outlined in Section 7 above.

9. Risks and Uncertainties

These forecasts are based on financial performance to the end of September 2013. The forecast outturn is dependent on delivery of planned management actions being achieved and thus effective and tight financial management practices remain essential including holding monthly budget clinics with the Service Director and senior managers.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2013 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

- Report to Cabinet 20 February 2013 – Proposed Revenue Budget & Council Tax 2013/14.

The content of this report has been discussed with the Director of Housing and Neighbourhoods and the Director of Finance.

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ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 4 November 2013
3.	Title:	Housing Revenue Account Budget Monitoring Report 2013/14
4.	Directorate:	Neighbourhoods and Adult Services

5. Summary

This budget monitoring report presents the forecast outturn position on the 2013/14 Housing Revenue Account (HRA) based upon actual income and expenditure to the end of September 2013.

The overall forecast is that the HRA will outturn on budget with a transfer from working balance (reserves) of £1.912m which is a reduction of £687k against the approved budget.

6. Recommendations

- **That the Cabinet Member receives and notes the latest financial projection against budget for 2013/14.**

7. Proposals and Details

- 7.1** This budget report is based upon actual income, expenditure and known commitments as at the end of September 2013 forecast to the end of the financial year to give a projected outturn position, compared to budget.
- 7.2** Appendix A of this report provides the Budget Operating Statement for 2013/14 which shows the various income and expenditure budget lines which make up the net cost of delivering the service. The latest forecast net cost of service is £6.302m which, together with Revenue Contribution to Capital (RCCO) costs of £8.437m and interest received (-£25k) will result in an overall deficit of £1.912m to be transferred from Working Balance.
- 7.3** Within the Operating Statement are several budget heads which are either year end adjustments (for example debt management costs £222k) or are subject to external influence and therefore outside direct control (for example cost of capital charges £14.602m).
- 7.4** Budget Monitoring is therefore mainly focussed upon expenditure and income which is within control, i.e. income of £78.904m, the repair and maintenance budget of £17.996m and supervision and management of £20.065m. Other budget heads as seen within Appendix A are currently being forecast to outturn in line with budget.

7.5 Budget Monitoring

- 7.5.1** Appendix A, column B demonstrates the projected outturn based upon activity to the end of September 2013.
- 7.5.2** Overall it can be seen that the net cost of service (before RCCO and interest received) is forecast to be £6.500m, a surplus of £687k as shown in the table below.

	Budget £000	Forecast £000	Variance £000
Expenditure	73,090	72,858	-232
Income	-78,903	-79,358	-455
Net Cost of Service	-5,813	-6,500	-687

- 7.5.3** Several of the budget lines within income and expenditure are forecasting to outturn with a variance to budget. The table below highlights these budgets

	Budget £000	Forecast £000	Variance £000
Expenditure:			
Supervision and Management	20,065	20,033	-32
Cost of Capital Charge	14,602	14,402	-200
Income:			
Dwelling Rents	-74,245	-74,330	-85
Non Dwelling Rents	-792	-799	-7
Charges for Services	-3,602	-3,883	-281
Other Fees and Charges	-214	-296	-82
Net Variance			-687

7.5.4 It can be seen that there is a forecast under spend on both income and expenditure budgets.

7.5.5 The balance of this report will focus on the main variations to budget.

7.6 Expenditure

Column B of Appendix A demonstrates that based upon expenditure and commitments to date, total expenditure is forecast to outturn at £72.858m compared to a budget provision of £73.090m, a decrease in spend of £232k. The main variations are as follows:

7.6.1 Contributions to Housing Repairs

Appendix A demonstrates that the forecast year-end spend on Repairs and Maintenance is currently forecasting to budget at £17.996m.

7.6.2 The empty homes budget is difficult to forecast as this is a very responsive service. The original budget has been set around an estimated 1,500 minor voids in year. At the end of quarter 2 there were 123 more completions than budgeted. The main reason for the increase was an increase in the number of evictions and the impact of the Welfare Reform as more tenants requested a transfer to smaller properties.

Within the Housing Repairs budgets there is an overall forecast overspend at this stage on cyclical works mainly around fixed wire testing and gas servicing together with an increase in responsive

repairs. However, this is offset by forecast under spends within Planned works budgets.

7.6.3 Supervision and Management

Column B of Appendix A demonstrates that based upon expenditure and commitment to date, total expenditure is forecast to outturn at £20.033m, a forecast overall minor under spend of £32k.

The main variance is mainly due to lower than expected staff turnover including slippage in implementing the review of structures across a number of teams. There has also been a transfer to the Furnished Homes reserve due to additional income as more clients use the scheme (see paragraph 7.7.3).

7.6.4 Cost of Capital Charge

This latest forecast cost of capital charge is £200k less than budgeted due to lower than anticipated interest rates.

7.7 Income

7.7.1 Column B of Appendix A shows that based upon income received to date the total forecast income collectable is £79.358m an increase of £455k above the approved budget of £78.903m.

7.7.2 Dwelling rental income is projected to over recover by £85k, after allowing for 2% loss of income. Non-dwelling rents are also forecasted to slightly over recover against budget by £6k due to additional income from garage sites.

7.7.3 Income from charges for services and facilities are forecasting an outturn of £3.883m, an over recovery of income of £281k. This is mainly due to additional income on Furnished Homes (£300k) due to increase in number of clients. However, there is a forecast under recovery of income from clients using Sheltered Neighbourhood Centres services as tenants opting out of the laundry charge due to having their own facilities and more than anticipated level of voids on District Heating schemes resulting in a slight under recovery of income.

7.7.4 Other fees and charges is forecasting an over recovery of income of £82k against budget, which includes additional unbudgeted income in respect of the sale of Tenants contents insurance, recovery of court costs and income from utility companies for the use of solar panels.

7.8 Summary

In summary it can be seen in foregoing paragraphs 7.6 and 7.7 that the variance to budget of £687k when comparing the forecast net cost of service against the budget of £5.813m is due mainly to variances within

the supervision and management and cost of capital together with an over recovery of income.

8. Finance

Impact on Working Balance - The report identifies that any deficit or surplus arising from the net cost of service will be transferred to the Working Balance which is reflected through the Appropriations section of the Operating Statement at Appendix A. Any forecast increase/decrease will be added to the budgeted sum shown under transfer to reserves.

Based upon the current forecast out-turn position on the net cost of service, the forecast transfer from balances will reduce from £2.599m up to £1.912m, a reduction of £687k. The reduction in contribution from reserves is mainly a result of an increase in the level of income anticipated together with lower than forecast borrowing costs.

9. Risks and Uncertainties

- **Inflation – Non Contractual** –The 2013/14 budget was formulated around an inflation assumption of nil (except on utilities); if inflation rises costs may exceed budget provision. It should be noted that the inflationary increase on the repair and maintenance contract is locked in for the financial year at 2.6 % and this has been provided for within the budget set.
Mitigation: Ongoing monitoring
- **Vacancy Factor**
Salaries budgets assume various levels of vacancies. If vacancies do not arise this could lead to salary costs in excess of budget.
Mitigation: In depth monitoring and forecasting of salary budgets.
- **Repair and Maintenance Voids.** Whilst the current empty home forecast is considered to be a prudent projection based upon 1,500 minor voids, it should be noted that the final number of voids received and completed in year could change. Any change in numbers or values will impact on expenditure.
Mitigation: Ongoing monitoring and triangulation with contractors. Any forecast increase in expenditure will be offset by a reduction in planned revenue works.
- **Rental Income**
Net rental income has been calculated on the basis of 2% void loss. Any increase / decrease on the actual levels of voids will impact on the level of income achieved.
Mitigation: Ongoing monitoring.

- **Impairment of Fixed Assets**

HRA Self Financing legislation has resulted in the costs of impairment/revaluation of non-dwellings becoming a real charge to be met by the HRA. This figure cannot be calculated until year end after the asset register has been fully updated. In 2012-13 the impairment charge was £646k.

Mitigation: Action is being taken to review the management of expenditure on non-dwellings assets to minimise the risk of impairment charges to the HRA. Advice is also being obtained via CIPFA as this is a real issue affecting many other local authorities.

10. Policy and Performance Agenda Implications

10.1 The HRA supports the new Corporate Plan Priorities and is central to the long term strategy:

- Making sure no community is left behind.
- Helping to create safe and healthy communities.
- Improving the environment.

11. Background Papers and Consultation

- Budget and Council Tax Setting Report (2013/14) to Cabinet February 2013
- Director of Finance and Director of Housing and Neighbourhood Services have been consulted on the preparation of this report.

Contact Name:

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Housing Revenue Account - Budget Operating Statement 2013-14

Narrative	2013/14 Full Year Budget £	2013/14 Forecast Out-turn £	Variance £
<u>Expenditure</u>			
Contributions to Housing Repairs Account	17,996,000	17,996,000	0
Supervision and Management	20,065,000	20,032,509	-32,491
Rents, Rates, Taxes etc.	174,000	174,000	0
Provision for Bad Debts	742,500	742,500	0
Cost of capital Charge	14,602,200	14,402,200	-200,000
Depreciation of Fixed Assets	19,288,734	19,288,734	0
Deferred Charges	0	0	0
Impairment of Fixed Assets	0	0	0
Debt Management Costs	222,000	222,000	0
Expenditure	73,090,434	72,857,943	-232,491
<u>Income</u>			
Dwelling Rents	-74,245,061	-74,329,767	-84,706
Non-dwelling Rents	-792,280	-798,852	-6,572
Charges for Services and facilities	-3,601,649	-3,882,730	-281,081
Other fees and charges	-213,800	-296,029	-82,229
Contribution to Expenditure	0	0	0
Leaseholder Income	-50,910	-50,910	0
Income	-78,903,700	-79,358,288	-454,588
Net Cost of Services	-5,813,266	-6,500,345	-687,079
Amortised premia - Debt redemption	0	0	0
Interest received	-25,000	-25,000	0
Net Operating Expenditure	-5,838,266	-6,525,345	-687,079
Appropriations:			
Transfer from Capital Finance Account- Deferred	0	0	0
Revenue Contributions to Capital Outlay	8,437,000	8,437,000	0
Transfer from Capital Finance Account- Impairment	0	0	0
Transfer from Major Repairs Reserve	0	0	0
Transfer to Reserves	-2,598,734	-1,911,655	687,079
Surplus/Deficit for the year	0	0	0

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