

COMMUNITY SCRUTINY COMMITTEE

24th MARCH 2016

Revenue & Capital Budget Monitoring Report 2015/16

To consider and comment on the following issues:

- That the Scrutiny Committee receives the budget monitoring report for the Housing, Regeneration, Planning and Leisure & Sport Services and considers the budgetary position.

Reasons:

- To provide the Committee with an update on the latest budgetary position, as at 31st December 2015, in respect of the 2015/16 financial year.

To be referred to the Executive Board for decision: NO

Executive Board Member Portfolio Holders:

- Cllr. Linda Evans (Housing)
- Cllr. Meryl Gravell (Regeneration & Leisure)
- Cllr. David Jenkins (Resources)

Directorate: Corporate Services	Designation: Interim Head of Financial Services	Tel No. / E-Mail Address: 01267 224886 obowen@carmarthenshire.gov.uk
Name of Head of Service: Owen Bowen		
Report Author: Owen Bowen		

EXECUTIVE SUMMARY

COMMUNITY SCRUTINY COMMITTEE 24th MAWRTH 2015

Revenue & Capital Budget Monitoring Report 2015/16

The monitoring exercise for the period to the 31st December 2015 is attached and indicates that:

Revenue Budgets

Regeneration (Appendix A)

Overall the Regeneration service is forecasting a break even position at year end. The Regeneration Business Unit is anticipating an overspend of £45k due to a previous year efficiency to sell the property at Nant y Ci which remains unsold. There is an overspend on Un Sir Gar due to increased staffing and maintenance (£10k) and WWEC are also overspent by £35k due to non achievement of targeted consultancy income. These overspends are offset by Llanelli Community recharging a staff member time to an externally funded scheme (£20k) and a vacant post in Regeneration Management (£58k).

Planning (Appendix B)

The Planning Division anticipates an underspend of £111k. This is as a result of a £89k saving on vacant posts within the division as well as 2 members of staff being charged out to an externally funded scheme (£52k) along with a planned reduction in admin costs of £24k. This is offset by an overspend in Development Management due to a reduction in planning fee income of £56k.

Leisure & Sport (Appendix C)

The Leisure Services Division is expected to break even at year end. There is a projected overspend on Sports and Leisure General due to forecast investment in fitness and linked refurbishments of £115k. There is also a maintenance commitment of £38k at Parc Howard museum. Within Libraries General there is a forecast overspend of £67k due to computer related expenditure relating to a rollout of digital format(H6), income collection and tagging(RFID) .These overspends are offset mainly by a net increase in projected income of £62k and vacancies across the division of £160K.

Non-HRA Housing (Appendix D)

The Non-HRA Housing service is projecting that it will be over its approved budget by £19k.

Housing Revenue Account (Appendix E)

The HRA is forecasting an underspend of £2.09M to the year end for 2015/16.

Revenue repairs and maintenance -£408k due to poor weather conditions.

-£321k of this is within Supervision and Management – staff vacancies -£164k ,staff related travelling -£44k ,supplies & services costs of -£79k (postages/telephones etc.) and premises related costs -£33k (energy charges). Affordable Homes delivery plan will require staffing resources , which will be factored into the 2016/17 budget.

Slightly higher than forecast interest applicable to existing borrowing and buy-out from HRAS £71k.

The capital programme is also underspent due to savings on some contracts (£1.1M) and the requirement to roll forward on some contracts due the adverse weather (£1.5M). This has impacted on the direct revenue funding required in the budget monitoring by -£467k. Improvement in delivering savings on void turnaround times etc. will save -£408k. Forecast requirement for provision for bad debt is -£424k based on current aged debt analysis and forecast write offs.

Capital Budgets

Regeneration (Appendix F)

Cross Hands East Strategic Employment Site +£440k Land values had originally been estimated at the start of the Compulsory Purchase Order process based on the land uses allocated within the Unitary Development Plan. This had been subsequently challenged by the owners and the Authority is in negotiation with the owners and District Valuer to agree final terms. (Additional costs in 16/17 to complete phase).

Ammanford Town Centre Regeneration -£470k Funding is committed for the Ammanford Master plan and recently launched Transformation Regeneration Strategy. Works currently being prepared to implement a programme of support commencing 2016. Funding to roll forward into 2016/17.

Laugharne Car Park -£202k Delay to project commencement due to technical studies, construction commencement now expected in April 16.

Opportunity Street (Llanelli) -£446k External funding to be used initially with CCC funding carried forward to 2016/17 in order to deliver the final year elements of the project. Should any works be accelerated and brought forward to 15/16 then the variance will be reduced accordingly.

Cross Hands East Office Development -£465k Project at early stage of development with concept currently being developed. Funding commitment required for implementation in 2016/17/18.

Pendine Iconic International Visitors Destination -£502k Funding package being worked up with Welsh Government and WEFO – decision expected early 2016. As such CCC capital spend forecast shows funding required in 2016/17.

Building for the Future -£656k This project is currently at an early grant application stage and a decision to approve (by Welsh Government) is anticipated later this financial year. In order to secure external grant funding (circa £1.6m) the approved budget must be safeguarded for future years delivery. This year's expenditure can only reflect early survey and feasibility works which will progress following confirmation of project grant approval.

Health and Safety Remediation Works -£90k Survey only in 15/16 - Implementation slipped to 16/17.

Leisure (Appendix G)

Y Ffwrnes -£22k Retention to be paid in 2016/17.

Countryside Projects -£27k Due to monies being retained for match funding purposes.

Carmarthen Museum -£250k Scheme led by 3rd party - Payment to be made in 2016/17.

Private Sector Housing (Appendix H)

Private Sector Income +£797 Grant Income to be claimed following identification of properties for Area Renewal.

Renewal Areas -£796 Properties yet to be identified with regards to Group Repair

Renewal Assistance -£299k Due to delay with partners

County Steelwork -£225k Less interest than anticipated.

Public Sector Housing (Appendix I)

Internal and External Works(Housing Services) Fuel Switch – Gas Infrastructure - £130k -Installation of mains gas pipeline delayed due poor weather conditions affecting programme or works.

Planned M&E +£644k Higher than expected level of boiler failures at properties which were previously deemed to be compliant under the CHS, extra upgrades on Void works, additional costs linked to the sheltered scheme fire alarm upgrade works to connect to the Tunstall system. Additional costs to upgrade the sheltered complex heating plant (this needs to include new controls as well as the boiler plant itself).

Internal Refurbishment -£1,988k Due to postponement of various sites plus various tenant declines.

Housing Minor Works -£149k Delay in external works due to poor weather conditions.

External Rendering +£98k Additional remedial works to cavities.

External Insulation over Cavity -£125k Due to fewer properties being identified.

Re-Roofing Works -£100k Delays due to adverse weather conditions.

Adaptations for the Disabled -£200k Large scale adaption to be carried out in 16/17 owing to inclement weather in 15/16.

Housing Development Programme -£638k Part of overarching Affordable Housing Delivery Plan. Money to be carried forward to support substantive programme over next five years.

DETAILED REPORT ATTACHED?

YES – *A list of the main variances is attached to this report.*

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report.

Signed: Owen Bowen Interim Head of Financial Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

3. Finance

Revenue – The Non-HRA Housing, Regeneration, Planning and Leisure & Sport Services show a net variance of -£92k and the HRA Housing Service a net variance of £-2,090k against the 2015/16 approved budgets.

Capital – The capital programme shows a net variance of -£5,805k against the 2015/16 approved budget.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: Owen Bowen Interim Head of Financial Services

1. Local Member(s) – N/A
2. Community / Town Council – N/A
3. Relevant Partners – N/A
4. Staff Side Representatives and other Organisations – N/A

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW:

Title of Document	File Ref No. / Locations that the papers are available for public inspection
2015/16 Budget	Resources Department, County Hall, Carmarthen