

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - COMMUNITY
DATE OF MEETING: 3 MARCH 2015
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: BUDGET MONITORING REPORT TO 31 DECEMBER 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.

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 contents of this report raise no issues for the monitoring officer.

8. Report Details:

Community Services Budget Monitoring to 31 December 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 £189,240 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 1.94% 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	(8,000)	<ul style="list-style-type: none"> • Vacancy pay savings
81A4	Public Safety	(21,500)	<ul style="list-style-type: none"> • University Contract loss of income • Saving on maintenance of CCTV cameras • Additional income expected from Home Call Alarm
81A6	Parks & Open Spaces	(38,960)	<ul style="list-style-type: none"> • Projected underspend on Asset Maintenance budgets. • Additional income from rental properties
81B2	Bereavement Services	(33,210)	<ul style="list-style-type: none"> • Backdated NNDR refund Higher Cemetery
81C2	Advisory Services	117,540	<ul style="list-style-type: none"> • Housing Benefit income has been lower than budgeted • Savings on pay budgets due to vacancies • Payments to temporary accommodation providers lower than budgeted
81C4	Private Sector Housing	45,450	<ul style="list-style-type: none"> • A new licensing scheme for certain types of Houses in Multiple Occupation was introduced on 23 February, following Executive approval on 18 November 2014. Income from the 5 year licenses will mostly be accounted for in future financial years.
81D2	Domestic Refuse Collection	140,000	<ul style="list-style-type: none"> • Overspend on Agency Staff
81D4	Street Scene	9,270	<ul style="list-style-type: none"> • Saving on pay budgets • Shortfall of income in respect of green waste credits
81D5	Public Conveniences	(23,570)	<ul style="list-style-type: none"> • Projected underspend on premises maintenance and water budgets.
81D6	Cleansing Chargeable Services	(84,450)	<ul style="list-style-type: none"> • Savings on pay budgets • Additional income from Green Waste and Trade Refuse
81E1	General Fund Housing – Property	86,670	<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. An action plan to help address this area of budgetary pressure was reported to this committee in November 2014.

9. Capital Budget Monitoring to 31 December 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 11 November 2014. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Community, 11 November 2014	2,058,710	
Exton Road Lighting	37,500	Approved by delegated powers (13 November 2014)
Revised Capital Programme	2,096,210	

9.2 Performance

The current Community Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £896,360 in 2014/15 with £546,830 of the programme potentially deferred to 2015/16.

9.3 Capital Variances from Budget

The main variances and issues concerning expenditure that have arisen since 30 September are:

Scheme	Estimated Overspend / (Underspend) £	Reason
Vehicle Replacement Programme	(29,580)	The actual cost of vehicles purchased has been less than the budgeted cost.
Exton Road Lighting	(6,000)	Quotes for works have been less than budgeted

9.4 Capital Budgets Deferred to 2015/16

Schemes which have been identified since 30 September as being wholly or partly deferred to 2015/16 and beyond are:

Scheme	Revised 14/15 Budget £	Budget to be Deferred £	Reason
Play Area Refurbishments	115,290	18,170	Staff resources an issue and some projects weather dependent.
Flowerpot Skate Park Lighting	35,000	33,650	Planning requirements in respect of bats has delayed the scheme.

Vehicle Replacement Programme	397,000	21,000	The Cash Collection Van that was included in the 2014/15 schedule but will now be purchased in 2015/16.
Warm Up Exeter	163,650	163,650	The new CosyDevon scheme is nearly fully funded by Eon Energy but funding will be required to facilitate solid wall insulation over the next 3 years. CosyDevon was delayed and only started in July 2014 due to continued uncertainty with Energy Company Obligation rules which resulted in delays in decisions making by Eon. It is unlikely that any spend will be required this financial year.
Temporary Accommodation Purchase	300,000	300,000	Work is being undertaken to identify the likely need and type of requirement for temporary accommodation.

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 2, for reference.

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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