

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

Venue: 3rd Floor Training Room, Date: Friday, 26th March, 2010
Bailey House, Rawmarsh
Road, ROTHERHAM. S60
1TD

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 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. Minutes of previous Joint Meeting of the Cabinet Member for Economic Development, Planning and Transportation and the Cabinet Member for Streetpride
 - 15th February
 - 1st March
 - 15th March

For signature.

(Minutes to be presented to Council on 21st April, 2010 – White Book)

4. February Revenue Budget Monitoring Report (herewith) (Pages 1 - 11)
Nichola Stretton, Finance Manager, to report.

1.	Meeting:	Regeneration and Development Services and Streetpride Delegated Powers Meeting
2.	Date:	26 March 2010
3.	Title:	February 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 February 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 £246,000** for the Environment & Development Services Directorate based on expenditure and income as at February 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 28 February 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 February cycle of budget monitoring the Directorate has identified that it is likely to incur an overspend of £246,000 (0.54%) 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) and Winter maintenance
- Under recovery of income on the Parking Budget

Asset Management (£4k-)

The Service Director has worked to mitigate pressures within 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 minimis 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-).

Culture and Leisure (£41k-)

Pressures within Culture and Heritage include staffing costs in Theatres (£63k) and the payment for SY Archives (£18k) these pressures are being offset by an underspend on staffing in Museums (£55k-). Additional minor savings across the Service amount to £2k-.

Overall Library Services are forecasting an underspend (£54k-), which is due to effective budget management and as a result of the imposed moratorium.

Pressures within Sports and Recreation include solicitor costs (£18k), operational costs at the Stadium (£22k), unrecovered debts (£64k), and 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 (£42k-). Tourism projections are to overspend by £8k due to subscription costs.

Pressures within Libraries management are being offset by staff vacancies, materials fund savings and an expected reduction in RBT charges, therefore, reporting an underspend of (£64k-) The Service is continuing to work to achieve the savings offered in the 2009/10 budget. **Please note included in this figure is an underspend on Third Party Funding of £20k, which will be requested to be carried forward earmarked for the delivery of Service within the Area Assemblies.**

Unbudgeted security costs at Ulley Reservoir (£27k) have been incurred.

A report on the position of the Clifton Park Restoration Project is expected later this month. 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. However, additional costs have already been incurred for site security and fees as a result of UCS Civils leaving the site (£60k+).

A proposal has been made to offer part of the Museum Insurance monies post Floods 2007 to mitigate pressures within EDS Services, this would be reduced if the out-turn position improves.. A detailed report will be presented to Cabinet Member Cultural Services, outlining the risks of this proposal.

Planning and Regeneration (£377k+)

The key pressure for this Service is the decline in planning applications from previous years. The projected income under-recovery is £490k. The Housing Planning Delivery Grant allocation has now been declared, and is lower than anticipated so is contributing (£96k-). Other pressures within the service exist, £72k 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-). There are other small savings been made across the Service as a result of the imposed moratorium (£7k-). Work is continuing on a restructure of this service, though any savings will not be deliverable until the next financial year.

Streetpride (£31k+)

There are some pressures being reported across Streetpride which include Parking Services (£83k+) which is mainly due to under recovery of income, although reduced expenditure is partially offsetting this pressure. Energy costs on Street Lighting are overspending (£49k+). Costs of £80k have been identified by Streetpride relating to the localised floods in June 2009, which are unbudgeted. The Highways maintenance budget is forecasting an overspend as a result of responding to the condition of the roads, following the prolonged spell of cold weather (£158k+)
Some (one-off) savings have been identified within Waste (£516k-) due to new contractual arrangements to help mitigate the pressures in this service.

There are other savings within Network Management resulting from the moratorium (£83k-). 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 89 gritting runs will have been delivered (compared to the expected 68), in addition to other ad hoc salting action. Current projections indicate expenditure of £980k, an overspend of £414k. The Cabinet Member has supported using the full amount of the Winter Maintenance Reserve (£154k-), as this Winter has been exceptional and would be classified as severe. The Reserve will be depleted and the base budget provision and replenishment of the reserve will need to be reviewed for future years.

Agency/consultancy costs

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 February 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
February	71,614	24,858	96,472
Total	636,135	248,180	884,315

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

	On Contract	Off Contract	Total
	£	£	£
Capital	65,754	0	65,754
Revenue	252,650	2,340	254,990
Trading	317,731	245,840	563,571
Total	636,135	248,180	884,315

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, 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.

Please note a request to carry forward an earmarked balance for Third Party Funding (approximately £20k), relating to Area Assemblies, is expected to be requested at the out-turn report.

9. Risks and Uncertainties

The overall Directorate budget currently shows a projected overspend of £246,000. The Service continues to work to mitigate known pressures around Office Accommodation and 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.

The Winter Maintenance Reserve will be required in full (£154k) to partially offset the overspend resulting from the recent severe winter weather. A risk is also attached to the 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 tenth budget monitoring report for the Directorate for 2009/10 and reflects the position from April 2009 to February 2010. 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 February 2010)

Service	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status	Under (-) / Over (+) Spending Reported for April - January £,000	Reason for change in projection
Asset Management	-4	Current projections are that income recovery in year is achievable, and some savings have been generated as a result of the imposed moratorium. Costs which are charged to the Land and Property Bank for properties which are no longer occupied, and could realise a capital receipt, are currently unfunded, due to the non sale of assets, are being contained within th Asset Management budget.	G	A further report will be worked on outlining options for the future of the Land and Property Bank. Costs cannot continue to be absorbed within the mainstream revenue account for Asset Management.		G	-4	
Business Unit	-117	Identified savings due to freeze on recruitment and a moratorium on spend.	G			G	-117	
Culture & Leisure	-41	The key pressures are within Recreation and Sport (£33k) this 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 savings made as a result of the imposed moratorium. Further anticipated savings have been identified from the Museum Insurance monies (subject to approval).	A	A report will be taken to Cabinet Member on the use of the Insurance monies. Additionally a request will be made at year end to earmark a carry forward budget for Third Party Funded projects £20k (this has been requested in previous years).		G	-21	The latest report now reflects an underspend of Third Party Funding £20k (further details on Appendix A - 3)
Planning & Regeneration Service	377	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	400	Further shortfall on Development Control income is being offset by additional fee recovery from LTP Schemes
Streetpride	31	The key pressures within Streetpride are Winter Maintenance costs, Flood Related costs, and under recovery of income for Parking. There are other pressures within Street Lighting and Grounds Maintenance which are being offset by savings within Waste, and use of the Winter Maintenance Reserve (£154k).	G	That the overspend on Winter Maintenance (£414k+) will require the full amount of the Winter Reserve to be drawn down, and the balance of the pressure is currently being 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 request to transfer from General Fund balances should be made.	A	0	The key reason for the variance is the impact of the winter weather, with costs increasing on Winter Maintenance and Highway Maintenance, these are being partially offset by an improved forecast on Waste Services.
TOTAL	246					A	259	

Notes

Please note the Culture and Lesiure figure contains £20k which will be requested as an earmarked balance to carry forward.

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

Asset Management	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status	Under (-) / Over (+) Spending Reported for April - January £,000	Reason for change in projection
Management	81	Shortfall on achieving the vacancy factor	G	No action required.			81	
Building Cleaning	-20	Savings are being achieved as a result of the moratorium on spend.	G	No action required.			-20	
Public Conveniences (All Saints)	6	In the main this is due to an under recovery of income	G	No action required.			6	
Caretakers	-69	Work has been undertaken to expand the current services offered, and this has resulted in additional income being generated. Caretakers have been used to assist in various office moves, instead of using external contractors.	G	No action required.			-69	
Bailey Suite	2	Shortfall on income budgets, due to use of Bailey Suite for Members meetings	A	No action required.			2	
School Crossing Patrol	75	The proposed saving £78,700 is not deliverable. Potential to implement 2010/11.	R	No action available to reduce			75	
Education Premises	0	Nil variance at this stage in the financial year.	G	No action required.			0	
Office Accommodation	68	Reduced repairs and maintenance costs, work undertaken now essential work only.	G	No action required.			68	
Community Buildings	-2	The service is showing a small surplus due to effective management of the budget as a result of moratorium	G	No action required.			-2	
Facilities Management	-84	Increased income as a result of managing new premises for NAS.	G	No action required.			-84	
Swinton District Heating	6	Loss of the swimming pool at Swinton will result in an income shortfall, relating to the District Heating.	G	A review of the charges to the remaining premises is being undertaken.			6	
Emergency and Safety	0	Nil variance at this stage in the financial year	G	No action required.			0	
Environmental Management	0	Nil variance at this stage in the financial year	G	No action required.			0	
Strategic Property	-30	Savings as a result of the moratorium on spend and reduced legal charges.	G	No action required.			-30	
Miscellaneous Properties	0	Nil variance at this stage in the financial year	G	No action required.			0	
Transport	0	Nil variance at this stage in the financial year	G	No action required.			0	
Misc. Fee Accounts	0	Nil variance at this stage in the financial year	G	No action required.			0	
Fee Billing - Consultancy Management	0	Nil variance at this stage in the financial year	G	No action required.		G	0	
Land and Property Bank	120	Estimated costs of Land and Property Bank for 2009/10	A	Transfer deficit from Land and Property Bank resulting from insufficient receipts to fund expenditure.	A strategic review is required for future years, and for all new transfers to the the Bank. Longer term this cannot be funded from within Asset Management, capital receipts, have declined in 2009/10 and the forecast for 2010/11 is not adequate to fund the number of properties currently in the Bank.		120	
*Valuation Group (Fee Billing)	-16	Projections are showing some savings on staff, and an expected over recovery of income in year.	G	No action required.			-16	
*Commercial Properties	-141	Savings as a result of the moratorium on spend and reduced legal charges.	G	No action required.			-141	
TOTAL	-4						-4	

Note:* **Now incorporates Commercial Properties and Valuation Group's budgets transferred from former RIDO Service**

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

Business Unit	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status	Under (-) / Over (+) Spending Reported for April - January £,000	Reason for change in projection
Business Support and Central Admin	-90	Identified savings due to freeze on recruitment	G	No action required.			-90	
Plan Printing	0	Nil variance at this stage in the financial year	G	No action required.			0	
Payments to RBT	0	Nil variance at this stage in the financial year.	G	No action required.			0	
Management	0	Nil variance at this stage in the financial year.	G	No action required.			0	
Corporate Account	0	Nil variance at this stage in the financial year.	G	No action required.			0	
Performance & Quality	20	A delay in implementing the proposed staffing restructure has resulted in the overspend	R				20	
Training	-47	Savings asa result of moratorium on spend,	G	No action required.			-47	
TOTAL	-117						-117	

To be discussed with DD meeting to be rearranged.

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

Culture & Leisure Services	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status	Under (-) / Over (+) Spending Reported for April - January £,000	Reason for change in projection
Culture & Heritage	24	There are pressure in Theatres due to staffing (£63K), and (£18k) for SY Archives which are being offset to some degree by an underspend in Museums due to staff vacancies (£55k).	G	No action required.			3	Further reduction in income relating to Arts Centre
Library Service	-54	This reflects a net underspend across Permanent Lending Libraries and Mobile Libraries	G	No action required.		G	-51	
Recreation & Sport	33	The key pressures are Halliwells re: sledging incident (£18k), Stadium (£22K), Enterprise (£64K), and loss of income within Countryside budgets (£30k) are being offset to some degree by underspend on Clifton Park delayed opening (£59K-) and savings on pay (£42k-)	A	Review of Grounds Maintenance charges, potential to reduce when service transfers from Ringway to RMBC.		A	52	Reduced costs on Stadium
Tourism	8	Subscription to Welcome to Yorkshire	A	No action required.		G	9	
Service Management & Support	-64	There are small pressures within these budgets due to the budget savings offered for 2009/10 which have not realised the full saving in year. These are being offset by savings made due to staff vacancies and within the Materials Fund. Third Party Funding is currently £10k underspent but projects are being worked on with NAS and the funding is required in 2010/11.	G	A report will need to be produced for delegated powers relating to the use of the Materials Fund. There will be a request to earmark this carry forward (£20k-)	£10k would be used for work in the Area Assemblies if the approval was agreed.	G	-20	Reduced spend on non pay budgets, due to imposed moratorium, plus, uncommitted amount of Third Party Funding included as an underspend.
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	27	
Clifton Park Contract	60	Expected costs from UCS Civils re Clifton Park contract	A	Costs to be affirmed			60	
Museum Insurance Fund	-75	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	-100	Due to an improved position, it is proposed to reduce the amount to be used from the Insurance monies.
TOTAL	-41						-21	

This assumes spend of £20k by NAS on Third Party Funding, £10k underspend is forecast, this may rise to £30k and would need to be highlighted in the report.

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

Planning & Regeneration Service	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status	Under (-) / Over (+) Spending Reported for April - January £,000	Reason for change in projection
Business Development	0	Nil variance	G	No action required.		G	0	
Development Promotion	0	Nil variance	G	No action required.		G	0	
YES Project	9	Fees relating to the YES Project	G	No action required.		G	0	
Economic Strategy	-25	Not currently recruiting to vacant posts	G	No action required.		G	-21	
Work Implementation	0	Nil variance	G	No action required.		G	0	
Managed Workspace (Business Centres)	0	Nil variance	G	No action required.		G	0	
RERF	0	Nil variance	G	No action required.		G	0	
Town Centre Mgt	-23	Savings as a result of the moratorium on spend .	G	No action required.		G	-23	
Markets	-18	Reduced Central Charges	G	No action required.		G	9	
Forward Planning	0	Nil variance	G	No action required.		G	0	
Management	46	The vacancy factor savings are now distributed across service area budgets .	G	No action required.		G	48	
Land Charges	72	Unable to implement charges for OS Mapping (£70k) and additional pressure due to a shortfall in income recovery	R	To be offset with in year savings across the service		G	80	
Development Control	490	Income shortfall due to reduced number 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.		R	439	
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	-96	
Building Control	30	Income shortfall due to reduced number of applications	A	No action required.		G	25	
Transportation	-108	Increased fee income being generated from LTP schemes	G	No action required.			-61	Additional fee income (one year only).
TOTAL	377						400	0

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

Streetpride	Under (-) / Over (+) Spending Projected to Year End £,000	Reasons/Implications	RAG Status	Actions Proposed	Impact of Actions	Revised RAG Status	Under (-) / Over (+) Spending Reported for April - January £,000	Reason for change in projection
Community Delivery Teams	191	The recent weather has caused additional costs to be charged to the Highways Maintenance Account and a £158k overspend is now projected, this is being managed through some savings elsewhere in Streetpride. Further funding to progress this essential work has been secured from RERF. Further key pressures are shown against Staffing Costs (£15k) and Grounds Maintenance (£16k).	A	Monitor spend against savings within Streetpride	Delivery of high profiled Service as required.	G	95	Increased charges resulting from Winter Maintenance costs.
Network Management	8	The main pressures remain within Parking which is largely due to under recovery of income but partially offset by reduced spend (£83k) and energy costs within Street Lighting (£49K+). Some savings have been made on non filling of vacant post, these total (£53k-). There are further savings been made as a result of the imposed moratorium, Emergency Maintenance Schemes (£35k-) and Steetworks (£33k-) and Street Lighting (10k-).	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	33	
Schemes & Partnerships	0	Nil variance at this stage in the financial year	G	No action required.	Nil variance	G	0	
Waste disposal and collection	-516	The key savings have been identified within Waste Treatment (£390k-). Multi Materials budget is showing a projected saving of £46k- due to transfer service to in house provider (part year). Commercial Waste are projecting savings (£43k-) and further savings of (£37k) are shown against Recycling.	G	In due course a further assessment of the budgets will be undertaken, to realign budgets appropriately. Savings made are being used to mitigate pressures in other areas within Streetpride.	Nil variance	G	-323	Identified savings within Green Waste (one of
Corporate Accounts - Streetpride	502	Some costs relate to the Floods 2009 (£80k) which are unbudgeted). A reduced level of work for the Landscaping Team is resulting in under recovery of fee income £25k. However, more significantly a pressure on Winter Maintenance of £414k is being reported as a result of the severe weather.	R	The current pressure on the Winter maintenance account is projected at £414k. 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.	The total amount in 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	349	Additional costs as a result of the weather associated with the Winter Maintenance budget.
Winter Maintenance	-154	A request to fully drawn down the balance on the Winter Maintenance Reserve has been submitted. The current available balance is £154k.	R	The current pressure on the Winter maintenance account is projected at £414k. 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.	The total amount in 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	-154	
TOTAL	31						0	

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