

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - COMMUNITY
DATE OF MEETING: 10 NOVEMBER 2015
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: BUDGET MONITORING REPORT TO 30 SEPTEMBER 2015

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

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 note the content of this report in order to be satisfied that prudent steps are being taken 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 2015/16 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 2016.

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:

This report raises no issues for the monitoring officer.

8. Report Details:

Community Services Budget Monitoring to 30 September 2015

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the approved budget by a total of £25,690 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 0.28% from the revised budget. This includes supplementary budgets of £116,500 which have already been approved by Council.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A4	Public Safety	(60,920)	<ul style="list-style-type: none"> • Contribution from the Housing Revenue Account towards the cost of continuing the Home Call Alarm service to residents in the Council's older persons accommodation • Expenditure on overtime and other pay budgets is expected to be less than the annual budget. • The budget for CCTV maintenance is expected to overspend. The saving on the pay budgets will cover this additional expenditure.
81A6	Parks and Open Spaces	58,910	<ul style="list-style-type: none"> • Redundancy payments have been incurred as a result of the Public Realm restructure. This expenditure will be funded from the earmarked reserve. • An underspend is anticipated on the equipment tools and materials budget
81C2	Advisory Services	(£60,980)	<ul style="list-style-type: none"> • Savings on pay budgets due to vacancies • Payments to temporary accommodation providers lower than budgeted • Corresponding reduction in income due to reduced usage of temporary accommodation
81C4	Private Sector Housing	£45,200	<ul style="list-style-type: none"> • Lower than budgeted level of licence fee income. Work is being undertaken to map unlicensed HMO properties in order to initiate door to door visits. <p>This was highlighted as a budgetary risk in June.</p>
81D2	Domestic Refuse Collection	86,000	<ul style="list-style-type: none"> • Agency costs are expected to exceed the estimates mainly as a result of significantly higher levels of absences (sickness, suspension and phased return) than assumed when calculating the budget. • A target saving of £33,000 cannot be achieved
81D6	Cleansing Chargeable Services	42,000	<ul style="list-style-type: none"> • Income from Trade Refuse expected to be less than the estimates, offset by reduced waste disposal costs. • The contractor dealing with the processing of garden waste has gone into liquidation. While an alternative contractor has been engaged, the price has significantly increased • Income from Trade Recycling expected to be less than estimated partially offset by some

MU Code	Management Unit	Over / (Underspend)	Detail
			small cost savings.
81D8	Recycling	52,500	<ul style="list-style-type: none"> Prices achieved for reclaimed materials are below those estimated.
81E1	General Fund Housing - Property	(£49,750)	<ul style="list-style-type: none"> The cost of repairs in respect of Private Sector Leased properties has significantly reduced, as a result of an action plan to address this area of budgetary pressure. Under-occupied properties have also been handed back to the landlords.

9. Capital Budget Monitoring to 30 September 2015

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 2015/16 Capital Programme, including commitments brought forward from 2014/15 is £2,076,700 and was last reported to Scrutiny Committee – Community on 8 September 2015. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Community, 8 September 2015	2,076,700	
Budget Deferred to 2016/17 & Beyond at Quarter 1	(3,530)	Approved by Executive 6 October 2015
Overspends/(Underspends) reported at Quarter 1	(8,820)	
Revised Capital Programme	2,064,350	

9.2 Performance

The current Community Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £718,296 in 2015/16.

9.3 Capital Variances from Budget

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

9.4 Capital Budgets Deferred to 2016/17

No significant amounts have been identified as being wholly or partly deferred to 2016/17 and beyond.

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 3, 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

DAVE HODGSON

Assistant Director Finance

Author: FINANCIAL SERVICES TEAM

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

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

(01392) 265275