

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member and Advisers for Regeneration and Development Services
2	Date:	Monday 13 th January 2014
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 30th November 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 November 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 £500k** for the Environment and Development Services Directorate based on expenditure and income as at November 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 November 2013, as outlined in the Briefing Note already circulated. This report is referred to the Self Regulation Overview and Scrutiny Select Commission for information.

Please note the figures in the report now include Asset Management, Audit and Insurance.

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 November 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	685	-55	
Regeneration, Planning and Cultural Services	7,460	7,963	+503	
Streetpride	29,055	28,904	-151	
Asset Management, Audit and Insurance	5,905	6,108	+203	
Total Environmental and Development Services	43,160	43,660	+500	1.09%

Following the November cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£500k (1.09%)** against its total net revenue budget of **£43,160**. 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 November 2013.

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

	April - November
Service	£000
Business Unit	-55
Regeneration, Planning, Customer & Cultural Services	+503
Streetpride	-151
Asset Management, Audit and Insurance	+203
TOTAL	+500

Business Unit -£55k

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 +£503k

At April – October £663k overspend was reported. Some budgets from Communications and Marketing and Policy and Partnerships are now showing within this Service Area. The details below are the key pressures as at the end of November

Regeneration and Planning (+£265k) :

The key pressures within Regeneration and Planning are : +£375k 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 Communications and Marketing (+£14k) and Markets (+£43k). These are being partially offset by identified savings -£104k from higher than expected occupancy levels at the Business Centres, and further savings of -£63k from other areas.

Customer and Cultural Services (£238k+) :

Within Customer and Cultural Services there is an overspend of **£238k+**. 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 pressure (£26k+) within the Customer Contact Centre.

The change in venue for celebratory services has created a pressure of (£63k+), which is being partially mitigated by some staff savings (£30k-) across Heritage Services. A further saving of £7k- is being shown on museum stores having vacated a site earlier than anticipated. Across Theatres and Arts. there is a combined saving of (£15k-), due to some salaries savings, increased one-off income and due to the moratorium. Within Library Services some staffing pressures are being mitigated by under spends from the Book Fund with further savings resulting from the moratorium.

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

Streetpride -£151k

The position at April – October was £81k- under spend. Streetpride are now reporting an improved position of **-£151k** underspend.

Network Management is projecting a pressure of+£44k.

Network Management is projecting an improved position since last month. Parking is showing a pressure of +176k which is mainly due to a shortfall on income recovery where income targets were inflated on Parking Services budgets by 2.5%. Other service pressures (+£14k) within Drainage. These are being offset by increased income from Streetworks and Enforcements £62k- and reduced Street Lighting energy costs -£44k, and reduced costs on Highways Maintenance -£37k and in Public Rights of Way-£3k under spend..

Waste Services -£11k

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 +£312k, but Waste Disposal is projecting to be underspent by -£307k based on known changes to tipping locations, fluctuations in waste streams and an underspend of -£16k on the Waste PFI project.

Corporate Transport Unit is showing a forecast saving of **£170k-** mainly due to expected reduced costs on Home to School Transport. A surplus on Stores is now anticipated **£50k-** as a result of the materials issued, in the main for Street Lighting schemes.

Leisure and Green Spaces +£109K.

Green Spaces position now shows a pressure **+£92K**, (£36K allotments saving proposal, £123K Country Parks due to VAT issue - £7K under spend on recreational grounds, -£60K underspend on Urban Parks due to vacant posts and increased income from Play park inspections, this position has improved from last month due to a vacant post now not likely to be filled until 14/15. Leisure are reporting **+£12K** 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, - **£153k** partially due to increased income from current transportation and highways work 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 **£79k+**.

Asset Management, Audit and Insurance +£203K

There are pressures across the Asset Management service: unbudgeted property disposal fees (+£80k), Land & Property income under-recovery (+£58k), operational costs of Community Buildings (+£32k), increased accommodation costs, including energy, (+£112k), pressure due to loss of income in Design and Corporate Projects (+£18k). Further savings have been declared within Facilities Services (-£87k) and Emergency Planning (-£10k). Identified pressures on the Land Bank are being reported centrally.

Summary

The EDS reported pressures at April – November Monitoring shows an over spend forecast overspend of £500k+. **The forecast overspend assumes that the Winter Pressures budget is sufficient to contain costs incurred over the Winter months (2013/14). It should however be noted that in 2012/13 this budget overspent by £466k.**

Agency Costs

Total expenditure on Agency staff for Environment and Development Services for the period ending 30th November 2013 was £483,534 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, Asset Management, Audit and Insurance.

Consultancy

For the period ending October 2013 the total expenditure on Consultancy was £120,579, the data for November is not currently available.

Non contractual Overtime

Actual expenditure to the end of November 2013 on non-contractual overtime for Environment and Development Services is £361,815 whilst the same period to November 2012 spent was £325,654, some of the increased costs are due to the new services now being included and reported within EDS (Customer Services and Asset Management).

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 £500k 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 £966k.

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

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