

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 2nd February 2015
3.	Title:	Neighbourhoods General Fund Revenue Budget Monitoring 2014/15
4.	Directorate:	Neighbourhoods Services

5. Summary

This Budget Monitoring Report provides a financial forecast for Neighbourhoods General Fund within the Neighbourhoods Services to the end of March 2015 based on actual income and expenditure for the period ending December 2014.

The forecast for the financial year 2014/15 is an overall forecast under spend of (-£761k) against an approved net revenue budget of £1.513m.

6. Recommendation

That the Cabinet Member receives and notes the latest financial projection against budget for 2014/15

7. Proposals and Details

The table below shows the summary forecast outturn position against the approved Net Revenue Budget. The net revenue budget includes £97k in respect of the approval to carry forward underspends from 2013/14 financial year in relation to the Community Leadership Fund, Dispersed Units and Bereavement services.

The net budget for Neighbourhoods General Fund has increased by £846k from the last report as a result of the restructure to incorporate Community Cohesion Service Area, which was previously reported separately. Housing and Community Services is now renamed as Housing & Estate Services and Area Assemblies are now part of the new Neighbourhoods Partnership and Engagement Service together with the Community Cohesion service.

SERVICE AREA	Net Budget	Forecast Outturn	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Strategic Housing & Investment	97	161	64	66.0
Housing Options	-1,232	-1,887	-655	-53.2
Housing & Estate Services	115	105	-10	-8.7
Central	313	289	-24	-7.7
Business Regulation	149	91	-58	-38.9
Safer Neighbourhoods	1,090	1,055	-35	-3.2
N'hoods Part'p & Engagement Service	981	938	-43	-4.4
TOTALS	1,513	752	-761	-50.3

The main variations against budget can be summarised as follows:-

7.1 Strategic Housing & Investment Service (SHIS) (+£64k)

The SHIS team budget has an overall budget pressure of +£64k. This is mainly as a result of anticipated write offs £33k, plus pressures on staffing budgets as a result of lower than anticipated staff turnover £10k.. This has been partly reduced by anticipated savings on Supplies & Services (-£5.5k) due to the moratorium on no- essential spend.

The pressure identified of £33k relates to outstanding debts relating to the Eastwood Group Repair Scheme from previous years. The scheme was financed from the Capital Programme, but any bad debts resulting from it will require to be funded from the revenue budget. Final actions are in place to write off any unrecoverable debts after every effort has been explored to recoup as much as possible.

Also within this budget is a projected shortfall in income of £28k on the Registered Social Landlord Partnership scheme. The Budget Holder has advised that the Council will not be invoicing RSLs for partnership membership this year. A further report will be prepared setting out future options for this scheme.

7.2 Housing Options (-£655k)

This area is forecasting an overall under spend of (-£655k).

There is a projected surplus of (-£56k) within the Private Sector Adaptations Service as a result of an increase in fees and charges.

Dispersed Units area is forecasting a (-£26k) surplus as a result of lower than anticipated occupancy levels. Any year end surplus balance will be requested as a carry forward as this is a Trading Account.

There is an anticipated (-£562k) saving on the Furnished Homes service. This is a result of continued increase in demand for the service (an additional 198 since April, a total of 3230 tenants using the service as at the end of December), cost effective procurement of furniture including refurbishment and disposal plus higher than anticipated staff turnover

Key Choices Property Management Service has identified a surplus of (-£11k) however this is subject to any finalisation costs that may be charged once the service is closed down.

7.3 Housing & Estate Services (-£10k)

This service area is projecting an overall under spend of (-£10k) consisting of an (-£11k) projected under spend on Community Safety Unit, mainly as a result of additional funding from the HRA over budget. There is a small over spend of £1k on Anti-Social Behaviour as a result of lower than anticipated staff turnover.

7.4 Central (-£24k)

The Management & Admin area is anticipating an (-£24k) under spend mainly as a result of slightly reduced pension costs, the impact of the moratorium and a funding earmarked for a new post which will not now be recruited to until the new financial year.

7.5 Business Regulation (-£58k)

Overall Business Regulation is projecting a (-£58k) under spend. Pressures on employee costs within Animal Health of £6k are being fully offset by (-£8k) savings within Health and Safety & Food and Drugs areas due to a vacant post and additional income generated. Savings within Trading Standards are due to higher than anticipated staff turnover (-£60k).

There is an anticipated over spend on Licensing £15k due to software licence costs for additional user licences and a slight reduction in Gambling Act income.

Bereavement Services Partnership is projecting a surplus of (-£11k) as a result of delayed repairs and maintenance works that are now unlikely to be carried out before the end of this financial year.

7.6 Safer Neighbourhoods (-£35k)

There is an anticipated overall underspend (-£47k) on Community Protection mainly as a result of higher than anticipated staff turnover, savings on Supplies & Services as a result of the moratorium.

The savings are reduced by a forecast £12k over spend on Landfill sites in respect of statutory Health and Safety work.

7.7 Neighbourhoods Partnership & Engagement Service (-£43k)

There is a projected underspend of (-£7k) on transport costs and supplies and savings on the Area Assemblies Management and Administration cost centre and savings on supplies and services savings (-£13k) within Area Assemblies due to the moratorium on non-essential spend.

The Members Community Leadership Fund is anticipating an under spend of (-£21k) of which (-£19k) is likely to be requested as an ear marked carry forward as in previous years

There are also forecast savings of (-£2k) within Community Cohesion and the Infrastructure and Corporate Initiatives Budget (ICIB) as a result of the moratorium on non-essential spend.

7.8 Agency & Consultancy

To date there has been no expenditure on Agency or Consultancy.

7.9 Non Contractual Overtime

There has been no expenditure to-date on non-contractual overtime within Neighbourhoods.

8. Finance

The financial implications for each service area have been outlined in Section 7 above.

9. Risks and Uncertainties

These forecasts are based on financial performance to the end of December 2014.

The forecast outturn is dependent on delivery of planned management actions being achieved and thus effective and tight financial management practices remain essential including holding monthly budget clinics with the Service Director and senior managers.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2014 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

- Report to Cabinet 26 February 2014 – Proposed Revenue Budget & Council Tax 2014/15.

The content of this report has been discussed with the Director of Housing and Neighbourhoods and the Director of Finance.

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