

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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1	Meeting:	Cabinet Member and Advisers for Business Growth and Regeneration
2	Date:	Monday 1st December 2014
3	Title:	Environment and Development Services Revenue Budget Monitoring Report to 31st October 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 October 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 -£300k for the Environment and Development Services Directorate based on expenditure and income as at October 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 October 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 31 October 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	8,243	8,075	-168	
Business Unit	644	571	-73	
Communications	844	868	+24	
Regeneration, Planning and Cultural Services	6,982	6,769	-213	
Streetpride	28,813	28,943	+130	
Total Environmental and Development Services	45,526	45,226	-300	-0.65%

Following the October cycle of budget monitoring the Directorate has identified that it is likely to be underspent by -£300k (**-0.65%**) against its total net revenue budget of **£45,526k**.

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.

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 October 2014.

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

	April - October
Service	£000
Asset Management, Audit and Insurance	-168
Business Unit	-73
Communications	+24
Regeneration, Planning, Customer & Cultural Services	-213
Streetpride	+130
TOTAL	-300

Asset Management, Audit and Insurance -£168k

There are some small pressures across the Asset Management service which total **+£94k** : Health and Safety (+£47k) 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 (+£15k) which is due to an overspend on pay and a small under recovery of income against the budget. Riverside café and hospitality has a pressure (+£10k), also due to an overspend on pay budgets and an under recovery of income. Further pressures are being reported, Internal Audit (+£7k) pressure which is staffing related, and Commercial Properties (+£15k) due to reduced rental income.

These pressures are now being offset by reported under spends which total **-£262k**. Facilities Management for all council buildings have reported a saving of (-£138k). Further savings are being reported from the Corporate Environment Team (-£34k) relating to lower than budgeted carbon reduction charges, and (-£16k) from the Capital Team, and (-£23k) Caretaking and (-£51k) due to lower than budgeted costs on pay and non-pay.

Business Unit -£73k

The Service has declared an under spend on the training budget, and this will be further scrutinised to consider if any further saving can be offered.

Communications +£24k

This pressure is due to some staffing costs from honorarium payments, and some additional costs on marketing events, and work is ongoing to mitigate this pressure.

Regeneration, Planning, Customer and Cultural Services -£213k

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 (+£26k). The Contact Centre (+£27k) pressure is caused by additional staffing costs to ensure delivery of service. Contact centre management is now showing a pressure of (+£49k) due to a review of salaries that were previously capitalised that has determined that these costs no longer qualify for this treatment. The cashiers (+£43k) pressure is unchanged and is mainly due to increased charges for use of paypoint and post office collection service.

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 are reporting an underspend (-£56k) due to continuing increased occupancy levels. Cultural Services are reporting Theatres (-£4k), Boston Castle and Museums (-£10k), and Libraries and Customer Services (including Riverside and Maltby) (-£233k) which is 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 are reporting (-£5k), due to an increase in applications. Planning Services have identified a small underspend due to the delaying of consultancy spend in this year (-£15k). A review of the Markets budget has identified an improved position of (-£32k). There are also several small savings amounting to (-£3k).

Streetpride +£130k

At this stage in the year the Service are reporting a pressure in **Network Management Services (+£208k)**, in the main this is due to an under recovery of income from Parking Services (+£290k) which is due to a reduction in staff parking permits income, plus, based on previous years the income generated will be lower than the current income budget. This is being partially mitigated by some savings in other areas (-£82k), comprising Street Lighting energy savings and staff vacancies in Network Management, Public Rights of Way and Street Lighting.

Leisure and Green Spaces are now reporting an improved position (-21k). This figure comprises an under recovery of income from Allotments (+£23k), and (+£9k) from the golf course. Country Parks have a pressure (+£13k) comprising agency cover costs partially mitigated by increased income and a reduction in casual employees. Unbudgeted costs of (+£3K) have been incurred in respect of closed churchyards. The forecast position for Urban Parks (-£24k) has worsened due to increased business rates, higher electricity charges and a loss of pitch income.

Conversely Landscape Design and general management's position has improved (-£45k) due to over recovery of income, staff vacancy and the impact of a member of staff taking flexible retirement.

Community Services are reporting a pressure **(+£52k)** due to an overspend on highways cleansing (+£53k), staffing costs (+£15k) and a (+£11k) pressure due to a new kennel contract. This is being partially offset by an underspend (-£10k) on Pest Control and an improved position on Grounds Maintenance (-£17K), due to an expected credit from SGM for the late supply of plant combined with adjusted delivery team forecasts to take into account Christmas shut down.

Waste Services are reporting the same position **(-£46k)** with Waste Collection under spent by (-£144k) mainly due to a WEEE rebate, effects of industrial action, increased income on bulky items and commercial waste. However, Waste Disposal has a pressure (+£130k) due to expected outlet not coming on line by the timetabled date, and needing to take more waste into Sheffield ERF. There is also a small saving on Waste PFI due to reduced savings on external consultancy (-£32k).

An improved underspend position has been identified within **Corporate Transport Unit (-£73k)**, substantially comprising an over recovery of stores income (-£42k) and (-£26k) of miscellaneous savings and driver training income. The **Corporate Account** is now reporting an underspend **(-£15k)** largely due to the moratorium on non-essential spend and a forecast over recovery of Highway Delivery income.

Transportation are reporting a pressure **(+£25k)** comprising (+£35k) due to maintenance costs incurred because the procurement of replacement equipment by the police has been delayed, (+£20k) due to slippage on the implementation of the fibre communications invest to save proposal and (+£20k) due to more expensive terms under the Virgin Media contract. These pressures are partially mitigated by a forecast (-£38k) over recovery of Highway Design income and (-£12k) savings on the Management account from a vacant post.

Summary

The EDS reported pressures at April – October Monitoring shows an under spend forecast of -£300k.

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 £418k 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 early 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 31st October 2014 was £495,553. This was £449,128 for the same period 2013.

Consultancy

For the period ending October 2014 the total expenditure on Consultancy was £52,349 this follows a review of spend by staff in EDS. The reported spend for the same period in 2013 was £120,579.

Non contractual Overtime

Actual expenditure to the end of October, 2014 on non-contractual overtime for Environment and Development Services is £251,080 whilst the same period to October 2013 spend was £295,368. 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 -£300k 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 sixth budget monitoring report in this format for the Directorate for 2014/15 and reflects the position from April 2014 to October 2014. This report has been discussed with the Strategic Directors for Environment and Development Services and the Chief Finance Officer.

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