

Committee: Community & Housing

Agenda Item

Date: 20 January 2011

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Title: 2010/11 Budget Monitoring

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Item for decision

Summary

1. The Committee is responsible for overseeing various General Fund Service Budgets, the Housing Revenue Account (HRA) budget and Capital Programme Schemes.
2. The report sets out financial performance for the period April to November 2010 and a forecast outturn to the end of the financial year.
3. The Committee's General Fund expenditure is forecasted to end the year with a net adverse variance of £259,000. This is principally due to the Finance & Administration Committee's decision to terminate the Supaloos contract; the termination charge will be payable in 2010/11. The cost will be met from the Change Management Reserve.
4. The HRA is forecasted to end the year with a net favourable variance of £62,000. However, this position could change due to adverse weather conditions and an increase in the amount of urgent responsive repairs.
5. Capital schemes are forecasted to end the year with a net favourable variance of £1,011,000 due primarily to the continued delays relating to the Heritage Quest Centre project.
6. The information in this report will be collated into a report covering the Council's corporate financial position to be received by the Finance & Administration Committee on 27 January.

Recommendations

7. The Committee is recommended to note and approve this report.

Financial Implications

8. There are no direct financial implications arising from the recommendations.

Background Papers

[2010/11 Budget Book](#)

Impact

Communication/Consultation	The forecasts in the report have been provided by budget holders and scheme managers.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Community & Housing Committee General Fund - Summary

Net adverse variance is forecast

Overall, the Committee's expenditure is forecasted to overspend the budget by £259,000. This principally due to £250,000 of contract termination costs arising from the decision to exit the Supaloos contract.

Details are in Appendix A.

Overspending areas

£240,000 – Public Conveniences – due to Supaloos termination costs as noted above. This cost will be met from the Change Management Reserve.

£16,000 – Day Centres – due to additional catering and repairs costs at Thaxted.

No other significant overspends anticipated.

Underspending areas

No significant underspends anticipated.

Housing Revenue Account - Summary

Net favourable variance is forecast

- An overall net underspend of £62,000 is forecast.
 - This position could change if adverse weather conditions generate a higher than usual level of urgent responsive repairs.
 - There are no significant variances.
 - Details are in Appendix B.
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Overspending areas

- £44,000 – Income from dwelling rents forecasted to be under budget, a variance of 0.4%. This reflects current collection trends and suggests that adverse economic conditions are affecting some people's ability to keep their rent accounts up to date.
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Underspending areas

- £68,000 – Housing Services. The budget includes a £40,000 error which will be corrected for 2011/12. The remaining £28,000 variance comprises various underspends over a range of budget headings e.g. consultancy costs, meetings/seminars & stationery.
 - £53,000 – Property Services – relates to a vacant surveyor post. This is to be recruited to in 2011.
 - £39,000 – Negative Housing Subsidy – due to a revision in the Government calculation.
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Community & Housing Committee Capital Programme - Summary

Net favourable variance is forecast

An overall net underspend of £1,011,000 is forecasted.

Expenditure of £951,000 relating to the Heritage Quest Centre project is postponed pending a decision on the Sainsburys planning application.

The demand for Disabled Facilities Grants now exceeds the historical annual sum budgeted; this year expenditure of £150,000 is forecasted compared with a budget of £110,000. This is a mandatory demand-led scheme so the budget needs to be adjusted accordingly from next year.

Planned expenditure of £50,000 on Thaxted Play Equipment has been suspended due to withdrawal of government funding for play projects.

Most of the budget allocated to bring empty dwellings in use is now expected to be spent next year.

Details are in Appendix C.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Actual income and expenditure will vary from forecast, requiring adjustments to budget and/or service delivery	2 – some variability is inevitable	2 – budget will be closely monitored and prompt action taken to deal with variances	Budgetary control framework

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.

APPENDIX A

COMMUNITY & HOUSING COMMITTEE – GENERAL FUND BUDGET

£000	April to November			2010/11 Financial Year			
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Animal Warden	20	19	-1	31	31	30	-1
Community Information Centres	43	41	-2	56	46	47	1
Community Safety	132	122	-10	55	54	56	2
Community & Leisure Management	30	29	-1	48	48	48	0
Community Wardens	31	31	0	61	61	61	0
Conveniences	89	91	2	122	122	362	240
Day Centres	49	39	-10	58	58	74	16
Drug Awareness	1	-4	-5	-2	-2	-2	0
Emergency Planning	27	24	-3	43	45	45	0
Environmental Management & Admin	60	62	2	89	89	89	0
Grants & Contributions	223	209	-14	211	211	207	-4
Homelessness	26	19	-7	87	90	94	4
Housing Grants	0	0	0	15	15	15	0
Leisure & Administration	42	21	-21	42	40	41	1
Leisure PFI	-38	-29	9	255	-114	-114	0
Life Line	-177	-183	-6	-66	-66	-71	-5
Museum Saffron Walden	163	157	-6	237	237	233	-4
Pest Control	3	8	5	17	17	24	7
Public Health	233	242	9	374	374	377	3
Sports Development	31	36	5	38	38	38	0
Tourist Information Centre	10	9	-1	10	10	9	-1
Committee Total	998	943	-55	1,781	1,404	1,663	259

APPENDIX B

HOUSING REVENUE ACCOUNT

£000	April to November			2010/11 Financial Year			
	Current Budget April to Nov	Actual April to Nov	Variance April to Nov	Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Dwelling Rents	-5,670	-5,564	106	-11,340	-11,340	-11,296	44
Garage Rents	-107	-92	15	-210	-213	-198	15
Other rents etc	-2	-2	0	-6	-3	-3	0
Charges for Services & Facilities	-239	-159	80	-477	-477	-477	0
Contributions towards expenditure	-71	-69	2	-87	-88	-74	14
Investment Income	0	0	0	-5	-5	-4	1
Sub-total – Direct Income	-6,089	-5,886	203	-12,125	-12,126	-12,052	74
Housing Repairs	911	990	79	1,650	1,692	1,685	-7
Housing Services	165	128	-37	337	334	266	-68
Property Services	290	265	-25	412	365	312	-53
Rent Collection & Accounting	32	25	-7	81	81	72	-9
Sheltered Housing Services	180	214	34	360	390	414	24
Common Service Flats	167	140	-27	371	371	371	0
Housing Sewerage	10	18	8	13	13	19	6
Estate Maintenance	99	94	-5	199	199	197	-2
Rents, Rates & Other Property Charges	30	42	12	30	30	42	12
Negative Housing Subsidy	2,467	2,441	-26	4,937	4,937	4,898	-39
Depreciation - Dwellings	0	0	0	1,955	1,955	1,955	0
Depreciation - Other assets	0	0	0	211	211	211	0
Bad Debt Provision	0	0	0	59	59	59	0
Revenue Contribution to Capital	0	0	0	400	400	400	0
Sub-total - Direct Expenditure	4,351	4,357	6	11,015	11,037	10,901	-136
Recharge from General Fund	0	0	0	930	930	930	0
HRA Share of Corporate Core	0	0	0	267	267	267	0
Pension Fund	0	0	0	51	51	51	0
Sub-total - Total Net Expenditure	0	0	0	12,263	12,285	12,149	-136
Operating surplus(-) /deficit	-1,738	-1,529	209	138	159	97	-62
Transfer from Major Repairs Reserve	0	0	0	-211	-211	-211	0
In year surplus (-) / deficit	-1,738	-1,529	209	-73	-52	-114	-62
Working Balance							
Balance 31 March 2010				-796	-723	-723	0
In year surplus (-) / deficit				-73	-52	-114	-62
Forecast Balance 31 March 2011				-869	-775	-837	-62

APPENDIX C

COMMUNITY & HOUSING COMMITTEE CAPITAL PROGRAMME

£000	Actual April to November	2010/11 Financial Year					Updated Budget	Forecast Outturn	Forecast Variance
		Original Budget	Slippage from 2009/10	Additional External Funding in Year	Other Budget Adjustments				
Community & Housing									
<u>Capital Grants</u>									
Community Project Grants	50	70	0	0	0	70	70	0	
Disabled Facilities Grants	73	110	0	0	0	110	150	40	
Dunmow CCTV	0	50	0	0	0	50	50	0	
Empty Dwellings	0	50	0	0	0	50	10	-40	
Felsted Playground	25	0	25	0	0	25	25	0	
Play Programme	0	0	3	0	0	3	3	0	
Private Sector Renewal Grants	5	40	0	0	0	40	20	-20	
Swimming Grant	9	0	22	0	0	22	22	0	
Thaxted Play Equipment	0	50	0	0	0	50	0	-50	
<u>Capital Works</u>									
Heritage Quest Centre	0	972	19	0	0	991	40	-951	
Total - Community & Housing Committee	162	1,342	69	0	0	1,411	390	-1,021	
Housing Revenue Account									
<u>Capital Repairs</u>									
Capital Repairs	1,180	1,915	0	0	150	2,065	2,065	0	
<u>Capital Works</u>									
Depot Works	13	50	0	0	-6	44	44	0	
Holloway Crescent	271	315	0	225	110	650	650	0	
Temporary Accomodation	89	100	0	0	-11	89	89	0	
<u>Capital Vehicles</u>									
Capital Vehicles	31	238	0	0	0	238	248	10	
Tenants Grants	4	40	0	0	0	40	40	0	
HRA Supervision	0	0	0	0	275	275	275	0	
Total - Housing Revenue Account	1,588	2,658	0	225	518	3,401	3,411	10	