

# Budget Monitoring Position – March 2017

## Streetscene & City Services

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	16,896	16,896	16,896	16,883	16,883	16,883	16,911	16,911	16,911	16,911	16,911	16,911
Forecast (£'000)	16,896	16,896	17,401	17,971	17,441	17,342	17,496	17,273	17,645	17,664	18,230	18,930
Variance (£'000)	0	0	505	1,088	558	459	585	362	734	753	1,319	2,019

### Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	10,981	10,981	10,981	10,925	10,925	10,914	10,942	10,942	10,942	10,893	10,893	10,893
Forecast (£'000)	10,926	10,926	10,894	11,303	11,267	11,308	11,240	11,178	11,121	11,035	11,043	11,085
Variance (£'000)	-55	-55	-87	378	342	394	298	236	179	142	150	192

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)			2,215	2,215	2,215	2,215	2,215	2,215	2,215	2,215	2,215	2,215
Savings Realised (cumulative) (£'000)			1,588	1,588	1,526	1,526	1,526	1,526	1,385	1,359	1,359	1,359
Variance (£'000)	0	0	627	627	689	689	689	689	830	856	856	856
FIP Reconciliation period	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR

# Budget Monitoring Position – March 2017

## Streetscene & City Services

AREA OF RISK	Budget	Forecast	Variance	Status	Comments
	£'000	£'000	£'000		
WDS Commercial income	-625	-530	95	R	The loss of a major contract to Trident Park has resulted in reduced income
WDS Asbestos income (MTRP)	-350	0	350	R	A delay in the opening of the asbestos cell (opened 5 Sept) and unknown market for asbestos waste
WDS Recyclate/On Ac/Cash Income	-272	-174	98	R	A reduction in the use of the site by cash and "on ac" customers, together with reduced recycling income due to reducing market for recyclate
Waste Grant (inc MTRP)	858	1,175	317	R	£80k MTRP pressure for the delay in the roll out of the card collection service;£71k additional vehicle/plant hire costs in relation to replacement plant that was purchased originally from the grant which is in need of renewing but no funds available to purchase;£73k for the purchase of Wastesavers kerbside boxes and food waste bags as a result of increased resident use following the Doorstepping Campaign;£119k increased costs for waste being sent for sorting in order to achieve the recycling target. Reduced employee costs (£18k) reported Feb 17. A reduction in the contract price in disposal of food waste has resulted in a saving (£8k)reported in Feb 17.
CA Site Disposal	516	629	113	R	Increased tonnages due to householders disposing of extra black bag waste at the CA Site since the introduction of smaller bins
Cemeteries income	-655	-588	67	R	This budget is volatile and it's achievement depends on several factors. The increase in the crematorium contribution has offset the reduction in cemeteries income.
Car Parks Income	-539	-616	-77	G	A number of spaces with park square have been contracted to ABHB which has seen an in year bonus to income levels.








# Budget Monitoring Position – March 2017

## Streetscene & City Services

Significant Variances	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Potholes	0	0	300	300	300	300	300	300	300	300	300	300
PINT	0	0	50	50	50	50	50	50	50	50	50	50
Operations	0	0	0	-183	-344	-483	-576	-608	-568	-318	99	-472
Contact Centre	0	0	0	55	55	56	54	42	41	2	-7	-16
Benefits	0	0	0	57	57	46	195	139	130	128	143	126
Asset & Water Management	0	0	0	0	-355	-355	-355	-355	-356	-229	-205	-41
Street Lighting	0	0	0	0	0	0	0	-108	-108	-108	47	221
Tree Survey and Inspections	0	0	0	0	0	0	0	0	63	89	89	267
External Trade Waste	0	0	0	-97	-113	-113	-118	-124	-131	-147	-147	-156
Waste Disposal Site commercial income	0	0	207	239	239	190	140	112	112	127	141	94
Waste Disposal Site Asbestos Income	0	0	50	260	260	260	350	350	350	350	350	350
Waste Disposal Site Recycle & other income	0	0	0	70	70	75	77	74	74	85	89	98
Waste Grant	0	0	80	318	307	319	311	333	313	388	278	317
Civil Amenity site Disposal costs	0	0	0	70	70	70	70	70	70	80	80	113
Strategic Management - NWOW	0	0	0	0	0	0	0	0	0	350	227	227
Fleet – Bad debt provision	0	0	0	0	0	0	0	0	0	250	250	414








# Budget Monitoring Position – March 2017

## Streetscene & City Services

Change since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	<p>Waste Disposal Site Commercial Income – current overspend £94k in respect of under recovery of income. Loss of major contract at the end of 15/16 (now using Trident Park incineration plant) has resulted in a forecasted loss of income; a current review of the Waste Disposal Site is being undertaken by external consultants. The forecast is likely to change month on month depending on any additional commercial contracts being gained or further loss of contracts throughout the year.</p>
	<p>Waste Disposal Site Asbestos MTRP target – current overspend £350k in respect of under recovery of income target. Current MTRP savings for opening of an asbestos cell at the waste Disposal Site was expected to generate an additional £350k in 1617. The cell opened 5 September 2016 and further reports will monitor future income streams. Due to the initial negative response from the market since the opening of the asbestos cell the £260k pressure on MTRP has increased by £90k.</p>
	<p>Waste Grant - current overspend £317k. The weekly card collection rollout MTRP 1617 target– current overspend (£80k) due to delay in implementation; increased hire of vehicle costs.(71K); kerbside boxes and bags (£73k) and additional waste sent for sorting (£119k) to achieve the recycling target. Reduced employee costs (£18k) reported in Dec 16. A reduction in the contract price for food waste has resulted in a saving (£8k) reported in Feb 17.</p>
	<p>Tree Surveys and Inspections – one off expenditure in 1617. The completion of tree survey inspections across the Authority has resulted in a large amount of additional work which has been carried out by external contractors and is not budgeted for.</p>
	<p>Benefits – net overspend £126k Service has under-recovered core income by £120,761 due to a decrease in funding from DWP as well as additional postage costs affecting the budget by 38k &amp; Computer spend 15k Offset by a decreased forecast in audit fees (27k) &amp; manpower forecast relating to maternity related savings. (10k)</p>
	<p>Street Lighting – Current Overspend £221k. Despite an underspend of £110k within SL utilities, A number of invoices meant for 15/16 were not accrued for as part of 15/16 closing resulting in an additional spend now being shown.</p>
	<p>Strategic Management non delivery of MTRP 1617 – a £350k MTRP 1617 saving was deemed unachievable within 2016/17 with an opportunity to defer the savings into future year(s). Mitigation was hoping to be found through over achieved savings/opportunities elsewhere in the service area, but the Head of Service is unavailable to provide any detail at this current time. £123k of savings have been identified, however the balance of £227k will not be achieved during 1617.</p>

# Budget Monitoring Position – March 2017

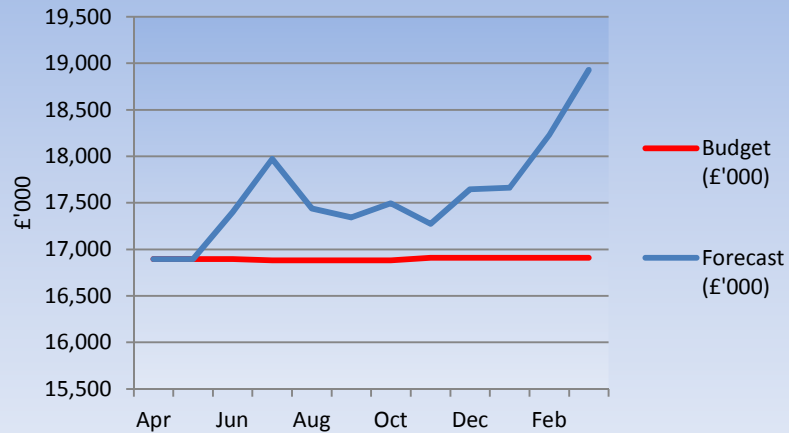
## Streetscene & City Services

Change since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	<p>Fleet Management – <b>Current Overspend £348k</b> A full and detailed analysis of the forecast was completed at the beginning of the financial year and a number of decisions regarding spend were made. Despite a change in vehicle hire recharges resulting in a reduction of £20k, changes that needed to be made to provisions and increases in bad debt provision for a number of operational matters.</p>
	<p>Contracts &amp; Projects Team – <b>Current Underspend (£209k)</b>. A vacancy which was not filled in 16/17 and produced an in year saving of £20k. This can be included to the COBRA recharges which are charges for work completed on Capital projects and is not a budgeted income. The completion of a recent project has increased Forecasts to £150k.</p>
	<p>Grounds Maintenance – <b>Current Overspend £171k</b>. A number of key external contracts were lost which has reduced the amount of income that will be generated by £200k. A reduction in the use of Agency staff has reduced the spend by £35k which has offset the number of seasonal employees adding to the costs, despite the number being halved when compared to previous years, this has increased the overspend by £100k as this is not budgeted.</p>
	<p>Routine Maintenance – <b>Current overspend £359k</b>. A permitted overspend on potholes was made early in year. The need for additional materials and manpower for this program has accounted for the final outturn.</p>
	<p>Street Cleansing – <b>Current Overspend £249k</b>: A number of VR's were completed but not in the allocated original timeframe. This resulted in additional staff salaries being paid within 16/17 £170k. There was an additional spend on agency £65k, additional plant was needed £15k.</p>
	<p>Asset &amp; Water Management – <b>Current Underspend £41k</b>. Following a review of the budgets, figures were amended. Spending in other areas has been deferred within Asset &amp; Water Management as part of the Operations analytical review in order to cover some of the deficit in waste.</p>
	<p>Winter Maintenance – <b>Current Overspend £48k</b>. Following an increased number of cold snaps, additional Salt was required to accommodate needs.</p>

# Budget Monitoring Position – March 2017

## Streetscene & City Services

Streetscene & City Services  
2016/17 Forecast History



### Head of Service Commentary

#### Management actions to address position:

#### Key Budget Variances

#### Non Delivery of MTRP Savings

#### BMS Submission Data

%

% of cost centres submitted by  
budget holder deadline

--

# Budget Monitoring Position – March 2017

## Streetscene & City Services

### Head of Service Commentary

#### Head of Service comments/ summary:

### Strategic Director Commentary

#### Strategic Director comments:

There is an overall overspend on the Streetscene budget of £2m, against a FY budget of £16.9m. This consists of: £856k unachieved MTRP savings, due to some proposals requiring a delayed implementation timescale (implementation of £369k of the £856k is currently confirmed as being achievable in 17/18); £300k permitted overspend on the pothole repair scheme, £50k permitted overspend on the Pride in Newport Team, £278k reduction in waste grant; £414k bad debt provision and £250k provision for potential insurance claim legal costs. The service needs to review the recurring unachieved MTRP savings to establish a realistic assumption for 17/18 and present options to SLT. The end of year outturn includes a movement totalling £1m since the January forecast. This is primarily as a result of the additional provisions for bad debt and insurance claims, the administrative accounting error previously identified, and an end of year increase in expenditure on strategy and operations arising from late recharges. Improved recharge allocation and supplementary accounting processes will be introduced and monitored immediately to minimise the potential for such issues in future years.