

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - COMMUNITY
DATE OF MEETING: 17 JUNE 2014
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: COMMUNITY SERVICES FINAL ACCOUNTS 2013-14

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2014 in respect of Community Services.

An outturn update in respect of the Community Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Scrutiny Committee – Community budgets.

2. Recommendations:

That Members note the content of this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Community Services and this is the final report for 2013-14.

4. What are the resource implications including non financial resources

The financial resources required to deliver Community Services during 2013-14 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of Community Services, as at 31 March 2014, ahead of their inclusion in the Council's annual Statement of Accounts.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Report Details:

Community Services Final Accounts to 31 March 2014

7.1 Key Variations from Budget

The final actual outturn has now been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets and excluding the variance on capital charges.

The total variance for the year shows a deficit of £107,592 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 1.08% from the revised budget.

7.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A1	Environmental Protection	63,870	<ul style="list-style-type: none"> • Redundancy costs arising from the deletion of the posts of Environmental Health Manager and two Environmental Health Assistants. • Underspends on supplies and services budgets (equipment, kennelling and publications). • Support service recharge in respect of Legal Services less than budget.
81A3	Health & Safety, Licensing & Commercial	(67,833)	<ul style="list-style-type: none"> • Income from licensing exceeded the budget • Saving on pay and agency staff budgets. • Support service recharge in respect of Information Technology, Legal Services and Human Resources less than budget.
81A4	Public Safety	626	<ul style="list-style-type: none"> • Redundancy costs arising from the deletion of a Community Patroller post • Electricity costs exceeded the budget • Income exceeded the budget
81A6	Grounds Maintenance	89,611	<ul style="list-style-type: none"> • Cost of dealing with illegal campers partially offset by additional income and cost savings. • Arboricultural costs exceeded the budget. • Rents received exceeded the budget. • Area of Budgetary Risk – see Appendix 3 • Underspend on the AIM priorities budget in respect of works at Rougemont Gardens, budget carry forward required.
81B2	Bereavement Services	(29,924)	<ul style="list-style-type: none"> • Income slightly below budget, previous projection anticipated budget being exceeded at year end. • Underspend on equipment and transport budgets. • Redundancy costs arising from the deletion of the post of Bereavement Services and Cemeteries Manager. • AIM service and maintenance costs less than budget.
81C2	SHS - Advisory Services	445,057	<ul style="list-style-type: none"> • Void and reactive repairs costs exceeded budget partially offset by recharge of costs. • Additional expenditure on homeless prevention initiatives. • Salary budgets – savings due to vacancies • Year end figure in respect of income received from Housing Benefits significantly less than previously reported. Area of Budgetary Risk – see Appendix 3. • Surplus on Devon Home Choice – transferred to earmarked reserve.

MU Code	Management Unit	Over / (Underspend)	Detail
81C3	SHS – Housing Development	(60,300)	<ul style="list-style-type: none"> • Additional consultants fee expenditure offset by a transfer from earmarked reserves and S106 income. • Additional income from recharge of costs for time officers spend on Housing Revenue Account related work. • Support Service Recharges less than budget.
81C4	Private Sector Housing	(42,100)	<ul style="list-style-type: none"> • Pay savings due to vacancies, partially offset by agency staff costs. • Income from HMO (Houses in Multiple Occupation) licences exceeded the budget. • Support Service Recharges less than budget.
81D2	Domestic Refuse Collection	40,184	<ul style="list-style-type: none"> • The cost of purchasing bins less than the budget. • The cost of operating the Domestic Refuse service was anticipated to be less than budgeted due to the transfer of some costs to the Garden Waste Collection service. • Casual agency staff costs exceeded the budget resulting in the cost of the service being higher than previously projected.
81D4	Street Cleaning	(101,604)	<ul style="list-style-type: none"> • The implementation of the Living Wage has had a material impact in this service. • Overtime budget underspent and saving on expenditure on replacing litter bins.
81D5	Public Conveniences	(30,739)	<ul style="list-style-type: none"> • Reduced water costs. • AIM service & maintenance and reactive repairs costs less than budget.
81D6	Cleansing Rechargeable Services	(52,061)	<ul style="list-style-type: none"> • Reduced trade waste disposal costs. • Costs of operating the Garden Waste Collection service exceeded the budget due to the transfer of some costs from the Domestic Refuse Collection service. • Income from trade recycling and trade refuse collection less than the budget, partially offset by additional income from special collections and green waste bin hire.
81D7	Exton Road Overheads and Fleet Management	(19,696)	<ul style="list-style-type: none"> • A refund of NNDR (National Non Domestic Rates) relating to prior years was received. • Staff vacancies have resulted in savings on pay budgets.
81D8	Recycling	(100,297)	<ul style="list-style-type: none"> • The implementation of the Living Wage has a material impact in this service. • Additional superannuation and agency staff costs. • Following the agreement of a new contract for

MU Code	Management Unit	Over / (Underspend)	Detail
			<p>the sale of some recyclates, the income from sale of recyclates exceeded the budget.</p> <ul style="list-style-type: none"> • Savings have been achieved on haulage costs. • Area of Budgetary Risk – see Appendix 3

8. Capital Budget Monitoring to 31 March 2014

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

8.1 Revisions to the Community Capital Programme

The 2013-14 Capital Programme, including commitments brought forward from 2012-13, was last reported to Scrutiny Committee – Community on 4 March 2014. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Community 4 March 2014	3,391,150	
Budget Deferred to 2014-15 & Beyond at Quarter 3	(326,940)	Approved by Executive 1 April 2014
Wessex Home Improvement Loans	28,500	S106 funding
Disabled Facilities Grants	12,730	Contribution from Devon County Council
St Loyes Design Fees	(45,000)	Budget transferred to the HRA
Revised Capital Programme	3,060,440	

8.2 Performance

The Community Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £2,163,228 in 2013-14 with £893,970 of the programme deferred until 2014-15.

8.3 Capital Variances from Budget

No variances or issues concerning expenditure have arisen since 31 December for this committee.

8.4 Capital Budgets Deferred to 2014-15

Schemes which have been identified since 31 December as being wholly or partly deferred to 2014/15 and beyond are:

Scheme	Revised 13-14 Budget £	Budget to be Deferred £	Reason
Play Area Refurbishments	353,410	131,210	Schemes at Bull Meadow, Crossmead and Cowick Barton will now be undertaken in 2014/15
Refurbishment and Upgrade of Paddling Pools	149,720	27,460	Most of the work was completed in 2013/14 with the remainder being carried out in early 2014/15
Warm Up Exeter	168,530	163,650	This will provide grants to householders for solid wall insulation. The tendering process has now been completed and the new scheme will be launched in June.
Private Sector Renewal Scheme	224,480	159,080	Fewer properties have been taken on to the scheme is 13/14 than in previous years. The scheme is to be reviewed to consider options that increase supply, reduce scheme management costs and to offer smaller amounts of repayable grants so it could cover more properties
Temporary Accommodation Purchase	300,000	300,000	The need for temporary accommodation is being reviewed as part of the work around the "community hub" and following the outcome of care contracts awarded by DCC. Until this has been completed it is unlikely that this budget will be used.
Grant to the Red House Hotel	165,000	85,000	The final instalment of this grant is scheduled to be paid in July.

8.5 Achievements

The following schemes have been completed during the final quarter of 2013-14:

Play Area Refurbishments

The project at Beacon Avenue (Chaucer Grove) has been completed. Children can enjoy a new basket swing; an exciting climbing and multi-play structure and a unique 'climbing tarantula' which consists of a trampoline within a series of climbing ropes. Cradle seat swings, a play house and some springy animals have also been provided for younger children.

Work has also been completed at Sylvan Heights. Two separate mini play spaces have been provided and each aims to target children of slightly different ages. A new basket swing, an exciting rope climbing structure and a naturalistic balancing trail through the trees have been provided for children aged six to 12 years, whilst a set of cradle swings, a spinning disc roundabout, a spring see-saw, a mini climbing net and a play train have been provided for the under 5s.

9. How does the decision contribute to the Council's Corporate Plan?

Community Service budgets contribute to 3 key purposes, as set out in the Corporate Plan; keep me/my environment safe and healthy, keep place looking good, help me find somewhere to live

10. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. An action plan to address the key areas of budgetary risks within Community Services was reported in March 2014 and is attached as Appendix 3, for reference.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

12. Are there any other options?

No

Assistant Director Finance

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

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