

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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1	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2	Date:	29th September, 2014
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 31st August 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 August 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 over-spend of £219k for the Environment & Development Services Directorate based on expenditure and income as at August 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 August 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.

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 August 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	8,230	8,125	-105	
Business Unit	401	401	0	
Communications	783	789	+6	
Regeneration, Planning and Cultural Services	6,937	6,979	+42	
Streetpride	28,878	29,154	+276	
Total Environmental and Development Services	45,229	45,448	+219	0.48%

Following the August cycle of budget monitoring the Directorate has identified that it is likely to be overspent by **£219k (0.48%)** against its total net revenue budget of **£45,229k**. 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, Godfrey, Hoddinott, Hussain.

SUBJECT: EDS REVENUE BUDGET MONITORING

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

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

	April - August
Service	£000
Asset Management, Audit and Insurance	-105
Business Unit	0
Communications	+6
Regeneration, Planning, Customer & Cultural Services	+42
Streetpride	+276
TOTAL	+219

Asset Management, Audit and Insurance -£105k

There are some small pressures across the Asset Management service: Health and Safety (+£8k) for the cost of barriers for the first English Defence League rally, and due to staffing costs and under recovery of income (+£10k) All Saints toilets, and Riverside Café and Hospitality (+£5k) CENT has some residual costs (+£2k). Internal Audit (+£6k) pressure which is staffing related.

There are a number of underspends which are mainly building related. Commercial Properties (-£35k) due to additional rental income, and (-£59k) from Facilities Management of all council buildings. Further savings (-£42k) are being reported from the Corporate Environment Team and the Capital Team.

Business Unit £0k

The Service is currently reporting a balanced budget, and work is ongoing to identify any savings which could contribute to the current position.

Communications +£6K

This small pressure is around staffing and marketing events, and work is ongoing to mitigate this pressure.

Regeneration, Planning, Customer and Cultural Services +£42k

Whilst there are still some pressures within this service area, the current overspend is an improved position, and staff are working to reduce current pressures. A number of small pressures remain across this Service Area. **Markets** (£+30k) due to expected repairs bills on deteriorating buildings, and **Customer Services** (+£121k) mainly due to a delay in delivery of savings and unbudgeted staffing costs as the Service has needed to use temporary staff to meet service demands. The **Arts** budget has a pressure of (+£12k), due to part year unfunded staffing costs. **RIDO** is funding a replacement IT package, and has some staffing costs causing a pressure (+£22k).

These overspends are being partially offset by some reported under spends, **Business Centres** due to increased occupancy levels (-£31k). **Cultural Services** from Theatres (-£14k), Boston Castle and Museums (-£13k), and Libraries (-£64k) mainly due to the non-filling of vacant posts prior to the now implemented staffing restructure. Building Control (-£8k), due to an increase on applications. **Planning Services** have identified a small underspend due to the delaying of consultancy spend in this year (-£13k).

Streetpride +£276k

At this stage in the year the Service are reporting a pressure in **Network Management Services (+£292k)**:

Due to an under recovery of income from Parking Services (+£387k) 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. This is being partially mitigated by some savings in other areas (-£95k), mainly from Street Lighting energy savings.

Leisure and Green Spaces are reporting an under recovery of income from Allotments (+£23k), and (+£9k) from the golf course. Country Parks have a pressure (+£7k) due to agency cover costs, and Trees and Woodlands have a staffing pressure (+£3k). There are some savings from Urban Parks, Landscape Design and general management (-£34k).

Community Services are reporting a pressure due to an overspend on cleansing highways (+£53k), staffing costs (+£15k) and (+£11k) pressure due to a new kennel contract which is being partially offset by an underspend (-£10k) on Pest Control.

Waste Services are now reporting a changed position (-£20k) with Waste Collection under spent by (-£156k) mainly due to a WEEE rebate, effects of strike, increased income on bulky items and commercial waste. Waste Disposal (+£160k) pressure

due to expected outlet not coming on line when expected, and a saving on Waste PFI due to reduced savings on external consultancy (-£24k).

An underspend due to changes in transport provision (-£52k), from **Corporate Transport Unit**. And the Corporate Account is now reporting (-£21k) largely due to the moratorium.

Summary

The EDS reported pressures at April – August Monitoring shows an over spend forecast of +£219k.

As noted last month, and still valid, 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), a review of previous years data has updated the current estimate to year end as a £417k pressure, but this 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.

Agency Costs

Total expenditure on Agency staff for Environment and Development Services for the period ending 31st August 2014 was £322,586. This was £305,649 for the same period 2013.

Consultancy

For the period ending August 2014 the total expenditure on Consultancy was £34,608 this follows a review of spend by staff in EDS. The reported spend for the same period in 2013 was £67,297.

Non contractual Overtime

Actual expenditure to the end of August, 2014 on non-contractual overtime for Environment and Development Services is £176,470 whilst the same period to August 2013 spend was £220,312 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.

Currently ICT is reported via Resources staff

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8. Finance

There are no other details to report this month.

9. Risks and Uncertainties

The overall Directorate budget shows an over-spend of £219k which has been identified and explained above and in the appendices. 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 fourth budget monitoring report in this format for the Directorate for 2014/15 and reflects the position from April 2014 to August 2014. This report has been discussed with the Strategic Directors for Environment and Development Services and the Chief Finance Officer.

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