## 5. Summary

To report on performance against the revenue budget for the Environment and Development Services Directorate as at the end of February 2009 and to provide a forecast outturn for the whole of the 2008/09 financial year.

## 6. Recommendations

(1) That Members note the forecast outturn position of an overspend of £100,000 for the Environment & Development Services Directorate based on expenditure and income as at the end of February 2009 and forecast expenditure and income to the 31st March 2009. This is a significantly improved position from the last report. The key pressures are due to the shortfall of fee income recovery within Asset Management and pressure within the Winter Maintenance account due to a severe Winter.

(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 1st April 2008 to 28th February 2009. The attached appendices give a summary of the projected 2008/09 revenue position for the Directorate;

Appendix A1 to A5 – Service Level Summary Report.

Following the February cycle of budget monitoring the Directorate has identified that it is likely incur an overspend of £100,000 against a total net revenue budget of £45,575,013.

Key areas of pressure are:

- Consultancy Fee Income £250,000
- Winter maintenance budget £250,000
- Unfunded Flood related expenses £80,000

Key savings which are partially offsetting the above pressures are:

- Interim waste contract savings £304,000
- Freezing of vacant posts £ 62,000
- Streetpride within Highways Maintenance £131,000

The Environmental Development Services Management Team are actively seeking to introduce measures to reduce these pressures, however, this will have a significant impact on service delivery. Details of the pressures are outlined in more detail:

**Winter Maintenance**

Since the last report there have been further grits delivered, and a further review of costs has been undertaken, with an indication that the initial estimate can now be reduced to an estimated annual cost of £900,000. This amount is still significantly higher than the budget currently available. The current revenue budget was reduced at the beginning of the year in anticipation of a mild winter, so the current budget of £500,000 will be fully utilised, together with a full use of an available reserve of £150,000.

**Asset Management**

Following the revised estimates process an amended income budget was set for recovery of fees was at £600,000. However, the current economic climate, has witnessed a significant and rapid downturn in workloads within the fee earning teams. The impact of this is that a £350,000 fee recovery is now forecast to be achievable.
Planning and Regeneration

Further savings have been realised as a result of the imposed moratorium and are being used to offset some pressures within this Service. Due to management actions, the overall position is now reporting a forecast underspend of £30,000.

Streetpride

There is currently a surplus being reported from Streetpride (including waste management). This is reported as £416,000, with a significant saving shown against the waste budgets (£304,000). This is due to waste arisings being considerably lower than originally projected. Further savings across the Service have been made as a result of the imposed moratorium, but this has resulted in a reduced service delivery within highways maintenance. There continues to be a pressure on the Grounds Maintenance budget £88,000 and the Street Cleansing pressures were addressed with a one-off budget transfer in year.

Culture and Leisure

There are continuing pressures within Culture and Leisure services which include a general increase in operational costs throughout the Library Service, and ongoing pressures within Green Spaces and Pools. However, these are being partially offset by savings across the Service due to effective management whilst the moratorium is in place.

Business Unit

The Business Unit has continued to offer further savings as vacant posts are not advertised, this is projected to save an additional estimated £104,000 by the year end (in addition to the £100,000 already used through the revised estimate process towards the overall EDS overspend).

8. Finance

Please refer to the attached appendices for detailed financial analysis.

9. Risks and Uncertainties

The overall Directorate budget shows a projected overspend of £100,000. Members are also reminded that there is still potential for costs to be incurred as a result of the fatality at Fitzwilliam Road, though any impact will be in 2009/10 as the case has now been referred to the Crown Court.

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. Where cost pressures cannot be contained within the Directorate’s cash-limit a request to award a supplementary estimate to cover the currently identified shortfall of £100,000 will be made.

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. The third quarter performance monitoring report of 2008/09 has identified that NI 195a will be unlikely to meet the target of 7% with the existing financial resources. Also, BV109 (a) Planning Applications income continues to report slightly below the target range due to a low volume of applications being received in this period.

11. Background Papers and Consultation

This is the tenth budget monitoring report for the Directorate for 2008/09 and reflects the position from April 2008 to February 2009. This report has been discussed with the Strategic Directors for Environment and Development Services and Financial Services.

Contact Name: Fiona Earl, EDS Principal Accountant, Ext: 2083. E-mail: fiona.earl@rotherham.gov.uk