

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 4 SEPTEMBER 2012

BUDGET MONITORING REPORT TO 30 JUNE 2012

1. PURPOSE OF REPORT

- 1.1 This report advises Members of any material differences by management unit to the revised budget.

2. BUDGET MONITORING TO 30 JUNE 2012

- 2.1 The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £91,000 after transfers to and from reserves, which represents a variation of 0.78% from the revised budget.

- 2.2 Provision for a pay increase of 2.5% has been included in the 2012/13 budgets. The Council proposed a payment of £250 to staff earning a full time equivalent salary of under £21,000 per annum; the proposal was approved at the Executive on 19 June 2012. This has resulted in a saving on salary budgets; these savings have been included in the variance for each individual management unit.

- 2.32 The main variations by management unit are detailed below:

2012-13 REVISED ESTIMATE	£ 11,720,930
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81A1 ENVIRONMENTAL PROTECTION

The reduced pay award has resulted in savings in this unit (see 2.2 above). There will be a further saving on staff costs as a result of a secondment and a vacancy. This is partially offset by a reduction in income from the treatment of wasp nests as a result of the weather conditions.

(22,000)

81A2 CLEANSING SERVICES

55,000

The reduced pay award has resulted in savings in this unit (see 2.2 above).

Increased waste disposal costs have arisen in the trade refuse service, partially offset by additional income.

The delayed implementation of the planned revised garden waste collection procedures has reduced the savings in the current year.

Water saving measures have resulted in a reduction in utility costs in public conveniences.

Additional costs for printing and stationery are offset by a reduction in those costs in Recycling (81B6 below)

- **Action Point** The changes in the garden waste collection service will have been fully implemented by the end of the financial year and the savings will therefore be achieved in 2013/14 and future years.

81A3 LICENSING, FOOD, HEALTH & SAFETY	(14,000)
<p>The reduced pay award and staff vacancies have resulted in savings in this unit (see 2.2 above).</p> <p>The anticipated saving on the net cost of taxi licensing will be transferred to the earmarked reserve.</p>	
81A4 PUBLIC SAFETY	4,500
<p>The reduced pay award has resulted in savings in this unit (see 2.2 above).</p> <p>Maintenance costs for the new control system were not included in the estimate and this will result in an overspend.</p> <p>A partial refund of service charges paid for the Control Room in 2011/12 is expected to result in a saving.</p>	
81A6 GROUNDS MAINTENANCE	(22,500)
<p>The reduced pay award has resulted in savings in this unit (see 2.2 above). In addition, rental income is expected to exceed the estimate.</p>	
81A7 MUSEUMS SERVICE	118,500
<p>The reduced pay award and vacant posts have resulted in savings in this unit (see 2.2 above). Savings have also been identified on the superannuation budget due to some staff members not being in the scheme. These savings have been partially offset by additional costs being incurred in respect of agency staff.</p> <p>As the Museum was closed for redevelopment at the time the estimates for 2012/13 were prepared, the expenditure and income budgets were difficult to project. The first quarter results have enabled identification of budgets which are either under or over funded; the budgets identified and the projected under or overspend are detailed in the remaining narrative.</p> <p>The high number of visitors to the Museum has resulted in income being above the profiled budget for the April to June period; it is therefore anticipated that the income received will be higher than the budget at year end.</p> <p>The cost of utilities and cleaning is expected to exceed the estimates. It is apparent that the estimates for these items in the Royal Albert Memorial Museum (RAMM) were too low, and revisions will be made to the 2013/14 budgets.</p> <p>The National Non Domestic Rates (NNDR) for the RAMM had not been determined when the estimates were prepared and the rateable value set by the Valuation Office has led to costs 50% more than was estimated. The council is appealing against the valuation, which may result in a refund, but it may take some time for this to be agreed. The 2013/14 estimates will be based on the best information available at the time.</p>	

The legal costs in respect of the RAMM redevelopment have been included and will result in an overspend.

81B2 BEREAVEMENT SERVICES 5,000

The estimated income receivable as at 31 March 2012 proved to be too high, resulting in reduced income being recognised in the current year. This is partially offset by reduced pay costs as a result of the reduced pay award (see 2.2 above).

81B6 RECYCLING (26,500)

The reduced pay award has resulted in savings in this unit (see 2.2 above).

The cost of processing co-mingled materials and haulage are expected to be less than estimated. While the prices at which materials are currently being sold are approximately in line with those assumed for the estimates, the volatility of these prices makes it difficult to predict the outturn. This will be reviewed for the half year budget monitoring report.

Expenditure on printing and stationery will be less than estimated to offset additional costs in Cleansing (81A2)

81B9 ADMINISTRATION SERVICE 0

The Administration team was transferred to the new Corporate Support Unit with effect from 1st April 2012. The cost of this service and any variance will be reported through the Scrutiny Resources budget monitoring report.

81C2 ADVISORY SERVICES (13,000)

The reduced pay award has resulted in savings in this unit (see 2.2 above). A further saving will be made on salary costs due to a member of staff taking voluntary redundancy.

The salary budget for the member of staff is allocated to 81C2 and 81C3; the saving on the salary and the associated redundancy payment has been allocated to the appropriate management units.

The budget in respect of Bed and Breakfast accommodation will be exceeded. This additional expenditure will be covered by the additional Housing Benefit received which also means the respective income budgets will be exceeded.

81C3 STRATEGIC HOUSING & ENABLING (9,000)

The reduced pay award has resulted in savings in this unit (see 2.2 above). A further saving will be made on salary costs due to a member of staff taking voluntary redundancy (see 81C2 above). This saving has been partially offset by the redundancy payment.

81C4 PRIVATE SECTOR HOUSING 14,000

The reduced pay award and the secondment of an employee have resulted in savings in this unit (see 2.2 above).

An additional £35,000 for a condition survey was approved at the June 2012 meeting of the Executive, which will result in an approved overspend in this unit.

81C6 CONTRACTS AND DIRECT SERVICES 0

The reduced pay award has resulted in savings in this unit (see 2.2 above).

The costs of this unit are fully recharged to its clients, and there is therefore no direct impact on this committee.

81C7 DIRECTOR COMMUNITY & ENVIRONMENT 0

This management unit and the associated costs have been transferred to Chief Executive's Unit as part of the senior management restructure; any variances to the budget will be reported through the Scrutiny Resources budget monitoring report.

2012-13 EXPECTED FINAL OUTTURN 11,810,930

EXPECTED TRANSFERS TO / (FROM) RESERVES 1,000

EXPECTED TOTAL NET EXPENDITURE 11,811,930

3. RECOMMENDED

That Scrutiny Committee – Community note this report.

STRATEGIC DIRECTOR

ASSISTANT DIRECTOR FINANCE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report

None