

AREAS OF BUDGETARY RISK

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

The revenue budget areas of risk are:

Budget Title	Approved Budget	Risk
Revenue: Parks and open spaces – cost of dealing with illegal campers	£1,665,800	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 £82,000. The cost is partially covered by additional income and cost savings, but the service is unable to fully absorb costs of this magnitude.
Revenue: Recycling – income from sale of recyclates	£5,750	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.
Revenue: SHS – Advisory Services – repair costs to private Sector Leased Properties, cost of emergency temporary accommodation	£1,501,010	<p>Repair costs to private Sector Leased Properties, cost of emergency temporary accommodation and income from housing benefit</p> <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>

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		<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> <p>A number of clients presented as homeless can be eligible to claim Housing Benefit. Setting a budget to reflect the amount of Housing benefit anticipated to be received in a year is extremely difficult as amounts received can vary on a month to month basis.</p> <p>The fluctuations in benefit received can have a significant impact on the associated budget. Continual monitoring of the income received in respect of housing benefit ensures that officers flag material variances to budget managers and senior management and that the resulting impact on the budget is reported.</p>

ACTION PLAN

The following actions are being undertaken to address the key areas of budgetary risk:

- Officers will review the way in which we deal with illegal campers before the summer.
- Continual monitoring of the income received in respect of housing benefit ensures that material variances are flagged to budget managers and senior management.
- Monthly reviews of all repairs ordered and expenditure made in respect of properties used in the provision of the housing the homeless are undertaken with Financial Services including monitoring against profiled budget.
- More robust and proactive approach in charging works to landlords that are their responsibility – regular meetings between managers and officers involved to agree amounts.
- Review of the robustness of procedures that ensures the recharging of costs for works that are tenant responsibility are made.
- Utilisation of existing software systems to allow control and monitoring of works orders