

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Regeneration and Development Services
2	Date:	2nd December 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 October 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 £504k** for the Environment & Development Services Directorate based on expenditure and income as at October 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 October 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 31 October 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	740	662	-78	
Regeneration, Planning and Cultural Services	7,451	8,114	+663	
Streetpride	29,055	28,974	-81	
<b>Total Environmental and Development Services</b>	<b>37,246</b>	<b>37,750</b>	<b>+504</b>	<b>1.35%</b>

Following the October cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£504,470 (1.35%)** against its total net revenue budget of **£37,245,629**. 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 October 2013.

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

	<b>April- October</b>
<b>Service</b>	<b>£000</b>
Business Unit	-78
Regeneration, Planning, Customer & Cultural Services	663
Streetpride	-81
<b>TOTAL</b>	<b>504</b>

### **Business Unit £78k-**

The service are now reporting an underspend due to a decision being made to implement a reduced training programme.

### **Regeneration, Planning, Customer and Cultural Services £663k+**

At April – September £704k overspend was reported. The details below are the key pressures as at the end of October.

#### **Regeneration and Planning (£307k+) :**

The key pressures within Regeneration and Planning total +£307k are : +£379k 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 Regeneration (£14k+) and Markets (+£46k). These are being partially offset by identified savings £96k- from higher than expected occupancy levels at the Business Centres, and further savings of £36k- from other areas

#### **Customer and Cultural Services (£356k+) :**

Within Customer and Cultural Services there is an overspend of +£356k. The change in venue for celebratory services has created a pressure of (£60k+), which is being partially mitigated by some staff savings (£35k-) across Heritage Services. Across Theatres and Arts. there is a combined saving of (£13k-), due to some salaries savings, increased one-off income and due to the moratorium. Within Library Services an overspend of (£71k+) is due to pay pressures (£40k+) and a pressure on a revaluation of business rates which are unfunded (£30k+). 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 (£73k+) 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 £81k-**

The position at April – September was £57k+ over spend. Streetpride are now reporting an improved position of **£81k-** underspend.

## **Network Management is projecting a pressure of £65k+.**

Network Management is projecting a shortfall on income recovery (+£154k) 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 Streetworks and Enforcements £61k- and reduced Street Lighting energy costs (£38k-), and reduced costs on Highways Maintenance £19k-.

## **Waste Services £23k+**

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 +£337k, but Waste Disposal is projecting to be underspent by £302k- based on known changes to tipping locations, fluctuations in waste streams and an underspend of £12k on the Waste PFI project.

Corporate Transport Unit is showing a forecast saving of £160k- mainly due to expected reduced costs on Home to School Transport. A surplus on Stores is now anticipated £52k- as a result of the materials issued, in the main for Street Lighting schemes.

## **Leisure and Green Spaces +£118K**

Green Spaces position now shows a pressure +£101K, (£36K allotments saving proposal, £123K Country Parks due to VAT issue - improved position from last month by £36K due to HRA funding for Rotherham Rivers & additional car parking income, off-set by savings on recreational grounds & urban parks mainly due to vacant posts, totalling £22k-), Leisure are reporting +£17K pressure : from Sports Development due to late implementation of saving at Herringthorpe Stadium, £2K vacancy factor pressure on Trees & Woodlands and £3K vacancy factor pressure on LGS Management & Admin.

Across the rest of Streetpride services an improved position is being reported, partially due in increased income from current transportation and highways work, £126k- which is offsetting some pressures within Community Services, mainly due to increased pressures regarding fly-tipping and a shortfall in income within grounds maintenance totalling £51k+.

## **Summary**

The Directorate is currently forecasting an overspend of **+£504k**. 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 October 2013 was £449,128. 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, and EDS now includes Customer Services costs.

### **Consultancy**

For the period ending October 2013 the total expenditure on Consultancy was £120,579.

### **Non contractual Overtime**

Actual expenditure to the end of October 2013 on non-contractual overtime for Environment and Development Services is £295,368 whilst the same period to September 2012 spent was £260,242, 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 £504k 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 £970k.

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

**Contact Name: Andy Sidney – Finance Manager (EDS and Capital) – 01709 822025**

**E-mail: [Andy.sidney@rotherham.gov.uk](mailto:Andy.sidney@rotherham.gov.uk)**