

CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS
8th April, 2013

Present:- Councillor McNeely (in the Chair); Councillors Goultly and Kaye (Policy Advisors).

J69. NEIGHBOURHOODS GENERAL FUND REVENUE BUDGET MONITORING

Consideration was given to a report presented by the Finance Manager, Neighbourhood and Adult Services, in relation to the budget monitoring during the 2012-13 financial year of the Neighbourhood General Fund. The report detailed the projected end of year outturn position to the end of March, 2013 based on actual income and expenditure for the period ending February 2013.

The latest forecast showed an underspend of £156,000 against an approved net revenue budget of £2.424M. The main variations against budget were:-

Environmental Health (-£19k)

- Significant pressure at the start of the year due to the Vacancy Factor. Identified savings within salaries from the merger of a number of teams into one joint Community Protection Team had now met the vacancy factor in full. Further planned savings and efficiencies had been identified in Transport and Premises together with restricted spend on Supplies and Services as a result of the moratorium on all non-essential spend was resulting in a projected underspend of £19,000

Public Health (-£54k)

- The restructure had now been actioned and a projected underspend within Trading Standards in part due to delayed recruitment
- Minor shortfall projected on Health and Safety due to procurement budget re-alignment and increased printing costs
- Saving identified on Food and Drugs had been identified due to vacancies held partially reduced by a small projected overspend on Bereavement Services as a result of one-off repair costs to meet Health and Safety standards and on Animal Health due to unmet Vacancy Factor
- Licensing was anticipating a shortfall unless further late income was received to offset shortfalls on Transport and Supplies and Services areas

Housing and Communities (-£48k)

- Pressure in Community Safety Unit as a result of slippage in implementing the new structure agreed as part of budget setting savings

- Projected underspend due to a vacant post within the Anti-Social Behaviour Team and savings within Supplies and Services due to the downsizing of the Team
- Area Assemblies Teams and Management and Administration had a combined projected underspend as a result of vacancies and one-off external funding
- Projected underspend in the Community Leadership Fund, although this had been approved for carry forward in previous years

Strategic Housing and Investment Service (-£32k)

- Overall pressure as a result of a small shortfall on the staffing budget including a vacancy factor. Further sources of funding identified to offset the pressure
- Anticipated underspend in respect of income from interest on the Equity Loan Scheme
- Forecast underspend on the Lighting of Staircases budget based on costs to date projected to year end
- Small overspend on Registered Social Landlords cost centre as a result of the reduction in number of Landlords in the Scheme

Housing Options (+£1k)

- A small overspend projected on Key choices Property Management mainly due to the recent procurement savings budget realignment

Central (-£4k)

- Previously received an income contribution from the Asylum Team as recognition of location costs. The Asylum Grant had now ended and the work outsourced resulting in an income shortfall
- Additional vacancy factor pressure, however, sufficient balance had now been identified in the Asylum Reserve to contribute towards the shortfall
- Savings identified on pension and insurance costs as well as within supplies and services. With the realignment of procurement savings, there was now an overall projected underspend of £4,000 forecast

To date there had been no spend on either Agency or Consultancy within Neighbourhoods General Fund budgets. The only non-contractual overtime for Neighbourhoods related to grant funded overtime for the Food, Health and Safety Teams.

Discussion ensued on the reasons for the anticipated shortfall in the Licensing budget and the projected underspends in the Community Leadership Fund budget.

Resolved:- That the report be received and the latest financial projection against budget for 2012/13 be noted

J70. HOUSING REVENUE ACCOUNT BUDGET MONITORING 2012-13

Consideration was given to a report presented by the Finance Manager, Neighbourhood and Adult Services, on the Housing Revenue Account which was forecasting an outturn on budget with a transfer to working balances (HRA reserves) of £4.524M, an increase of £2.686M above the approved budget.

Appendix A of the report submitted illustrated that the forecast year end spend on Repairs and Maintenance was an underspend of £865,000 compared to budget. Under the review of the 2011/12 Cost Collection workbook, part of the Repairs and Maintenance contract, both contractors had had their Price per Property reduced generating a net saving of £865,000. Every endeavour had been made to spend the savings, however, due to them not having been identified until late in the current financial year, further additional works could not be delivered. The savings would be carried forward into 2013/14 to address repairs and maintenance items.

It was difficult to forecast the Empty Homes budget given the responsive nature of the Service. The original budget was based on an estimated 1,600 minor voids in year; the actual number of voids to the end of February, 2013, was 133 below the budgeted sum. However, it was a responsive budget and close monitoring was ongoing. Alternative works were being prepared which could be released at short notice to take up savings on this head of account.

A bad weather contingency of £200,000 was also in place and would be reviewed on an ongoing basis.

It was noted that the total expenditure within Supervision and Management was forecast to underspend by £411,000. The main variance was a forecast overspend of £571,000 to purchase additional furniture within the Furnished Homes Service but was offset by increased income from additional charges generated by more take up of the Service. The scheme currently had 2,646 customers, an increase of 729 since the beginning of the year.

The increase in spend on additional furniture had been offset by savings within Supervision and Management, together with salary savings due to vacancies and underspends on non-pay budgets, which had resulted in an overall net underspend of £411,000.

There were also forecast underspends within Rent, Rates and Taxes budget in respect of lower Council Tax charges on void properties and the provision for the final Housing subsidy claim had now been signed off by the external auditor and was slightly higher than forecast resulting in an one-off saving of £157,000 transferred to HRA reserves.

Dwelling rental income was projecting a slight over recovery of £478,000 due to an improvement in void turnaround rates, however, non-dwelling rents were forecast to under recover against budget by £36,000 due to garage voids. A programme of repair had been started in an effort to reduce the numbers of garages which were void.

Income from charges for services and facilities were forecasting an outturn of £4.256M, an over recovery of income of £771,000. This was mainly due to additional income as a result of the Furnished Homes Scheme continued growth offsetting the increase in expenditure reported above.

The report provided further details of:-

- Budget Operating Statement (Appendix A).
- Income and expenditure charged to the HRA.
- Projected outturn based upon activity to the end of February, 2013 (Appendix A, Column B).
- Repairs and Maintenance.
- Supervision and Management.
- Income.

The report identified the need for additional investment in planned maintenance over the next few years and the potential financial risk associated with planned welfare reforms. Both of which may require investment from reserves.

Discussion ensued on the number of voids to the end of February, 2013 and not January as stated, growth in the Furnished Homes Scheme, impact on the working balance as a result of welfare reform, management and mitigation of risk arising from non-payments and the need for the position to be closely monitored.

It was also requested that relevant Ward Members be informed of the garage investment programme and work schedule.

Resolved:- (1) That the report be noted.

(2) That relevant information on voids be made available to Ward Members.

J71. EXCLUSION OF THE PRESS AND PUBLIC

Resolved: - That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended 2006 – information relates to finance and business affairs).

J72. TENDER REPORT - APPOINTMENT OF ASBESTOS CONSULTANT

Consideration was given to a report presented by the Director of Housing and Neighbourhood Services, which set out the tender exercise that had been undertaken to appoint contractors to carry out all asbestos surveys and associated works across properties within the Housing Revenue Account stock portfolio.

Procurement had been through the Yorbuild framework. The contract did not have a yearly value as work was not guaranteed through the agreement.

As part of the Council's Asbestos Management Plan, it was required to provide Asbestos Management Information relating to its housing stock portfolio. The information was used to understand the asbestos risk associated to the continued occupancy of homes and to manage the risk associated to carrying out building maintenance and repair work which may result in the safe removal of asbestos.

The financial information and risks and uncertainties associated with the tender were set out in detail as part of the report.

Further information was provided on the plans to accommodate sampling requirements of the three year programme and the revised arrangements and guidelines to manage asbestos released by the Control of Asbestos at Work Regulations 2006.

Resolved:- (1) That the contract submitted by White Young Green, dated 15th February, 2013, be approved.

(2) That the comments with regard to the Asbestos Strategy be noted.