

KEY AREAS OF BUDGET RISK

Community Scrutiny Committee

Budget Title	Approved Budget	Risk
Revenue: Recycling – income from sale of recyclates	(£937,240)	Income from the sale of materials and recycling credits is dependent on the quantities collected, the quality of the material 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, this represents a budgetary risk.
Revenue: SHS – Advisory Services – repair costs to private Sector Leased Properties, cost of emergency temporary accommodation	£1,476,010	<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> <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>
Capital: Disabled Facility Grants	£294,720	The 2013/14 budget is nearly all committed and further substantial claims are anticipated. The Council is legally bound to approve grant applications regardless of budgetary considerations. It is considered that there is therefore a high risk that this budget will be overspent in 2013/14.

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Economy Scrutiny Committee

Budget Title	Approved Budget	Risk
Property & Estates Services – Income budgets property portfolio	£3,500,610	<p>Income dependant on properties let and the number of properties which are void for long periods of the year.</p> <p>Leases can be renegotiated at lower rate to ensure income streams are maximized but resulting in shortfall of income against budget.</p> <p>If properties are void there will be a loss of income and the council becomes liable for the Non Domestic Rates at the property. This could result in an overspend if void period is significant.</p>
Car Parks – fee income	£5,660,000	<p>A significantly increased budget was set for 2013/14, which appears achievable based on the results for the first quarter. However, this source of income can be affected by factors outside the control of Exeter City Council and even a small shortfall in percentage terms could be significant because of the size of the budget. The income is closely monitored and updates are provided to Members and the Senior Management Team on a monthly basis.</p>
Planning Services – planning fee income	£667,850	<p>Fee income projected to be significantly lower than budgeted based on quarter 1 figures. Continual monitoring of income is being carried out by officers.</p> <p>An update on the projected shortfall will be provided to Members and the Senior Management Team on a monthly basis.</p>

KEY AREAS OF BUDGET RISK

Resources Scrutiny Committee

Budget Title	Approved Budget	Risk
Revenue Collection/Benefits – Housing Benefit Subsidy	£40,833,830	The Council administers nearly £41m of Housing Benefit Subsidy for rent allowances and rent rebates. The claiming of subsidy is based on cost and administering within timescales varied from time to time by the Government. If timescales are not met, administrative errors minimized and overpayments reduced, there is a risk of paying out for Housing Benefit and only receiving a partial reimbursement of subsidy.
Budget Title	Approved Budget	Risk
Unapportionable Overheads – Pension contributions	£291,290	Employer's contributions to the Pension Fund for staff and retired staff are administered on the Council's behalf by Devon County Council. A combination of reduced staffing, investment performance and life expectancy have meant that employer payments in to the scheme have been increasing. This is particularly relevant with the Council's staff numbers reducing and the added risk of existing or new staff leaving or not joining the scheme. Employer's contributions are based on current staff that are enrolled in to the Pension Fund, so if there are less staff, the per capita contribution will need to increase.

KEY AREAS OF BUDGET RISK

HRA

Budget Title	Approved Budget	Risk
General Maintenance	£1,530,000 (revenue)	Expenditure is dependent upon the number of repairs reported by tenants and can fluctuate significantly between financial years
Rental Income from Dwellings	£18,140,000 (revenue)	Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income.
Kitchen Replacement Programme	£2,297,830 (capital)	The number of kitchens which can be replaced within approved budgets may vary dependent upon the cost of associated works such as electrical repairs and re-plastering, which varies per property. For 2013-14 it is currently forecast that 499 kitchens will be replaced.
Bathroom Replacement Programme	£867,990 (capital)	The number of bathrooms which can be replaced within approved budgets may vary dependent upon the cost of associated works such as re-plastering, which varies per property. For 2013-14 it is currently forecast that 322 bathrooms will be replaced.
Electrical Re-wires	£460,000 (capital)	The number of electrical re-wires identified during the year is currently affected by those referred from the kitchen and bathroom replacement programmes. Once identified the works are required to be completed in accordance with Health & Safety regulations