

**REPORT TO:** Cabinet Member - Environmental  
Overview and Scrutiny Committee  
(Regeneration and Environmental)

**DATE:** 18 November 2009  
5 January 2010

**SUBJECT:** **REVENUE AND CAPITAL EXPENDITURE  
MONITORING TO 30 SEPTEMBER 2009**

**WARDS AFFECTED:** None directly affected

**REPORT OF:** P.J.Moore  
Environmental Protection Director  
P Edwards  
Finance & IS Services Director

**CONTACT OFFICER:** Peter Moore  
0151-934-4018

**EXEMPT/CONFIDENTIAL:** No

**PURPOSE/SUMMARY:**

To provide the Cabinet Member with the quarterly forecast position, based on information as at the 30 September 2009, in relation to the Portfolio's 2009/10 Revenue Budget and Capital Programme.

**REASON WHY DECISION REQUIRED:**

Cabinet Member accountability and in line with the corporate performance management process.

**RECOMMENDATION(S):**

That the Cabinet Member Environmental:

- a) Notes the progress on the Environmental Portfolio's revenue budgets that are subject to risk-based monitoring
- b) Note the progress made on the schemes within the portfolio's element(s) of the Council's Capital Programme.
- c) Indicates whether any comments about the overall performance of this Portfolio's Revenue Budget and schemes within the Capital Programme should be referred to Cabinet and Overview and Scrutiny Committee (Regeneration and Environmental).

That Overview and Scrutiny Committee (Regeneration and Environmental)

- a) Notes the contents of this report and indicates whether any comments about the overall performance of their Portfolio's revenue budget should be referred to Cabinet.

**KEY DECISION:** No.

**FORWARD PLAN:** Not appropriate.

**IMPLEMENTATION DATE:** Not appropriate.

**ALTERNATIVE OPTIONS:**

None.

**IMPLICATIONS:**

**Budget/Policy Framework:** None.

**Financial:**

<b><u>CAPITAL EXPENDITURE</u></b>	<b>2009/ 2010 £</b>	<b>2010/ 2011 £</b>	<b>2011/ 2012 £</b>	<b>2012/ 2013 £</b>
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<b><u>REVENUE IMPLICATIONS</u></b>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Does the External Funding have an expiry date Y/N				When?
How will the service be funded post expiry?				

**Legal:** Not appropriate.

**Risk Assessment:** The main risks concerns the failure to identify budget variances through the monitoring process which will make it difficult for the Council to manage its spending within available resources. The adopted risk-based approach to monitoring together with regular reporting should help manage this risk.

**Asset Management:** Not appropriate.

**CONSULTATION UNDERTAKEN/VIEWS**

FD 221 - The Finance and Information Services Director has been consulted and his comments have been incorporated into this report

**CORPORATE OBJECTIVE MONITORING:**

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Creating Safe Communities		✓	
3	Jobs and Prosperity		✓	
4	Improving Health and Well-Being		✓	
5	Environmental Sustainability		✓	
6	Creating Inclusive Communities		✓	
7	Improving the Quality of Council Services and Strengthening local Democracy	✓		
8	Children and Young People		✓	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT**

## **1. Background/Issues for consideration**

- 1.1 In accordance with Cabinet's overall approved process for monitoring the Council's budgets, each portfolio receives a quarterly report identifying risk-assessed controllable revenue and capital budget areas.
- 1.2 This report forms part of the Council's overall monitoring process by advising the Cabinet Member of the progress against this Portfolio's revenue budget risk areas and progress of actual expenditure against the capital programme for the period ending 30 September 2009. Where budget pressures have been identified, Service Directors have reviewed their departmental budgets for compensating savings. Departments have also been asked to consider whether or not all other budgets can be contained within the resources allocated by the Council for 2009/10.
- 1.3 At the Overview and Scrutiny Committee (Health and Social Care) meeting on 13 October 2009, a request was made to amend the format of the budget monitoring report. This proposal is being put forward to the Overview and Scrutiny Management Board for consideration and any amendments resulting from this will be reflected in future budget monitoring reports.

## **2. Revenue Budget**

- 2.1 Details of this portfolio's budgets that are monitored and reported on the risk-assessed basis are shown in Annex A.
- 2.2 All other areas of the budget that are controlled by the Environmental Protection Director will be contained within the resources allocated by the Council for 2009/10.

## **3. Capital Programme**

- 3.1 Attached at Annex B is the current Environmental capital programme. This programme takes account of slippage from 2008/09 and any revised requirements for individual schemes. Actual expenditure of £0.205m (col.4) has been achieved in the first six months of the year to September. This is approx. 14% of the total forecast expenditure for the year of £1.448m (cols. 4 and 5). Forecast expenditure for the remainder of the year is £1.243m (col.5).

Major schemes included within the programme include:-

1. CERMS 2007/08 – 2010/11 £0.899m
2. Public Conveniences Modernisation £0.900M
3. Waste Infrastructure Projects £1.160M

- 3.2 Completion of the Public Conveniences Modernisation programme is currently delayed as the Department is awaiting legal advice on land ownership issues.

3.3 Waste Infrastructure Projects, a feasibility study for relocating the Southport Depot has been completed, identifying that this is not a viable option within the resource available. Alternative options are currently being considered.

#### **4. Recommendations**

That the Cabinet Member Environmental is asked to:-

- a) Note the progress on the Environmental Portfolio's revenue budgets that are subject to risk-based monitoring
- b) Note the progress made on the schemes within the portfolio's element(s) of the Council's Capital Programme.
- c) Indicate whether any comments about the overall performance of this Portfolio's Revenue Budget and schemes within the Capital Programme should be referred to Cabinet and Overview and Scrutiny Committee (Regeneration and Environmental).

The Overview and Scrutiny Committee (Regeneration and Environmental)

- a) Notes the contents of this report and indicates whether any comments about the overall performance of this Portfolio's revenue budget should be referred to Cabinet.

Ref	Service	Budget	Full Year Budget £000	Budget to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Forecast Outturn Variance £000
<b>D</b>	<b>Environmental</b>							
1		Payroll Costs	12,533.0	6,044.5	5,859.0	-185.5	12,533.0	0.0
2		Commercial Waste External Income	-430.8	-215.4	-225.4	-10.0	-430.8	0.0
3		Dry Recyclable Collection Costs	2,453.0	1,226.5	1,110.9	-115.6	2,453.0	0.0
4		MWDA Recycling Credits	-1,896.6	-948.3	-1,183.9	-235.6	-1,896.6	0.0
5		Sales of Materials	-405.0	-202.5	-241.8	-39.3	-405.0	0.0

Proportion of budget reported upon	Expenditure £'000	Income £'000	Comments on key areas of budget (including remedial action)
Total key areas of budget	<b>14,986.0</b>	<b>-2,732.4</b>	
Total budget	<b>32,498.7</b>	<b>-14,570.2</b>	
Percentage of total budget reported	<b>46.11%</b>	<b>18.75%</b>	

The employee budgets include an over provision following the agreement of the 2009/10 JNC pay award. The budgets have not been altered pending the officer led review of existing overspends and opportunities to address the overall overspend.

The 'Dry Recyclable Collection Costs' budget of £2,293,000 has been increased by £160,000 to £2,453,000 in order to fund anticipated 'incentive payments' that will have to be paid to the contractor if the tonnage collected exceeds the contract maximum of 15,000 tonnes. It is currently forecast that the tonnage collected will be approximately 19,000 tonnes. The actual payment due can only be calculated and paid at the year end, therefore actual to period costs will be less than the budget to period figure.

The income target for Recycling Credit has been increased, following a budget re-alignment process, to address anticipated expenditure across all recycling activity during 2009/10 including the above, the actual to period figure is affected by seasonal trends (garden waste).

The income achieved from Sales of materials is capped at 15,000 tonnes, income from sales beyond this threshold is retained by the Contractor.

Corporate savings of £64,700 and an unallocated front page saving of £90,000 contribute further pressure to the budget and as yet have not been identified within the detailed Departmental budget. These savings will need to be considered within the light of the overall budgetary pressures on the Department. Every effort will be made to mitigate the effect of the above pressures but this may mean that this can only be achieved with significant reductions in service provision.

**ANNEX B****METROPOLITAN BOROUGH OF SEFTON****CAPITAL PROGRAMME 2009/10 - 2011/12****ENVIRONMENTAL SERVICES**

1	2	3	4	5	6	7
REF. NO.	PROJECT DESCRIPTION	EXPEND TO 31.03.2009	EXPEND TO 30.09.09	IN 2009/10 FORECAST BALANCE	FUTURE EXPEND	TOTAL COST
		£'000	£'000	£'000	£'000	£'000
<b><u>Sefton Coastline Sea Defence Work</u></b>						
1	Crosby Park to Formby Point Strategic Study	218.78	5.80	20.93	0.00	245.51
2	Coastal Monitoring	199.93	0.00	9.36	0.00	209.29
3	CERMS - 2007/08 - 2010/11	226.40	127.22	225.25	320.51	899.38
4	Adaptation to Climate Change on the Sefton Coast	0.00	0.00	100.00	105.00	205.00
5	Hightown Management Project -Design/tender Prep.	0.00	0.52	69.48	0.00	70.00
<b>Total Sefton Coastline Sea Defence Work</b>		<b>645.11</b>	<b>133.54</b>	<b>425.02</b>	<b>425.51</b>	<b>1629.18</b>
<b><u>Environmental</u></b>						
6	Public Convenience Modernisation	791.43	35.30	73.27	0.00	900.00
7	Air Pollution monitoring Equipment	16.48	3.67	26.15	0.00	46.30
8	Gypsy and Traveller Sites	176.94	4.36	38.60	0.00	219.90
9	Waste Infrastructure	0.00	28.04	577.14	555.00	1160.18
10	Inspection - Former Town Lane Landfill , S'port	0.00	0.00	103.40	0.00	103.40
<b>Total Environmental</b>		<b>984.85</b>	<b>71.37</b>	<b>818.56</b>	<b>555.00</b>	<b>2429.78</b>
<b>TOTAL ENVIRONMENTAL SCHEMES</b>		<b>1629.96</b>	<b>204.91</b>	<b>1243.58</b>	<b>980.51</b>	<b>4058.96</b>

