

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 12 NOVEMBER 2013

BUDGET MONITORING REPORT TO 30 SEPTEMBER 2013

1. PURPOSE OF REPORT

1.1 REVENUE BUDGET MONITORING

This report advises Members of any material differences by management unit to the revised budget.

1.2 CAPITAL BUDGET MONITORING

Budget monitoring updates in respect of the Community Capital Programme are incorporated into this report, which is prepared on a quarterly basis, in order to improve financial reporting to this Committee and help to provide a more comprehensive financial update in respect of the Scrutiny Committee – Community budgets.

1.3 AREAS OF BUDGETARY RISK

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. REVENUE BUDGET MONITORING TO 30 SEPTEMBER 2013

2.1 The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £84,520 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 0.76% from the revised budget. This includes supplementary budgets of £30,880. Capital charges have been deducted from this to provide the total budget for management accounting purposes.

2.2 The current forecast variance represents an increase in expenditure of £84,520. The significant variances are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A1	Environmental Protection	87,430	<ul style="list-style-type: none">Redundancies
81A4	Public Safety	10,380	<ul style="list-style-type: none">Redundancy partially offset by additional income
81A6	Grounds Maintenance	48,340	<ul style="list-style-type: none">Cost of dealing with illegal campers partially offset by additional income and cost savings.Area of Budgetary Risk – see paragraph 4 below
81A7	Museums Service	20,250	<ul style="list-style-type: none">NNDR in respect of RAMM - appeal with Valuation Office.Utilities at RAMM anticipated to exceed the budget.

MU Code	Management Unit	Over / (Underspend)	Detail
			<ul style="list-style-type: none"> • Offset by backdated NNDR refund – RAMM Central Library and S106 funding transfer. • Area of Budgetary Risk – see paragraph 4 below
81C2	SHS - Advisory Services	19,910	<ul style="list-style-type: none"> • Void and reactive repairs costs expected to exceed budget, partially offset by recharge of costs. • Salary budgets – savings due to vacancies • Area of Budgetary Risk – see paragraph 4 below
81C3	SHS – Housing Development	21,140	<ul style="list-style-type: none"> • Additional consultants' fee expenditure offset by a transfer from earmarked reserves
81D4	Street Cleaning	(44,150)	<ul style="list-style-type: none"> • Savings expected on agency costs and expenditure on replacing litter bins
81D5	Public Conveniences	(13,750)	<ul style="list-style-type: none"> • Reduced water costs
81D4	Cleansing Rechargeable Services	(54,000)	<ul style="list-style-type: none"> • Reduced trade waste disposal costs
81D8	Recycling	17,500	<ul style="list-style-type: none"> • Reduced income offset by some savings on costs • Area of Budgetary Risk – see paragraph 4 below

3. CAPITAL BUDGET MONITORING TO 30 SEPTEMBER 2013

To report the current position in respect of the Community Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

REVISIONS TO THE COMMUNITY CAPITAL PROGRAMME

The 2013/14 Capital Programme, including commitments brought forward from 2012/13, was last reported to Scrutiny Committee – Resources on 5 September 2013. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as at 5 September 2013	5,858,550	
Budget Deferred to 2014/15 & beyond at Quarter 1	(1,498,800)	Approved by Executive 1 October 2013
Overspends/(Underspends) reported at Quarter 1	(110,210)	

Private Sector Renewal	80,650	Clawback of loans
New grants funded from the New Homes Bonus	35,000	Approved by Executive 1 October 2013
Refurbishment and Upgrade of Paddling Pools	12,550	S106 funding
Children's' Play Areas	(4,860)	S106 funding adjustment
Revised Capital Programme	4,372,880	

EXPENDITURE VARIANCES

The main variances and issues concerning expenditure that have arisen since 30 June are as follows:

Scheme	Estimated Overspend / (Underspend)	Reason
Vehicle Replacement Programme	(£28,390)	All vehicles within the programme have now been ordered giving rise to an underspend.

SCHEMES WHICH MAY BE DEFERRED TO 2014/15 AND BEYOND

Schemes which have been identified since 30 June as being wholly or partly deferred to 2014/15 and beyond are:

Scheme	Revised 13/14 Budget	Budget to be Deferred	Reason
Wessex Loan Scheme	£647,840	£300,000	This budget has been reprofiled to more closely match anticipated grant expenditure.

ACHIEVEMENTS

The following schemes have been completed during the second quarter of 2013/14:

- **Play Area Refurbishments**

The refurbishment project at Chantry Meadow Play Area has been completed and improvements or final touches to larger, longer term projects at Digby (Kings Heath Play Area), Crossmead (Sylvan Height Development) and Wonford Play Area have been made. In addition the brand new facility at Rydon Park has now been provided.

- **Flowerpot Skate Park**

The old timber-framed ramps have been replaced with a new and improved concrete surfaced skate park that is expected to last for 30 to 40 years. The facility has been a huge success in its first week of opening and has gained national press coverage.

4. AREAS OF BUDGETARY RISK

4.1 The table below identifies a number of areas that have been identified as a budgetary risk within the Community revenue and capital budgets.

4.2 The revenue budget areas of risk are:

Budget Title	Approved Budget	Risk
<p>Revenue: Parks and open spaces – cost of dealing with illegal campers</p>	<p>£1,665,800</p>	<p>The service is bearing the cost of dealing with the influx of illegal campers in the city's parks and open spaces during the recent summer months. Expenditure in the year to date is £70,000 and the outturn forecast assumes that this could reach £75,000 by the end of the year. The cost is partially covered by additional income and cost savings, but the service is unable to fully absorb costs of this magnitude.</p>
<p>Revenue: Recycling – income from sale of recyclates</p>	<p>£5,750</p>	<p>Income from the sale of materials and recycling credits is estimated at £937,240. This level of income is dependent on the quantities collected, the quality of the materials collected and the market price achievable for the materials. These factors are largely outside the control of the Council and can fluctuate considerably. As this is a significant source of income for the Council, it represents a budgetary risk.</p>
<p>Revenue: Museums – utilities and National Non Domestic Rates costs</p>	<p>£2,068,440</p>	<p>The utility costs at the Museum are projected to exceed the budget.</p> <p>Officers are continually monitoring the cost of utilities and updates are being provided to the Management Team.</p> <p>The Nation Non Domestic Rates budget is projected to exceed the budget. The rateable value of the Museum increased due to the redevelopment. An appeal has been lodged with the Valuation Office and the result of the appeal should be known by the end of the calendar year.</p>

Budget Title	Approved Budget	Risk
Revenue: SHS – Advisory Services – repair costs to private Sector Leased Properties, cost of emergency temporary accommodation	£1,501,010	<p>The number of homeless cases approaching the service impacts on the budget in respect of emergency temporary accommodation.</p> <p>The council has a duty to house the homeless; if contracted accommodation is unavailable, emergency temporary accommodation will be used. High levels of usage of emergency temporary accommodation can result in the budget being exceeded.</p> <p>A large number of Private Sector Leased properties (PSL) are used for homelessness purposes. Repairs to leased properties are the responsibility of the council. If a PSL becomes void and repairs are required to return the property to the standard required significant costs can be incurred.</p>

4.3 The areas of risk for capital budgets are:

Budget Title	Approved Budget	Risk
Capital: Disabled Facility Grants	£294,720	The 2013/14 budget is nearly all committed and further substantial claims are anticipated. The Council is legally bound to approve grant applications regardless of budgetary considerations. It is considered that there is therefore a high risk that this budget will be overspent in 2013/14.

5. RECOMMENDED that

5.1 Scrutiny Committee – Community give officers their views on the contents of this report.

ASSISTANT DIRECTOR FINANCE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report

None