



**Policy and Performance - Regeneration and Environment  
Committee**

**Wednesday, 2 March 2016**

<b>REPORT TITLE:</b>	<b>FINANCIAL MONITORING 2015/16</b>
<b>REPORT OF:</b>	<b>Head of Financial Services</b>

**REPORT SUMMARY**

This report sets out the financial monitoring information for Regeneration and Environment in a format consistent across the Policy and Performance Committees. The report aims to give Members the detail to scrutinise budget performance for the Directorate. The financial information is for Quarter 3 (October-December 2015) and was reported to Cabinet on 22 February 2016.

**RECOMMENDATION/S**

1. That the forecast year end underspend of £1.81 million in the Regeneration and Environment 2015/16 Revenue Budget position and actions taken during quarter 3 be noted.
2. That the capital expenditure position at the close of quarter 3 totalling £14.9 million against a revised Capital Programme of £23.5 million be noted
3. 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.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

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

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 This is a monitoring report but any options to improve the monitoring and budget accuracy will be considered.

### 3.0 BACKGROUND INFORMATION

#### 3.1 CHANGES TO THE AGREED BUDGET

- 3.1.1 The 2015/16 Budget was agreed by Council on 24 February 2015. ; any increase in the overall Council Budget have to be agreed by full Council. Changes to the Budget since it was set are summarised in Table 1.

**Table 1: 2015/16 Original & Revised Net Budget by Directorate £000's**

	Original Net Budget	Approved Budget Changes Prior Qtrs	Approved Budget Changes Qtr 3	Revised Net Budget
Regeneration & Environment	90,287	-795	-31	89,461
Net Cost of Services	90,287	-795	-31	89,461

- 3.1.2 The main budget movements in quarter three relate to adjustments within the support services budget. These adjustments have no effect on the net bottom line of the council as a whole.

#### 3.2 PROJECTIONS AND KEY ISSUES

- 3.2.1 The projected outturn position as at the end of December 2015, key issues emerging and Directorate updates are detailed in the following sections.

**Table 2: 2015/16 Projected Budget variations by Directorate £000's**

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Quarter 3	RAGBY Class	Change from prev
Regeneration & Environment	89,461	87,651	-1,810	Y	-1,080
<b>TOTAL</b>	<b>89,461</b>	<b>87,651</b>	<b>-1,810</b>		<b>-1,080</b>

The report classifies the forecast under/overspends for the above areas using a colour RAGBY rating. The ratings are defined as follows:

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

£140k); **Blue** (-£141k to -£300k).

### 3.3 DIRECTORATE UPDATES

#### Regeneration and Environment

- 3.3.1 There has been a further underspend of £1.08 million this quarter. Within Waste & Environment there is a forecast underspend of £0.2 million. The annual inflation rate applied to the Biffa contract was less than originally budgeted for resulting in a small underspend. There is also some additional income from litter enforcement fines and which is reflected within the above underspend position.
- 3.3.2 Due to EDRF funding for the salaries within Business Support being extended until November 2015, there will be an underspend of approximately £0.1 million on employee budgets. There are also further potential underspends of £0.3 million from budgets set aside to match funding future grant delivery programmes. As yet these monies have not been committed.
- 3.3.3 In Housing there is also additional income from DFG fees and underspends from employee vacancies during the year. A further £0.26 million has been added to this underspend by removing a budget allocated as a 'revenue contribution to capital' and using in its place other available capital programme resources.

### 3.4 IMPLEMENTATION OF SAVINGS

- 3.4.1 The delivery of the agreed savings is key to the Council's financial health and is tracked at both Council and Directorate level. The Budget for 2015/16 originally included £38 million of efficiency measures and it was recognised that the delivery of the savings, particularly within Adults and Children's Services was challenging being more of a transformational / change nature. Cabinet in July agreed the reprofiling of £9.6 million of savings funded from earmarked reserves (£5.4 million) and General Fund Balances (£4.2 million) which was confirmed by Council 12 October.

**Table 3: Budget Implementation Plan 2015/16 (£000's)**

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at Dec 15	To be Delivered
B - delivered	8	1,595	1,595	0
G – on track	9	794	603	191
A - concerns	3	470	200	270
R - high risk/ not achieved	0	0	0	0
<b>Total at Dec 2015-16</b>	<b>20</b>	<b>2,859</b>	<b>2,398</b>	<b>461</b>

- 3.4.2 The savings tracker contains an assessment of the 2015/16 savings. Cabinet 27 July agreed that £9.6 million of savings be moved into 2016/17 with

funding from earmarked reserves and General Fund balances.

### 3.5 PERFORMANCE AGAINST CAPITAL BUDGETS QUARTER 3

#### 3.5.1 Capital Programme 2015/16 at end of Quarter 3 (31 December)

	<b>Capital Strategy</b>	<b>Revisions Since Budget Cabinet</b>	<b>Revised Capital Programme</b>	<b>Actual Spend December 2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
R&E– Env & Regulation	12,633	-1,089	11,544	7,256
R&E– Hsg & Comm Safety	6,412	-984	5,428	2,319
R& E – Regeneration	1,808	4,694	6,502	5,344
<b>Total expenditure</b>	<b>20,853</b>	<b>-2,621</b>	<b>23,474</b>	<b>14,919</b>

#### 3.5.2 Regeneration and Environment – Environment and Regulation

In respect of West Kirby Flood Alleviation the business case has been submitted to the Environment Agency. Approval to commence the scheme is still awaited and anticipated to be primarily in 2016/17.

The major areas of expenditure to date are in respect of highways and bridges with expenditure exceeding £4.7 million. The most significant schemes are Kings Parade, Spital Road, North Wallasey Approach Road, Rake Lane, micro asphaltting and Bidston Bypass Bridge.

The LED Street Lighting scheme is well under way with expenditure of £1.4 million incurred by 31 December with a further £1.8 million to be expended in this phase.

#### 3.6.3 Regeneration and Environment – Housing

£1.3 million of grant aid has been provided for the provision of essential aids and adaptations giving disabled people better freedom of movement in and around their homes.

#### 3.6.4 Regeneration and Environment – Regeneration

Over £5.2 million Regional Growth Fund and business investment grants have been allocated to date which is helping to create jobs and encourage growth and investment. Allocations include a grant of £1.2 million towards Redsun Development's overall £7 million investment to support the new Turbine Business Park which will provide an estimated 235 local jobs, with businesses operating from new units on the site. Capital and Centric Plc, have received £0.9 million with upwards of 50 jobs set to be created with the opening of a £2.5 million complex of new super-energy efficient offices and warehouses in Birkenhead.

Hamilton Square Accessibility Improvements – the original proposal has been withdrawn following public consultation and the £0.4 million Liverpool City

Region Sustainable Transport Enhancement Package grant will be returned. There are a series of projects being developed which will form part of a wider strategy for Birkenhead town Centre which will include improved linkage and developments within the Woodside area, Hind Street and the Europa Pools area. Any further proposals for Hamilton Square should they arise will fall within this strategy.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 In respect of the Revenue Budget the Regeneration and Environment Directorate is projecting a £1.81m underspend as at the 31 December 2015.

#### **5.0 LEGAL IMPLICATIONS**

5.1 There are no implications arising directly from this report.

#### **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

6.1 There are no IT, staffing or asset implications arising directly out of this report.

#### **7.0 RELEVANT RISKS**

7.1 There are none relating to this report.

#### **8.0 ENGAGEMENT/CONSULTATION**

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

#### **9.0 EQUALITY IMPLICATIONS**

9.1 This report is essentially a monitoring report which reports on financial performance.

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#### **APPENDICES**

**REFERENCE MATERIAL**

**SUBJECT HISTORY (last 3 years)**

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

## Annex 1 Revised Capital Programme

<b>Regeneration and Environment - Environment &amp; Regulation</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Road Safety	<b>60</b>	45	60	-	-	<b>60</b>
Active Travel	<b>107</b>	68	107	-	-	<b>107</b>
Transportation	<b>104</b>	89	104	-	-	<b>104</b>
Bridges	<b>1,305</b>	1,159	467	-	838	<b>1,305</b>
Street Lighting	<b>76</b>	53	26	-	50	<b>76</b>
Highway Maintenance	<b>3,935</b>	3,547	1,400	-	2,535	<b>3,935</b>
Transport for Growth	<b>1,436</b>	323	-	-	1,436	<b>1,436</b>
Start Active, Play Active, Stay active	<b>34</b>	12	34	-	-	<b>34</b>
Wirral Way - widening and safety improvements	<b>14</b>	6	14	-	-	<b>14</b>
Cemetery Extensions and Improvements	<b>71</b>	18	71	-	-	<b>71</b>
Coast Protection	<b>23</b>	23	23	-	-	<b>23</b>
Energy schemes (LED Street Lighting)	<b>3,162</b>	1,430	3,162	-	-	<b>3,162</b>
Allotments	<b>165</b>	20	165	-	-	<b>165</b>
Parks Improvements	<b>38</b>	35	-	13	25	<b>38</b>
Parks vehicles replacement	<b>684</b>	428	684	-	-	<b>684</b>
West Kirby Flood Alleviation	<b>50</b>	-	-	50	-	<b>50</b>
Dock Bridges Replacement	<b>280</b>	-	280	-	-	<b>280</b>
	<b>11,544</b>	<b>7,256</b>	<b>6,597</b>	<b>63</b>	<b>4,884</b>	<b>11,544</b>

<b>Regeneration and Environment - Housing &amp; Community Safety</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Aids, Adaptations and Disabled Facility Grants	<b>2,000</b>	1,268	-	-	2,000	<b>2,000</b>
LIFT	<b>2</b>	3	2	-	-	<b>2</b>
Clearance	<b>516</b>	469	220	100	196	<b>516</b>
Home Improvement	<b>420</b>	244	270	150	-	<b>420</b>
Improvement for sale grants	<b>180</b>	-	-	180	-	<b>180</b>
Empty Property Interventions	<b>160</b>	58	150	10	-	<b>160</b>
New House Building Programme	<b>1,500</b>	277	1,500	-	-	<b>1,500</b>
Cluster of Empty Homes Fund	<b>650</b>	-	-	-	650	<b>650</b>
	<b>5,428</b>	<b>2,319</b>	<b>2,142</b>	<b>440</b>	<b>2,846</b>	<b>5,428</b>
<b>Regeneration and Environment - Regeneration</b>						
New Brighton	<b>140</b>	48	140	-	-	<b>140</b>
Other Regional Growth Fund Schemes	<b>3,208</b>	2,890	-	-	3,208	<b>3,208</b>
LEP Regional Growth Fund Schemes Targeted Assistance	<b>2,265</b>	2,265	-	-	2,265	<b>2,265</b>
Business Investment Grants	<b>780</b>	105	780	-	-	<b>780</b>
The Priory	<b>69</b>	36	-	-	69	<b>69</b>
Hamilton Square Accessibility Improvements	<b>40</b>	-	40	-	-	<b>40</b>
	<b>6,502</b>	<b>5,344</b>	<b>960</b>	<b>-</b>	<b>5,542</b>	<b>6,502</b>
<b>Total</b>	<b>46,917</b>	<b>26,166</b>	<b>23,585</b>	<b>572</b>	<b>22,760</b>	<b>46,917</b>



