

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member and Advisers for Regeneration and Development Services
2	Date:	Friday 1 st November 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 September 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 £755k** 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 September 2013, as outlined in the Briefing Note already circulated (*as agreed there will be no Officer to present this report*). 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 30 September 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	744	-6	
Regeneration, Planning and Cultural Services	7,440	8,144	+704	
Streetpride	29,425	29,482	+57	
Total Environmental and Development Services	37,615	38,370	+755	2.0%

Following the September cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£755,412 (2.00%)** 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 are as offered in the Briefing Note already circulated to relevant Cabinet Members :

CABINET MEMBER BRIEFING NOTE

For Cabinet Members: Cllrs McNeeley, Rushforth, R.Russell, Smith, Wyatt.

SUBJECT: EDS REVENUE BUDGET MONITORING

1. Update on the current projections for EDS Revenue Budget Monitoring at the end of September 2013.

The table below shows the monitoring figures for April – September with narratives explaining the current projections.

	April- September
Service	£000
Business Unit	-6
Regeneration, Planning, Customer & Cultural Services	704
Streetpride	57
TOTAL	755

Business Unit £6k-

At this stage in the financial year a small saving is being reported on staffing costs.

Regeneration, Planning, Customer and Cultural Services £704k+

At April – August, £559k+ overspend was reported. The details below are the key pressures as at the end of September.

Regeneration and Planning (£359k+) :

The key pressures within Regeneration and Planning total +£359k are : +£426k from Planning due to reduced income from planning applications, additional required spend on the Local Development Plan and a VAT payment due from previous years, resulting from an audit. Smaller pressures are reported in Building Control (+£4k) and Markets (+£46k). These are being partially offset by identified savings £80k- from higher than expected occupancy levels at the Business Centres, and further savings of £37k- from other areas

Customer and Cultural Services (£345k+) :

Within Customer and Cultural Services there is an overspend of +£345k. Heritage Services are projecting a net pressure of +£27k (pressure relating to Clifton Park Museum, partially offset by a not filling a vacant post). Other areas within Cultural Services are reporting a net pressure of +£37k. Within Customer Services there remains an unachievable saving from 2012/13 of +£80k and a further +£120k from the 2013/14 savings proposals and a further +£82k within the Customer Contact Centre.

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

Streetpride £57k+

The position at April – August was £157k+ over-spend. Streetpride are now reporting an improved position of £57k+ overspend.

Network Management is projecting a pressure of £99k+.

Network Management is projecting a shortfall on income recovery (+£137k) where income targets were inflated on Parking Services budgets by 2.5%, and a further (+£10k) to fund free parking on Saturdays prior to Christmas. Other service pressures (+£19k) are mitigated by increased income from Adoptions and Searches and reduced Street Lighting energy costs (£50k-), and reduced costs on Highways Maintenance £18k-.

Waste Services £91k+

Waste Management services have pressures primarily on income from sale of recyclables as a result of a general reduction in waste volumes, and from commercial waste contracts which are still less than budgeted following the downturn in economic activity. Current projections show a pressure of +£360k, but negotiations with waste disposal contractors are mitigating this by £263k- and small savings on the waste PFI are showing a small surplus of £6k-.

Leisure and Green Spaces +£150K.

Green Spaces position shows +£36K, allotments saving proposal pressure and +£160K retrospective VAT adjustment relating to RVCP & TCP Cafes, following an audit report. This is partially off-set by some savings on recreational grounds and urban parks mainly due to vacant posts, £66k-. Leisure are reporting +£14K pressure on Sports Development due to late implementation of saving at Herringthorpe Stadium, and small pressures across other areas totalling +£6k.

Corporate Transport is showing a forecast saving of £136k- mainly due to reduced costs on Home to School Transport. A surplus on Stores is now anticipated £51k- as a result of an increase in the volume of materials issued primarily associated with the Street Lighting capital programme.

Across the rest of Streetpride services an improved position of -£96k is being reported, partially due in increased income from current transportation and highways work, which is offsetting some pressures within Community Services from costs of waste disposal.

Summary

The Directorate is currently forecasting an overspend of **+£755k** 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 a 5-year average of 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. (The data for September is not currently available).

Consultancy

For the period ending August 2013 the total expenditure on Consultancy was £67,297. (The data for September is currently under review).

Non contractual Overtime

Actual expenditure to the end of September 2013 on non-contractual overtime for Environment and Development Services is £253,607 whilst the same period to September 2012 spent was £234,974, some of the increased 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 £755k 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 £1,221k.

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

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