

WIRRAL COUNCIL

REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

3 FEBRUARY 2015

SUBJECT	FINANCIAL MONITORING 2014/15 MONTHS 8 (NOVEMBER 2014)
WARD/S AFFECTED	ALL
REPORT OF	ACTING SECTION 151 OFFICER

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 8 (November 2014) which was reported to Cabinet on 15 January 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 15 January 2015.

PERFORMANCE AGAINST REVENUE BUDGETS MONTH 8 (NOV 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 8 £000's	Revised Net Budget £000's
Regeneration & Environment	95,190	-622	-	94,568
Net Cost of Services	95,190	-622	0	94,568

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
Removal of Growth from review in 2014/15	-278
Vacant Posts budget removed	-251
	-622

No adjustments to budgets have taken place in month 8

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 8 £000's	RAGBY Classification	Change from prev mth £000's
Regeneration & Environment	94,568	93,093	-1,475	Y	-840
TOTAL	94,568	93,093	-1,475		-840

The month 8 movement reflects the outcome of an in year review undertaken by all directorates to identify areas to assist, contain and reduce the overall projected authority 2014/15 overspend.

3.4.3 RAGBY full details

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Regeneration & Environment	5	0	1	1	0	3
Total	5	0	1	1	0	3

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

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

3.4.4 Regeneration and Environment has a forecast underspend of £1,475,000. This underspend is due to a number of variations with the largest being:

- £500,000 currently set aside for match funding future grant delivery programmes will not be used in this financial year due to delays in finalising future ERDF & ESF grant programmes.
- £300,000 of savings made in advance plus efficiencies within the Supporting People contract area of Housing & Community Safety.
- £250,000 underspend on staffing costs in various areas including non-filling of posts ahead of implementation of new structures.
- £100,000 from areas increasing their income generation forecasts such as Environment Health from export certificates and Community Safety from community patrol work.

The Floral Pavilion budget position continues to be challenging although the Directorate forecast remains an underspend position.

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 Nov £000's	To be Delivered £000's
B - delivered	12	3,843	3,843	0
G – on track	4	536	536	0
A - concerns	0	0	0	0
R - high risk/ not achieved	2	185	0	100
P – replacements for Red	0	0	85	0
Total at M08 Nov	18	4,564	4,464	100

3.5.2. The red rated options relate to the following:

- **Floral Pavilion Review £100,000:** Although a number of cost reduction and income generating measures have been implemented during the current year, the Floral budget is forecast to be overspent at year end.
- **Street Lighting £85,000:** Cabinet 9th October resolved the ceasing of the 2014/15 budget saving of £85,000 from the switching off of street lights be approved and this be referred to the Council for its approval for it to be met from:
 - (a) replacing with compensatory 'one-off' savings from approved budgets within the Environment & Regulatory Service;
 - b) subsuming within the planned savings from the implementation of a new strategy from 2015/16.

The compensatory measures are shown within the as 'purple rated line above. The directorate is forecasting a large underspend which more than compensates for the two red rated options.

3.6 PERFORMANCE AGAINST CAPITAL BUDGETS MONTH 8 (NOV 2014)

3.6.1 Table 1: Capital Budget

	Capital Strategy	Changes approved by Cabinet	Changes not yet approved/ noted	Revised Capital Programme	Actual Spend Nov 2014
Regeneration & Env– Env & Regulation	8,006	2,525	-275	10,256	4,069
Regeneration & Env – Hsg & Comm Safety	5,707	-1,861	177	4,104	1,626
Regeneration & Env – Regeneration	5,744	3,389	0	9,133	1,836
Total expenditure	19,457	4,053	-98	23,493	7,531

Significant variations to be approved or noted by Cabinet for Period 8 are set out in the following table.

Table 2: Significant variations to the 2014/15 programme

	Amount	Explanation (A) Policy (B) Items previously deferred (C) Funding (D) Re-profiling (E) Reduced requirement
	£000	
Environment & Regulation	82	Additional grant re Local Road Safety (C)
	-168	Bridges – delayed start to Bidston ByPass North (D).
	-212	Highway maintenance – completion of Rake Lane and Kings Parade resurfacing expected April 2015 (D).
	12	Grant to fund coast protection regional monitoring works (C).
	11	Minor variations (D).
Regeneration	-81	Home Improvements – grant confirmation now received results in reduction in programme (C)
Housing & Community Safety	258	Spend is progressing ahead of schedule for the New House Building programme (D)
Total Variation	-98	

Environment and Regulation

- 3.7 Surfacing works at Rake Lane and Kings Parade are now expected to be completed in 2015/16. Consequently £212,000 from the Highway Maintenance programme will be slipped into that year.
- 3.8 Work on the Bidston Bypass North Bridge is unlikely to commence until April 2015 requiring slippage of £168,000.
- 3.9 Vehicles, plant and equipment have been ordered in respect of the two Parks schemes.

Housing & Community Safety

- 3.10 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 during the year.

- 3.11 For the New House-Building Programme, the Council is using the Homes and Community Agency new Affordable Homes Programme as the basis for developing the programme of works. Processes such as defining the criteria and legal obligations for grant funding, site acquisition and planning approval need to be completed before scheme commencement. Based on these parameters anticipated spend for 2014/15 is currently £520,000 higher than previously reported. As such some of the slippage (£258,000) previously agreed will now actually be incurred in this financial year. The overall programme cost remains unchanged.

Regeneration

- 3.12 The Regional Growth Fund grant supports investment into the offshore renewable energy sector. Applications have been approved up to the grant allocation but companies are only paid upon defrayment of supported expenditure with this grant having to be paid by May 2015.
- 3.13 The Liverpool City Region Local Enterprise Partnership (LEP) has secured a total of £15 million from the Governments' Regional Growth Fund (RGF) for a Business Growth Grant programme. From this allocation Wirral has, to date, secured £3 million with grants payable upon defrayment and having to be paid by March 2015.
- 3.14 The contract for New Brighton, primarily for infrastructure developments, started in September and is to be completed by March 2015.
- 3.15 Funding from reserves (£50,000) is available to ensure that the final phase of the Marine Business Park was completed to the agreed standard.

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 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 7.1 There is an ongoing requirements for directorates to identify during the financial year necessary actions to mitigate any forecast overspends.

8 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are no implications arising directly from this report.

9 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

9.1 In respect of the Revenue Budget the Regeneration and Environment Directorate is projecting an underspend of £1,475,000 as at the 30 November 2014.

10 LEGAL IMPLICATIONS

10.1 There are no implications arising directly from this report.

11 EQUALITIES IMPLICATIONS

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

12 CARBON REDUCTION IMPLICATIONS

12.1 There are no implications arising directly from this report.

13 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no implications arising directly from this report.

14 RECOMMENDATIONS

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

15 REASONS FOR THE RECOMMENDATIONS

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

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APPENDICES

Extracted from the Capital Monitoring report to Cabinet on 15 January 2015:-
Annex 1 Revised Capital Programme and Funding 2014/15 and Programme
2015/16

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 Programme £000	Actual £000	Council Resources £000	Grants £000	Revenue/ Reserves £000	Total £000	Programme 2015/16	
Regeneration and Environment - Environment & Regulation								
Road Safety	753	393	33	720		753	84	Start Up/Delivery
Congestion	358	0	3	355		358		Conception
Active Travel	641	309	211	430		641	84	Start Up/Delivery
Transportation	321	125	91	230		321		Start Up/Delivery
Local Sustainable Transport Fund	499	0		499		499		Conception
Bridges	922	297	72	850		922	664	Conception/Start Up/Delivery
Highways Maintenance	3,347	2,047	523	2,824		3,347	254	Start Up/Delivery/Completion
Street Lighting	288	176	88	200		288		Start Up/Delivery
Coast Protection	157	12	20	50	87	157	231	Approval
Asset Management	84	0		84		84		Approval
Energy schemes (LED Street Lighting)	300		300			300	4,000	Approval
Parks Plant and Equipment	728	212	728			728		Delivery
Parks vehicles replacement	988	231	988			988		Delivery
Landican Cemetery	71	48	71			71		Delivery
Birkenhead Park Restoration	97	81	97			97		Delivery
Parks Improvement Works	35	13			35	35		Delivery
Hoylake Golf Course	30		30			30		Conception
Park Outdoor Gyms	2	1		2		2		Completion
Reeds Lane Play Area	60	31		60		60		Delivery
Royden Park/Eastham Country Park	14	12		14		14		Delivery
Gautby Rd Play Area	16	16			16	16		Completion
Allotments	168		168			168		Conception
Start Active, Play Active, Stay active	260	27	230		30	260	10	Conception
Wirral Way - widening and safety improvements	117	38	117			117	13	Start Up
Cemetery extension/improvement							150	
	10,256	4,069	3,770	6,318	168	10,256	5,490	

	Revised Programme £000	Actual £000	Council Resources £000	Grants £000	Revenue/ Reserves £000	Total £000	Programme 2015/16	
Regeneration and Environment - Housing & Community Safety								
Aids, Adaptations and Disabled Facility Grants	2,485	1,179	796	1,689		2,485	3,206	Start Up/Delivery
Clearance	200	111		125	75	200	1,321	Start Up/Delivery
Home Improvement	442	260	102	340		442	912	Start Up/Delivery
Improvement for sale grants	200				200	200		Conception
Empty Property Interventions	176	76	116		60	176	156	Start Up/Delivery
New House Building Programme	520		520			520	980	Start Up
Housing Renewal							1,030	
	4,023	1,626	1,534	2,154	335	4,023	7,605	
Regeneration and Environment – Regeneration								
Business Investment Grants	0		0			0	808	
Regional Growth Fund Schemes	4,697	334		4,697		4,697		Start Up/Delivery
LEP Regional Growth Fund Schemes - Targetted Assistance	3,000	934		3,000		3,000		Start Up/Delivery
New Brighton	1,111	401	1,111			1,111		
Marine Business Park	50	50			50	50		
The Priory	275	117	10	265		275		Delivery
	9,133	1,836	1,121	7,962	50	9,133	808	
	23,412	7,531	6,425	16,434	553	23,412	13,903	