



To Executive Councillor for Environment, Waste & Public Health

Report by Director of Environment and Director of Business Transformation

Relevant Scrutiny Committee Environment

8 July 2014

2013/14 Revenue and Capital Outturn, Carry Forwards and Significant Variances - Environmental & Waste Services Portfolio

Key Decision

1. Executive summary

- 1.1 This report presents a summary of the 2013/14 outturn position (actual income and expenditure) for services within the Environmental and Waste Services portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2014/15 and future years where relevant, are identified.
- 1.2 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2013/14) members of this committee are asked to consider the proposals to carry forward budgets and make their views known to The Executive Councillor for Finance and Resources, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To agree the carry forward requests totalling £57,400 as detailed in Appendix C, to be recommended to Council for approval.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £410,000 from 2013/14 into 2014/15 and future years where relevant, as detailed in Appendix D.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Environmental & Waste Services portfolio, compared to final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this portfolio, for which approval is sought to carry forward unspent budget from 2013/14 to the next financial year, 2014/15.
- 3.4 The overall revenue budget outturn position for the Environmental & Waste Services portfolio is set out in the table below:

Environmental & Waste Services 2013/14 Revenue Summary	£
Final Budget	8,265,820
Outturn	7,860,111
(Under)/Overspend for the year	(405,709)
Carry Forward Requests:	57,400
Net Variance	(348,309)

The net variance represents 4.21% of the overall portfolio budget for 2013/14 financial year.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Environmental & Waste Services portfolio, with explanations of variances.
- 3.6 An overall underspend of £488,000 has arisen. £410,000 is due to slippage and rephasing of the capital programmes is required to transfer £147,000 of the budget into 2014/15 and £263,000 into 2015/16. There has been an underspend within the Vehicle Replacement Programme of £80,000 and a further £2,000 is in respect of net project overspends.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward budget of £57,400 from 2013/14 to the next financial year, 2014/15, would result in a decreased use of General Fund reserves of £348,309.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2014/15 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2013/14
- Directors Variance Explanations - March 2014
- Capital Monitoring Reports - March 2014
- Budgetary Control Reports to 31 March 2014

6. Appendices

- Appendix A - Revenue Budget 2013/14 - Outturn
- Appendix B - Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2013/14 - Carry Forward Requests
- Appendix D - Capital Budget 2013/14 - Outturn

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget - 2013/14 Outturn

Service Grouping	Original Budget	Final Budget	Outturn	Variation - Final Budget & Outturn Increase / (Decrease)	Carry Forward Requests - see Appendix C	Net Variance
	£	£	£	£	£	£
Environment - Environmental Services						
Control of Disease	80,250	91,980	81,933	(10,047)	0	(10,047)
Out of Hours	106,780	124,380	116,011	(8,369)	0	(8,369)
Small Projects	4,280	13,210	10,135	(3,075)	0	(3,075)
Scientific Team	290,760	283,690	283,822	132	0	132
Food and Occupational Safety	356,270	354,730	346,821	(7,909)	0	(7,909)
Enforcement	124,140	124,140	125,058	918	0	918
	962,480	992,130	963,780	(28,350)	0	(28,350)
Environment - Licensing						
Liquor Licensing	(21,280)	(44,890)	(45,102)	(212)	0	(212)
Gambling Act	(8,640)	(8,640)	(6,833)	1,807	0	1,807
Miscellaneous Licensing	6,990	6,990	3,890	(3,100)	0	(3,100)
Private Hire Vehicles	0	0	0	0	0	0
Taxis	0	0	0	0	0	0
	(22,930)	(46,540)	(48,045)	(1,505)	0	(1,505)
Environment - Streets & Open Spaces						
Rangers	344,840	348,200	360,389	12,189	0	12,189
Abandoned Vehicles	24,620	24,620	20,977	(3,643)	0	(3,643)
Public Realm Enforcement	181,770	181,770	162,982	(18,788)	0	(18,788)
Control of Dogs	69,190	69,240	62,906	(6,334)	0	(6,334)
Conveniences	613,670	613,670	613,664	(6)	0	(6)
Street Cleansing	2,015,930	2,016,210	1,957,308	(58,902)	0	(58,902)
Grounds Maintenance	0	0	0	0	0	0
	3,250,020	3,253,710	3,178,226	(75,484)	0	(75,484)
Environment - Waste & Recycling						
Green Waste Recycling	556,150	551,120	556,713	5,593	0	5,593
Domestic Refuse	902,540	866,560	876,667	10,107	0	10,107
Trade Refuse	(412,530)	(498,890)	(662,068)	(163,178)	12,000	(151,178)
Dry Recycling	601,050	597,790	607,362	9,572	0	9,572
Clinical Waste	0	6,280	(265)	(6,545)	0	(6,545)
College/Bring Bank Recycling	195,110	165,980	140,881	(25,099)	0	(25,099)
Bin Deliveries	41,470	41,600	46,777	5,177	0	5,177
Fleet Direct	0	0	0	0	0	0
Recycling Strategy	70,710	(42,240)	(103,877)	(61,637)	7,400	(54,237)
Waste Development	167,230	165,730	147,430	(18,300)	18,000	(300)
	2,121,730	1,853,930	1,609,620	(244,310)	37,400	(206,910)
Environment - Central Support & Overheads						
Recharges - Refuse & Environment	1,313,540	1,313,540	1,313,540	0	0	0
Recharges - Streets & Open Spaces	298,240	298,240	298,240	0	0	0
	1,611,780	1,611,780	1,611,780	0	0	0
Environment - Service & Dept Management						
Refuse & Environment Operational Support	614,470	600,810	564,750	(36,060)	0	(36,060)
Head of Streets and Open Spaces	0	0	(20,000)	(20,000)	20,000	0
	614,470	600,810	544,750	(56,060)	20,000	(36,060)
Total Net Budget	8,537,550	8,265,820	7,860,111	(405,709)	57,400	(348,309)

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime

- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year

- in September (as part of the Mid-Year Financial Review, MFR)
- via technical adjustments/virements throughout the year

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Cost Centre	Reason for Variance	Amount £	Contact
Street Cleaning	Employee costs have reduced whilst waiting for long term staff issues to be resolved. This is now complete and posts are currently being filled. Reduced overtime, vehicle and sub contractor costs have also contributed to the underspend.	(58,902)	B Carter
Trade Refuse	There is a significant over achievement of income from an increased number of contracts for Chargeable Household waste services. There is also a reduced expenditure on disposal costs as a result of less tonnage being landfilled and a one off reduction in the cost of landfill for Chargeable Household waste.	(163,178)	J Robertson
College/Bring Bank Recycling	Mainly attributable to an underspend on vehicle maintenance which will be reviewed for the 2014/15 budgets.	(25,099)	M Parsons
Recycling Strategy	There has been an over achievement of income due to an increase in tonnage recycled and an increase in the rate of recycling credit paid per tonne.	(61,637)	J Robertson
Refuse & Environment Operational Support	This is due to minor underspends on a range of budgets including relocation, stationery, postage, consultants and refreshments. These will be reviewed for the 2014/15 budgets.	(36,060)	Y O'Donnell
Head of Streets & Open Spaces	There is an underspend on training and a carry forward of £20,000 is requested to fund training for additional staff members	(20,000)	A Ash

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Revenue Budget 2013/14 - Carry Forward Requests

Request to Carry Forward Budgets from 2013/14 into 2014/15

Item		Final Request £	Contact
1	Trade Refuse - carry forwards are requested within this cost centre and the Waste Development cost centre to fund a one year fixed term administrative post in 2014/15 to cover work, in particular the ISO accreditation work, which could not be progressed in 2013/14 due to a staff vacancy that had to go through the recruitment process twice in order to fill. This caused a delay with the post being vacant for six months.	12,000	J Robertson
2	Recycling Strategy - There was a delay in the appointment of the two year fixed post of recycling champion coordinator. Therefore a carry forward of the balance of the budget to 2014/15 is requested.	7,400	J Robertson
3	Waste Development - see trade refuse above.	18,000	J Robertson
4	Head of Streets and Open Spaces - a carry forward is requested to fund training for additional and new staff members	20,000	A Ash
Total Carry Forward Requests for Environmental & Waste Services Portfolio / Environment Scrutiny Committee		57,400	

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
SC423	Recycling Bins for Flats	J Robertson	0	25	29	4	0	4	Slightly overspent as more flats than anticipated needed changing to commingled bins.
SC531	In Cab Technology for Trade Waste Service	M Parsons	50	38	28	(10)	10	0	Phase 3 - deployment to Trade vehicles is completed. The remaining funding is set aside for systems integration. This cannot proceed until we are clear on the waste shared service project plan and the future use of the Contender system
SC566	Rapid Response Team - Vehicle & Equipment	A Ash	75	75	72	(3)	0	(3)	Project is complete - Vehicle, trailer and equipment delivered November 2013. Rapid Response Team now fully operational
SC567	Purchase of Street Cleansing Vehicles & Plant	B Carter	70	70	42	(28)	28	0	The vehicle was ordered but not delivered as at 31/03/14 and as a result a re-phase of the remaining budget is requested.
SC585	Fleetmaster Software	M Parsons	0	15	15	0	0	0	New Fleet Management system live from 24/3/2014. Project spend complete under terms of contract. Interface with Oracle currently in testing. Some IT teething issues to overcome and then proceed to operational handover.
Total Projects			195	223	186	(37)	38	1	
PR016	Public Conveniences	B Carter	778	337	74	(263)	263	0	A significant delay to the completion of the Lion Yard Refurbishment project, caused primarily by design and implementation issues, has led to this underspend. The work was originally programmed to be complete by 31st March 2014, but was finally completed two months behind programme. The underspend is also requested to be carried forward to 2015/16, based on the programme for delivery of the Silver St Toilet Project that is not planned to commence construction until the autumn of 2015.
Total Provisions			778	337	74	(263)	263	0	

Environmental & Waste Services Portfolio / Environment Scrutiny Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PR017	Vehicle Replacement Programme	D Cox	864	805	635	(170)	90	(80)	Three vehicles were ordered but not delivered in 13/14 so a budget rephase of £90k to 2014/15 is requested. A total underspend of £80k has resulted on purchases of all other vehicles.
PR028	Litter Bin Replacement Programme	B Carter	125	138	119	(19)	19	0	Phase two of 4 year programme completed
PR035	Waste & Recycling Bins - New Developments (S106)	J Robertson	79	65	66	1	0	1	
Total Programmes			1,068	1,008	820	(188)	109	(79)	
Total for Environmental & Waste Services Portfolio			2,041	1,568	1,080	(488)	410	(78)	

Changes between original and final budgets may be made in Appendices D to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)
- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year