

**ROTHERHAM METROPOLITAN BOROUGH COUNCIL**

**REPORT TO MEMBERS**

<b>1.</b>	<b>Meeting:</b>	<b>Regeneration Scrutiny Panel Meeting</b>
<b>2.</b>	<b>Date:</b>	<b>23 February 2010</b>
<b>3.</b>	<b>Title:</b>	<b>December Revenue Budget Monitoring Report</b>
<b>4.</b>	<b>Directorate:</b>	<b>Environment and Development Services</b>

**5. Summary**

To report on performance against the revenue budget for the Environment and Development Services Directorate as at **the end of December 2010** and to provide a forecast outturn for the whole of the 2010/11 financial year.

**6. Recommendations**

The current forecasted year end outturn position is **an overspend of £101,000** for the Environment & Development Services Directorate based on expenditure and income as at December 2010 and forecast expenditure and income to 31<sup>st</sup> March 2011.

## 7. Proposals and Details

Following the December cycle of budget monitoring the Directorate has identified that it is likely to incur an overspend of £101,000 (2.17%) against a reduced net revenue budget of £46,614,577. (Cabinet 17<sup>th</sup> November, agreed to £177k reduction of EDS budget and a further £250k reduction to contribute to the asset management cross cutting review). However, all possible actions to mitigate this are being taken.

### **Current projections for EDS Revenue Budget Monitoring at the end of December 2010**

The table below shows the monitoring figures reported for April – October and an updated position for April – December, with narratives explaining the current projections.

	<b>April- October</b>	<b>April- December</b>	<b>Movement</b>
<b>Service</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Asset Management	196	468	272
Business Unit	-70	-126	-56
Culture & Leisure	-276	-253	23
Regeneration & Planning	70	12	-58
Streetpride	-357	0	357
<b>TOTAL</b>	<b>-437</b>	<b>101</b>	<b>538</b>

**The reductions in cash limit of £427k would have moved the April to October reported monitoring position to only -£10k, the further movement to the April to December figure of +£101k relates mainly to the changes in the monitoring position for Streetpride mitigated by improvements in the monitoring in the other EDS Services.**

#### **Asset Management £468k+**

A key pressure is being reported on Office Accommodation with costs of £401k above budget, the vacancy management target which the Service may find difficult to achieve in the year (£80k). These pressures are partially mitigated by savings identified across the Service due to staffing reductions and additional income generation (-£82k).

*Asset Management have offered £250k of savings against the Asset Management Cross Cutting Review of £275k. This reduction has now been processed; therefore, there is little scope for further savings to be generated.*

### **Business Unit £126k-**

This Service is able to contribute £126k savings mainly due to implementing a controlled programme of training for staff throughout the year. Some staff savings have been generated as a result of early retirements.

### **Culture and Leisure £253k-**

The Service have continued to operate within the moratorium and also have some staff savings to contribute towards the under spend projection of £253k.

### **Regeneration and Planning £12k+**

The key pressures for the Service remain the vacancy management target (£153k) and the impact of grant cuts, in the main Yorkshire Forward loss of funding (£174k). However, these pressures are being mitigated by some in year savings offered, reducing the use of RERF (Rotherham Economic Regeneration Fund) by -£50k, reduced use of LDF (Local Development Framework) budget -£65k, along with staff savings due to vacancies, maternity & retirement -£139k- and additional income generation from Markets (£35k-).

### **Streetpride £0**

Some savings have been identified across the Service due to the moratorium and staff being released on early retirement or voluntary severance (£145k-). The key pressure for the Service is as a result of the severe weather before Christmas. The forecast pressure is that £952k will be spent against the current budget of £529k. A full draw down from the Winter Maintenance Reserve of £133k will be required. In recent discussions a review of the budget arrangements for winter will be undertaken.

## **8. Finance**

The Directorate will continue to review its planned expenditure, identify and implement management actions to help mitigate the forecast overspend. The Directorate continues to operate with an imposed a moratorium on all uncommitted, non-essential non-pay budgets in addition to the strict vacancy management arrangements already in place, and is now working to a budget reduced in year by £427k.

## **9. Risks and Uncertainties**

The overall Directorate budget currently shows a projected overspend of £101,000. The Service continues to work to mitigate known pressures around Office Accommodation and the Land and Property Bank.

It has been estimated that the recent cold spell cost approximately £200k, and any subsequent spells could incur similar costs. Additional, costs may be incurred in follow-up services affected by the weather, i.e. Waste Collection, estimated to be £25k.

Discussions are ongoing relating to the transfer of staff from Ringway to Grounds Maintenance where up to 21 staff could be eligible to claim under TUPE arrangements.

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 demonstrating the efficient Use of Resources.

## **11. Background Papers and Consultation**

This is the third budget monitoring report for the Directorate for 2010/11 to the Regeneration Scrutiny Panel and reflects the position from April 2010 to December 2010. This report has been discussed with the Strategic Directors of Environment and Development Services and Finance.

### **The Regeneration Scrutiny Panel has requested an update on Agency and Consultancy**

The tables are provided below:

#### **1. EDS Agency Spend For the Period : April to December 2010**

<b>Month</b>	<b>On Contract</b>	<b>Off Contract</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>April</b>	<b>45,575</b>	<b>7,784</b>	<b>53,359</b>
<b>May</b>	<b>22,054</b>	<b>4,541</b>	<b>26,595</b>
<b>June</b>	<b>29,616</b>	<b>9,396</b>	<b>39,012</b>
<b>July</b>	<b>22,996</b>	<b>10,075</b>	<b>33,071</b>
<b>August</b>	<b>49,454</b>	<b>4,248</b>	<b>53,702</b>
<b>September</b>	<b>38,995</b>	<b>6,353</b>	<b>45,348</b>
<b>October</b>	<b>27,709</b>	<b>5,567</b>	<b>33,276</b>
<b>November</b>	<b>43,768</b>	<b>2,302</b>	<b>46,070</b>
<b>December</b>	<b>1,170</b>	<b>0</b>	<b>1,170</b>
<b>Total</b>	<b>281,337</b>	<b>50,266</b>	<b>331,603</b>

## 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
<b>Total</b>	<b>469,147</b>	<b>202,041</b>	<b>671,188</b>

The tables above show a reduction in Agency spend of **£339,585**

It is currently difficult to project future Agency spend to the end of the financial year as there are areas where the spend budget may be reduced in year, leading to a reduction in service delivery, which will impact on potential use of Agency staff.

## 2. EDS Consultancy Spend For the Period : April to December 2010

Month	£
April	18,363
May	15,939
June	9,738
July	3,610
August	2,025
September	13,213
October	50,238
November	16,806
December	-4,710
<b>Total</b>	<b>125,222</b>

The table shows the in year spend on Consultancy for the period to the end of December for EDS is £125,222, of which £58,510 is spend for traded services, and £3,289 for specialist work charged to Forward Planning with £49,851 charged to Asset Disposal (this has been under review to reduce future costs) and £13,037 on Strategic Development and a small spend on Trees and Woodlands of £534.

**Contact Name: Nichola Stretton, Finance Manager EDS, Ext: 22079.**  
**E-mail: [Nichola.Stretton@rotherham.gov.uk](mailto:Nichola.Stretton@rotherham.gov.uk)**