

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Regeneration and Development Services
2	Date:	2 nd September 2013
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 31st July 2013
4	Directorate :	Environment and Development Services

5 Summary

To report on the performance against budget for the Environment and Development Services Directorate Revenue Accounts at **the end of July 2013** and to provide a forecast outturn for the whole of the 2013/14 financial year.

Members are asked to note the forecast outturn position of **an overspend of £856k** for the Environment & Development Services Directorate based on expenditure and income as at July 2013.

6 Recommendations

That the Cabinet Member notes the latest financial projection against budget for the year based on actual income and expenditure to the end of July 2013, and that this report is referred to the Self Regulation Overview and Scrutiny Select Commission for information.

7 Proposals and Details

7.1.1 Cabinet Members receive and comment upon budget monitoring reports on a monthly basis. This report reflects the position against budget for the period 1 April 2013 to 31 July 2013.

7.1.2 The table below summarises the forecast outturn against approved budgets for each service division:

Division of Service	Net Budget	Forecast Outturn	Variation	Variation
	£000	£000	£000	%
Business Unit	748	746	-2	
Regeneration, Planning and Cultural Services	7,452	8,040	+588	
Streetpride	29,354	29,624	+270	
Total Environmental and Development Services	37,554	38,410	+856	2.27%

Following the July cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£856,000 (2.27%)** against its total net revenue budget of **£37,554,060**. All possible actions to mitigate this are being taken.

7.1.3 The details below offer explanations of the material variances by Division of Service.

Business Unit (-£2k)

The Business Unit is forecasting a small under spend of **-£2k**.

Regeneration, Planning and Cultural Services (+£588k)

Regeneration and Planning (£254k+)

Planning Services have a pressure of £274k+, from Land Charges £147k+ (£127k+ of this was identified by Internal Audit for monies due to HMRC re Vat, £20k+ pressure is due to loss of income). The remaining £127k+ is due to a shortfall of income from planning applications. There are further smaller pressures across the Service of £26k+. These pressures are being mitigated by savings from Business Centres £39k-, due to higher than expected occupancy levels, and savings £7k- within Rotherham Investment Development Office (RIDO) from staff vacancy.

Customer and Cultural Services (£334k+)

Heritage Services are projecting a £55k+ pressure due to the change in venue for celebratory services to Clifton Park Museum. Cultural Services is now showing an additional £30k+, due to unfunded Business Rates for various sites which it is unlikely can be contained in 2013/14. This is being partially mitigated by £15k- savings within Theatres and Arts. There is an unachievable saving from 2012/13 of £80k+ (the remaining element of the £250k savings target) and a further £120k+ from the 2013/14 savings proposals remains outstanding. There is a pressure within the Contact Centre of £64k+, work is ongoing to mitigate this.

Streetpride (+£270k)

Network Management is projecting a pressure of £85k+.

Parking Services have a pressure of £137k+ due to inflated income assumptions and a downturn in customers requiring parking permits, and customers seeking alternative parking arrangements. This figure has been mitigated by a reduction in TUPE payments to South Yorkshire Police. Further pressures within Network Management total £15k+, which are being offset by total savings of £67k-, from energy savings £37k- and one off additional income on Streetworks Enforcement £11k- and savings on Highways Maintenance £19k-.

Waste Services £276k+

Waste Collection is showing a pressure of £407k+ due to a reduction in income from Commercial Waste (£267k+) and further shortfalls on income are due to reduced sale of bins £37k+ (green) and £44k (black), and £59k+ due to late implementation of new contractual arrangements for dry recyclables. Waste disposal have an under spend £127k- and a small surplus £4k-, these are partially mitigating the overall pressure.

Leisure and Community Services are reporting a net pressure of £2k+.

From Leisure an under spend of £18k- a pressure on allotments rent income, and the late implementation of Herringthorpe Stadium saving and vacancy factor pressures are being offset, by increased income at parks due to the recent good weather, increased income from play inspections and savings on staffing budgets from vacant posts. Community Services a pressure of £20k+, from an unachievable vacancy factor across the service combined with a predicted shortfall on Grounds income based on known scheduled works.

An under spend of £86k- in Corporate Transport Unit, is £80k- from Home to School Transport based on the current and expected service requirement (this is subject to review following new admissions in September), and £6k- saving on CTU account due to reduced Transport Costs.

A small pressure on the Corporate account £10k+ is being offset by a £16k- saving within Transportation.

These pressures will be reviewed throughout the year, and wherever possible, the budget holders will look to reduce any costs to mitigate the forecast overspend.

Summary

The Directorate is currently forecasting an overspend of **+£856k** with key pressures noted on under recovery of income across a wide range of services. The forecast overspend in Streetpride currently excludes a potential pressure of **+£468k** for Winter Maintenance based on previous year's spend.

Details have been requested for spend on Agency, Consultancy and Overtime:

Agency Costs

Total expenditure on Agency staff for Environment and Development Services for the period ending 31st July 2013 was £197,428. This is higher than the same period last year, mainly due to changes in pay for seasonal workers and difficulties in recruitment Agency Staff have been employed. Service Directorates are expected to consider use of Agency Staff and use this as a last resort,

Consultancy

For the period ending June 2013 the total spend on Consultancy was £62,152 within Regeneration and Planning. The data for July is not currently available.

Non contractual Overtime

Actual expenditure to the end of July 2013 on non-contractual overtime for Environment and Development Services is £174,742 whilst the same period to July 2012 spent £169,200, some of these costs are due to the new services now being included and reported within EDS (Customer Services).

The actual costs of Agency, Consultancy and Overtime are included within the financial forecasts.

8. Finance

There are no other details to report this month.

9. Risks and Uncertainties

The overall Directorate budget shows an overspend of £856k which have been identified and explained above and in the appendices. If Winter Maintenance pressure were included this figure would increase by £468k to a total of £1,323k.

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 first budget monitoring report in this format for the Directorate for 2013/14 and reflects the position from April 2013 to July 2013. This report has been discussed with the Strategic Directors for Environment and Development Services and the Chief Finance Officer.

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