

WIRRAL COUNCIL

REGENERATION AND ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

27 JANUARY 2014

SUBJECT	FINANCIAL MONITORING 2013/14 MONTH 8 (NOVEMBER 2013)
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES

1 EXECUTIVE SUMMARY

- 1.1 This report sets out the financial monitoring information for this Committee to ensure consistency across the Policy and Performance Committees and aims to give Members sufficient detail to scrutinise budget performance for the Directorate. Financial information for Month 8 (November 2013) reported to Cabinet on 16 of January is included.

2 BACKGROUND AND KEY ISSUES

- 2.1 Members of the Policy and Performance Committees have requested that financial monitoring information is provided as a standard item at each Committee.
- 2.2 Since September 2012 monthly revenue and capital monitoring reports have been submitted to Cabinet as a means of providing regular, detailed updates on budget performance.
- 2.3 At its meeting on 3 September 2013, the Policy and Performance Coordinating Committee reviewed the most recent available revenue and capital monitor reports submitted to Cabinet in July.
- 2.4 The Coordinating Committee agreed that in order to fulfil its corporate and strategic scrutiny role, it will continue to review the full versions of the most up to date monitor reports at its future scheduled meetings.

3 PROPOSED REPORTING TO POLICY & PERFORMANCE COMMITTEES

- 3.1 It is proposed that for the three Policy and Performance Committees aligned to the Directorates, the relevant sections from the most recent revenue and capital monitoring reports are summarised into a bespoke report for each of the Policy and Performance Committees. This will include the following:
- Performance against revenue budget
 - Performance against in year efficiency targets
 - Performance against capital budget
- 3.2 The following sections have been extracted from the Financial Monitoring reports presented to Cabinet on 16 January 2014.

PERFORMANCE AGAINST REVENUE BUDGETS MONTH 8 (NOV 2013)

3.3 CHANGES TO THE AGREED BUDGET

3.3.1 2013/14 Original & Revised Net Budget £000's

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 8	Revised Net Budget
Places - Environment & Regulation	79,651	39	-	79,690
Places – Housing & Comm Safety	15,342	-551	-	14,791
Places – Regeneration	5,134	-18	-1,987	3,129
Places - Directorate Support	-	-	200	200
Places - Invest Strat & Bus Sup	-	-	1,936	1,936

3.3.2 Changes to the Budget agreed since the 2013/14 Budget was set

Items	£m
The Anti-Social Behaviour team is part of the Families and Well Being Directorate - Children and Young People and the budget has therefore been transferred from Housing and community safety.	-0.569
Realigning of the call centre recharge relating to the new garden waste service from Environment & Regulation to Transformation and change.	-0.009
Transfer of budget from Waste & Environment Service Area to create new roles to lead Constituency Committees.	-0.042
Strategic Directors costs moved to Places from Chief Exec Dep	0.149
Transfer of Allotments budget from Asset Management (CYP) to Parks and Countryside (R&E).	0.090

3.3.3 All of the budget changes have been virements to reflect the re-alignment of functions, and the related budgets, between the Regeneration and Environment Directorate and other Directorates. There have been no changes approved by Cabinet which increase the Directorate and Council spending.

3.3.4 From this month the budgets for Investment Strategy and Business Support (previously shown within the Regeneration Service Area) have been separated as have Directorate Management Support (previously reflected within the Chief Executive Department).

3.4 VARIATIONS

3.4.1 The report will use RAGBY ratings that will highlight under and overspends and place them into 'risk bands'. The 'risk band' classification is:

- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over - £301k)
- Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to - £140k); Blue (-£141k to -£300k)

3.4.2 2013/14 Projected Budget variations £000's

Directorate	Revised Budget	Forecast Outturn	(Under) Overspend Month 8	RAGBY Classification	Change from prev mth
Places - Environment & Regulation	79,690	79,320	-370	Y	-370
Places – Housing & Comm Safety	14,791	14,791	-	G	-
Places – Regeneration	3,129	3,064	-65	G	-65
Places - Directorate Support	200	200	-	G	-
Places - Invest Strat & Bus Sup	1,936	1,936	-	G	-

3.4.3 RAGBY full details

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Environment & Regulation	4	0	0	3	0	1
Housing & Comm Safety	1	0	0	1	0	0

3.4.4 The net saving forecast is £435,000 (month 7 nil). A significant saving has also been achieved as a result of the early implementation of savings relating to Supporting People. £1.3 million which has been earmarked to resolve a number of annex 12 issues, which cover all directorates.

3.5 IMPLEMENTATION OF 2013/14 SAVINGS

3.5.1 Budget Implementation Plan 2013/14 £000's

BRAG	Number of savings Options	Approved Budget Reduction	Amount Delivered at Nov	Still to be Delivered
B - delivered	17	5,176	5,176	0
G – on track	1	582	582	0
A - concerns	0	0	0	0
R - failed	0	0	0	0
Total at M8 Nov	18	5,758	5,758	0

3.5.2 The Savings Tracker is Annex 5 of the Cabinet report and appended to this report details those areas classed under Regeneration & Environment.

3.5.3 Budgetary Issues £000's

Description	£000	Action
Homeless Grant rolled into Formula Grant, but not taken out of budget. No solution.	221	2013/14 from forecast savings in M8 2014/15+ from grant adjustment
Car Parking Income shortfall from changing market	350	Compensatory savings identified for 2013/14, potential growth request 2014/15+ if modeling indicates permanent change

3.5.4 At this stage the issues that have been identified of concern are reported at Annex 12 Budgetary Issues of the Cabinet report and this identifies solutions to those savings where delivery is not anticipated in 2013/14.

3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 8 (NOV 2013)

3.6.1 Table 1: Capital Budget

	Capital strategy	Changes approved by Cabinet	Reprofile to be approved	Other changes to be noted or approved	Revised Capital Programme
Places - Regeneration	5,979	5,162	-2,555	-	8,586
Places - Environment	7,196	6,084	-	-	13,280

Significant variations to be approved or noted by Cabinet for Period 8 are set out in Table 1. The majority of changes already approved are made up of reprofiling of scheme expenditure from 2012/13.

A summary of Reprofile to be approved:

People Regeneration	-	-1,200	Residual Clearance Programme - Now anticipated that this will continue until 2016/17 partly due to difficulty in predicting accurately when the rights to purchase can be obtained. (D)
		-580	New Brighton – Original tenders resulted in scheme estimates approximately 50% greater than the programme approval. Scheme has been redesigned with tenders anticipated in January and scheme completion May 2014.(D)
		-775	Maritime Business Park - The Council has agreed to purchase a site for the supplier park. In conveyancing with completion expected early January. The site will then be cleared early next year ready for redevelopment to commence once a preferred developer has been appointed. (D)

3.6.2 Table 2: Spend to date September (8/12 = 66.6%)

	SPEND TO DATE		COMMENTS ON VARIATION RAG
	£000	%	
Places - Regeneration	2,600	30	Green -acceptable
Places - Environment	6,350	48	Green -acceptable

Expenditure on capital to date is compared to budget in Table 2. Details of issues within the outlined areas are:

The expenditure on Disabled Facilities Grants is currently £1.24M completed from a £3.1M total programme with a further £0.69M committed to date with works in progress. A further £1.17M is to be committed before the end of the financial year.

Cabinet on 7 November 2013 approved 2 grants from the Regional Growth Fund totalling £0.710 million. As based upon delivery of the schemes by the grant recipients this expenditure has yet to be incurred.

3.6.3 Table 3: Projected Outturn compared to Revised Budget £000's

	REVISED	PROJECTED	VARIATION
	BUDGET	OUTTURN	
Places - Regeneration	8,586	8,586	0
Places - Environment	13,280	13,280	0

Budgets are revised throughout the financial year to reflect the projected outturn.

4 RELEVANT RISKS

4.1 There are none relating to this report.

5 OTHER OPTIONS CONSIDERED

5.1 Any option to improve the monitoring and budget accuracy will be considered.

6 CONSULTATION

6.1 No consultation has been carried out in relation to this report.

7 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications arising directly from this report.

8 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

8.1 In respect of the Revenue Budget the Regeneration & Environment Directorate is projecting a £435k under spend as at the 30 November 2013.

9 LEGAL IMPLICATIONS

9.1 There are no implications arising directly from this report.

10 EQUALITIES IMPLICATIONS

10.1 The report is for information and there are no direct equalities implications at this stage.

11 CARBON REDUCTION IMPLICATIONS

11.1 There are no implications arising directly from this report.

12 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no implications arising directly from this report.

13 RECOMMENDATIONS

13.1 Members are requested to review the information presented to determine if they have any specific questions relating to the budget for the Regeneration & Environment Directorate.

14 REASONS FOR THE RECOMMENDATIONS

14.1 To ensure Members have the appropriate information to review the budget performance of the directorate.

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APPENDICES

Extracted from the Revenue Monitoring report to Cabinet on 16 January 2014:-

Annex 5 Savings Tracker

Annex 12 Budgetary Issues

SUBJECT HISTORY

Council Meeting	Date
Monthly financial monitoring reports for Revenue and Capital have been presented to Cabinet since September 2012.	

EXTRACT FROM FINANCIAL MONITORING REPORT MONTH 8 (NOV 2013)

Annex 5 SAVINGS TRACKER

Regeneration and Environment

Saving	Target £000	Comments / progress on implementation	BGAR	Amount delivered at M8 Nov 13 £000	To be delivered £000
Invest Wirral	352	Savings achieved	B	352	0
Home Insulation	926	Savings achieved	B	926	0
Apprentice Programme	420	Savings achieved	B	420	0
Pre-Planning Advice	10	Savings achieved	B	10	0
Pest Control	30	Savings achieved	B	30	0
Dog Fouling Enforcement	97	Savings achieved	B	97	0
Household Waste Collection	80	Savings achieved	B	80	0
Handyperson Scheme	209	Savings achieved	B	209	0
Trading Standards	71	Savings achieved	B	71	0
Highway Maintenance	588	Savings achieved	B	588	0
Street Cleansing	1,000	Savings achieved	B	1000	0
School Waste	180	Savings achieved	B	180	0
Street Lighting	265	Savings achieved	B	265	0
Highway Drainage	106	Savings achieved	B	106	0
Reduction in Parks Maintenance	450	Savings achieved	B	450	0
Housing Support for BME Communities	111	Savings achieved	B	111	0
Car Parking	281	Savings achieved	B	281	0

Garden Waste Collection	582	Income target met and currently overachieving. Garden waste tonnages slightly below projections but drop in recycling credit income will be offset by subscription income and budget monitoring exercise has picked up necessary adjustments. Negotiations with Biffa over savings to be identified through fleet reduction are underway (to be completed by November 13).	G	582	0
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EXTRACT FROM FINANCIAL MONITORING REPORT MONTH 8 (NOVEMBER 2013)

Annex 12 BUDGETARY ISSUES

	Service area	Issue	2013/14	2014/15	2015/16	2016/17	Resolution
Places							
	RHP	Homeless Grant rolled into Formula Grant, but not taken out of budget.	221	221	221	221	2013/14 from forecast savings in M8 2014/15+ from grant adjustment
	Car Parking	Income shortfall from changing market	350	350	350	350	Compensatory savings identified for 2013/14, potential growth request 2014/15+ if modeling indicates permanent change
Totals			571	571	571	571	

Solutions			2013/14	2014-15	2015/16	2016/17	
		Homeless Grant	-221	-221	-221	-221	2013/14 from increased balances forecast in M8 monitor in M8, 2014/15+ from grant adjustment
		Car Parking	-350	-350	-350	-350	2013/14 compensatory savings within R&E parks & countryside, Environmental Health and Waste. 2014/15+ potential growth/budget adjustment request if modeling indicates permanent change
Current additional resource required from savings			0	0	0	0	