

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - COMMUNITY
DATE OF MEETING: 11 NOVEMBER 2014
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: BUDGET MONITORING REPORT TO 30 SEPTEMBER 2014

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

This report advises Members of any material differences to the approved budget in respect of the Community Services revenue and capital budgets.

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.

An update on the approved budget savings has also been included.

2. Recommendations:

That Members of Scrutiny Committee – Community assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure highlighted in 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.

4. What are the resource implications including non financial resources

The financial resources required to deliver Community Services during 2014/15 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 projected financial position of Community Services as at 31 March 2015.

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. Monitoring Officer comments:

The Monitoring Officer has no issues to raise on the content of this report.

8. Report Details:

Community Services Budget Monitoring to 30 September 2014

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will increase from the approved budget by a total of £238,930 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 2.44% from the approved budget. This includes supplementary budgets of £10,130.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A3	Health & Safety, Licensing & Commercial	(£5,260)	<ul style="list-style-type: none"> Vacancy pay savings
81A4	Public Safety	£3,500	<ul style="list-style-type: none"> University Contract loss of income
81A6	Parks & Open Spaces	(£15,000)	<ul style="list-style-type: none"> Projected underspend on Asset Maintenance budgets.
81B2	Bereavement Services	(£33,210)	<ul style="list-style-type: none"> Backdated NNDR refund Higher Cemetery
81C2	Advisory Services	£146,850	<ul style="list-style-type: none"> Housing Benefit income has been lower than expected Vacancy pay savings
81C4	Private Sector Housing	£39,170	<ul style="list-style-type: none"> Introduction of a new licensing scheme not expected until late 2014/15 and subject to Executive approval on 18 November 2014
81D4	Street Scene	18,820	<ul style="list-style-type: none"> Shortfall of income in respect of green waste credits
81D5	Public Conveniences	(£21,250)	<ul style="list-style-type: none"> Projected underspend on premises maintenance and water budgets.
81D7	Exton Road Overheads and Fleet Management	(£6,260)	<ul style="list-style-type: none"> Rate refund and utility savings
81E1	General Fund Housing – Property	£111,570	<ul style="list-style-type: none"> Higher than budgeted repair and hand back costs in respect of Private Sector Leased and Extralet properties and rent lost during void periods. Please refer to para 11.1 which sets out an action plan to help address this area of budgetary pressure.

8.3 An update on the approved budget savings for the Scrutiny – Community committee are included in appendix 2.

9. Capital Budget Monitoring to 30 September 2014

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.

9.1 Revisions to the Community Capital Programme

The 2014/15 Capital Programme, including commitments brought forward from 2013/14, was last reported to Scrutiny Committee – Community on 2 September 2014. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Community, 2 September 2014	2,105,650	

Budget Deferred to 2015/16 & Beyond at Quarter 1	(77,820)	Approved by Executive 7 October 2014
Overspends/(Underspends) reported at Quarter 1	(360)	
Topsham Recreation Ground	26,240	External contributions
Heavitree Pleasure Ground Tennis Courts	5,000	External contributions
Revised Capital Programme	2,058,710	

9.2 Performance

The current Community Capital Programme is detailed in Appendix 3. The appendix shows a total spend of £679,505 in 2014/15.

9.3 Capital Variances from Budget

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

9.5 Capital Budgets Deferred to 2015/16

No slippage has been identified during the quarter.

10. 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

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

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks within Community Services are attached as Appendix 4, for reference.

11.1 Action Plan

Officers have taken the following actions to address the key areas of budget pressures in respect of General Funding Housing - Property:

- All repairs identified on Extralet properties will be referred back to the landlord, including emergencies, so that landlords organise and manage necessary repairs directly. This will save valuable officer time arranging the repairs, paying invoices and recharging the landlords.
- Keysafes have been installed at the houses of multiple occupations (HMO PSL's) so that contractors can gain access more efficiently and avoid collecting and returning keys to the Civic Centre. This will reduce labour costs from contractors for travelling time.
- The Council bears the cost of heating HMO PSL's. Lockable thermostats are being installed in order to better control the consumption of electricity/gas.
- A monthly meeting has been established to closely monitor costs and to ensure costs rechargeable to the landlords are fully recovered.
- Landlords are no longer able to spread the cost of major repairs over more than one financial year via reduced rental payments; effectively interest free loans. Landlords are either required to organise and pay for the works themselves or the cost may be spread, only with the express permission of the Sustainable Letting Team Manager, provided the amount is fully repaid before the end of the financial year.

- PSL's are being rationalised in order to help ensure long term empty properties are returned to the landlord, so that retained properties better match demand. Despite high initial hand back costs, this will save rent payments being made to the landlord whilst no corresponding income is collectable during the void periods.
- Introduction of the new Tenant Finder Service, following Executive approval in July, will reduce the financial pressure associated with providing an in-house property management service – Extralet, with no repair responsibilities falling upon the Council.
- Regular property inspections will be undertaken in order to help ensure properties are maintained at a certain standard and help avoid compensation payments to landlords being made.

12. 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.

13. 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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