

WIRRAL COUNCIL

REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

22 SEPTEMBER 2014

SUBJECT	FINANCIAL MONITORING 2014/15 MONTHS 3/4 (JUNE/JULY 2014)
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 in a format consistent across the Policy and Performance Committees. The report aims to give Members sufficient detail to scrutinise budget performance for the Directorate. Financial information for Months 3/4 (June/July 2014) which is being reported to Cabinet on 11 September is included.

2 BACKGROUND AND KEY ISSUES

- 2.1 Members of the Policy and Performance Committees have previously 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 The Coordinating Committee has 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 REPORTING TO POLICY & PERFORMANCE COMMITTEES

- 3.1 The relevant sections from the most recent revenue and capital monitoring reports reported to Cabinet are summarised into a bespoke report for each Policy and Performance Committee. 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 11 September 2014.

PERFORMANCE AGAINST REVENUE BUDGETS MONTH 4 (JULY 2014)

3.3 CHANGES TO THE AGREED BUDGET

3.3.1 2014/15 Original & Revised Net Budget

	Original Net Budget £000's	Approved Budget Changes Prior Mths £000's	Approved Budget Changes Month 4 £000's	Revised Net Budget £000's
Regeneration & Environment	95,190	-	-93	95,097
Net Cost of Services	95,190	0	-93	95,097

3.3.2 Changes to the Budget agreed since the 2014/15 Budget was set

Items	£000's
Adjustment to recharges between T&R and R&E	-71
Growth not needed due to lower than expected contract on garden waste moved to Corporate Growth and Savings against commissioning.	-22

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 2014/15 Projected Budget variations

Directorates	Revised Budget £000's	Forecast Outturn £000's	(Under) Overspend Month 4 £000's	RAGBY Classification	Change from prev mth £000's
Regeneration & Environment	95,097	95,054	-43	G	-
TOTAL	95,097	95,054	-43		0

3.4.3 RAGBY full details

Department	Number of Budget Areas	RAGBY				
		Red	Amber	Green	Blue	Yellow
Regeneration & Environment	5	0	0	5	0	0
Total	5	0	0	5	0	0

Below is a breakdown of the Budget Areas within Regeneration and Environment with their RAGBY ratings.

	RAGBY
Environment & Regulation	Green
Housing & Community Safety	Green
Regeneration	Green
Directorate Support	Green
Investment Strategy & Business Support	Green
Total	

3.4.4 At this early stage of the financial year, there are no major budgetary issues to report within the Regeneration and Environment Directorate. The Directorate remains on course to meet its 2014/15 financial targets. There are minor positive variations of £43,000.

3.5 IMPLEMENTATION OF 2014/15 SAVINGS

3.5.1 Budget Implementation Plan 2014/15

BRAG	Number of Options	Approved Budget Reduction £000's	Amount Delivered at July £000's	To be Delivered £000's
B - delivered	10	3,353	3,353	0
G – on track	7	1,171	1,171	0
A - concerns	1	40	0	40
R - high risk/ not achieved	0	0	0	0
Total at M04 July	18	4,564	4,524	40

3.5.2 No savings options are currently rated red. A single option is rated at amber. This relates to the Birkenhead Kennels transfer option where implementation is likely to be in September resulting in a shortfall for the period until implementation. Compensatory savings will be identified by the directorate to bridge any budget gap in 2014/15.

3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 4 (JULY 2014)

3.6.1 Table 1: Capital Budget

	<i>Capital strategy</i> £000's	<i>Changes approved by Cabinet</i> £000's	<i>Other changes to be noted</i> £000's	<i>Revised Capital Programme</i> £000's	<i>Actual Expenditure July 2014</i> £000's
Regeneration & Environment – Environment & Regulation	7,850	3,179	0	11,029	2,546
Regeneration & Environment – Housing & Community Safety	5,707	1,498	0	7,205	774
Regeneration & Environment – Regeneration	5,744	3,884	0	9,628	162
Total expenditure	19,301	8,561	0	60,477	7,644

Significant variations to be approved or noted by Cabinet for Period 4 are set out in the following table.

Table 2: Significant variations to the 2014/15 programme

Table	Changes to be noted £000's	Explanation (A) Policy (B) Items previously deferred (C) Funding (D) Re-profiling (E) Reduced requirement
Regeneration – Environment & Regulation	462	Additional grant for pot hole repairs (C).
	-201	Aids to Navigation scheme will now commence in 2015-16 (D).
Regeneration – Housing & Community Safety	-1,238	It is estimated that £262,000 will be secured and paid for in 2014-15 for the New House Building Programme, the remainder in 2015-16. (D)
	54	The estimated Disabled Facilities Grant has been amended to reflect our actual notification
Total Significant Variations	-923	

3.6.2 Environment and Regulation

- The two major programmes relate to Highway Maintenance for which the annual programme has been drawn up with schemes now progressing and no significant issues are anticipated.
- The major scheme within the Bridges programme is the Bidston Bypass North refurbishment (£603,000 estimate) which is currently being tendered for. The emergency strengthening works at Cottage Lane (£245,000) have been completed. Most other schemes will be completed as anticipated with two possible exceptions. The Dell underpass is subject to possible adjudication and work on Network Rail bridges is subject to agreement of that organisation. There is therefore the possibility that these schemes may slip to 2015/16, in total £0.284 million.
- Vehicles, plant and equipment have been ordered in respect of the two Parks schemes.

Housing & Community Safety

- Disabled Facilities Grants continue to be approved and the spend committed but the incurring of this spend is determined by the grant applicants which means that there will invariably be works approved that will not be completed until the following year.
- Regarding the New House-building Programme, funding has been committed to 7 schemes with a value of £1.14 million. This will deliver the first 80 units of the 100 planned. It is envisaged that £262,000 will be secured and paid during 2014-15.

Regeneration

- The Council's Regional Growth Fund grant supports investment into the offshore renewable energy sector. With applications being approved the companies are only paid upon defrayment.
- The tenders for the New Brighton scheme are expected to be returned by the end of July. Subject to the tender price the contract will start in September in order to be completed by March 2015.

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 and Environment Directorate is projecting an underspend of £43k as at the 31 July 2014.

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 Transformation and Resources Directorate.

14 REASONS FOR THE RECOMMENDATIONS

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

REPORT AUTHOR Peter Molyneux
Telephone (0151) 666 3389
E-mail petemolyneux@wirral.gov.uk

APPENDICES

Extracted from the Capital Monitoring report to Cabinet on 11 September 2014:-
Annex 1 Proposed Capital Programme and Funding Cabinet March 2014

SUBJECT HISTORY

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

Annex 1 Revised Capital Programme 2014/15

	Revised		Council		Revenue/	
	Programme	Actual	Resources	Grants	Reserves	Total
	£000	£000				
Regeneration and Environment - Regeneration						
Business Investment Grants	508	0	508			508
Other Regional Growth Fund Schemes	4,697	144		4,697		4,697
LEP Regional Growth Fund Schemes - Targetted Assistance	3,000			3,000		3,000
New Brighton	1,111		1,111			1,111
The Priory	275	18	10	265		275
Floral Pavilion Stage & Orchestra Pit	37		37			37
	9,628	162	1,666	7,962	0	9,628
Regeneration and Environment - Environment & Regulation						
Road Safety	755	757	117	638		755
Congestion	358	0	3	355		358
Active Travel	935	234	505	430		935
Transportation	321	47	91	230		321
Local Sustainable Transport Fund	486	0		486		486
Bridges	1,586	142	736	850		1,586
Highways Maintenance	3,531	644	777	2,754		3,531
Street Lighting	288	66	88	200		288
Coast Protection	23	0		23		23
Asset Management	84	0		84		84
Parks Plant and Equipment	728	195	728			728
Parks vehicles replacement	988	231	988			988
Arrowe Park Changing pavilion	144	90	144			144
Landican Cemetery	71	18	71			71
Birkenhead Park Restoration	97	81	97			97
Hoylake Golf Course	30		30			30
Park Outdoor Gyms	2				2	2
Reeds Lane Play Area	60				60	60
Royden Park	14	3			14	14
Allotments	168		168			168
Start Active, Play Active, Stay active	230		230			230
Wirral Way - widening and safety improvements	130	38	130			130
	11,029	2,546	4,903	6,050	76	11,029
Regeneration and Environment - Housing & Community Safety						
Aids, Adaptations and Disabled Facility Grants	3,557	584	1,868	1,689		3,557
Clearance	1,521	45	705	741	75	1,521
Home Improvement	1,435	120	1,014	421		1,435
Improvement for sale grants	200				200	200
Empty Property Interventions	230	25	170		60	230
New House Building Programme	262		262			262
	7,205	774	0	4,019	335	7,205