

ECONOMY, COMMUNITIES AND CORPORATE APPENDIX C

MONTHLY BUDGET CONTROL REPORT

MEETING DATE:

24TH SEPTEMBER 2013

Purpose

To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within Places & Communities Directorate
- to highlight key risks within the directorate
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

Key Messages

- The Directorate currently reports an over spend of **£26k**, which is slightly worse than the position reported in July, mainly due to the expected pressure on Land Charges.
- Cabinet have budgeted additional savings schemes to assist Adults Well-being pressures of £1.2m. It is anticipated that if all decisions are approved this will result in £392k of this being achieved and transferred to Adult Well-being. £127k of this amount is included in the ECC projections which will bring the Directorate over spend to £153k.

1.1 Current Status – Revenue Budget

The current revenue budget position based on the results to the end of August 2013 are summarised in the table below:

Service	Budget Expend £000	Budget (Income) £000	Net Budget £000	Net Forecast Outturn £000	Projected Under / (Over) spend £000
Economic, Environment and Cultural Services	12,766	(8,716)	4,050	3,939	111
Place Based Commissioning	32,585	(4,920)	27,665	27,589	76
Law, Governance & Resilience	3,718	(890)	2,828	3,160	(332)
Chief Finance Officer & Corporate Management	51,999	(48,056)	3,943	3,656	287
Property Services	6,191	(4,673)	1,518	1,700	(182)
Community & Customer Services	4,605	(695)	3,910	3,932	(22)
Director & Management	273	(36)	237	201	36
Economy, Communities & Corporate	112,137	(67,986)	44,151	44,177	(26)

1.2 Savings Plans – Summary

The total savings plan for the Directorate is £7.6m of which £5.9m is included in the within the approved budget of £44m.

The plan includes additional savings schemes of £1.4m which are subject to Cabinet or Cabinet Member approval. Once these schemes have been agreed the budget will be vired to help meet pressures in Adults Well-being.

This plan also includes £300k in relation to procurement savings managed within the Directorate but held centrally. Commercial Board has agreed this target to be achieved through procurement projects in 2013/14 include printing, stationery, cash collection and mail services.

£1.5m of the savings is at risk which includes £1.4m of savings schemes not yet approved.

1.3 Savings Schemes – RED status

The following schemes have been identified as at high risk of non delivery.

The anticipated savings reflect the latest expected amounts achievable in 2013/14 based on plans developed to date.

Scheme	At Risk 13/14 £000	Anticipated 13/14 £000	Anticipated FYE £000	Status of Decision
Customer Services	77	77	77	Mitigated following Cabinet Decision 19th September (Option 2)
Emergency Planning	18		18	Potential funding from Public Health grant to be agreed
ORIGINAL SAVINGS TOTAL (included in current budget)	95	77		

Scheme	At Risk 13/14 £000	Anticipated 13/14 £000	Anticipated FYE £000	Status of Decision
ADDITIONAL SAVINGS TO BE VIRED TO ADULTS WELL-BEING				
Heritage Services Review	194	48	239	Cabinet Decision 19th September (Option2)
Library Services Review	250	86	97	Cabinet Decision 19th September (Option2)
Planning Services cost reductions (inc	291	58	490	Cabinet Member Decision - October 2013. Note 1
Countryside Services Review	40	0	300	Cabinet Member Decision November 2013
Closure/Transfer of toilets	187	22	99	Cabinet Member Decision 16th September 2013
Increase charges for garden waste sac	80	20	40	Pending Cabinet Member Decision October 2013
CCTV Review	50	50	82	Cabinet Member Decision 31st July 2013
Community Protection Review	150	50	101	Cabinet Member Decision 14th August - pending outcome of statutory consultation 19th October 2013
Increase car parking/on-street parking	(195)	(50)	250	Cabinet Member Decision - Awaiting Proposal from Balfour Beatty
Community Regeneration	48	48	96	Scheme revised and no longer needs Cabinet Member Decision
Members allowances	60	0	0	Unlikely to be delivered
Customer Services	80	50	251	Cabinet Decision 19th September (Option2) - mitigates original ECC savings £77k target above
Reduce Public Notices	10	10	10	Awaiting legal advice on minimum statutory requirement
Advertising & Publicity (Council wide p	150	0	0	Review concluded - note 2
ADDITIONAL SAVINGS TOTAL (to be vired to Adults Well-being)	1,395	392	2,055	
TOTAL ECCSAVINGS AT RISK	1,490	469	2,055	
Note 1 - Total saving anticipated is £582k however £92k of saving offsets existing HERS savings schemes				
Note 2 - Review has now concluded that the original estimate was over optimistic and this level of savings cannot be delivered. Further work will be carried out to identify what can be delivered and the cost associated with generating advertising income.				

1.4 Headlines by Service Area

This budget represents the new directorate, in line with the Chief Executive's restructure which took effect from 1 August 2013. The budget is made up as follows:

	Net Budget £000
<u>Directorate</u>	
Places & Communities	39,024
Corporate Services	16,237
Sub- total	55,261
Less: Budgets allocated to other Directorates	
Chief Executive	(408)
Organisational Development (incl ICT & HR)	(7,188)
Adult Wellbeing (Housing Services)	(3,514)
Economy, Communities & Corporate	44,151

As previously reported, there is a projected overspend for the year in relation to Legal Services. This has reduced since last reported mainly due to funding identified from Public Health grant. The overspend of £116k reflects the increased cost of additional in house expertise in key areas of planning, childcare and employment law and will lead to reduced outsourcing of legal work to solicitors and counsel which, in previous years, has cost the authority in excess of £400k p.a. across the organisation.

The Corporate Management budget includes a base budget of £314k for Non -Discretionary Rate Relief. Further guidance on the rates retention scheme indicates that this is not now required to be paid into the Collection Fund.

There is currently a pressure of £182k on Property budgets for 2013/14. This includes the risks to the Property Service budgets in relation to savings schemes held in all Directorates that include closure or transfer of services and have an impact on Council buildings. These schemes will be closely monitored by Property Services through the office moves programme to ensure this impact is managed within the overall savings targets.

Legal proceedings were commenced against the Council (and other Councils) by private search companies which could result in this Council having to repay around £200k putting pressure on 2013/14 budgets. The outcome of this claim will have an impact on the way we deliver this service in the future.

1.5 Other Risks & Opportunities

There is a risk in relation to disputed items in the Amey contract.