

Budget Monitoring Position – July 2017

Streetscene & City Services

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	17,847	17,847	17,847	17,847	17,847	17,847	17,847	17,847	17,847	17,847	17,847	17,847
Forecast (£'000)	18,254	18,254	18,891	18,287	18,287	18,287	18,287	18,287	18,287	18,287	18,287	18,287
Variance (£'000)	407	407	1,044	440	440	440	440	440	440	440	440	440





Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	10,992	10,992	11,051	11,166	11,166	11,166	11,166	11,166	11,166	11,166	11,166	11,166
Forecast (£'000)	11,009	11,009	11,258	11,109	11,109	11,109	11,109	11,109	11,109	11,109	11,109	11,109
Variance (£'000)	17	17	207	-57	-57	-57	-57	-57	-57	-57	-57	-57

MTRP Target (£'000)	430	430	430	430	430	430	430	430	430	430	430	430
Savings Realised (cumulative) (£'000)	361	361	361	361	332	332	332	332	332	332	332	332
Variance (£'000)	69	69	69	69	98	98	98	98	98	98	98	98
MTRP Target underachieved from previous year (£'000)	856	856	856	856	856	856	856	856	856	856	856	856
Savings Realised (cumulative) (£'000)	325	325	420	325	325	325	325	325	325	325	325	325
Variance (£'000)	531	531	436	531	531	531	531	531	531	531	531	531
FIP Reconciliation period	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

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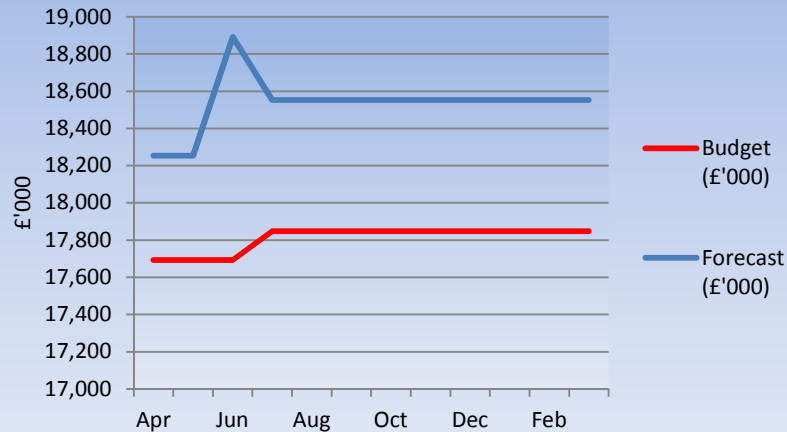
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Change since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	<p>Grounds – current overspend £150k. Grounds lost a number of external contracts and have been unable to be win any new contracts due to not filling contracts officer post therefore showing an underachieved level of income against budget targets. Seasonal agency have been employed to cover grass cutting and maintenance services. However amendments were made to the forecasts to help mitigate these pressures and reduction were made within Supplies and Service budgets - £60k as well a further meeting to discuss Manpower forecasts where a miscommunication the previous month has resulted in a reduction of £60k.</p>
	<p>Cleansing – current overspend £69k – Increased agency cost to cover sickness and vacancies . Some of these savings have been offset by increased costs to materials/plant.</p>
	<p>Drainage – current underspend of £97k an increase on June underspend of £41k – this is an area that needs extra scrutiny when carrying out the budget re-alignment exercise.</p>
	<p>Leisure Trust – current underspend of £142k an increase due to the early delivery of £60k savings amongst others but needs further scrutiny.</p>

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2017/18 Forecast History



BMS Submission Data

% of cost centres submitted by
budget holder deadline

%

82

Head of Service Commentary

Management actions to address position:

Key Budget Variances

A freeze on discretionary spend remains in place, which has been forecast for the year as such there is a significant improvement from the previous month. However the remains high demand as a result of poor baseline information.

A restructure is underway which will result in improved data, however it will not remove the costs issues.

Non Delivery of MTRP Savings

A number of savings for the year were incorrectly calculated and can only be offset by non-delivery of other work. A freeze in spending is mitigating this to some extent.

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Head of Service Commentary

Head of Service comments/ summary:

The freeze on non-critical expenditure has been forecast for the year and results in a significant improvement in position from the previous month. The remaining forecasted overspend is largely comprised of unachieved MTFP savings from previous years and incorrect calculations in baseline budget. We are working with managers to identify additional in year savings to offset this. However, further improvement is likely to be minimal and significant risks remain around the operations budget and additional service demands in grounds and highways.

Reduction in services may be needed to address the underlying budget position.

Strategic Director Commentary

Strategic Director comments:

The Streetscene forecast position has improved significantly since the last budget monitor. This is as a result of a range of actions: spending freeze on all non-essential expenditure; review of vacant posts and agency cover and closer monitoring of forecasting by budget holders. This work, and in particular support for and monitoring of forecasting will continue throughout the year, to ensure this become embedded within the service area. Non-achieved MTRP savings are also being reviewed as part of the 18/19 budget setting process.