

---

REPORT OF THE STRATEGIC DIRECTOR FOR PLACE

---

COMMUNITY AND NEIGHBOURHOODS SCRUTINY PANEL  
17<sup>TH</sup> FEBRUARY 2020

---

TITLE: **REVENUE AND CAPITAL BUDGET MONITORING 2019/20**

---

RECOMMENDATIONS:

It is recommended that the Community and Neighbourhoods Scrutiny Panel :

- Note the current position and forecasted position to year end for the Service Group's revenue budget and capital programme.
  - Note the progress made towards the agreed savings programme.
  - Note further measures to bring forecast expenditure back in line with the budget.
- 

EXECUTIVE SUMMARY:

(a) Revenue

The Service Group budget for 2019/20 is £46.355m with forecast expenditure for the year of £46.487m, providing an adverse variance of £0.132m at year end.

(b) Savings

The Service Group agreed Comprehensive Spending Review (CSR) savings for the year total £1.651m, with all of the £1.127m showing as either achieved or low risk.

(c) Capital

The Service Group programme budget for 2019/20 is £86.066m, which reflects a proposed reduction to the programme of £17.062m for committed schemes re-profiled to 2020/21, as presented to Place DMT on the 18<sup>th</sup> December 2019.

---

BACKGROUND DOCUMENTS:

- SAP general ledger and BI reports
  - Various documents held on the accountancy team
- 

CONTACT OFFICERS:

Paul Hutchings (Revenue) 0161 793 2574

[paul.hutchings@salford.gov.uk](mailto:paul.hutchings@salford.gov.uk)

Alex Archer (Capital) 0161 778 0498

[alex.archer@salford.gov.uk](mailto:alex.archer@salford.gov.uk)

Janet Cross (Revenue) 0161 793 2858

[janet.cross@salford.gov.uk](mailto:janet.cross@salford.gov.uk)

---

ASSESSMENT OF RISK: High

Key risks to budgetary control risk and achievement of savings are identified in this report

---

SOURCE OF FUNDING: Sections in this report consider both the revenue budget and capital programme

---

LEGAL ADVICE OBTAINED: Not applicable

---

FINANCIAL ADVICE OBTAINED: This report concerns key aspects of the Council's revenue finances and has been produced by the Finance division.

---

WARD(S) TO WHICH REPORT RELATE(S): None specifically

---

KEY COUNCIL POLICIES: 2019/20 revenue budget; 2019/20 capital programme

---

# 1 Introduction

1.1 This report is set out in three main sections.

- Section 2 sets out the current position of expenditure against the revenue budget and forecasts the year end position, highlighting any risks/sensitivities, and revenue budget virements proposed.
- Section 3 provides an analysis of progress made towards agreed CSR savings targets.
- Section 4 provides an update of the capital programme.

## 2 Revenue Budget

2.1 The current position and year end forecast are set out in **Table A** below. Agreed savings (discussed in section 3) have been built into the budget figures. Expenditure data reflects salaries and other expenditure up to 31/12/2019.

2.2 **Table A: Revenue budget to December 2019**

	<b>Annual Budget £000</b>	<b>Forecast Outturn £000</b>	<b>Forecast Variation £000</b>	<b>Risk Assessment</b>
Planning & Transport	16,306	15,306	1,000	<b>GREEN</b>
Housing, Communities & Neighbourhoods	908	1,216	(308)	<b>RED</b>
Environment & Community Safety	16,691	17,165	(474)	<b>RED</b>
Culture & Leisure	6,475	6,611	(136)	<b>RED</b>
Regeneration	7,038	7,106	(68)	<b>RED</b>
Property	(1,063)	(917)	(146)	<b>RED</b>
<b>Total</b>	<b>46,355</b>	<b>46,487</b>	<b>(132)</b>	

2.3 Set out below are those areas which have been identified as currently representing the greatest risks in budgetary control. These include areas where there is a high current and/or projected variance and/or a high risk of not achieving CSR savings targets.

### Planning and Transport

The £1.000m positive variance reported is due in the main to a positive variation on income specifically in respect of planning, advertising on the highways and streetworks. Some major planning applications and the delay in the partial closure of Stott Lane car park has increased the income forecast within Planning & Transport.

### Housing, Communities and Neighbourhoods

The £0.308m adverse variance is mainly due to the underachievement of corporate Transformation Integrated Place savings.

#### Environment and Community Safety

The £0.474m reported adverse variance is due in the main to a combination of unachievable previous years' Transformation savings targets within Grounds Maintenance, Street Scene and Waste Services of £0.487m and a Public Health saving of £0.100m. This has been offset in part by underspends across the wider service group and work remains on-going to mitigate this overspend in year and to address the achievement of the savings going forward.

#### Culture and Leisure

The £0.136m adverse variance relates to pressures on the Gateway library savings. This continues to be discussed corporately with colleagues in Service Reform, in an attempt to resolve the savings target before year end.

#### Regeneration

The £0.068m reported adverse variance relates to a £0.100m forecasted overspend on the 'The Landing' as identified in the business plan. This has been offset in part by underspends across the wider service group.

#### Property

The £0.146m negative variance on Property is due in the main to a forecasted overspend on repairs and maintenance of corporate buildings and underachievement of income on Salford University Park. Discussions are ongoing to help mitigate some of the issues.

### 3 Savings

3.1 Approved 'new' savings for the Service Group agreed during the 2019/20 budget setting process totalled £1.127m. Progress to date is summarised in Table B below. A more detailed breakdown is provided in Appendix 1.

#### 3.2 Table B Savings summary

Risk Assessment	RAG Rating	Saving Target £000	Progress to date £000	Shortfall to date £000
Low risk or already achieved	Green	1,057	1,057	0
Medium Risk	Amber	70	0	70
High Risk	Red	0	0	0
Total		1,127	1,057	70

3.3 All 2019/20 savings have been rated as achieved or highly likely to be achieved given current estimates, as £0.070m relates to the generation of additional income this has been assessed as medium risk whilst being closely monitored to ensure that income does in fact come in.

### 4 Capital

## 4.1 Introduction

This section advises the Lead Members of developments regarding the Place Capital programme, which as of December 2019 totals £86.066m.

## 4.2 2019/20 Capital Programme

Executive Lead Members are asked to consider and comment on the current Place Capital programme, analysed by service area in Table C.

**Table C – Programme and Expenditure December 2019**

Scheme Group	Invest to Save	Unsupported borrowing	Grant	Contributions (inc. capital receipts)	Approved Programme 2019-20	Spend to December 2019
	£m	£m	£m	£m	£m	£m
Regeneration	-	12.594	8.554	0.227	21.375	12.722
Housing - Regulatory Services	-	2.699	0.418	-	3.117	0.740
Housing Strategy and Enabling	0.800	6.519	0.090	2.314	9.723	1.083
Property	35.549	4.052	0.145	-	39.746	24.048
Environment	-	1.664	0.148	0.313	2.125	1.188
Highways	-	4.495	3.987	0.010	8.492	4.152
Salford Community Leisure	0.030	1.133	0.294	0.031	1.488	0.321
	<b>36.379</b>	<b>33.156</b>	<b>13.635</b>	<b>2.896</b>	<b>86.066</b>	<b>44.254</b>

Appendix 2 provides a detailed scheme analysis of the programme by funding source.

Appendix 4 provides details of committed schemes re-profiled to 2020/21, agreed by Budget and Strategy group in September 2019.

## 4.3 Adjustments to the Programme

There is a proposed reduction to the programme of £17.062m, as presented to Place DMT on the 18<sup>th</sup> December 2019, details of changes by service area are set out below. For full scheme details see appendix 3.

### Regeneration

Re-profile of £3.659m resources, USB £1.310m and grant £2.349m for committed schemes to be delivered in 2020/21.

### Housing Communities and Neighbourhood

#### **Housing – Regulatory Services**

Re-profile, USB £0.920m for committed schemes to be delivered in 2020/21.

#### **Housing Strategy and Enabling.**

Re-profile of £0.751m resources, USB £0.135m and grant £0.616m for committed schemes to be delivered in 2020/21.

### Low Carbon

Re-profile of resources, USB £0.153m for committed schemes to be delivered in 2020/21.

### Property

Re-profile of £7.350m resources, Invest to save £7.000m and grant £0.350m for committed schemes to be delivered in 2020/21.

### Environment

Re-profile of £3.247m USB resource for committed fleet replacement to be delivered in 2020/21.

### Highways

Re-profile of £0.885m, USB £0.329m and grant £0.556m for committed schemes to be delivered in 2020/21.

### Salford Community Leisure

Re-profile of £0.098m USB for Amblecote playing fields scheme to be delivered in 2020/21.

## 4.4 Issues/Risks

At this stage of the financial year there are no issues to be highlighted. The programme will continue to be closely monitored to ensure any potential spend pressures are identified at the earliest opportunity and that re-profiling of schemes is reported in future months.

## 4.5 Recommendation

Lead Members are requested to review the current position regarding the 2019/20 capital programme.

## Appendix 1 – Budget Savings Tracker 2019/20

2019/20 Budget Savings tracker		
Tracker Ref	Description	2019/20 £m
PL401	<b>Commercial Services (fees and charges)</b> This proposal will see fees & charges increased in line with inflation	0.112
PL403	<b>Procurement of waste food bags</b> Re-procurement of bio-degradeable food waste bags.	0.045
PL406	<b>Vehicle Management Services - one off hire contract saving</b> Extension period of tipper hire agreement with Urban Vision to February 2020	0.080
PL407	<b>Premises licensing fees</b> Review of fees & charges in to reflect changes in rateable values	0.020
PL408	<b>Citywide catering charges</b> Increase in school meal charges by 10p, Salford still remains one of the lowest in GM	0.107
PL409	<b>Football pitch line markings</b> Pitch line marking to be carried out by a private contractor	0.050
PL410	<b>Bus Lane Enforcement</b> Service to be brought back in house from Manchester City Council.	0.039
PL411	<b>VER/VS - 1 post</b> Reduction in management costs through VER.	0.044

<b>PL412</b>	<b>Eccles Town Team</b> Removal of historic Eccles Town Team revenue grant	<b>0.027</b>
<b>PL413</b>	<b>Removal of Eccles portaloo</b> Removal of Eccles portaloo as contract expires on 1st March 2019	<b>0.020</b>
<b>PL414</b>	<b>On street car parking reserves</b> One off removal of car parking reserve	<b>0.100</b>
<b>PL415</b>	<b>Highways Advertising</b> Opportunity for additional income from local advertising opportunities	<b>0.075</b>
<b>PL416</b>	<b>School crossing patrol</b>	<b>0.050</b>
<b>PL417</b>	<b>Media City Metrolink</b> One off release of surplus which has accrued over last 18 months.	<b>0.093</b>
<b>PL418</b>	<b>Review of Pest Control</b> Review of charges to provide additional income.	<b>0.065</b>
<b>PL419</b>	<b>Highways efficiencies</b> Efficiency gains achieved by UV highway maintenance services in respect of Confirm system from annual licence fees and network charges.	<b>0.045</b>
<b>PL420</b>	<b>Greater Manchester Road Activities Permit Scheme (GMRAPS)</b> One off saving in relation to increase in number of permits being issued together with a reduction in costs.	<b>0.100</b>
<b>PL421</b>	<b>Increase S38 / S278 admin fees from 8% to 10%</b>	<b>0.030</b>
<b>PL422</b>	<b>Reduction in sponsorship to BBC Philharmonic</b>	<b>0.025</b>
	<b>Place total</b>	<b>1.127</b>

## Appendix 2 Capital Programme 2019/20

Scheme Group	Sub area	Invest to Save	Unsupported borrowing	Grant	Contributions (inc. capital receipts)	Approved Programme 2019-20	Spend to December 2019
Regeneration	Pre implementation - Regeneration	-	0.156	0.001	-	0.157	0.095
Regeneration	Pre implementation - Infrastructure	-	0.332	-	-	0.332	0.088
Regeneration	City Centre	-	1.021	0.230	-	1.251	1.318
Regeneration	Ordsall and Salford Quays	-	0.328	2.867	-	3.195	0.535
Regeneration	Western Gateway	-	0.052	0.001	-	0.053	0.012
Regeneration	Town centres	-	0.538	-	0.050	0.588	0.214
Regeneration	RHS Bridgewater	-	7.810	0.924	-	8.734	7.441
Regeneration	Strategic Connections	-	0.648	4.530	0.013	5.191	1.915
Regeneration	Strategic Place Making	-	0.329	-	0.164	0.493	0.283
Regeneration	Capitalised salaries and project costs	-	1.381	-	-	1.381	0.821
Housing - Regulatory Services	Home Improvement Agency	-	0.116	-	-	0.116	0.061
Housing - Regulatory Services	Winter Welfare	-	0.084	-	-	0.084	-
Housing - Regulatory Services	Affordable warmth	-	0.124	0.008	-	0.132	0.068
Housing - Regulatory Services	Handyperson	-	0.354	-	-	0.354	0.222
Housing - Regulatory Services	Project Development Costs	-	0.252	-	-	0.252	0.009
Housing - Regulatory Services	Salford Money Line	-	0.040	-	-	0.040	0.020
Housing - Regulatory Services	Housing Project Costs	-	0.505	-	-	0.505	0.146
Housing - Regulatory Services	Landlord Accreditation	-	0.005	-	-	0.005	0.003
Housing - Regulatory Services	DCLG Cluster	-	0.010	-	-	0.010	-
Housing - Regulatory Services	Empty properties	-	0.150	0.410	-	0.560	0.057
Housing - Regulatory Services	Housing enforcement	-	0.645	-	-	0.645	0.076
Housing - Regulatory Services	Housing crime reduction	-	0.355	-	-	0.355	0.070
Housing - Regulatory Services	CPO	-	0.058	-	-	0.058	0.007
Housing Strategy and Enabling	Creating a new Pendleton	-	1.809	-	-	1.809	0.463
Housing Strategy and Enabling	Disabled Facilities work	-	-	-	0.150	0.150	0.067
Housing Strategy and Enabling	Tower block safety works	-	4.000	-	-	4.000	0.144
Housing Strategy and Enabling	Housing Delivery and Development	-	-	0.090	-	0.090	0.039
Housing Strategy and Enabling	Derive	0.800	-	-	2.164	2.964	0.032
Housing Strategy and Enabling	Housing & Planning capitalised costs	-	0.710	-	-	0.710	0.338
Property	Low carbon (carbon management)	-	0.349	-	-	0.349	0.165
Property	Car Parking	-	0.105	-	-	0.105	0.002
Property	General	-	3.401	0.035	-	3.436	0.647
Property	Swinton Demolitions	-	0.197	0.110	-	0.307	0.217
Property	100 Embankment	35.549	-	-	-	35.549	22.947
Property	Cost of disposals *	-	-	-	-	-	0.070
Environment	Greenspace & Streetscene Infrastructure	-	1.047	0.148	0.004	1.198	0.654
Environment	Parks S106 Schemes	-	-	-	0.310	0.310	0.215
Environment	Operational Division Schemes	-	0.617	-	-	0.617	0.319
Highways	Capitalisation of revenue	-	2.301	-	-	2.301	-
Highways	Highways Investment Programme	-	0.866	1.154	-	2.020	1.442
Highways	Crash Barrier Programme (S)	-	0.162	-	-	0.162	0.139
Highways	Drainage & Culvert Investment Programme	-	0.426	-	-	0.426	0.239
Highways	Construction schemes	-	0.364	0.332	0.009	0.705	0.295
Highways	Structures	-	0.042	-	-	0.042	-
Highways	Signs and Bollards	-	0.146	-	-	0.146	0.021
Highways	Highways Network Management	-	0.032	-	-	0.032	0.000
Highways	Lighting Programme (High Mast)	-	0.025	-	-	0.025	0.100
Highways	Pomona Wharf	-	-	-	-	-	0.000
Highways	SUDS	-	0.100	-	-	0.100	-
Highways	Block 3	-	0.030	2.501	0.002	2.533	1.916
Salford Community Leisure	Leisure Centre Equipment	-	0.001	-	-	0.001	0.001
Salford Community Leisure	Pendleton Leisure Centre	-	0.425	-	-	0.425	0.053
Salford Community Leisure	Cleavley track - Synthetic Track Repair	-	0.200	-	-	0.200	0.014
Salford Community Leisure	Playing Pitch Development	-	0.005	-	-	0.005	0.001
Salford Community Leisure	Brookhouse Changing Rooms	-	0.104	0.294	-	0.398	0.005
Salford Community Leisure	Salford Roosters Changing Rooms	-	0.026	-	-	0.026	0.013
Salford Community Leisure	Cadishead Rhinos Changing Rooms	-	0.013	-	-	0.013	0.014
Salford Community Leisure	Salford Sports Village	-	-	-	0.021	0.021	-
Salford Community Leisure	Cultural Development Schemes	0.030	0.359	-	0.010	0.399	0.220
		<b>36.379</b>	<b>33.156</b>	<b>13.635</b>	<b>2.896</b>	<b>86.066</b>	<b>44.254</b>



**Appendix 3 Reprofile presented to Place DMT**

Sub area	Scheme Name	2019-20 Re-profile	Invest to Save	Unsupported borrowing	Grant
<b>Regeneration</b>					
City Centre	Strategic Land Acquisition	0.700	-	0.651	0.049
City Centre	Islington Mill	0.319	-	0.319	-
RHS Bridgewater	RHS Bridgewater	0.640	-	0.140	0.500
SBNI project	SBNI project	2.000	-	0.200	1.800
<b>Housing Reg Services</b>					
CPO's	CPO's	0.060	-	0.060	-
Home Improvement Agency	Home Improvement Agency	0.075	-	0.075	-
Housing enforcement	Housing enforcement	0.785	-	0.785	-
<b>Housing Strategy and Enabling</b>					
Housing Strategy and Enabling	Creating a new Pendleton	0.135	-	0.135	-
Housing delivery	Derive, Housing Delivery	0.616	-	-	0.616
<b>Low Carbon</b>					
Low carbon schemes	Low carbon (carbon management)	0.153	-	0.153	-
<b>Property</b>					
Embankment	100 Embankment	7.000	7.000	-	-
Property General	Property General	0.350	-	0.350	-
<b>Environment</b>					
Operational Division Schemes	Fleet Replacement Strategy	3.247	-	3.247	-
<b>Highways</b>					
Highways Investment Programme	Highways Investment Programme	0.160	-	0.160	-
Drainage & Culvert Investment Programme	Drainage & Culvert Investment Programme	0.050	-	0.050	-
Construction schemes	Construction schemes	0.168	-	-	0.168
Highways Network Management	Highways Network Management	0.119	-	0.119	-
Block 3 schemes	Local Safety Schemes	0.073	-	-	0.073
Block 3 schemes	Bridges and Structures	0.118	-	-	0.118
Block 3 schemes	Other Minor Works	0.157	-	-	0.157
Block 3 schemes	Devolved Community Schemes	0.040	-	-	0.040
<b>Salford Community Leisure</b>					
Amblecote playing fields	Amblecote playing fields	0.098	-	0.098	-
		<b>17.062</b>	<b>7.000</b>	<b>6.541</b>	<b>3.521</b>

**Appendix 4 - Reprofile agreed September 2019**

Sub area	Scheme Name	2019-20 Re-profile agreed BSG - September	Invest to Save	Unsupported borrowing	Grant	Contributions (inc. capital receipts)
<b>Regeneration</b>						
Pre implementation - Regeneration	Pre implementation - Regeneration	0.150		0.150		
Pre implementation - Infrastructure	Pre implementation - Infrastructure	-				
City Centre	City Centre	1.089		1.089		
Ordsall and Salford Quays	Ordsall and Salford Quays	0.268		0.268		
Western Gateway	Western Gateway	-				
Town centres	Town centres	0.468		0.468		
Strategic Connections	Strategic Connections	0.765		0.765		
Strategic Place Making	Strategic Place Making	0.197		0.197		
<b>Housing Reg Services</b>						
Empty property project costs	Empty property project costs	0.149		0.149		
<b>Housing Strategy and Enabling</b>						
Derive	Derive	0.606		-		0.606
<b>Highways</b>						
Capitalisation of revenue	Capitalisation of revenue	-				
Crash Barrier Programme (S)	Crash Barrier Programme (S)	0.061		0.061		
Construction schemes	Construction schemes	0.175			0.175	
Block 3 schemes	Local Safety Schemes	0.750			0.750	
Block 3 schemes	Bridges and Structures	0.125			0.125	
Block 3 schemes	Highway Maintenance	0.002			0.002	
Block 3 schemes	Schemes to Assist Cyclists/Pedestrians	0.054			0.054	
Block 3 schemes	Other Minor Works	0.075			0.075	
Block 3 schemes	Devolved Community Schemes	0.740			0.740	
<b>Salford Community Leisure</b>						
Cleavley track - Synthetic Track Repair	Cleavley track - Synthetic Track Repair	0.223		0.223		
Playing Pitch Development	Playing Pitch Development	0.012			0.012	
Amblecote playing fields	Amblecote playing fields	0.003		0.003		
Salford Roosters Changing Rooms	Salford Roosters Changing Rooms	0.680		0.274	0.378	0.028
Salford Museum & Art Gallery	Salford Museum and Art Gallery	0.098		0.098		
		<b>6.690</b>	-	<b>3.745</b>	<b>2.311</b>	<b>0.634</b>