

## WIRRAL COUNCIL

### REGENERATION & ENVIRONMENT POLICY & PERFORMANCE COMMITTEE

15 SEPTEMBER 2015

<b>SUBJECT</b>	<b>FINANCIAL MONITORING 2014/15 2014/15 OUTTURN</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 the outturn 2014/15 which was reported to Cabinet on 13 July is included.

#### **2 BACKGROUND AND KEY ISSUES**

- 2.1 Throughout the 2014/15 financial year Cabinet have received updates in respect of Revenue and Capital Monitoring with these reports having been submitted monthly. After the significant changes the Council went through during 2012/13 and 2013/14, 2014/15 has seen an increasingly stable and positive position being reported. These reports have then been used to provide a basis for reports to Policy & Performance Committees.
- 2.2 The last monitoring report, for Month 10, considered by Cabinet on 12 March 2015, projected a General Fund overspend of £0.8 million. The overspending was principally due to slippage or non-delivery of in-year savings and demand pressures in particular services. It was mitigated by underspending in certain Directorates and the implementation of a number of management actions and mitigation to help compensate and limit the adverse variances.
- 2.3 The actual Out-turn was an underspend of £0.5 million. The improvement was essentially due to underspends within Regeneration & Environment, in respect of staffing and increased income, and in Transformation & Resources, with further savings identified from treasury management activities. These more than offset the slippage on the delivery of the Re-modelling savings which were initially to be met from the Re-modelling Reserve.

#### **3 REPORTING TO POLICY & PERFORMANCE COMMITTEES**

- 3.1 The relevant sections from the most recent revenue and capital outturn 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 capital budget

3.2 The following sections have been extracted from the Financial Monitoring outturn reports presented to Cabinet on 13 July 2015.

#### 4 PERFORMANCE AGAINST REVENUE BUDGETS 2014/15 OUTTURN

##### CHANGES TO THE AGREED BUDGET

##### 4.1 2014/15 Original & Revised Net Budget £000's

	<b>Original Net Budget</b>	<b>Budget Changes</b>	<b>Revised Net Budget</b>
	£000	£000	£000
Regeneration and Environment	95,190	1,430	96,620
<b>Net Cost of Services</b>	<b>95,190</b>	<b>1,430</b>	<b>96,620</b>

4.1.1 The Budget 2014/15 was agreed by Council on 25 February 2014 with any increase in the Budget agreed by full Council. Changes to the Budget since it was set are summarised in the table (4.1) and comprise: variations approved by Cabinet / Council including approved virements; budget realignments reflecting changes to the Directorate structure and responsibilities; the allocation of savings to Directorates; any technical accounting adjustments.

##### 4.2 VARIATIONS

4.2.1 The report uses RAGBY ratings to 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)

##### 4.2.2 2014/15 Budget variations £000's

<b>Directorates</b>	<b>Revised Budget</b>	<b>Outturn</b>	<b>(Under) Overspend</b>	<b>RAGBY Class</b>	<b>Change from prev</b>
Regeneration and Environment	96,620	93,271	-3,349	Y	-1,874
<b>TOTAL</b>	<b>96,620</b>	<b>93,271</b>	<b>-3,349</b>		<b>-1,874</b>

4.2.3 Within the Budget for 2014/15 was £36.2 million of efficiencies. The Revenue Monitoring reports throughout the year highlighted the potential overspending areas which included slippage in the delivery of some of the savings to be delivered. This reflected timing delays in implementation mainly within Families & Wellbeing – Adult Social Services.

#### 4.2.4 Analysis of the Directorate Variations

The table below shows the main areas of budget to actual variations within the Regeneration and Environment. There are over/under spends that make up the total underspend of £3.3 million.

Directorate	Description	Over £m	Under £m
Regeneration and Environment	Increased income and reduced staffing in various areas		2.1
	Supporting People Programme (early delivery of savings and efficiencies)		1.0
	Additional grant support and match funding not utilised		0.5
	Floral Pavilion	0.3	
<b>Total</b>		<b>0.3</b>	<b>3.6</b>
<b>Grand Total</b>			<b>3.3</b>

## 5 PERFORMANCE AGAINST CAPITAL BUDGETS OUTTURN 2014/15

### 5.1 Capital Programme 2014/15 Outturn

5.1.1 The capital spend for the year on the accruals basis amounted to £16.6 million compared to the Revised Programme of £20.9 million which was reported in January (Month 10). This is summarised the table below.

Spend	Original Approval £000	Revised January £000	Actual Out-turn £000
Reg & Env– Env & Regulation	8,407	9,727	7,580
Reg & Env – Hsg & Comm Safety	5,707	4,057	2,812
Reg & Env – Regeneration	5,744	7,133	6,252
<b>Total Programme</b>	<b>19,858</b>	<b>20,917</b>	<b>16,644</b>

### 5.2 Regeneration and Environment – Environment and Regulation

The Authority continued to improve the highway network spending more than £2.5 million on highway structural maintenance schemes in 2014/15. There was also £0.5 million spent on bridges which included the completion of the Cottage Lane bridge strengthening works and the preparation works and technical report for the future Dock bridges scheme.

£0.5 million of Local Sustainable Transport Funding was used to improve access to key employment sites by providing infrastructure for pedestrians and cyclists on key corridors in East Wirral. This was further supplemented with £0.6 million from the Active Travel funding allocation .The most significant scheme was at Bolton Road.

£0.8 million was spent on road safety improvements such as traffic signals, speed cushions and puffins. Again, the most significant scheme was in Bolton Road (£0.37 million).

The planned investment in new vehicles, plant and equipment as part of the Parks and Countryside services modernisation project has continued with £0.8 million spent in 2014/15.

### **5.3 Regeneration and Environment – Housing and Community Safety**

The support for the provision and re-provision of new housing through the clearance programme saw £1.8 million in total deferred to 2015/16.

Approximately half the Home improvement allocation was spent during the year, an improvement on what was anticipated mid-way through the year.

Disabled Facilities Grants/Aids and Adaptations 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 but will not be completed until the following year. £2 million was spent in 2014/15.

### **5.4 Regeneration and Environment – Regeneration**

Public realm improvements to New Brighton seafront to increase visitors and improve footfall for local businesses were completed in 2014/15. This included maintenance and traffic improvements outside the Floral Pavilion and to Victoria Parade.

The Regional Growth Fund (RGF) is a £2.6 billion fund operating across England from 2011/16. It supports projects and programmes that lever private sector investment to create economic growth and sustainable employment. 12 projects have been supported committing £4.9 million in RGF grant.

Using the Local Enterprise Partnership funding has enabled 35 projects to be supported. A total of £4.1 million has been expended to date.

## **6 RELEVANT RISKS**

6.1 There are none relating to this report.

## **7 OTHER OPTIONS CONSIDERED**

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

## **8 CONSULTATION**

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

## **9 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

9.1 There is an ongoing requirement to identify during the financial year necessary actions to mitigate any forecast overspend.

## **10 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

10.1 There are no implications arising directly from this report.

## **11 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS**

11.1 In respect of the Revenue Budget the Regeneration & Environment Directorate outturn for 2014/15 was a £3.3m underspend.

## **12 LEGAL IMPLICATIONS**

12.1 There are no implications arising directly from this report.

## **13 EQUALITIES IMPLICATIONS**

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

## **14 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

14.1 There are no implications arising directly from this report.

## **15 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

15.1 There are no implications arising directly from this report.

## **15 RECOMMENDATIONS**

15.1 That Members note the revenue underspend of £3.3 million for the Regeneration and Environment Directorate and the 2014/15 directorate capital outturn of £16.6 million.

## **16 REASONS FOR THE RECOMMENDATIONS**

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

**REPORT AUTHOR**

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**APPENDICES**

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**SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Regular financial monitoring reports for Revenue and Capital have been presented to Cabinet since September 2012.	