

## **WIRRAL COUNCIL**

### **REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE**

**23 MARCH 2015**

|                        |  |
|------------------------|--|
| <b>SUBJECT</b>         | <b>FINANCIAL MONITORING 2014/15<br/>MONTHS 10 (JANUARY 2015)</b> |
| <b>WARD/S AFFECTED</b> | <b>ALL</b>   |
| <b>REPORT OF</b>       | <b>ACTING SECTION 151 OFFICER</b>                                |

#### **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 10 (January 2015) which was reported to Cabinet on 12 March 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 12 March 2015.

## PERFORMANCE AGAINST REVENUE BUDGETS MONTH 10 (JANUARY 2015)

### 3.3 CHANGES TO THE AGREED BUDGET

#### 3.3.1 2014/15 Original & Revised Net Budget

|                             | Original Net Budget | Approved Budget Changes Prior Mths | Approved Budget Changes Month 10 | Revised Net Budget |
|-----------------------------|---------------------|------------------------------------|----------------------------------|--------------------|
| Regeneration & Environment  | 95,190              | 2778                               | 5                                | 97,973             |
| <b>Net Cost of Services</b> | <b>95,190</b>       | <b>2,778</b>                       | <b>5</b>                         | <b>97,973</b>      |

### 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 | Forecast Outturn | (Under) Overspend Month 10 | RAGBY Classification | Change from prev |
|----------------------------|----------------|------------------|----------------------------|----------------------|------------------|
| Regeneration & Environment | 97,973         | 96,498           | -1,475                     | Y                    | -                |
| <b>TOTAL</b>               | <b>97,973</b>  | <b>96,498</b>    | <b>-1,475</b>              |                      | <b>0</b>         |

#### 3.4.3 RAGBY full details

| Department                 | Number of Budget Areas | RAGBY Rating |          |          |          |          |
|----------------------------|------------------------|--------------|----------|----------|----------|----------|
|                            |                        | Red          | Amber    | Green    | Blue     | Yellow   |
| Regeneration & Environment | 5                      | 0            | 1        | 1        | 0        | 3        |
| <b>Total</b>               | <b>5</b>               | <b>0</b>     | <b>1</b> | <b>1</b> | <b>0</b> | <b>3</b> |

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

| Department                             | RAGBY  |
|--|--------|
| Environment & Regulation               | Yellow |
| Housing & Community Safety             | Yellow |
| Regeneration                           | Amber  |
| Directorate Support                    | Green  |
| Investment Strategy & Business Support | Yellow |
| <b>Total</b>                           |        |

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 remains challenging (the Budget 2015/16 includes increased investment). The overall Directorate forecast however 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 Jan £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                      |
| <b>Total at M10 Jan</b>     | <b>18</b>         | <b>4,564</b>                     | <b>4,464</b>                   | <b>100</b>             |

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 'Replacements for Red' 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 10 (JAN 2015)

#### 3.6.1 Table 1: Capital Budget

|  | Capital Strategy | Changes approved by Cabinet | Changes not yet approved/ noted | Revised Capital Programme | Actual Spend Jan 2015 |
|--|------------------|-----------------------------|---------------------------------|---------------------------|-----------------------|
| Regeneration & Env– Env & Regulation   | 8,006            | 2,250                       | -529                            | 9,727                     | 4,753                 |
| Regeneration & Env – Hsg & Comm Safety | 5,707            | -1,684                      | 34                              | 4,057                     | 2,139                 |
| Regeneration & Env – Regeneration      | 5,744            | 3,389                       | -2,000                          | 7,133                     | 4,704                 |
| <b>Total expenditure</b>               | <b>19,457</b>    | <b>3,955</b>                | <b>-2,495</b>                   | <b>20,917</b>             | <b>11,596</b>         |

Significant variations to be approved or noted by Cabinet for Period 10 are set out in the following table.

**Table 2: Significant variations to the 2014/15 programme**

|                                     | Amount<br>£000 | Explanation<br>(A) Policy<br>(B) Items previously deferred<br>(C) Funding<br>(D) Re-profiling<br>(E) Reduced requirement |
|-------------------------------------|----------------|--|
| <b>Environment &amp; Regulation</b> | -188           | Bridges - awaiting response from Network Rail re bridge strengthening proposal (D).                                      |
|                                     | -100           | BAM Nuttall cannot deliver the work on Bidston Bypass West Bridge until 2015/16 (D).                                     |
|                                     | -67            | Vehicle replacement - outstanding purchases to be completed when beach patrol transfers to RNLI (D).                     |
| <b>Regeneration</b>                 | -165           | Allotments - indicated completion in 2015/16 (D).  |
|                                     | -2,000         | Regional Growth Fund – grant has to be spent by May and reliant on companies submitting fully supported claims (D).      |
| <b>Total Variation</b>              | <b>-2,520</b>  |  |

## **Environment and Regulation**

- 3.7 Major highway improvement works to provide improved and safer facilities for pedestrians and cyclists were completed at the junction of the A41 and Bolton Road in Port Sunlight. The main site works finished in July 2014, three weeks ahead of the planned construction programme. The total cost of £590,000 was funded from active travel, road safety, congestion and maintenance budgets.
- 3.8 A new mini-roundabout has been completed at the junction of Shrewsbury Road and Gerald Road in Oxton. The £60,000 scheme is designed to reduce accidents at a dangerous junction and has been funded from the road safety block.
- 3.9 A package of schemes totalling some £380,000 is under-way on the A41 in Bromborough to provide off-road cycle facilities on one of Wirral's key commuter routes, funded from the local sustainable transport fund (LSTF) and active travel budgets. The work is being carried out under the Council's new Highway Services contract with BAM Nuttall Ltd, and is scheduled for completion before April 2015.

## **Housing & Community Safety**

- 3.10 Disabled Facilities Grants continue to be approved and the spend committed. 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, legal obligations for grant funding, site acquisition and planning approval need to be completed before scheme commencement

## **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. This grant has to be paid by May 2015 so an element of spend will slip into 2015/16.
- 3.13 The Liverpool City Region Local Enterprise Partnership (LEP) has secured a total of £15 million from the Government's 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 May 2015 so an element of this spend will slip into 2015/16.
- 3.14 The contract for New Brighton, primarily for infrastructure developments, started in September and is 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 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 31 January 2015.

#### **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 12 March 2015:-  
Annex 1 Revised Capital Programme and Funding 2014/15 and Programme  
2015/16

### SUBJECT HISTORY

| <b>Council Meeting</b>  | <b>Date</b> |
|---|-------------|
| 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    |                                  |
|--|--------------|--------------|--------------|--------------|------------|--------------|----------------------------------|
|  | Programme    | Actual       | Resources    | Grants       | Reserves   | Total        | 2015/16                          |
|  | £000         | £000         | £000         | £000         | £000       | £000         |                                  |
| <b>Regeneration and Environment - Environment &amp; Regulation</b> |              |              |              |              |            |              |                                  |
| Road Safety  | 753          | 404          | 33           | 720          |            | 753          | 84 Start Up/Delivery             |
| Congestion   | 358          | 0            | 3            | 355          |            | 358          | Conception                       |
| Active Travel  | 641          | 373          | 211          | 430          |            | 641          | 84 Start Up/Delivery             |
| Transportation   | 301          | 167          | 71           | 230          |            | 301          | 20 Start Up/Delivery             |
| Local Sustainable Transport Fund                                   | 499          | 0            |              | 499          |            | 499          | Conception                       |
| Bridges  | 634          | 324          | 72           | 562          |            | 634          | 952 Conception/Start Up/Delivery |
| Highways Maintenance   | 3,347        | 2,254        | 523          | 2,824        |            | 3,347        | 254 Start Up/Delivery/Completion |
| Street Lighting  | 288          | 224          | 88           | 200          |            | 288          | Start Up/Delivery                |
| Coast Protection   | 178          | 50           | 20           | 71           | 87         | 178          | 210 Start Up                     |
| Asset Management   | 84           | 0            |              | 84           |            | 84           | Approval                         |
| Energy schemes (LED Street Lighting)                               | 300          |              | 300          |              |            | 300          | 4,000 Approval                   |
| Parks Plant and Equipment  | 728          | 379          | 728          |              |            | 728          | Delivery                         |
| Parks vehicles replacement   | 921          | 231          | 921          |              |            | 921          | 67 Delivery                      |
| Landican Cemetery  | 71           | 50           | 71           |              |            | 71           | Delivery                         |
| Birkenhead Park Restoration  | 97           | 87           | 97           |              |            | 97           | Delivery                         |
| Parks Improvement Works  | 35           | 19           |              |              | 35         | 35           | Delivery                         |
| Hoylake Golf Course  | 30           |              | 30           |              |            | 30           | Conception                       |
| Park Outdoor Gyms  | 2            | 1            |              | 2            |            | 2            | Completion                       |
| Reeds Lane Play Area   | 50           | 35           |              | 50           |            | 50           | 10 Delivery                      |
| Royden Park/Eastham Country Park                                   | 14           | 12           |              | 14           |            | 14           | Delivery                         |
| Gautby Rd Play Area  | 16           | 16           |              |              | 16         | 16           | Completion                       |
| Allotments   | 3            | 2            | 3            |              |            | 3            | 165 Conception                   |
| Start Active, Play Active, Stay active                             | 260          | 83           | 230          |              | 30         | 260          | 10 Conception                    |
| Wirral Way - widening and safety improvements                      | 117          | 42           | 117          |              |            | 117          | 13 Start Up                      |
| Cemetery extension/improvement                                     |              |              |              |              |            |              | 150                              |
|  | <b>9,727</b> | <b>4,753</b> | <b>3,518</b> | <b>6,041</b> | <b>168</b> | <b>9,727</b> | <b>6,019</b>                     |



|  | <b>Revised<br/>Programme<br/>£000</b> | <b>Actual<br/>£000</b> | <b>Council<br/>Resources<br/>£000</b> | <b>Grants<br/>£000</b> | <b>Revenue/<br/>Reserves<br/>£000</b> | <b>Total<br/>£000</b> | <b>Programme<br/>2015/16</b> |                   |
|--|---------------------------------------|------------------------|---------------------------------------|------------------------|---------------------------------------|-----------------------|------------------------------|-------------------|
| <b>Regeneration and Environment -<br/>Housing &amp; Community Safety</b> |                                       |                        |                                       |                        |                                       |                       |                              |                   |
| Aids, Adaptations and Disabled Facility Grants                           | 2,138                                 | 1,428                  | 796                                   | 1,342                  |                                       | 2,138                 | 3,206                        | Start Up/Delivery |
| LIFT Programme   | 347                                   | 45                     |                                       | 347                    |                                       | 347                   |                              | Start Up/Delivery |
| Clearance  | 200                                   | 163                    |                                       | 125                    | 75                                    | 200                   | 1,321                        | Start Up/Delivery |
| Home Improvement   | 442                                   | 410                    | 102                                   | 340                    |                                       | 442                   | 912                          | Start Up/Delivery |
| Improvement for sale grants  | 200                                   |                        |                                       |                        | 200                                   | 200                   |                              | Conception        |
| Empty Property Interventions   | 210                                   | 93                     | 150                                   |                        | 60                                    | 210                   | 122                          | Start Up/Delivery |
| New House Building Programme   | 520                                   |                        | 520                                   |                        |                                       | 520                   | 980                          | Start Up          |
| Housing Renewal  |                                       |                        |                                       |                        |                                       |                       | 1,030                        |                   |
|  | <b>4,057</b>                          | <b>2,139</b>           | <b>1,568</b>                          | <b>2,154</b>           | <b>335</b>                            | <b>4,057</b>          | <b>7,571</b>                 |                   |
| <b>Regeneration and Environment –<br/>Regeneration</b>                   |                                       |                        |                                       |                        |                                       |                       |                              |                   |
| Business Investment Grants   | 0                                     |                        | 0                                     |                        |                                       | 0                     | 808                          |                   |
| Regional Growth Fund Schemes   | 2,697                                 | 1,488                  |                                       | 2,697                  |                                       | 2,697                 | 2,000                        | Start Up/Delivery |
| LEP Regional Growth Fund Schemes -<br>Targetted Assistance               | 3,000                                 | 1,952                  |                                       | 3,000                  |                                       | 3,000                 |                              | Start Up/Delivery |
| New Brighton   | 1,111                                 | 1,015                  | 1,111                                 |                        |                                       | 1,111                 |                              | Start Up          |
| Marine Business Park   | 50                                    | 68                     |                                       |                        | 50                                    | 50                    |                              | Completion        |
| The Priory   | 275                                   | 181                    | 10                                    | 265                    |                                       | 275                   |                              | Delivery          |
|  | <b>7,133</b>                          | <b>4,704</b>           | <b>1,121</b>                          | <b>5,962</b>           | <b>50</b>                             | <b>7,133</b>          | <b>2,808</b>                 |                   |