

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Regeneration and Development Services
2	Date:	Monday 7 th April 2014
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 28th February 2014
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 February 2014** 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 £65k for the Environment and Development Services Directorate based on expenditure and income as at February 2014.

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 February 2014, 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.

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 28 February 2014

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	709	640	-69	
Regeneration, Planning and Cultural Services	8,045	8,274	+229	
Streetpride	29,125	28,995	-130	
Communications	777	768	-9	
Asset Management, Audit and Insurance	8,825	8,869	+44	
Total Environmental and Development Services	47,481	47,546	+65	0.13%

Following the February cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£65k (0.13%)** against its total net revenue budget of **£47,481**. 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 February 2014.

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

	April - February
Service	£000
Business Unit	-69
Regeneration, Planning, Customer & Cultural Services	+229
Streetpride	-130
Communications	-9
Asset Management, Audit and Insurance	+44
TOTAL	+65

Business Unit -£69k

The service are now reporting an underspend due to a decision being made to implement a reduced training programme -£53k. Further surplus is being released from staff savings -£7k, and reduced spend as a result of the moratorium across the service, -£9k.

Regeneration, Planning, Customer and Cultural Services +£229k

At April – January +£399k overspend was reported. Budgets from Policy and Partnerships are now showing within this Service Area. The details below are the key pressures as at the end of February.

Regeneration and Planning (+£160k) :

The key pressures within Regeneration and Planning are : (+£329k) 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 from Markets (+£24k). These are being partially offset by identified savings (-£92k) from higher than expected occupancy

levels at the Business Centres and (-£59k) savings has been declared by RIDO (Rotherham Investment and Development Office) due to grant funding being used. Further net savings of (-£42k) have been identified from other areas.

Customer and Cultural Services (+£69k) :

Customer Services are showing a combined overspend of **(+£233k)** : Customer Access continue to report an unachievable saving from 2012/13 of (+£80k) and a further (+£110k) from the 2013/14 savings proposals, partially mitigated by some staff savings (-£5k) and further pressures within the Customer Contact Centre (+£31k), Some further savings have been declared due to reduced support costs (-£25k) and due to a delay on spend for a computer refresh (-£15k).

Riverside Library is now reporting an over spend largely due to the need to pay relief staff (+£7k), Registrars are reporting an overspend of (+£16k) and Cashiers are reporting (+£36k) due to increased charges from use of pay point and post offices for receipt of income. A pressure still remains on the Customer Service Centre regarding security costs (+£20k). There are some small savings across Customer Services (-£22k) due to the moratorium.

Cultural Services are reporting an underspend **(-£164k)**

The change in venue for celebratory services did create a financial pressure which has now been fully mitigated by some staff savings and the impact of the moratorium across Heritage Services. Savings of (-£4k) are being shown on museum stores having vacated a site earlier than anticipated, together with (-£7k) on Heritage Services due to reduced running costs for Boston Castle and general sites. . Across Theatres and Arts. there is a combined saving of (-£123k), due to some salaries savings, additional income at the Theatre and due to the moratorium. Within Library Services due to the moratorium and staff leaving under the voluntary severance scheme net savings have been declared totalling (-£30k).

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

Streetpride -£130k

The position at April – January was £51k+ over spend. Streetpride are now reporting an improved position of **-£130k** under spend.

Network Management is projecting a pressure of **+£218k**.

Network Management is now showing a projected pressure for winter maintenance (+£166k) month. Parking continues to report a pressure of (+£182k) 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 (+£19k) within Drainage. These are being offset by increased income from Streetworks and Enforcements(-£56k) and reduced Street Lighting energy costs (-£44k), and reduced costs on Highways Maintenance (-£46k) and in Public Rights of Way (-£3k).

Waste Services -£30k

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 have been reduced to a pressure of (+£193k), this is being mitigated by Waste Disposal projecting to be underspent by (-£181k) based on known changes to tipping locations, fluctuations in waste streams and there is also an underspend of (-£42k) on the Waste PFI project mainly due to the late implementation of recruiting to a Project Support post.

Corporate Transport Unit is showing a forecast saving of **-£293k** mainly due to expected reduced costs on Home to School Transport (-£184k) and (-£52K) due to savings on operator licences and receipt of operator grant payments. A surplus on Stores is still anticipated -£57k as a result of the materials issued, in the main for Street Lighting schemes.

Leisure and Green Spaces +£110K.

Green Spaces position now shows a pressure **+£110K** ;+ £32K allotments saving proposal, +£123K Country Parks due to VAT issue, this position has worsened from last month due to approved additional spend at TCP for cafe improvements and a boat/container purchase (this position may change as further VAT analysis being undertaken on RVCP income for train/playdales/watersports). Further savings £45k- have been reported on recreational grounds and urban parks mainly due to vacant posts.

Leisure Services are reporting a net nil pressure as follows : Sports Development(+£9k) late implementation of Stadium saving and (+£4K) on Landscape Design, (-£7K) on Trees & Woodlands due to increase in works and (-£6K) on LGS Management and Admin. due to a vacant post, moratorium and savings on Project Development as fewer projects than anticipated.

Across the rest of Streetpride services an improved position is being reported, - **£189k** 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 **+£54k**.

Communications -£9K

The pressures within this Service are around staffing (+£17k) within the Communications Team. These costs are being mitigated due to additional external income for ICT Design Studio (-£8k) and Rotherham Show (-£3k), and further savings of (-£15k) due to the imposed moratorium on spend.

Asset Management, Audit and Insurance +£44K

There are pressures across the Asset Management service: unbudgeted property disposal fees (+£37k), Land & Property income under-recovery (+£62k), operational costs of Community Buildings (+£36k), increased accommodation costs, Emergency Planning (+£9k). and Internal Audit (+£20k). Further savings have been declared within Facilities Services (-£29k), and across property related services (-£59k), and Design and Corporate Projects (-£32k) Identified pressures on the Land Bank are being reported centrally.

Summary

The EDS reported pressures at April – February Monitoring shows an over spend forecast overspend of +£65k. **The forecast overspend now includes £166k for Winter Pressures, this could increase if a spell of bad weather occurs before the financial year end. It should be noted that in 2013/14 this budget overspent by £466k**

Agency Costs

Total expenditure on Agency staff for Environment and Development Services for the period ending 28th February 2014 was £532,460. 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 February 2014 the total expenditure on Consultancy was £159,392 this follows a review of spend by staff in EDS.

Non contractual Overtime

Actual expenditure to the end of February 2014 on non-contractual overtime for Environment and Development Services is £475,526 whilst the same period to February 2013 spent was £423,038, 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 £65k which has been identified and explained above and in the appendices. Winter Maintenance pressure is now included at £166k in the figures above, however, if a period of winter weather

occurs before the financial year end this figure could increase. Last financial year the pressure was reported as £466k.

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 fifth budget monitoring report in this format for the Directorate for 2013/14 and reflects the position from April 2013 to February 2014. 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