

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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1	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2	Date:	3rd November 2014
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 30th September 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 September 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 under-spend of -£296k for the Environment & Development Services Directorate based on expenditure and income as at September 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 September 2014. 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 30 September 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	8,222	8,034	-188	
Business Unit	579	519	-60	
Communications	803	806	+3	
Regeneration, Planning and Cultural Services	6,729	6,489	-240	
Streetpride	28,570	28,759	+189	
Total Environmental and Development Services	44,903	44,607	-296	0.66%

Following the September cycle of budget monitoring the Directorate has identified that it is likely to be underspent by -£296k (**-0.66%**) against its total net revenue budget of **£44,903k**.

7.1.3 The details below have previously been offered in a Briefing Note, but due to the timing of this meeting, this month this has not been circulated in advance.

SUBJECT: EDS REVENUE BUDGET MONITORING

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

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

	April - Sept
Service	£000
Asset Management, Audit and Insurance	-188
Business Unit	-60
Communications	+3
Regeneration, Planning, Customer & Cultural Services	-240
Streetpride	+189
TOTAL	-296

Asset Management, Audit and Insurance -£188k

There are some small pressures across the Asset Management service which total **+£53k**: Health and Safety (+£18k) for costs incurred relating to the English Defence League demonstrations, and an under recovery of income for some training. All Saints toilets has a pressure (+£11k) which is due to an over spend on pay and a small under recovery of income against the budget. Riverside café and hospitality has a pressure (+£15k), also due to an over spend on pay budgets and an under recovery of income. Further pressures are being reported, CENT has some residual costs (+£2k) and Internal Audit (+£7k) pressure which is staffing related.

The pressures are now being offset by reported under spends which total **-£241k**. Facilities Management have reported the following savings, Commercial Properties (-£20k) due to additional rental income, and (-£152k) from Facilities Management of all council buildings. Further savings are being reported from the Corporate Environment Team (-£34k) and (-£15k) from the Capital Team, (-£15k) Caretaking and (-£5k) School Crossing Patrol.

Business Unit -£60k

The Service has declared an under spend on the training budget with a balance being retained for essential/mandatory training; this will be further scrutinised to consider if any further saving can be offered.

Communications +£3K

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

Regeneration, Planning, Customer and Cultural Services -£240k

A number of smaller pressures remain within the service area, RIDO is funding a replacement IT package, and has some staffing costs causing a pressure (+£29k). The Contact Centre (+£36k) pressure caused by additional staffing costs to ensure delivery of service. Cashiers (+£43k) mainly due to increased charges for use of paypoint and post office collection service. A further (+£33k) across a number of services, these remain under review to mitigate the pressure.

There are now an increased number of budgets reporting under spends which is partially due to some recently approved budget virements at Cabinet, and seeing more of an impact of the moratorium on spend. Business Centres due to retaining increased occupancy levels (-£60k). Cultural Services from Theatres (-£14k), Boston Castle and Museums (-£19k), and Libraries and Customer Services (including Riverside and Maltby) (-£245k) mainly due to the non-filling of vacant posts prior to the now implemented staffing restructure, and a reduction on expected spend from the materials fund, in line with the moratorium. 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 (-£17k). A review of the Markets budget has identified an improved position of (-£18k).

Streetpride +£188k

At this stage in the year the service is reporting a pressure in **Network Management Services (+£224k)**, in the main this is due to failure to reach the income targets in Parking Services (+£290k); this is due to:

- a reduction in the number of staff parking permits issued as a result of the cheaper 'offer' from private car parks in the vicinity of Riverside House;
- the continuing downturn in income from off-street parking
- fall in the number of Parking Control Notices (PCNs) issued, and

Cabinet recently approved a budget virement in recognition of the likely impact of the new Tesco store opening mid-November which has reduced the pressure on this budget (last month reported £387k) this year. The remaining pressure is being partially mitigated by some savings in other areas (-£66k), mainly from Street Lighting energy savings.

There has only been a minor change since last month for **Leisure and Green Spaces** reporting a pressure (+£6k), an under recovery of income from Allotments (+£23k), and (+£9k) from the golf course. Country Parks have a pressure (+£32k) due to agency cover costs, and Trees and Woodlands have a staffing pressure (+£3k). There are some savings mainly due to working within the moratorium on spend, from Urban Parks (-£32k), and Landscape Design and general management (-£29k).

Community Services are reporting a pressure (+£69k) due to an over spend on Street Cleansing (+£53k), staffing vacancy factor costs (+£15k) and increased costs due to a new kennelling contract for the Dog Warden service (+£11k); these pressures are being partially offset by an underspend (-£10k) on Pest Control.

Waste Services are now reporting a improved position **(-£46k)** with Waste Collection under spent by (-£175k) mainly due to a WEEE (Waste Electrical and Electronic Equipment) rebate, effects of industrial action, increased income on bulky items and commercial waste. However, Waste Disposal has a pressure (+£149k) due to expected outlet not coming on line by the timetabled date, and needing to take more waste into other (higher cost) facilities than planned. There is also a small saving on Waste PFI due to reduced savings on external consultancy (-£20k).

An under spend has been identified within **Corporate Transport Unit (-£44k)** **mainly** from the Bus Services Operator's Grant, work is ongoing to establish if anything further can be saved. And the Corporate Account is now reporting **(-£21k)** largely due to the moratorium on non-essential spend.

Summary

The EDS reported pressures at April – September Monitoring shows an under spend forecast of -£296k.

As noted in earlier months, 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 this service having to increase the price to customers to cover the increase on food prices. This could potentially mean the café may have fewer customers in the future.

Details have been requested on the following types of spend :

Agency Costs

Total expenditure on Agency staff for Environment and Development Services for the period ending 30th September 2014 was £422,078. This was £380,233 for the same period 2013.

Consultancy

For the period ending September 2014 the total expenditure on Consultancy was £48,834 this follows a review of spend by staff in EDS. The reported spend for the same period in 2013 was £105,074.

Non contractual Overtime

Actual expenditure to the end of September, 2014 on non-contractual overtime for Environment and Development Services is £207,530 whilst the same period to September 2013 spend was £253,607. Please note that the data for 2013/14 did not include Asset Management for the full year.

The actual costs of Agency, Consultancy and Overtime are included within the financial forecasts.

Currently ICT is reported via Resources staff

8. Finance

There are no other details to report this month.

9. Risks and Uncertainties

The overall Directorate budget shows an under-spend of -£296k 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 fifth budget monitoring report in this format for the Directorate for 2014/15 and reflects the position from April 2014 to September 2014. This report has been discussed with the Strategic Directors for Environment and Development Services and the Chief Finance Officer.

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