

CORPORATE SERVICES SCRUTINY COMMITTEE

Date: Thursday 22 March 2018
Time: 5.30 pm
Venue: Rennes Room - Civic Centre

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Mark Devin, Democratic Services Officer on 01392 265477.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Membership -

Councillors Sheldon (Chair), Warwick (Deputy Chair), Baldwin, Hannan, Harvey, Holland, Lamb, Owen, Morris and Musgrave

Agenda

Part I: Items suggested for discussion with the press and public present

1 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To sign the minutes of the meeting held on 25 January 2018.

3 Declarations of Interests

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public

It is considered that the Committee would be unlikely to exclude the press and public during consideration of the items on this agenda, but if it should wish to do

so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part I of Schedule 12A of the Act.

5 **Questions from the Public under Standing Order 19**

Details of questions should be notified to the Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (Committees) (Tel: 01392 265115) and also on the Council web site -

<https://exeter.gov.uk/councillorsfaq/>

6 **Questions from Members of the Council under Standing Order 20**

To receive questions from Members of the Council to appropriate Portfolio Holders.

ITEMS FOR CONSIDERATION BY THE EXECUTIVE

7 **Overview of Revenue Budget 2017/18**

To consider the report of the Chief Finance Officer.

(Pages 5 - 18)

8 **Capital Monitoring Statement to December**

To consider the report of the Chief Finance Officer.

(Pages 19 - 40)

ITEMS FOR INFORMATION ONLY

9 **Budget Monitoring (Quarter 3)**

To consider the report of the Chief Finance Officer.

(Pages 41 - 46)

Date of Next Meeting

The next scheduled meeting of the Corporate Services Scrutiny Committee will be held on **Thursday** 28 June 2018 at 5.30 pm in the Civic Centre.

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265107 for further information.

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REPORT TO RESOURCES SCRUTINY COMMITTEE

Date of Meeting: 22 March 2018

REPORT TO EXECUTIVE

Date of Meeting: 10 April 2018

REPORT TO COUNCIL

Date of Meeting: 24 April 2018

Report of: Chief Finance Officer

Title: OVERVIEW OF REVENUE BUDGET 2017/18

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 To advise Members of the overall projected financial position of the HRA & General Fund Revenue Budgets for the 2017/18 financial year after nine months.

2. Recommendations:

It is recommended that Scrutiny Resources Committee and the Executive note the report and Council notes and approves (where applicable):

- 2.1 The General Fund forecast financial position for the 2017/18 financial year;
- 2.2 The HRA forecast financial position for 2017/18 financial year;
- 2.3 The outstanding Sundry Debt position as at September 2017;
- 2.4 The creditors' payments performance;

3. Reasons for the recommendation:

- 3.1 To formally note the Council's projected financial position and to approve any additional expenditure required during the financial year.

4. What are the resource implications including non financial resources.

- 4.1 The impact on the General Fund working balance, HRA working Balance and Council Own Build working balance are set out in sections 8.3.6, 8.2.1 and 8.2.3 respectively.
- 4.2 There are no requests for supplementary budgets in the report.

5. Section 151 Officer comments:

- 5.1 The report represents the projected financial position to 31 March 2018. In respect of the year end projections, the overall position in respect of the General Fund is showing a slight underspend. This has been caused by a number of services covering their overspend identified in quarter 1 and a further reduction in the repayment of debt caused by lower than expected capital expenditure. The HRA is continuing to show a significant underspend caused by the delay in a number of significant capital projects.

6. What are the legal aspects?

- 6.1 There are no legal aspects to the report.

7. Monitoring Officer's comments:

- 7.1 This report raises no issues of concern for the Monitoring Officer.

8. Report details:

8.1 Financial Summary

FUND	Planned Transfer (to) / from Working Balance	Budget Variance Over / (under)	Outturn Transfer 2017/18
	£	£	£
General Fund	1,666,369	(345,219)	1,321,150
HRA	2,487,615	(3,667,716)	(1,180,101)
Council own Build Houses	(35,970)	(7,0000)	(42,970)

8.2 Housing Revenue Account (Appendix A)

- 8.2.1 The first quarter projection shows a significant reduction in the amount taken from the working balance resulting in a large increase in the working balance. The projected increase is £725,335 to leave the working balance at £9,292,789.

Movement	2017/18
Opening HRA Balance, as at 01/04/17	£8,567,454
Surplus	£1,180,101
Projected balance, as at 31/3/18	£9,747,555

8.2.2 The key variances are as follows:

Management Unit	Over / (Underspend)	Detail
Repairs and Maintenance Programme	(£644,000)	<ul style="list-style-type: none"> • This represents a combination of forecast savings, most notably due to: <ul style="list-style-type: none"> - A projected £120k saving in respect of asbestos survey costs. - A projected £100k saving in respect of repairs to void properties. - Capacity to undertake remedial works following electrical testing has been impacted by a vacant Electrician post, with urgent health and safety works taking priority, resulting in a forecast £70k underspend.
Revenue Contribution to Capital	(£2,700,000)	<ul style="list-style-type: none"> • The estimated amount of revenue monies required towards financing the HRA Capital Programme in 2017-18 has reduced by £2.7m, from £6.5m to £3.8m. <p>In March 2014 Executive approved a £2.7m contribution towards the St Loyes Extra Care scheme, which was profiled to be required in 2017-18 but delays to the scheme will mean that significant spend will not take place until 2018/19 when it is hoped that works can start on site. A detailed report is due to be presented to committee later this year in respect of this scheme.</p>
Housing Assets	(£127,800)	<ul style="list-style-type: none"> • The decant of tenants in ten LAINGS properties to enable a demolish and re-build scheme to be undertaken are not expected to take place this financial year. Higher than budgeted tender prices have necessitated an options appraisal and caused a delay in the project timetable. A saving is reported in 2017-18, as the cost of decanting tenants in 2018-19 will be factored into next year's budgets. A detailed report is planned to be presented to committee in respect of the LAINGS project.

8.2.3 The Council's new properties at Rowan House and Knights Place form part of the overall

Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing. There is a small projected variance to the projected surplus at the end of the first quarter.

Movement	2017/18
Opening Council Own Build, as at 01/04/17	£208,097
Surplus	42,970
Projected balance, as at 31/3/18	£251,067

8.3 General Fund (Appendix B)

8.3.1 The Service Committees show projected overspends of £108,747 against a revised budget of £14,445,150. The main variances are:

8.3.2 **People Scrutiny Committee – (An overspend in total of £344,087)**

Management Unit	Over / (Underspend)	Detail
General Fund - Housing	(55,000)	<ul style="list-style-type: none"> Private Sector Leased properties are handed back to the landlords upon a change of tenancy, which has resulted in a lower level of rent lost during void periods and a lower level of reactive repairs due to the reducing number of properties.
Revenue Collection & Benefits	400,000	<ul style="list-style-type: none"> Income is lower than anticipated; Real time information updates over the past 2 years had led to an increase in the recovery of overpayments, this has now reduced as the majority of historic cases have been dealt with. There has also been an increase in the amount of debt write offs in part to the clearing down of some older cases. The amount of unsubsidised housing benefit expenditure is also higher than forecast due to a higher number of temporary and supported accommodation claims.

8.3.3 Place Scrutiny Committee – (An overspend in total of £57,504)

Management Unit	Over / (Underspend)	Detail
Parks and Green Spaces	£97,520	<ul style="list-style-type: none"> The saving target for the management unit will not be achieved in year due to the increasing service demands impacting on the existing resource base.
Street Cleaning	(£89,830)	<ul style="list-style-type: none"> An underspend is anticipated on vehicle maintenance and pay budgets
Cleansing Chargeable Services	51,200	<ul style="list-style-type: none"> The predicted overspend is due to income from the trade refuse and recycling services being below target.
Recycling	75,000	<ul style="list-style-type: none"> The predicted overspend is due to income being below target for recycling, mainly paper. Paper tonnage collected has reduced compared to last year, and the rate received for selling paper has also reduced.
Parking Services	(£91,710)	<ul style="list-style-type: none"> Off Street car parking fee income anticipated to exceed the target. Additional expenditure on pay budgets.
Planning Services	(£96,070)	<ul style="list-style-type: none"> Income from planning application fees expected to exceed the target. Underspend on pay budget. Community Infrastructure Levy grant expenditure, and additional pay expenditure funded by a transfer from the earmarked reserve.
Major Projects	£110,000	<ul style="list-style-type: none"> Additional expenditure in respect of a compensation payment.

8.3.4 Corporate Scrutiny Committee – (An underspend in total of £292,844)

Management Unit	Over / (Underspend)	Detail
Corporate Property - Assets	(156,090)	<ul style="list-style-type: none"> An underspend is anticipated on Property Maintenance Fund Budgets.
Grants/Central Support/Consultation	(85,000)	<ul style="list-style-type: none"> This underspend is mainly a result of the consolidation of Comms & Marketing budgets during 2017/18. A temporary structure exists to support the new processes, and a full restructure reflective of corporate priority will be going to Executive in March. A request to carry forward the underspend will be made (through the appropriate process), as a one-off supplement to support the permanent structure and new aligned priorities.
Unapportionable Overheads	(90,000)	<ul style="list-style-type: none"> This potential underspend relates to Superannuation and is based upon known departures as at this date.
Strategic Management	(72,000)	<ul style="list-style-type: none"> An underspend is anticipated on the cost of employee budgets mainly due to: vacancies; a reduction of hours, and recharges to the Housing Revenue Account.

8.3.5 Other Financial Variations

Other items	Over / (Underspend)	Detail
Net Interest	(150,000)	<ul style="list-style-type: none"> Continued low interest rates and advice not to borrow longer term from our advisors mean a reduction in the spend on interest.
Repayment of debt	(116,306)	<ul style="list-style-type: none"> Lower than forecast need to borrow leading to a reduced repayment of debt calculation.

8.3.6 General Fund Balance

In 2017/18 it is projected that there will be an overall net contribution from the General Fund Balance of £1,451,053. The minimum requirement for the General Fund working balance was approved by Council in February 2017 at £3 million.

Movement	2017/18
Opening Balance, as at 01/04/17	£5,264,841
Deficit	(£ 1,321,150)
Balance, as at 31/3/18	£3,943,691

8.4 OUTSTANDING SUNDRY DEBT

- 8.4.1 An aged debt analysis of the Council's sundry debts is shown in the table below. The latest data shown is to the end of August in order to demonstrate how for much of the debt, there is significant recovery in the two months after the data is run. This is due to the fact that our quarterly invoices are run just prior to the end of each quarter.

Age of Debt	February 2017	March 2017	February 2018
Up to 29 days (current)	£478,944	£6,820,661	£1,408,652
30 days – 1 Year	£1,114,238	£1,027,940	£1,405,970
1 – 2 years	£1,056,720	£945,735	£555,307
2 – 3 years	£476,815	£455,532	£690,937
3 – 4 years	£361,651	£327,021	£356,595
4 – 5 years	£194,923	£226,393	£303,416
5 + years	£313,361	£325,762	£390,171
Total	£3,996,652	£10,129,044	£5,111,048

8.5 DEBT WRITE-OFFS

- 8.5.1 The following amounts have been written-off during 2017/18, Housing Benefit overpayments are being newly reported and therefore there are no comparatives:

	2016/17 total	2017/18 (Qtr 3)
• Council Tax	£341,926	£250,794
• Business Rates	£274,428	£0
• Sundry Debt	£44,459	£98,942
• Housing Rents	£48,478	£235,882
• HB Overpayments		£157,309

8.6 CREDITOR PAYMENTS PERFORMANCE

- 8.6.1 Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 91.53% for the first nine months of 2017/18 compared with 93.15% for 2016/17.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 This is a statement of the projected financial position to the end of the 2017/18.

10. What risks are there and how can they be reduced?

10.1 The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 Not applicable

12. Are there any other options?

12.1 Not applicable

DAVE HODGSON
Chief Finance Officer

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

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HOUSING REVENUE ACCOUNT
2017/18 REVENUE ESTIMATES - SUMMARY
as at 31 December 2017

ACTUAL TO DATE			YEAR END FORECAST			
PROFIED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£	£	£	£	£
511,062	388,590	(122,472)	1,074,785	(80,800)	(60,000)	1,014,785
877,877	848,558	(29,319)	1,344,180	26,000	20,400	1,364,580
254,078	86,982	(167,096)	538,660	(84,210)	(101,000)	437,660
4,941,174	3,826,423	(1,114,751)	6,148,870	(355,000)	(644,000)	5,504,870
0	0	0	6,496,640	(2,700,000)	(2,700,000)	3,796,640
2,935,930	3,000,614	64,684	2,935,930	64,684	64,684	3,000,614
905,970	763,802	(142,168)	1,385,610	(186,800)	(127,800)	1,257,810
(15,275,858)	(15,003,024)	272,834	(19,295,820)	(20,000)	(20,000)	(19,315,820)
0	0	0	1,858,760	(80,000)	(100,000)	1,758,760
			(2,487,615)	3,416,126	3,667,716	1,180,101
			0	0	0	0
Net Expenditure						
Working Balance 1 April 2017			8,567,454		31 March 2018	9,747,555

COUNCIL OWN BUILD SITES

PROFIED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£	£	£	£	£
7,166	5,738	(1,428)	14,120	(2,000)	(2,000)	12,120
(7,866)	(7,490)	376	(10,480)	0	0	(10,480)
(40,899)	(48,316)	(7,417)	(59,550)	(5,000)	(5,000)	(64,550)
0	0	0	6,980	0	0	6,980
0	0	0	12,960	0	0	12,960
			35,970	7,000	7,000	42,970
			0	0	0	0
Net Expenditure						
Working Balance 1 April 2017			208,097		31 March 2018	251,067

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GENERAL FUND
2017/18 REVENUE ESTIMATES - SUMMARY
as at 31 December 2017

	Annual Budget	Supplementary Budgets	Revised Annual Budget	Year End Forecast	Variance to Budget
	£	£	£	£	£
SCRUTINY - PEOPLE	3,511,870	(506,020)	3,005,850	3,349,937	344,087
SCRUTINY - PLACE	8,474,940	(1,856,210)	6,618,730	6,676,234	57,504
SCRUTINY - CORPORATE	3,941,210	3,955,120	7,896,330	7,603,486	(292,844)
less Notional capital charges	(3,075,760)		(3,075,760)	(3,075,760)	0
<u>Service Committee Net Expenditure</u>	12,852,260	1,592,890	14,445,150	14,553,897	108,747
Net Interest	150,000		150,000	0	(150,000)
New Homes Bonus	(3,597,202)		(3,597,202)	(3,597,202)	0
Revenue Contribution to Capital	0		0	0	0
Minimum Revenue Provision	764,028		764,028	647,722	(116,306)
Voluntary Revenue Provision	1,000,000		1,000,000	1,000,000	0
<u>General Fund Expenditure</u>	11,169,086	1,592,890	12,761,976	12,604,417	(157,559)
Transfer To/(From) Working Balance	(73,479)	(1,592,890)	(1,666,369)	(1,321,150)	345,219
Transfer To/(From) Earmarked Reserves	769,202		769,202	411,002	(358,200)
<u>General Fund Net Expenditure</u>	11,864,809	0	11,864,809	11,694,269	(170,540)
Formula Grant	(5,177,000)		(5,177,000)	(5,177,000)	0
Business Rates Growth / Pooling Gain	(1,350,000)		(1,350,000)	(1,016,460)	333,540
CIL Income	0		0	(163,000)	(163,000)
Council Tax	(5,337,809)		(5,337,809)	(5,337,809)	0
	0	0	0	0	0
Working Balance March 2017	£ 5,264,841			£ 3,943,691	March 2018

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REPORT TO **CORPORATE SERVICES SCRUTINY COMMITTEE,
EXECUTIVE AND COUNCIL**
Date of Meeting: **Corporate Services Scrutiny – 22 March 2018
Executive - 10 April 2018
Council – 24 April 2018**
Report of: **Chief Finance Officer**
Title: **Capital Monitoring Statement to 31 December 2017**

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

2. Recommendations:

It is recommended that Corporate Services Scrutiny Committee supports and the Executive recommends to Council to approve:

- (i) The revision of the annual capital programme to reflect the reported variations detailed in 8.4 and 8.5

3. Reasons for the recommendation:

Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

4. What are the resource implications including non-financial resources

The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of the Capital Programme as at 31 December 2017.

6. What are the legal aspects?

The capital expenditure system is framed by the Local Government and Housing Act 1989.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

CAPITAL MONITORING STATEMENT TO 31 DECEMBER 2017

8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2017/18 Capital Programme was last reported to Corporate Services Scrutiny Committee on 23 November 2017. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 23 November 2017	23,944,980	
Budget Deferred to 2018/19 & Beyond at Quarter 2	(7,370,110)	Approved by Council 19 December 2017
Overspends/(Underspends) reported at Quarter 2	(141,570)	
Belle Isle Temporary Facilities	190,000	
Cowick Barton Tennis Courts	35,000	
Guildhall Fire Alarms	50,000	
MRF Air Compressor	10,600	Approved by Council 17 October 2017
RAMM World Culture Galleries	368,740	
Vehicle Replacement Programme	25,710	
Acquisition of Social Housing (HRA)	78,450	Delegated Powers
Revised Capital Programme	17,191,800	

8.2 PERFORMANCE

The revised capital programme for the current financial year is £17.192 million. During the first nine months of the year the Council spent £6.597 million on the programme, which equates to 38.37% of the revised programme. This compares with £5.956 million (30.6%) being spent in the first nine months of 2016/17.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2017/18 of £12.686 million with £4.152 million of the programme potentially being deferred to 2018/19 and beyond.

Appendix 2 shows the approved budgets for 2018/19 with the proposed 2017/18 budget to be carried forward to 2018/19 and beyond this quarter for Executive and Council to consider for approval.

Appendix 3 shows the overall position for those schemes which span more than one financial year.

8.3 AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2017/18 are £7.494 million. An estimated spend of £5.272 million is required of which £2.870 million will be funded from borrowing with £5.066 million capital receipts carried forward to 2018/19. The available capital resources for the HRA for 2017/18 are £20.906 million. An estimated spend of £7.414 million is required leaving £13.491 million to be carried forward into 2018/19. Appendix 4 sets out the forecast use of the resources available for the General Fund and the HRA and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

The value of actual capital receipts received in the quarter in respect of the General Fund and the HRA are:

	General Fund £	HRA £
Balance as at 30 September 2017	277,530	1,338,007
New Receipts	401,075	983,345
Less HRA Pooling		(106,676)
Balance as at 31 December 2017	678,605	2,214,676

8.4 EXPENDITURE VARIANCES

The main variances and issues concerning expenditure in 2017/18 are:

Scheme	Estimated Overspend / (Underspend) £	Reason
Condition Surveys – Priority 2	(45,500)	Wider schemes for the replacement of kitchens and air conditioning within the Civic Centre have been identified within the 2018/19 capital programme.
Kitchen Replacement Programme	(42,500)	A saving is reported in respect of both kitchen and bathroom replacements in void properties. Lower than anticipated numbers of void dwellings have required replacements prior to re-letting in the first 9 months.
Bathroom Replacement Programme	(71,500)	

Electrical Re-wiring - Domestic	(136,000)	A saving is forecast in respect of electrical works to dwellings, as lower than anticipated level of electrical re-wires required following electrical inspection.
Central Heating Programme	(80,000)	This budget provides for ad hoc central heating installations to dwellings where tenants have previously refused. The opportunity to install is taken upon the property becoming void, however numbers have been lower than anticipated in the first 9 months.

8.5 SCHEMES TO BE DEFERRED TO 2018/19 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2018/19 and beyond are:

Scheme	17/18 Budget £	Budget to be Deferred £	Reason
WHIL Empty Properties	194,000	194,000	There is no anticipated uptake for these loans this year. A new marketing campaign is planned for 2018/19.
Temporary Accommodation Purchase	584,950	134,950	The purchase of the property will take place this financial year with the refurbishment works commencing in 2018/19.
Kings Arms Bridge	160,000	130,000	We are awaiting further information from Devon County Council and anticipating the majority of work to be carried out in 2018/19.
Replace Lift at Mary Arches MSCP	200,000	150,000	Work will commence this financial year and be completed in early 2018/19.
City Wide Property Level Protection	94,750	94,400	The scheme has been delayed due to staff sickness. Work is currently being undertaken to reach agreement with individual residents and will require planning and listed building consents.
Passenger Lift at RAMM	73,880	73,880	This scheme has been placed on hold to allow for the delivery of the World Culture Galleries and associated ventilation works.
RAMM World Culture Galleries	368,740	155,000	The majority of the gallery works will be completed this financial year but the ventilation and access works will be carried out in April.
RAMM Roof Access Improvements	68,500	47,000	

Leisure Complex – Build Project	472,580	(71,440)	This is a minor re-profiling of the budget.
Bus Station Construction	294,000	74,050	
Newtown Community Centre (S106)	84,670	84,670	After difficulty in assembling a funding package, the Association have scaled down their proposals and secured more funds. Planning permission now granted for the revised project.
Newtown Community Centre (2 nd Grant)	46,750	46,750	
Belle Isle Temporary Facilities	190,000	84,000	The project completion date is expected to be by the end of April 2018 with the portacabins being delivered in March.
Programmed Re-roofing	300,300	300,300	It has not been possible to advance these works during 2017/18 as it is pending contract procurement. This programme will form part of procurement priorities for the new financial year.
LAINGS Refurbishments	640,000	390,000	Following Executive approval on 9 January for the demolish and re-build option, the budget has been re-profiled in accordance with the latest project cash-flow forecasts.
Kitchen Replacement Programme	587,500	200,000	In advance of re-tendering the contract for these works in 2018/19, the programmes have been scaled down to one contractor. The forecast spend reflects 4 kitchen replacements and 5 bathroom replacements planned per week up to March 2018.
Bathroom Replacement Programme	462,500	130,000	
Communal Areas	126,980	40,000	Planned improvements to flooring in communal areas have been delayed due to issues with the floor adhesive. Officers are currently working with the contractor to resolve the issue before rolling out planned works.
Common Area Footpath / Wall Improvements	514,370	142,370	A significant project to replace Meadow Way retaining wall is expected to complete this financial year. The remaining budget will be carried forward and amalgamated with next year's provision.

Fire Risk Assessment Works	434,550	413,000	Significant works have been pending the adoption of a new Fire Safety Management Policy and securing funding for additional storage areas and staff resources, which were approved by Executive in September '17 and November '17. Fire compartmentation assessments have been instructed, which will help inform works for 2018/19.
Window Replacements	246,000	246,000	It has not been possible to advance these works during 2017/18 as it is pending contract procurement. This programme will form part of procurement priorities for the new financial year.
St Loyes Extra Care Scheme	151,720	116,719	Officers are currently preparing to go back out to tender in respect of this scheme and are planning to present a detailed report to committee later this year with the outcomes of the tender process. In the meantime minor expenditure will be incurred in respect of consultancy fees, with the remaining budget carried forward and amalgamated with future year's budget provisions.
Estate Regeneration	1,295,000	668,095 (across all sites)	In March 2017 the Council received £1.295m Estate Regeneration funding. The grant is to be used across four HRA sites and providing the project deliverables set out in the grant bid are met, the grant funding can be applied fluidly across the sites. The overall forecast costs remain at £1.295m, but spend of the grant has now been profiled in accordance with the project timetables, which run into 2018/19.

8.6 ACHIEVEMENTS

The following scheme has been completed during the third quarter of 2017/18:

- **Alphington Village Hall (Repairs & Extension)**

The result of the grant expenditure is effectively a new hall, with all facilities on one level, and modern kitchen and toilet facilities. The building is already proving more popular for community events and private hire to support its running costs. External improvements have improved access to the neighbouring doctors' surgery.

9. How does the decision contribute to the Council's Corporate Plan?

The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

10. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

No impact

12. Are there any other options?

No

DAVE HODGSON
Chief Finance Officer

Author:

Nicola Matthews-Morley

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

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CAPITAL MONITORING TO 31 DECEMBER 2017

	2017/18 Capital Programme	2017/18 Spend to 31 December	2017/18 Forecast Spend	2017/18 Budget to be Carried Forward to 2018/19 and Beyond	2017/18 Programme Variances (Under)/Over
	£	£	£	£	£
PEOPLE					
HELP ME FIND SOMEWHERE TO LIVE					
Disabled Facility Grants	685,820	205,049	685,820		
Warm Up Exeter/PLEA Scheme	124,620	99,441	124,620		
Wessex Loan Scheme	107,820	25,897	107,820		
WHIL Empty Properties	194,000	0	0	194,000	
Temporary Accommodation Purchase	584,950	275	450,000	134,950	
PEOPLE TOTAL	1,697,210	330,661	1,368,260	328,950	0
PLACE					
KEEP PLACE LOOKING GOOD					
Outdoor Leisure Facilities	73,450	23,983	73,450		
Rougemont Gardens - Path & Railings	28,730	28,728	28,730		
Repair Canal Bank at M5	4,290	5,200	5,200	(910)	
Queen's Crescent CPO	18,000	0	0	18,000	
Canal Pontoon	9,950	4,287	9,950		
Kings Arms Bridge	160,000	6,882	30,000	130,000	
Exwick Cemetery Ashes Section	60,000	0	40,000	20,000	
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY					
Vehicle Replacement Programme	1,090,710	1,000,087	1,049,480	38,530	(2,700)
Car Park Surfacing - Haven Road	12,350	0	0	12,350	
Replace Lifts at Mary Arches MSCP	200,000	0	50,000	150,000	
Riverside Arches	53,500	51,927	53,500		
City Wide Property Level Protection	94,750	350	350	94,400	
RAMM Air Monitoring Equipment	90,000	0	90,000		
MRF Air Compressor	10,600	5,000	13,300		2,700
Farmers Market Electricity Supply	0	(6,301)	(6,301)		(6,301)

	2017/18 Capital Programme	2017/18 Spend to 31 December	2017/18 Forecast Spend	2017/18 Budget to be Carried Forward to 2018/19 and Beyond	2017/18 Programme Variances (Under)/Over
	£	£	£	£	£
PROVIDE GREAT THINGS FOR ME TO SEE & DO					
Sports Facilities Refurbishment	144,860	54,863	100,000	44,860	
Passenger Lift at RAMM	73,880	0	0	73,880	
Livestock Centre Roof Replacement	6,130	0	0		(6,130)
St Nicholas Priory	107,760	66,283	107,760		
Acquisition of Ludwell Valley Park	59,940	40,055	40,055		(19,885)
RAMM World Culture Galleries	368,740	69,547	213,740	155,000	
Cowick Barton Tennis Courts	35,000	0	35,000		
MAINTAIN THE ASSETS OF OUR CITY					
RAMM Roof Access Improvement	68,500	2,189	21,500	47,000	
DELIVER GOOD DEVELOPMENT					
Leisure Complex - Build Project	472,580	378,592	544,020	(71,440)	
Bus Station Construction	294,000	111,718	219,950	74,050	
Newcourt Community Hall (Grant)	9,570	9,572	9,570		
Newtown Community Centre (S106)	84,670	0	0	84,670	
Newtown Community Centre (1st Grant)	50,000	0	50,000		
Newtown Community Centre (2nd Grant)	46,750	0	0	46,750	
Alphington Village Hall (Repairs & Extension)	17,380	17,379	17,380		
Beacon Heath Martial Arts & Boxing Club - New Roof	16,300	1,650	1,650	14,650	
PLACE TOTAL	3,762,390	1,871,990	2,798,284	931,790	(32,316)
CORPORATE SERVICES					
WELL RUN COUNCIL					
Invest to Save Opportunities	71,700	38,350	71,700		
Energy Saving Projects	22,330	4,333	22,330		
Condition Surveys - Priority 1	20,000	0	20,000		
Condition Surveys - Priority 2	45,500	0	0		(45,500)
Guildhall Fire Alarms	50,000	0	50,000		
Belle Isle Temporary Facilities	190,000	0	106,000	84,000	
Customer Contact Platform	175,830	46,665	175,830		
Annual Contribution to Strata	53,900	53,904	53,900		
Idox System for Planning	122,600	0	122,600		
HR System	58,330	0	58,330		
Convergence Projects	324,360	25,279	324,360		
Capitalised Staff Costs	100,000	0	100,000		
CORPORATE SERVICES TOTAL	1,234,550	168,531	1,105,050	84,000	(45,500)

Grants to external bodies (schemes beyond ECC's control)

	2017/18 Capital Programme	2017/18 Spend to 31 December	2017/18 Forecast Spend	2017/18 Budget to be Carried Forward to 2018/19 and Beyond	2017/18 Programme Variances (Under)/Over
	£	£	£	£	£
HRA					
INVESTMENT IN EXISTING STOCK					
Adaptations	450,000	362,368	450,000		
Re-rendering	6,000	6,000	6,000		
Environmental Improvements - General	50,760	29,612	50,760		
Programmed Re-roofing	300,300	0	0	300,300	
Garage Upgrades	11,000	0	11,000		
LAINGS Refurbishments	640,000	4,420	250,000	390,000	
Kitchen Replacement Programme	587,500	73,158	345,000	200,000	(42,500)
Balcony Walkway Improvements	75,000	0	60,000	15,000	
Bathroom Replacement Programme	462,500	72,689	261,000	130,000	(71,500)
Fire Precautionary Works to Flats	231,090	201,973	231,090		
Communal Areas	126,980	83,381	86,980	40,000	
Structural Repairs	70,000	43,384	43,384	26,616	
Rennes House Structural Works	50,000	4,725	25,000	25,000	
Common Area Footpaths/Wall Improvements	514,370	294,021	372,000	142,370	
Soil Vent Pipe Replacement	25,500	0	0	25,500	
Electrical Central Heating	19,120	0	0	19,120	
Smoke/Fire Alarms - Older Persons	84,250	60,606	84,250		
Electrical Re-wiring	773,870	259,544	587,870	50,000	(136,000)
Central Heating Programme	167,540	54,177	87,540		(80,000)
Boiler Replacement Programme	123,200	96,264	123,200		
Communal Doors and Screens	70,000	23,533	70,000		
Fire Risk Assessment Works	434,550	2,617	21,550	413,000	
Re-roofing Works Shilhay	839,840	459,643	839,840		
Window Replacements	246,000	0	0	246,000	
Replacement Housing Management System	175,100	175,096	175,100		
PROVISION OF NEW COUNCIL HOMES					
Social Housing Acquisitions - Section 106	251,990	53,103	251,990		
COB Wave 2 - Rennes Car Park	2,264,470	1,483,586	2,319,066		54,596
St Loyes Extracare Scheme	151,720	25,228	35,001	116,719	
Estate Regeneration - Heavitree (COB Wave III)	452,230	295,847	433,890	25,264	6,924
Estate Regeneration - Heavitree (Clifford Close)	166,950	0	3,280	138,676	(24,994)
Estate Regeneration - Heavitree (Vaughan Road)	286,060	0	6,040	315,280	35,260
Estate Regeneration - Heavitree (South Street)	389,760	60,577	183,695	188,875	(17,190)
HRA TOTAL	10,497,650	4,225,553	7,414,526	2,807,720	(275,404)
TOTAL CAPITAL BUDGET	17,191,800	6,596,735	12,686,120	4,152,460	(353,220)

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BUDGETS CARRIED FORWARD TO 2018/19 AND BEYOND

	2018/19 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2018/19 and Beyond at Qtr 3	Total 2018/19 Capital Programme	2019/20 Budget as per Budget Book/Council Approvals
	£	£	£	
PEOPLE				
HELP ME FIND SOMEWHERE TO LIVE				
Disabled Facility Grants	450,000	0	450,000	450,000
WHIL Empty Properties	0	194,000	194,000	0
Temporary Accommodation Purchase	0	134,950	134,950	0
PEOPLE TOTAL	450,000	328,950	778,950	450,000
PLACE				
WELL RUN COUNCIL				
Waste Infrastructure	16,700	0	16,700	163,000
Car Park Resurfacing, Lining & Boundary Improvements	50,000	0	50,000	200,000
Mechanisation of Street Scene	150,000	0	150,000	0
Vehicle Replacement Programme	362,000	38,530	400,530	400,000
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD				
Bowling Green Marshes Coastal Defence Scheme	278,900	0	278,900	0
Topsham Flood Gates (Ferry Road/The Strand)	100,000	0	100,000	0
Exeter Flood Alleviation Scheme	200,000	0	200,000	0
Repair Canal Bank at M5	30,000	(910)	29,090	0
Parks Infrastructure	150,000	0	150,000	250,000
Cemeteries & Churchyards Infrastructure Improvements	60,000	0	60,000	80,000
Purchase of Harbour Patrol Vessel for Exe Estuary	50,000	0	50,000	0
Replacement of Mallison Bridge (Exeter Quay)	350,000	0	350,000	0
Improved Car Park Security Measures at King William Street & Arena P	45,000	0	45,000	0
Repairs to Turf Lock Pier Head	20,000	0	20,000	100,000
Repairs to Salmonpool Bridge	45,000	0	45,000	0
Repair to Walls at Farm Hill	30,000	0	30,000	60,000
Bank Repairs & Stabilisation to Watercourses	20,000	0	20,000	20,000
Matford Centre Fire Alarm Replacement	100,000	0	100,000	0
Queen's Crescent CPO	0	18,000	18,000	0
Kings Arms Bridge	0	130,000	130,000	0
Exwick Cemetery Ashes Section	0	20,000	20,000	0
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY				
Car Park Surfacing - Haven Road	0	12,350	12,350	0
Replace Lifts at Mary Arches MSCP	0	150,000	150,000	0
City Wide Property Level Protection	0	94,400	94,400	0

	2018/19 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2018/19 and Beyond at Qtr 3	Total 2018/19 Capital Programme	2019/20 Budget as per Budget Book/Council Approvals
	£	£	£	
PROVIDE GREAT THINGS FOR ME TO SEE & DO				
Outdoor Leisure Facilities	263,240	0	263,240	0
Sports Facilities Refurbishment	56,430	44,860	101,290	56,430
Passenger Lift at RAMM	0	73,880	73,880	0
RAMM World Culture Galleries	0	155,000	155,000	0
MAINTAIN THE ASSETS OF OUR CITY				
RAMM Roof Access Improvement	0	47,000	47,000	0
Pyramids Essential Works	950,000	0	950,000	0
DELIVER GOOD DEVELOPMENT				
Leisure Complex - Build Project	16,392,480	(71,440)	4,184,660	16,831,010
Bus Station Construction	3,254,690	74,050	3,316,590	2,319,980
Newcourt Community Hall (S106)	0	84,670	84,670	0
Newtown Community Centre (2nd Grant)	0	46,750	46,750	0
Beacon Heath Martial Arts & Boxing Club - New Roof	0	14,650	14,650	0
PLACE TOTAL	22,974,440	931,790	11,757,700	20,480,420
CORPORATE SERVICES				
WELL RUN COUNCIL				
Energy Saving Projects	2,011,870	0	2,011,870	0
Belle Isle Temporary Facilities	0	84,000	84,000	0
Council Signage Improvement	40,000	0	40,000	40,000
Electoral Registration - Mobile Canvassing	20,000	0	20,000	0
Building Management System (BMS)	80,000	0	80,000	0
Civic Centre Air Conditioning Replacement	150,000	0	150,000	0
Civic Centre Kitchens Replacement	90,000	0	90,000	0
Customer Contact Platform	30,000	0	30,000	0
Annual Contribution to Strata	53,900	0	53,900	53,900
Capitalised Staff Costs	100,000	0	100,000	100,000
CORPORATE SERVICES TOTAL	2,575,770	84,000	2,659,770	193,900

	2018/19 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2018/19 and Beyond at Qtr 3	Total 2018/19 Capital Programme	2019/20 Budget as per Budget Book/Council Approvals
	£	£	£	
HRA				
INVESTMENT IN EXISTING STOCK				
Adaptations	500,000	0	500,000	517,500
Environmental Improvements - General	200,000	0	200,000	207,000
Programmed Re-roofing	1,088,640	300,300	1,388,940	371,070
Energy Conservation	100,000	0	100,000	0
Garage Upgrades	63,000	0	63,000	64,260
LAINGS Refurbishments	2,110,000	390,000	2,500,000	500,000
Kitchen Replacement Programme	859,950	200,000	1,059,950	1,347,250
Balcony Walkway Improvements	135,000	15,000	150,000	105,000
Bathroom Replacement Programme	563,760	130,000	693,760	883,220
Communal Areas	48,980	40,000	88,980	103,190
Structural Repairs	269,430	26,616	296,046	155,250
Rennes House Structural Works	2,975,000	25,000	3,000,000	2,675,000
Common Area Footpaths/Wall Improvements	350,000	142,370	492,370	50,000
Soil Vent Pipe Replacement	52,030	25,500	77,530	63,950
Electrical Central Heating	19,510	19,120	38,630	19,900
Electrical Re-wiring	776,250	50,000	826,250	756,140
Boiler Replacement Programme	560,000	0	560,000	575,000
Communal Doors and Screens	342,370	0	342,370	246,320
Fire Risk Assessment Works	63,000	413,000	476,000	65,200
Whipton Barton House House Water Mains	50,000	0	50,000	0
Window Replacements	708,300	246,000	954,300	733,090
Door Replacements	122,000	0	122,000	143,940
Loft & Cavity Insulation	50,000	0	50,000	51,750
ZEBCat Project	480,000	0	480,000	0
PROVISION OF NEW COUNCIL HOMES				
Social Housing Acquisitions - Open Market	1,000,000	0	1,000,000	0
Social Housing Acquisitions - Section 106	490,000	0	490,000	250,000
St Loyes Extracare Scheme	4,200,000	116,719	4,316,719	5,360,000
Estate Regeneration - Heavitree (COB Wave III)	0	25,264	25,264	0
Estate Regeneration - Heavitree (Clifford Close)	0	138,676	138,676	0
Estate Regeneration - Heavitree (Vaughan Road)	0	315,280	315,280	0
Estate Regeneration - Heavitree (South Street)	0	188,875	188,875	0
HRA TOTAL	18,177,220	2,807,720	20,984,940	15,244,030
TOTAL CAPITAL BUDGET	44,177,430	4,152,460	36,181,360	36,368,350

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CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

	Total Capital Budget	Total Spend Up to 31 December 2017	2017/18 Programme Variances (Under)/Over
	£	£	£
PLACE			
KEEP PLACE LOOKING GOOD			
Rougemont Gardens - Path & Railings	48,930	48,932	0
Repair Canal Bank at M5	64,520	35,431	0
Canal Pontoon	26,220	20,561	0
PROVIDE GREAT THINGS FOR ME TO SEE & DO			
Passenger Lift at RAMM	75,000	1,120	0
Livestock Centre Roof Replacement	1,250,000	1,243,871	(6,130)
St Nicholas Priory	115,000	73,523	0
DELIVER GOOD DEVELOPMENT			
Leisure Complex - Build Project	30,652,130	2,897,150	0
Bus Station Construction	6,870,000	1,125,194	0
Alphington Village Hall (Repairs & Extension)	50,000	50,000	0
Beacon Heath Martial Arts & Boxing Club - New Roof	21,810	7,158	0
PLACE TOTAL	39,101,800	5,445,782	(6,130)
HRA			
PROVISION OF NEW COUNCIL HOMES			
COB Wave 2 - Rennes Car Park	3,910,770	3,129,885	54,596
St Loyes Extracare Scheme	10,850,000	1,007,153	0
HRA TOTAL	14,760,770	4,137,038	54,596
TOTAL CAPITAL BUDGET	53,862,570	9,582,821	48,466

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GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2017-18 £	2018-19 £	2019-20 £	2020-21 £	2021-22 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
GF Capital Receipts	749,652		1,059,749			1,809,401
Disabled Facility Grant	760,718	450,000	450,000	450,000	450,000	2,560,718
New Homes Bonus	78,601	61,409	12,157,061	605,225	0	12,902,296
Community Infrastructure Levy	219,950	6,890,333	0	0	0	7,110,283
Other - Grants/External Funding/Reserves/S106	924,192	1,205,867	673,952	0	0	2,804,011
Total Resources Available	2,733,114	8,607,609	14,340,762	1,055,225	450,000	27,186,710
GENERAL FUND CAPITAL PROGRAMME						
Capital Programme	6,694,150	26,000,210	15,228,390	1,327,900	1,167,900	50,418,550
Overspends/(Savings)	(77,816)					(77,816)
Slippage	(1,344,740)	(10,803,790)	5,895,930	6,252,600	0	0
Total General Fund	5,271,594	15,196,420	21,124,320	7,580,500	1,167,900	50,340,734

UNCOMMITTED CAPITAL RESOURCES:						
Capital Receipts Brought Forward	4,735,420	5,066,495	4,628,082	0	0	4,735,420
Resources in Year	2,733,114	8,607,609	14,340,762	1,055,225	450,000	27,186,710
Less Capital Receipts to carry forward	(5,066,495)	(4,628,082)	0	0	0	0
Less Estimated Spend in Year	(5,271,594)	(15,196,420)	(21,124,320)	(7,580,500)	(1,167,900)	(50,340,734)
Borrowing Requirement	2,869,554	6,150,398	2,155,476	6,525,275	717,900	18,418,604

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APPENDIX 4

HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2017-18 £	2018-19 £	2019-20 £	2020-21 £	2021-22 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						5,607,226
Major Repairs Reserve Brought Forward						8,719,199
Other HRA Sales	227,364	0	0	0	0	227,364
RTB sales	2,460,000	500,000	500,000	400,000	400,000	4,260,000
Surrender back to DCLG - pending St Loyes financing decision	(4,080,000)	0	0	0	0	(4,080,000)
Major Repairs Reserve	3,000,614	3,006,450	3,006,450	3,006,450	3,006,450	15,026,414
Revenue Contributions to Capital	3,796,642	7,196,555	2,500,000	3,000,000	4,500,000	20,993,197
External contributions	52,853	434,000	160,259	0	0	647,112
Grant funding - HCA grant (St Loyes)	0	1,490,000	0	0	0	1,490,000
Grant funding - Estate Regeneration Funding	626,905	668,095	0	0	0	1,295,000
Grant funding - Zero Energy Buildings Project	0	216,000	0	0	0	216,000
Commutated sums	494,716	126,719	5,360,000	156,360	0	6,137,795
Total Resources available	6,579,094	13,637,819	11,526,709	6,562,810	7,906,450	60,539,307
CAPITAL PROGRAMME						
HRA Capital Programme	10,497,645	18,177,220	15,244,030	7,782,810	8,045,830	59,747,535
Quarter 3 - Overspends / (Savings)	(275,404)					(275,404)
Quarter 3 - Slippage / Re-profiling	(2,807,720)	2,807,720				0
Total Housing Revenue Account	7,414,521	20,984,940	15,244,030	7,782,810	8,045,830	59,472,131
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	5,607,226	3,016,143	2,516,143	2,266,143	1,166,143	5,607,226
Major Repairs Reserve Brought Forward	8,719,199	10,474,855	3,627,734	160,413	40,413	8,719,199
Resources in Year	6,579,094	13,637,819	11,526,709	6,562,810	7,906,450	46,212,882
Less Estimated Spend	(7,414,521)	(20,984,940)	(15,244,030)	(7,782,810)	(8,045,830)	(59,472,131)
Uncommitted Capital Resources	13,490,998	6,143,877	2,426,556	1,206,556	1,067,176	1,067,176
WORKING BALANCE RESOURCES:						
Balance Brought Forward	8,567,454	9,747,555	5,792,557	6,265,175	6,663,366	8,567,454
HRA Balance Transfer - Surplus/(Deficit)	1,180,101	(3,762,145)	472,618	398,191	(623,006)	(2,334,241)
Forecast Supplementary Budget Requests	0	(192,853)	0	0	0	(192,853)
Balance Carried Forward	9,747,555	5,792,557	6,265,175	6,663,366	6,040,360	6,040,360
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Uncommitted HRA Working Balance	5,747,555	1,792,557	2,265,175	2,663,366	2,040,360	2,040,360
TOTAL AVAILABLE CAPITAL RESOURCES	19,238,553	7,936,434	4,691,731	3,869,922	3,107,536	3,107,536

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REPORT TO	SCRUTINY COMMITTEE CORPORATE
Date of Meeting:	22 March 2018
Report of:	Chief Finance Officer
Title:	Budget Monitoring Report - Quarter 3

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report advises Members of any material differences to the revised budget in respect of Corporate Committee.

2. Recommendations:

That Members of Scrutiny Committee – Corporate note the content of this report in order to be satisfied that prudent steps are being taken to address the key areas of budgetary pressure highlighted in this report.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Corporate.

4. What are the resource implications including non-financial resources

The financial resources required to deliver Corporate Services during 2017-18 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of Corporate Services as at 31 March 2018.

6. What are the legal aspects?

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Corporate Budget Monitoring – Quarter 3

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £294,280 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 3.73% from the revised budget. This includes supplementary budgets of £573,430 already agreed previously.

8.2 The significant variations (by management unit) are as follows:

MU Code	Management Unit	Over / (Underspend)	Detail
83C5	Corporate Property - Assets	(156,090)	<ul style="list-style-type: none"> An underspend is anticipated on Property Maintenance Fund Budgets.
86A3	Corporate	48,000	<ul style="list-style-type: none"> Additional expenditure of £31,000 is predicted to be incurred on Treasury Management fees – this is offset by additional interest earned which is reported to this committee elsewhere on this agenda; Expenditure relating to legal fees and corporate subscriptions has been incurred which exceeds the budget, totalling some £17,000.
86A6	Grants/Central Support/Consultation	(85,000)	<ul style="list-style-type: none"> This underspend is mainly a result of the consolidation of Comms & Marketing budgets during 2017/18. A temporary structure exists to support the new processes, and a full restructure reflective of corporate priority will be going to Executive in March. A request to carry forward the underspend will be made (through the appropriate process), as a one-off supplement to support the permanent structure and new aligned priorities.
86A7	Unapportionable Overheads	(90,000)	<ul style="list-style-type: none"> This potential underspend relates to Superannuation and is based upon known departures as at this date.
86B3	Human Resources	(48,440)	<ul style="list-style-type: none"> An underspend is anticipated on pay due to a vacant post and a reduction of hours. A request to carry forward the underspend will be made as a one off supplemental to support an interim structure whilst a review of the HR service is undertaken.
86B4	Legal Services	30,240	<ul style="list-style-type: none"> The income from external legal fees is expected to be less than the annual budget.
86B7	Strategic Management	(72,000)	<ul style="list-style-type: none"> An underspend is anticipated on the cost of employee budgets mainly due to: vacancies; a reduction of hours, and recharges to the Housing Revenue Account.

9. How does the decision contribute to the Council's Corporate Plan?

Corporate budgets contribute to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city, well run Council and customer access to help me with my housing and financial problem.

10. What risks are there and how can they be reduced?

An action plan addressing the key areas of budgetary risks within Corporate will be included if and when they arise.

- 11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No impact

- 12. Are there any other options?**

No

DAVE HODGSON
Chief Finance Officer

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

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CORPORATE SERVICES SCRUTINY COMMITTEE
OUTTURN

APRIL 2017 TO MARCH 2018

ACTUAL TO DATE - December 2017		
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE
£	£	£
(2,109,517)	(2,860,335)	(750,818)
(36,687)	(45,183)	(8,496)
1,218,102	940,773	(277,329)
78,533	77,335	(1,198)
236,152	163,072	(73,080)
(38,496)	105,747	144,243
121,613	113,886	(7,727)
462,429	457,273	(5,156)
1,296,802	1,156,129	(140,673)
1,209,385	1,043,155	(166,230)
418,537	403,514	(15,023)
80,543	81,522	979
475,092	445,903	(29,189)
335,540	366,795	31,255
715,502	567,275	(148,227)
1,434,465	1,513,393	78,928
655,701	670,100	14,399
64,092	97,069	32,977
6,617,788	5,297,423	(1,320,365)

CODE

83A1 CORPORATE PROPERTY - ESTATES
83C4 PROPERTIES
83C5 CORPORATE PROPERTY - ASSETS
83C6 CORPORATE ENERGY TEAM
86A2 ELECTIONS & ELECTORAL REG
86A3 CORPORATE
86A4 CIVIC CEREMONIALS
86A5 DEMOCRATIC REPRESENTATION
86A6 GRANTS/CENT SUPP/CONSULTATION
86A7 UNAPPORTIONABLE OVERHEADS
86B1 FINANCIAL SERVICES
86B2 INTERNAL AUDIT
86B3 HUMAN RESOURCES
86B4 LEGAL SERVICES
86B5 CORPORATE SUPPORT
86B6 IT SERVICES
86B7 STRATEGIC MANAGEMENT
86B8 PROCUREMENT

NET EXPENDITURE

YEAR END FORECAST				
APPROVED BUDGET	OUTTURN	OUTTURN VARIANCE	Q1 OUTTURN VARIANCE	Q2 OUTTURN VARIANCE
£	£	£	£	£
(2,551,210)	(2,538,060)	13,150	31,310	30,800
(35,230)	(35,230)	0	0	0
1,606,370	1,450,280	(156,090)	7,200	7,200
93,050	93,050	0	0	0
258,910	252,490	(6,420)	8,200	8,200
(51,320)	(3,320)	48,000	0	29,000
202,830	224,150	21,320	0	7,740
621,170	620,920	(250)	0	(7,810)
1,510,890	1,425,890	(85,000)	20,000	20,000
1,635,870	1,545,870	(90,000)	0	(90,000)
415,990	434,990	19,000	21,100	19,100
90,820	92,820	2,000	2,000	2,000
636,870	588,430	(48,440)	0	(16,000)
117,430	147,670	30,240	0	0
770,530	779,740	9,210	0	26,220
1,637,660	1,663,660	26,000	21,100	21,100
867,400	795,400	(72,000)	(98,290)	(103,700)
68,300	85,300	17,000	0	20,000
7,896,330	7,624,050	(272,280)	12,620	(26,150)

TRANSFERS TO / (FROM) EARMARKED RESERVES

86A6 - Grants funded by NHB Reserve (22,000)

REVENUE CONTRIBUTION TO CAPITAL

OUTTURN FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES

7,602,050

REVISED BUDGETS

7,896,330

OUTTURN VARIANCE AFTER TRANSFERS TO/FROM RESERVES & CONTRIBUTIONS TO CAPITAL

(294,280)

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