

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member and Advisers for Regeneration and Development Services
2	Date:	Monday 7th July 2014
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 31st May 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 May 2014** and to provide a forecast outturn for the whole of the 2014/15 financial year.

Members are asked to note the forecast outturn position of an overspend of £688k for the Environment & Development Services Directorate based on expenditure and income as at May 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 May 2014, as outlined in the Briefing Note already circulated (*on this occasion a Finance Officer will be in attendance*). 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 2014 to 31 May 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	%
Asset Management, Audit and Insurance	8,209	8,446	+237	
Business Unit	401	401	0	
Communications	757	781	+24	
Regeneration, Planning and Cultural Services	7,307	7,335	+28	
Streetpride	28,878	29,277	+399	
Total Environmental and Development Services	45,552	46,240	+688	1.51%

Following the May cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£688k (1.51%)** against its total net revenue budget of **£45,552**. 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 Beck, Hussain, Smith, Wyatt.

SUBJECT: EDS REVENUE BUDGET MONITORING

1. **Update on the current projections for EDS Revenue Budget Monitoring at the end of May 2014.**

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

	April – May
Service	£000
Asset Management, Audit and Insurance	237
Business Unit	0
Communications	24
Regeneration, Planning, Customer & Cultural Services	28
Streetpride	399
TOTAL	+688

Asset Management, Audit and Insurance +£237k

There are pressures across the Asset Management service: Land & Property unbudgeted costs (+£202k), Health and Safety (+£12k) for the cost of barriers for the English Defence League rally, and Internal Audit (+£23k) staffing costs.

Business Unit £0k

The Service is currently reporting a balanced budget.

Communications +£24K

The pressures within this Service are around staffing (+£16k) within the Communications Team, and an overspend on Marketing Events (+£8k).

Regeneration, Planning, Customer and Cultural Services +£28k

There are a number of small pressures reported. Markets (£+15k) due to expected repairs bills on deteriorating buildings, and Customer Services (+£26k) mainly due to unbudgeted staffing costs as the Service has needed to use temporary staff to meet service demands.

These overspends are being partially offset by some reported under spends, Business Centres (-£10k) due to increased occupancy levels, and Partnerships (-£3k)

Streetpride +£399k

At this stage in the year the Service are reporting an under recovery of income from Parking Services (+£384k) which is due to a reduction in staff parking permits income, plus, based on previous years that income generated will be lower than the current income budget, and the impact of Tesco opening later this year.

Leisure and Green Spaces are reporting an under recovery of income from Allotments (+£31k), this is being partially offset by some staff savings (-£16k).

Summary

The EDS reported pressures at April – May Monitoring shows an over spend forecast of +£688k.

There are some areas within EDS which could be over budget by the end of the financial year, but these are not currently being reported in the figures :

Winter Service has historically overspent by around £450k, the figure could fluctuate depending on the severity of the weather.

Planning income was under recovered last year (+£93k), at this stage it is too earlier to predict whether this financial year will outturn the same, as early months have seen some significant planning applications.

Riverside Café could potentially show an under recovery of income due to increased food prices, if this has an impact *on customers*.

Currently ICT is reported via Resources to Councillor Wyatt. A paper on the financial status of this Service is due with SLT.

Agency Costs

Total expenditure on Agency staff for Environment and Development Services for the period ending 31st May 2014 was £102,314. This is higher than the same period last year (£61,951), this now includes Asset Management, Audit and Insurance.

Consultancy

For the period ending May 2014 the total expenditure on Consultancy was £6,329 this is considerably less than the same period to May 2013 when £62,630 was spent.

Non contractual Overtime

Actual expenditure to the end of May 2014 on non-contractual overtime for Environment and Development Services is £24,943 whilst the same period to May 2014 spent was £80,894, 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 £688k+ which has been identified and explained above. Winter Service, Planning Income and Riverside Café have been identified as areas that could potentially report a pressure by year end.

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 for the Directorate for 2014/15 and reflects the position from April 2014 to May 2014. This report has been discussed with the Strategic Directors for Environment and Development Services and the Chief Finance Officer.

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