

**JOINT MEETING - CABINET MEMBER FOR ECONOMIC DEVELOPMENT,
PLANNING AND TRANSPORTATION AND THE CABINET MEMBER FOR
STREETPRIDE SERVICES**

**Venue: *Management Meeting
Room, 2nd Floor, Bailey
House, Rawmarsh Road,
ROTHERHAM. S60 1TD**

Date: Monday, 1st February, 2010

Time: 10.00 a.m.

*please note the venue for this meeting

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested in accordance with Part 1 of Schedule 12A (as amended March 2006) to the Local Government Act 1972.
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. Revenue Budget Monitoring - April to December, 2009. (report attached)
(Pages 1 - 11)
Fiona Earl, Acting Finance Manager, to report.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Economic Development, Planning and Transportation and the Cabinet Member for Streetpride Services Delegated Powers Meeting
2.	Date:	1st February, 2010
3.	Title:	December 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 December 2009** and to provide a forecast outturn for the whole of the 2009/10 financial year.

6. Recommendations

(1) That Members note the current forecast year end outturn position of **an overspend of £227,000** for the Environment & Development Services Directorate based on expenditure and income as at December 2009 and forecast expenditure and income to 31st March 2010.

(2) 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 December 2009. 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 December cycle of budget monitoring the Directorate has identified that it is likely to incur an overspend of £227,000 (0.495%) against its total net revenue budget of £45,797,387. 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

Asset Management (£22k-)

Non recovery of income for School Crossing Patrol (£79k), is being offset by savings on repairs and maintenance (£20k-) by only undertaking essential works, plus savings across the rest of the Service generated by an imposed moratorium on non pay budgets, and detailed in Appendix A-1.

Business Unit (£100k-)

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 (£30k) to mitigate the Directorate forecast overspend by £100k in 2009/10.

Culture and Leisure (£121k-)

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 at Country Parks (£30k) but the delay in opening Clifton Park is partially offsetting these pressures (£50k-).

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 has not been confirmed at this stage. However, additional costs have already

been incurred for site security as a result of UCS Civils leaving the site (£50k+)

Overall Libraries are forecasting an underspend (£22k-) and pressures within Libraries management are being offset by staff vacancies, book 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 decision has been taken corporately to offer part of the Insurance monies post Floods 2007 to mitigate pressures within EDS Services (£200k-).

Planning and Regeneration (£521k+)

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 (£57k-). Work is continuing in a restructure of this service, though it is unlikely to yield any savings in this financial year.

Streetpride (£52k-)

There are some pressures being reported across Streetpride which include a shortfall on income within Parking (£105k), energy costs on Street Lighting (£49k), and within Street Cleansing (£19k). Costs have been identified by Streetpride relating to the localised floods, as £65k which are unbudgeted and within Drainage a £30k pressure is being reported. Some savings have been identified within Waste (£272k-) 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 has undertaken 16 gritting runs above the expected level at this time. It is still expected further runs will be required by the financial year end, and this could further exceed the expected levels, but it is not possible to be certain on this. The current revenue budget available for Winter Maintenance is £565,554 and is assessed as being for a milder Winter. This budget will be fully utilised, and current projections are that this budget will be overspent by £145,000. It is therefore, advised that the Cabinet Member supports using the amount of the overspend (currently £145k) from 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 almost 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 December 2009

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
Total	469,147	202,041	671,188

Table 2 : EDS Agency Spend Analysed By Expenditure Type For The Period :April to December 2009

	On Contract	Off Contract	Total
	£	£	£
Capital	37,315	0	37,315
Revenue	204,252	2,340	206,592
Trading	227,580	199,701	427,281
Total	469,147	202,041	671,188

The details for Consultancy spend will now 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 has now 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 £227,000. The Service continues to work to mitigate known pressures around Office Accommodation on Reresby House and Maltby Joint Service Centre and the Land and Property Bank, which is under considerable pressure due to a number of buildings being closed and the costs being transferred. Also, work is ongoing to determine the current position relating to Clifton Park. It should also be noted that the Winter Maintenance Reserve will be almost

depleted as a result of the recent severe winter weather. A risk is also attached to the non use of Insurance monies relating to the Museum. 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 eighth budget monitoring report for the Directorate for 2009/10 and reflects the position from April 2009 to December 2009. This report has been discussed with the Strategic Directors of Environment and Development Services and Finance.

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REASONS FOR VARIANCE FROM APPROVED BUDGET (Based on available information as at end December 2010)

Service	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status
Asset Management	-22	Due to the downturns in workload, surpluses above the original trading targets are unlikely to be achieved, though Service are endeavouring to deliver on this.	A			G
Business Unit	-100	Identified savings due to freeze on recruitment and a moratorium on spend.	G			G
Culture & Leisure	-121	The key pressures are within Recreation and Sport (£92k) relates to security costs at Ulley post June 2007 Floods and loss of income on TCP café due to refurbishment, these are being offset by saving	G	A report will be taken to Cabinet Member on the use of the Insurance monies.		G
Planning & Regeneration Service	521	The pressure within this Service Area is generally due to an under recovery of income due to a reduced number of application fees.	A	This has been highlighted as a key pressure throughout 2009/10 and has been put forward for investment in 2010/11.		G
Streetpride	-52	The key pressures within Streetpride are Flood Related costs, under recovery of income for Parking. There are other pressures within Drainage, Street Lighting and Grounds Maintenance which are being offset by savings within Waste.	G	That the overspend on Winter Maintenance (£145k+) will require the full amount of the Winter Reserve to be drawn down, and the balance of the pressure will need to be contained within the Streetpride Budget.	There will be no balance left in the Reserve for future years, and a strategic decision on how this is addressed will need to be resolved urgently.	A
TOTAL	227					A

REASONS FOR VARIANCE FROM APPROVED BUDGET (Based on available information as at end December 2010)

Asset Management	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status
Management	56	Shortfall on achieving the vacancy factor	G	No action required.		
Building Cleaning	-25	Nil variance at this stage in the financial year	G	No action required.		
Public Conveniences (All Saints)	5	Nil variance at this stage in the financial year	G	No action required.		
Caretakers	0	Savings as a result of the moratorium on spend .	G	No action required.		
Bailey Suite	5	Shortfall on income budgets, due to use of bailey Suite for Members meetings	A	No action required.		
School Crossing Patrol	79	The proposed saving £78,700 is not deliverable. Potential to implement 2010/11	R	No action available to reduce		
Education Premises	0	Nil variance at this stage in the financial year	G	No action required.		
Office Accommodation	-20	Reduced repairs and maintenance costs, work undertaken now essential work only.	G	No action required.		
Community Buildings	0	Nil variance at this stage in the financial year	G	No action required.		
Facilities Management	-74	Increased income as a result of managing new premises for NAS.	G	No action required.		
Swinton District Heating	12	Loss of the swimming pool at Swinton will result in an income shortfall	G	A review of the charges to the remaining premises is being undertaken		
Emergency and Safety	0	Nil variance at this stage in the financial year	G	No action required.		
Environmental Management	0	Nil variance at this stage in the financial year	G	No action required.		
Strategic Property	-30	Savings as a result of the moratorium on spend and reduced legal charges.	G	No action required.		
Miscellaneous Properties	0	Nil variance at this stage in the financial year	G	No action required.		
Transport	0	Nil variance at this stage in the financial year	G	No action required.		
Misc. Fee Accounts	0	Nil variance at this stage in the financial year	G	No action required.		
Fee Billing - Consultancy Management	0	Nil variance at this stage in the financial year	G	No action required.		G
*Valuation Group (Fee Billing)	0	Nil variance at this stage in the financial year	G	No action required.		
*Commercial Properties	-30	Savings as a result of the moratorium on spend and reduced legal charges.	G	No action required.		
TOTAL	-22					

REASONS FOR VARIANCE FROM APPROVED BUDGET (Based on available information as at end December 2010)

Business Unit	Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status
Business Support and Central Admin	-90	Identified savings due to freeze on recruitment	G	No action required.		
Plan Printing	0	Nil variance at this stage in the financial year	G	No action required.		
Payments to RBT	0	Nil variance at this stage in the financial year.	G	No action required.		
Management	0	Nil variance at this stage in the financial year.	G	No action required.		
Corporate Account	0	Nil variance at this stage in the financial year.	G	No action required.		
Performance & Quality	20	A delay in implementing the proposed staffing restructure has resulted in the overspend	R			
Training	-30	Moratorium on spend	G	No action required.		
TOTAL	-100					

REASONS FOR VARIANCE FROM APPROVED BUDGET (Based on available information as at end December 2010)

Culture & Leisure Services	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status
Culture & Heritage	3	There are pressure in Theatres due to staffing (£38K), and (£15k) for SY Archives which are being offset to some degree by an underspend in Museums due to staff vacancies (£50k).	G	No action required.		
Library Service	-22	This reflects a net underspend across Permanent Lending Libraries and Mobile Libraries	G	No action required.		G
Recreation & Sport	92	The key pressures are Halliwells re: sledging incident (£18k), Stadium (£35K), Enterprise (£64K), and loss of income Country Parks (£30) offset to some degree by underspend on Clifton Park delayed opening (£50K)	A	Review of Grounds Maintenance charges, potential to reduce when service transfers from Ringway to RMBC.		A
Tourism	9	Subscription to Welcome to Yorkshire	A	No action required.		G
Service Management & Support	-79	There are overspends within this area due to savings offered for 2009/10 which are being offset by savings made due to staff vacancies and within the Book Fund,	G	A report will need to be produced for delegated powers relating to the use of the Book Fund.		G
Post Flood work 2007	27	Actual costs for security Ulley (April - June) no funding available.	A	Consider under proposed Capital spend for rehabilitation of Ulley Reservoir, and absorb early year costs across the Service		G
Clifton Park Contract	50	Expected costs from UCS Civils re Clifton Park contract	A	Costs to be affirmed		
Libraries Insurance Fund	-200	A proposal has been put forward to use part of the Insurance monies, and offer part as a saving to mitigate pressures within EDS Services.	A	A report will be taken to Cabinet member for Cultural Services and Sport in February seeking approval for this proposal		G
TOTAL	-121					

REASONS FOR VARIANCE FROM APPROVED BUDGET (Based on available information as at end December 2010)

	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status
Planning & Regeneration Service						
Business Development	0	Nil variance at this stage in the financial year	G	No action required.		
Development Promotion	0	Nil variance at this stage in the financial year	G	No action required.		
YES Project	0	Nil variance at this stage in the financial year	G	No action required.		
Economic Strategy	-21	Not currently recruiting to vacant posts	G	No action required.		
Work Implementation	0		G	No action required.		
Managed Workspace (Business Centres)	0	Nil variance at this stage in the financial year	G	No action required.		
RERF	0	Nil variance at this stage in the financial year	G	No action required.		
Town Centre Mgt	-11	Savings as a result of the moratorium on spend .	G	No action required.		
Markets	25	Income shortfall due to an increasing number of vacant units.	G	No action required.		
Forward Planning	0	Nil variance at this stage in the financial year	G	No action required.		
Management	0	Nil variance at this stage in the financial year	G	No action required.		
Land Charges	55	Unable to implement charges for OS Mapping (£70k) partially offset due to slightly increased income.	R	To be offset with in year savings across the service		G
Development Control	590	Income shortfall due to reduced of applications	R	Further review required. Budget was realigned based on last years actuals, reduction in income target of £650k. However, the economic climate is indicating a continued downturn.		
Housing Planning Delivery Grant (HPDG)	-96	To offset OS Mapping shortfall and partially offset the under recovery of income in DC	G	To offset OS Mapping shortfall		G
Building Control	36	Income shortfall due to reduced of applications	A	No action required.		
Transportation	-57	Increased fee income being generated from LTP schemes	G	No action required.		
TOTAL	521					

REASONS FOR VARIANCE FROM APPROVED BUDGET (Based on available information as at end December 2010)

Streetpride	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status
Community Delivery Teams	40	A recent assessment of Street Cleansing has highlighted further charges (£13k) above budget are expected, further analysis of Fly Tipping has shown an additional pressure (£9k), re waste Disposal Costs, and additional costs are being charged to the Grounds Maintenance (£7k) budget relating to damaged equipment. There have been additional procurement charges from RBT (£11k).	G	Review charging procedures to improve projections for 2009/10	That full year charges are containable within the 2009/10 budget	G
Network Management	68	The main pressures remain under recovery of income within the Parking Budget, and energy costs within Street Lighting (£49K+). Some savings have been made in Design and Contract Management, Drainage and Streetworks which are contributing to reduce the overall overspend	A	Analysis of the income recovery for parking suggests there has been minimum impact other than at the Civic/Norfolk site where people are taking opportunity of the 'free' parking. A half year review of Service may allow for budget transfer within Streetpride, to realign the budget to the pressures for 2009/10.	Assess the outcomes and report to Cabinet Member and CMT.	G
Schemes & Partnerships	0	Nil variance at this stage in the financial year	G	No action required.	Nil variance	G
Waste disposal and collection	-273	Savings have been identified within the Household waste budget on transport costs and within the Recycling budgets (£100k-) Additional income is projected, and reduced costs due to the Blue Box collections coming back in house (£20k-). Further savings have been generated as a result of the temporary closure of Car Hill totalling (£156k-). PFI costs have caused a small overspend on this budget (£5k).	G	In due course a further assessment of the budgets will be undertaken, to realign budgets appropriately.	Nil variance	G
Corporate Accounts - Streetpride	113	Some costs relate to the Floods 2009 (£65k) which are unbudgeted and a variance on IT related costs (£10k). A reduced level of work for the Landscaping Team is resulting in under recovery of fee income £25k. The contribution to vacancy management is £16k short of the £80k budget. A pressure on Winter Maintenance is being offset by use of the Reserve.	A	The current pressure on the Winter maintenance account is projected at £165k. This is based on the current position and forecasting based on current information and previous profiling. If the weather does not follow the expected pattern, this projection will be reviewed and refreshed as appropriate.	A large percentage of the Winter Reserve will be used to offset the current pressure. A strategy will need to be worked on for replenishing these funds for future years usage.	R
TOTAL	-52					