

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member and Advisers for Regeneration and Development Services
2	Date:	Monday 7 th October 2013
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 31st August 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 August 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 £711k** for the Environment & Development Services Directorate based on expenditure and income as at August 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 August 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 August 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	750	745	-5	
Regeneration, Planning and Cultural Services	7,440	7,999	+559	
Streetpride	29,425	29,582	+157	
Total Environmental and Development Services	37,615	38,326	+711	1.89%

Following the August cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£711,000 (1.89%)** against its total net revenue budget of **£37,615,369**. 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 (-£5k)

The Business Unit is forecasting a small under spend of **-£5k**.

Regeneration, Planning and Cultural Services (+£559k)

Regeneration and Planning (£199k+)

The key pressures within Regeneration and Planning total £199k are £316k from Planning mainly due to reduced income from planning applications, and £40k from Building Control and Markets. These are being partially offset by identified savings £84k- from higher than expected occupancy levels at the Business Centres, and further savings of £73k- from other areas.

Customer and Cultural Services (£360k+)

Within Customer Services there is an overspend of £360k. Heritage Services are projecting a £55k+ pressure due to the change in venue for celebratory services to Clifton Park Museum. 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, and a further +£31k. There are further pressures within the Customer Contact Centre of £74k+, work is ongoing to mitigate this.

Streetpride (+£157k)

Network Management is projecting a pressure of £86k+.

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. Further pressures within Network Management total £16k+, which are being offset by savings from energy savings £37k- and one off additional income on Streetworks Enforcement £11k- and savings on Highways Maintenance £19k-.

Waste Services £154k+

Waste Collection is showing a pressure of £402k+ due to a reduction in income from Commercial Waste and further shortfalls on income are due to reduced sale of bins due to late implementation of new contractual arrangements for dry recyclables. Negotiations on disposal contracts are ongoing, and combined with savings on the waste PFI are helping to mitigate this pressure by £248k-.

Corporate Transport Unit is showing a forecast under spend of £86k-. This 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. Across the rest of Streetpride services there are some small pressures within Leisure and Green Spaces and Community Services and Corporate Accounts (+£28k) which are being offset by savings within Transportation (£25k-).

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 **+£711k** 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 **+£466k** 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 August 2013 was £305,649. This is higher than the same period last year, mainly due to changes in pay for seasonal workers and due to agency staff being used whilst a waste management restructure is implemented.

Consultancy

For the period ending August 2013 the total spend on Consultancy was £80,818.

Non contractual Overtime

Actual expenditure to the end of August 2013 on non-contractual overtime for Environment and Development Services is £220,312 whilst the same period to August 2012 spent was £191,628, 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 £711k which have been identified and explained above and in the appendices. If Winter Maintenance pressure were included this figure would increase by £466k to a total of £1,177k.

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 August 2013. This report has been discussed with the Strategic Directors for Environment and Development Services and the Chief Finance Officer.

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