

Report for: Environment and Community Safety Scrutiny Committee
4th October 2016

Item number:

Title: 2016/17 Quarter 1 (to June 2016) Financial Report for Priority 3
(Safe and Sustainable Places)

Report authorised by : Stephen McDonnell, Assistant Director of Commercial and Operations

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Ward(s) affected: All

**Report for Key/
Non Key Decision:** Not a key decision

- 1. Describe the issue under consideration**
This report provides an overview of the financial performance of the services within Priority 3 (A clean and safe borough where people are proud to live) as at the end of quarter 1, 2016/17.
- 2. Cabinet Member Introduction**

N/A
- 3. Recommendations**
That Members note the financial position of Priority 3 services.
- 4. Reasons for decision**
In October 2015 the main Overview and Scrutiny Committee agreed each scrutiny panel could during the course of each year undertake a review of their areas overall service and financial performance, taking into account previous years' performance, the current year's estimated outturn position and future changes as set out in the Council's MTFs.
- 5. Alternative options considered**
This is the 2016/17 Quarter 1 Financial Report as such there are no alternative options.
- 6. Background information**
 - 6.1 Introduction**

- 6.1 This is the first Financial Report for the 2016/17 financial year covering both Revenue and Capital. This is a quarterly report covering the period April to June 2016.
- 6.2 Priority 3 services are those relating to Commercial and Operations Services within Chief Operating Officer as well as Emergency Services which sits in Public Health.
- 6.2 **Table 1** sets out the variances for each service.

Table 1: Forecast Outturn Variance as at Period 3 (June 2016)

Summary Forecast position	Budget 2016/17	Forecast position Month 3	Variance Month 3
	£'000	£'000	£'000
Traffic Management	6,677	7,363	-686
Neighbourhood Action	15,413	15,485	-72
Asset Management, Corporate landlord Buildings	-1,308	-479	-829
Business Support	2,551	2,091	460
Direct Services	277,226	344	-67
Community Safety	2,180	2,097	83
Corporate Procurement	-2	-147	145
Emergency Planning	268	268	0
Total Priority 3	26,057	27,022	-965

6.3 Traffic Management £686k overspend

£600k of savings relating to New ways of Delivering Parking Enforcement are not on track, and a shortfall of £350k is forecast after taking into account other savings. Similarly the Improved Street lighting LED investment proposed savings will not be achieved (£130k shortfall). A further pressure is NESRA income which is below expected levels.

6.2 Neighbourhood Action £72k overspend

The anticipated savings from the restructure will not be met. In addition income levels from bulk refuse containers and Fixed Penalty Notices are not increasing.

6.3 Asset Management, Corporate landlord Buildings £829k overspend

This pressure is mainly due to planned savings from selling corporate property not being achieved. The rent increase for Alexandra House presents a further risk to this budget area.

6.4 Business Support £460k underspend

Savings have been achieved through staff reductions.

6.5 Direct Services £67k overspend

The budget for this area is currently being realigned in order to address the forecast overspend.

6.6 Community Safety £83k underspend

Under-spend of £83k mainly due to a vacant post in ASBAT. Income will continue to be monitored as we anticipate that meeting income targets may be challenging over the year.

6.7 Corporate Procurement £144k underspend

Under-spend of £144k due to overachievement of projected income from the LCP.

6.8 Emergency Planning no variance

This service is forecast to come in on budget.

7 Monitoring of MTFP savings

7.1 As at the end of Period 3, the overall position on Priority 3 savings is as set out in **Table 2** below

Table 2: MTFP status – June 2016 (Period 3)

	2016/17 Base £'000	2016/17 At Q1 £'000
ORIGINAL PRIORITY SAVING TOTAL	4,225	4,225
SAVINGS ALREADY ACHIEVED	855	1,725
SAVINGS ON TRACK WITH FIRM PLANS	2,015	1,595
SAVINGS LIKELY TO OVER ACHIEVE	1,000	1,150
SAVINGS WITH LESS CERTAIN PLANS	250	-
SAVINGS GAP	105	- 245

7.2 Details of each saving is attached at Appendix A.

8 Capital Expenditure

8.1 At Period 3, the capital programme is forecasting an underspend of £1.3m, shown in **Table 3** below.

Table 3: Capital Expenditure Projection – June 2016 (Period 3)

Description	Original Budget	Revised Budget	Actual To date P3	Forecast @ P3	Projected Variance
Corporate Management of Proper	2,500,000	2,554,800	(46,421)	2,554,800	0
Recreation projects	880,000	950,000	501	950,000	0
Lordship Recreation Ground	0	202,300	3,991	202,300	0
Leisure External Capital Works	0	0	(237,000)	0	0
Parking Plan	300,000	300,000	(16,687)	300,000	0
Parking CCTV Camera	0	4,700	0		(4,700)

Street Lighting CMS & LED Inve	0	0	(9,875)	0	0
Street Lighting	1,000,000	1,000,000	(14,425)	1,000,000	0
CCTV control room refurb.	2,100,000	2,100,000	0	0	(2,100,000)
Section 278 Highways Act 1980	800,000	982,800	38,446	982,800	0
Road Safety Improvement	300,000	300,000	1,000	300,000	0
Front Line Services S106 Schem	800,000	1,437,600	(11,335)	1,437,600	0
BorRds, H'ways Resurfacing & S	3,000,000	3,000,000	51,236	3,000,000	0
TFL - Bus Stop Accessibility	0	0	(63,854)	0	0
Sustainable Transport - Draina	500,000	500,000	0	500,000	0
TFL - Borough Cycle Programme	0	0	2,183	144,150	144,150
TFL - Local Transport Funding	0	0	0	100,000	100,000
TFL - Corridors/Neighbourhoods	2,617,000	2,617,000	(188,220)	2,617,000	0
TFL - Bridges	0	0	785,018	3,100,000	3,100,000
	14,797,000	15,949,200	294,558	17,188,650	1,239,450

8.2 TfL funded schemes are currently over budget by £3.3m, but this is because revised TfL grant allocations have not yet been updated on the TfL Portal and SAP. Once confirmed, budgets will be fully adjusted and expenditure is expected to be on budget.

8.3 CCTV Control room refurbishment £2.1m underspend. This budget for full equipment replacement for the CCTV control room is unlikely to be required until 17/18, because of delays in the delivery of the depot relocation to Marsh Lane.

9 Contribution to strategic outcomes

Adherence to strong and effective financial management will enable the Council to deliver all of its stated objectives and priorities. This report deals with the financial position of those services which are contributing to the Council's Priority 3: A clean and safe borough where people are proud to live.

10 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

This report is primarily financial in nature and no additional comments are required from the Chief Financial Officer.

Legal

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This could include, as set out in the report, action to reduce spending in the rest of the year.

The Council must act reasonably and in accordance with its statutory duties.

Equality

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

This report provides an update on the current position in relation to planned MTFS savings. Given the impact on services of savings targets, all MTFS savings were subject to equalities impact assessment as reported to Full Council on 23rd February 2015.

Any planned mitigating actions that may have an impact beyond that identified within the MTFS impact assessment process will be subject to new equalities impact assessment.

11 Use of Appendices

Appendix A – Period 3 monitoring of MTFP savings for 2016/17

12 Local Government (Access to Information) Act 1985

a) 2016/17 Period 3 finance working papers