

CORPORATE SERVICES SCRUTINY COMMITTEE

Date: Thursday 27 September 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), Hannan, Holland, Lamb, Musgrave, Thompson, Vizard M, Wood and Wright

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 approve and sign the minutes of the meeting held on 28 June 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

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of item 13 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part 1, 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.

PRESENTATION TO COMMITTEE

7 Portfolio Holder Updates

A year end update on the work programme relevant to the portfolios for 2017/18 for Councillor Edwards, Leader will be presented. (Pages 5 - 20)

Councillor Pearsons' (Portfolio Holder for Support Services) update will be presented at Corporate Services Scrutiny meeting on November 2018.

ITEMS FOR CONSIDERATION BY THE EXECUTIVE

8 Overview of the General Fund Budget 2017/18

To consider the report of the Chief Finance Officer. (Pages 21 - 36)

9 Capital Monitoring Statement

To consider the report of the Chief Finance Officer. (Pages 37 - 58)

10 Budget Monitoring (Quarter 1)

To consider the report of the Chief Finance Officer. (Pages 59 - 62)

11 Replacement Audio and Visual Equipment in the Guildhall & Committee Rooms

To consider the report of the Corporate Manager Democratic & Civic Support. (Pages 63 - 66)

ITEMS FOR INFORMATION ONLY

12 **Member Development Verbal Update**

Verbal update from the Corporate Manager Democratic & Civic Support.

Part II: Items suggested for discussion with the press and public excluded

13 **Matters requested for consideration by Member of the Committee - Police Neighbourhood Team co-location to the Civic Centre**

Councillor Thompson requested that an item be placed on the agenda under Standing Order 18.

Date of Next Meeting

The next scheduled meeting of the Corporate Services Scrutiny Committee will be held on **Thursday** 22 November 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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CORPORATE SERVICES SCRUTINY COMMITTEE

27 SEPTEMBER 2018

Portfolio Holder Priorities 2017/18 – Year end report

End of year updates against priorities for all Portfolio Holders are included within this report.

Members will note that some Portfolio Holders report to a different scrutiny committee and are unable to take questions at all committees.

2017/18 Leader of the Council: Councillor Peter Edwards

	Priority	Update
PH1	Work with partners on a devolution city deal that meets the needs of Exeter	We have continued to work on a Heart of the South West devolution deal (productivity strategy). We have also worked with our partners in the city on a pitch to government. Initial meetings have been held with senior government officials.
PH2	Set up a new vehicle for delivering housing and commercial schemes	Work is reaching a conclusion on the full business case for the formation of a new trading company, with subsidiary companies, to enable the delivery of residential and commercial developments. The business case and business plan for the first trading year will go to Full Council on 24 th July 2018 and if approved will commence trading from 25 th July 2018 with the first developments under construction in September 2018.
PH3	Introduce a pan-council performance framework	New corporate priorities have been set in the 2018-22 Corporate Plan. When agreed a full set of metrics will be compiled to monitor progress on both these and service delivery.
PH30	Progress the publication of a new development plan (Greater Exeter Strategic Plan) and address securing a future five year housing supply	The plan is progressing well and an enormous amount of the supporting evidence has been completed by the cross-authority dedicated team working in the Civic Centre and commissioned consultants. This evidence includes reports on housing demand, infrastructure requirements, landscape assessment, transport and a Low Carbon Strategy. Notwithstanding this work the overall timetable for the GESP has slipped by approximately 12 months for a number of reasons. This is due to a number of factors including the need to respond to emerging Government policy on housing; a higher than expected response to the “Call for Sites”; and a need to more work on the Transportation Strategy. Whilst this is disappointing it is not entirely unexpected given the aspirational nature of the original timetable and the complexities of inter-authority working.
PH32	Establish governance arrangements for the CIL and	The CIL Governance Board has now met twice under the chairmanship of the Council Leader and current Portfolio Holder for Growth and City

	Priority	Update															
	an infrastructure fund for the 3 authorities	<p>Development. Terms of Reference have been developed, and the Board has discussed future CIL spend. Amongst other issues, the Board will need to consider reviewing the CIL Regulation 123 and, potentially, the CIL Charging Schedule, seeking Executive and Council approval as necessary.</p> <p>Closer working with neighbouring authorities under the auspices of the Greater Exeter Strategic Plan (GESP) has given fresh impetus to discussions focused on establishing a joint infrastructure fund across administrative boundaries. The Government's Ministry of Housing, Communities and Local Government has consulted on proposals to allow for Strategic Infrastructure Tariffs to be introduced (in addition to authority-specific CIL) where combined authorities or joint planning committees have been delegated with strategic planning powers, and the establishment of a joint planning committee for Greater Exeter is under consideration. This would cover Exeter, East Devon, Mid Devon and Teignbridge districts.</p>															
PH33	Meet government targets for time taken to determining planning applications	<table border="1"> <thead> <tr> <th>Quarter</th> <th>Majors %</th> <th>Non-majors %</th> </tr> </thead> <tbody> <tr> <td>Apr-Jun 17</td> <td>75</td> <td>72</td> </tr> <tr> <td>Jul- Sep 17</td> <td>50</td> <td>57</td> </tr> <tr> <td>Oct- Dec 17</td> <td>80</td> <td>73</td> </tr> <tr> <td>Jan-Mar 18</td> <td>56</td> <td>88</td> </tr> </tbody> </table> <p>Government target: Majors (60%), Non majors (70%)</p>	Quarter	Majors %	Non-majors %	Apr-Jun 17	75	72	Jul- Sep 17	50	57	Oct- Dec 17	80	73	Jan-Mar 18	56	88
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Apr-Jun 17	75	72															
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Jan-Mar 18	56	88															

2017/18 Portfolio Holder for Support Services: Councillor Ollie Pearson

	Priority	Update
PH4	Produce and implement a digital customer platform and maximise opportunities for shifting customers to digital services	The digital customer platform (Firmstep) is in place and enhanced, digital services are being added on a weekly basis. A single account for customers will be introduced shortly when security and privacy issues have been resolved.
PH5	Introduce a new communication and marketing strategy	<p>Marketing and communication spend has been centralised creating £68,000 and dealing with 300+ new marketing requests. A restructure is underway due for completion in July to deal with 'resilience and capacity' issues outlined in the Peer Review. Comms and Marketing strategies are being created and deployed on a departmental and project case by-case basis.</p> <p>A yearly plan will be created once the restructure is in place, to coincide with the corporate plan, which will be updated annually. Brand architecture is being established and defined with regards to Visit Exeter/Exeter City Council/waste/Dev Co/Sport England Pilot/Invest. Exeter Live Better will form the central pillar of the civic pride and inward investment element of the communications plan for the next 6 months – it has already secured £250,000k plus for in kind partner sponsorship/exposure and is due for a 1st July soft launch.</p>
PH6	Oversee prioritisation of the council's IT requirements and effective and efficient delivery by Strata Solutions	The Exeter Internal Review Board meets monthly to address issues. A new process for prioritising IT projects and business change requests has been introduced. A regular, joint meeting with East Devon and Teignbridge is now taking place to ensure alignment of priorities and identification of common issues.
PH7	Take forward the Asset Management Plan	The Corporate Property Maintenance Strategy 2018-23 has been put in place. Alongside that drafting of the new Asset Management Plan is progressing and an Asset Challenge initiative is being proposed to identify and realise early wins. The City Surveyor is engaged with Devon One Public Estate to identify opportunities within the public estate in and around Exeter.
PH8	Introduce new procurement arrangements	Following significant issues with recruitment a successful interim appointment was made in April 2018,

	Priority	Update
		<p>who is now working to the original delivery plan. Significant progress is being made on ensuring our purchase of goods and services is efficient, effective and sustainable. The interim procurement lead for housing post has been extended until September 2018 whilst the development plan is implemented. Benefits realisation is being built into the 2018/19 improvement delivery programme.</p>

2017/18 Portfolio Holder for People: Councillor Emma Morse

	Priority	Update
PH9	Investigate and deliver more cost effective and responsive temporary accommodation to meet housing needs	<p>Purchase of 25 Queens Rd (7 beds) completed 26 February 2018 without negative impact on occupants. Re-contracted support and housing management for the service pending appointment of Council staff to provide the same at a lower cost. Recruitment underway with two of three posts filled and one advertised the week beginning 11 June 2018.</p> <p>15 supported severe weather bed spaces have been negotiated with Gabriel House at no cost to department budgets. Government funding has been applied for, for a night shelter on Safesleep model for 18/19. A lease offer on an empty building is pending an agreement.</p> <p>Housing First launch of five initial units agreed for Autumn 2018. Support and risk management for contracted temporary accommodation providers reviewed and remodelled to accommodate higher risk complex needs clients where feasible.</p>
PH10	Implement the action plan for the Homelessness Strategy	<p>Year 1 Strategy Review report issued in January 2018. Key deliverables achieved include:</p> <ul style="list-style-type: none"> - Trailblazer funded work on prevention through an appointed tenancy rescue officer working across Exeter and Teignbridge; - Recruitment to private rented housing access service in Exeter; - Bringing online three properties for a local charity to develop accommodation service (St Petrocks); - Establishing a supported lodgings protocol for young persons (16-17 year olds and care leavers) plus a joint homelessness prevention protocol with Devon County Council and district housing authorities. <p>Preparation for implementation of the Homelessness Reduction Act continues with a joint action plan between Exeter and Teignbridge. Systems and processes have been updated in accordance with the new Code of Guidance in readiness to meet revised statutory obligations going forward from 3 April implementation date.</p>
PH11	Ensure the City Council is taking an active role in developing and monitoring the priorities of Integrated Care Exeter (ICE) and the Council's interest on CoLab	<p>Continued high percentage of ICE clients in Exeter's temporary accommodation with tenancies being maintained under new complex need accommodation support team – jointly with Sanctuary Supported Living.</p> <p>Additional six months of service (from 1 April 2018) agreed by Stewardship Group but awaiting funding options (costs to be reduced</p>

	Priority	Update
		<p>and management to be resourced in-house by the Council).</p> <p>Models of pooled funding / joint-commissioning tabled for exploration for 18/19 re-procurement of homelessness outreach services exercise for April 2019 onwards.</p> <p>The Council is leading the IDT & management team and service plan through System Lead and Complex Needs Caseworker. Undertaking liaison with MEAM to report on strategic and operational service development delivery.</p>
PH12	Consult on and implement the new Local Council Tax Support Scheme for 2017/18	Task completed in full
PH13	Work with partners to support the development of money management skills	<p>The Council has agreed to deliver budgeting advice and assisted digital support to Universal Credit claimants on behalf of the DWP for a further year from April 2018.</p> <p>Meetings have been held with both Plymouth Credit Union and Westcountry Savings and Loans, as both have extended their common bond to cover Devon, and a briefing note is being prepared for consideration by the Director and Portfolio Holder.</p> <p>The Budgeting & Money Management contract is in its' fourth quarter, and to date has assisted 85 customers with money advice, budgeting support, and debt remedies including agreeing sustainable payment arrangements and drawing down extra income totalling over £21k. An options appraisal is being pulled together for consideration in preparation for the contract ending this December.</p>
PH14	Ensure that the impact of Welfare Reform on residents and the Council is identified and mitigated where possible	<p>The Low Income Family Tracker Dashboard is being utilised to case work struggling households, as well as those that could be impacted by the full service rollout of Universal Credit in September 2018.</p> <p>The Benefits & Budgeting Calculator has been purchased and is being trialled by the Universal Support Team when customers apply for Discretionary Housing Payments (DHP). The Calculator links to job search and highlights excessive expenditure, and can also be used for "what ifs" e.g. how much better off would the household be if the earner increased their working hours per week from 20 to 25.</p>
PH15	Continue to focus on the recovery of funds due to the Council, based on principles of understanding customers' ability to pay	We were able to help businesses affected by the revaluation conducted by the Valuation Officer Agency (VOA) with £352k of financial support through our local Business Rates Discretionary Scheme.

	Priority	Update
		<p>Council Tax collection for 2017/18 ended 0.3% above target.</p> <p>With regard to Rent (HRA), collection has continued to improve with the outstanding debt for 2017/18 as a percentage of net rent charge being 1.55% compared to 1.71% for 2016/17 and 1.81% for 2015/16.</p> <p>Housing Benefit overpayment collection has also continued to improve with overall collection of both old and new debt for 2017/18 being 72.1% compared to 70.4% in 2016/17 and 67.3% in 2015/16.</p>
PH49	Investigate alternatives to current Council Tax Support Scheme	<p>An alternative Council Tax Support (CTS) Scheme needs to be informed by data analysis, therefore we will be procuring a resource for this in 2018/19. Our Council Tax Support Scheme is a means-tested scheme that closely mirrors its' predecessor, Council Tax Benefit. That makes it expensive to administer. However CTS is a council tax discount and with the administration funding for the scheme being cut each year, some local authorities are moving away from means testing. The Devon Benefit Officers Group (DBOG) has been monitoring and learning from changes already made to schemes throughout the country, and we will combine this learning with our data analysis in 2018.</p>

2017/18 Portfolio Holder for Housing Revenue Account: Councillor Hannah Packham

	Priority	Update
PH16	Set up a HRA Management Board	Currently under discussion with Portfolio Holder to determine if a Board with a wider remit would be more useful.
PH17	Maximise value from contractors	The Housing Service is currently employing a temporary procurement specialist to look at existing and pending contracts. The consultant is successfully working with Service Leads and Managers to improve the quality of the contracts and contract management. A renewed and more proactive approach to our work with our contractors has been introduced with a focus on Health & Safety and key performance indicators. We are at the early stages of developing our specification for the Reactive Repairs contracts due for renewal in 2020.
PH18	Ensure that the efficiency and effectiveness of the housing function matches, or aims to match that of best-in-class providers	We continue to benchmark our performance with a range of comparable housing providers throughout the country. Where performance in key areas fails to be in the top quartile we take remedial actions. These actions are recorded and monitored through service plans and operational meetings.
PH19	Propose and consult on a new model for supporting residents of our older persons' accommodation	Now in place and completed.
PH20	Undertake a comprehensive survey of our housing stock in order to understand future investment requirements and inform budget planning	The stock condition survey has been completed and so for the first time, we have a comprehensive view of the condition of this valuable asset for the Council. Its findings will inform our Asset Management Strategy due for completion in the autumn of this year.

2017/18 Portfolio Holder for Place & Commercialisation: Councillor David Harvey

	Priority	Update
PH23	Improve the recycling rate	<p>We await confirmation of garden waste and waste disposal figures before a final recycling rate and waste composition for the year is known. However, performance during quarters 1 – 3 indicate no substantial increase in recycling rate. Long term factors affecting our recycling rate remain:</p> <ul style="list-style-type: none"> • ‘Lightweighting’ of packaging materials • Decline in newsprint consumption • Growth in commercial student housing • Lack of new services to engage residents • Drop in voluntary group recycling <p>Recycling rate and full analysis due in June 2018.</p>
PH24	Improve cleansing of the city centre (to achieve A grade in the city centre and B grade elsewhere)	<p>Achieved. Grades consistently within A grade in the city centre, and B grade elsewhere.</p> <p>City Centre average for 2018 was 63% A, 37% B rating.</p> <p>Residential areas for 2018 was, 56.5% A, 42.5% B, 2% C rating to date.</p> <p>We are refocussing resources to more closely meet the agreed performance profile.</p>
PH25	Complete the business case for doorstep food waste collections and analyse options	<p>This was completed and the results presented to Place Scrutiny Committee and Executive in March 2018. The recommendations, to continue the current service but to review the business case annually, were accepted.</p>
PH43	Progress a solution for management of the Exe Estuary Harbour, canal and waterways	<p>Report presented to Scrutiny Committee on 14 June 2018.</p>
PH50	Carry out the recommendations of the Play Audit	<p>The Play Audit has been incorporated into the Sport England Delivery pilot to ensure an integrated approach to all green spaces, sports pitches and leisure facilities.</p> <p>Implementation will be coordinated with the Sport England work.</p>
PH51	Feasibility study on moving Belle Isle to Exton Road	<p>Initial feasibility study was undertaken in 2017. Faithfull & Gould have been instructed to develop proposals for redesign of Exton Road to accommodate Belle Isle services.</p>
PH52	Dog fouling / litter enforcement trial	<p>Pre-contract meeting held with councillor involvement. The trial is likely to commence in July 2018.</p>

2017/18 Portfolio Holder for City Transformation: Councillor Rosie Denham

	Priority	Update
PH26a	Lead the Council's work with Exeter City Futures, including explaining how new technology can help to tackle congestion. Reduce congestion from base data by 20% by 2025	Exeter City Futures have been formally adopted as part of the Council's transformation plans for the city. This consolidates the partnership and enables Exeter City Futures to work more closely with the Council to tackle problems of urbanisation in ways that reduce social inequality and boost economic growth within the region. Liz O'Driscoll has been seconded to the City Council, into the post of Programme Director for Exeter City Futures, and will be working closely with the senior management team to establish a clear delivery plan as well as objectives and deliverables.
PH26b	Lead the Council's work with Exeter City Futures, including explaining how new technology can help to achieve energy independence	
PH26c	Lead the Council's work with Exeter City Futures, including explaining how new technology can help to progress a smart city agenda, including digital technology infrastructure	
PH28	Work with local residents and businesses to explore ideas for future investment in South Street and the wider West Quarter, including options for a new city-centre performance venue	Lacey Hickie & Caley Ltd have been engaged to produce urban analysis and proposals for improvements. Early consultation held. Draft report under review with further consultation to follow and report to Members in the summer. New venue report completed and now out for public consultation.
PH40a	Improve cycle routes – including promoting good design	The Council has improved its links with the Exeter Cycling Campaign who are now consulted and comment on scores of major planning applications to ensure that development schemes optimise opportunities for improving cycling facilities and participation. A very well attended workshop hosted by the Campaign and with both City and County Members and Officers met in November to share good practice and improve engagement in the future. In its role as Planning Authority the Council has continued to ensure that all new major developments provide ample cycle parking and contribute towards improving the network wherever possible.
PH40b	Provide more cycle parking around St Sidwell's Point	Enhanced cycling facilities are built into the design and approved planning application.
PH46	Exeter Vision 2040	A draft of 'The Exeter Promise – A Vision for 2040' has been prepared for comments from key partners, with a view to launching this in September 2018. 'Exeter Live Better' will be rolled out as a brand for the city and ownership and take up will be reviewed.
PH48	Low Carbon Task Force	The Low Carbon Task Force continues to meet and co-ordinate a number of low carbon projects. Revised terms of reference for the group are in the process of being prepared including considering the relationship with

	Priority	Update
		Exeter City Future's energy independence objective. These will be considered by the Greater Exeter Growth and Development Board in September.

2017/18 Portfolio Holder for Health and Wellbeing, Communities & Sport:
Councillor Phil Bialyk

	Priority	Update
PH21	Work with the Community Safety Partnership to solve emerging threats and trends	<p>A review of the Community Safety Partnership has taken place looking at both the structure and priorities going into the 2018/19 financial year.</p> <p>The review of the structure has resulted in the terms of reference being amended to introduce a second deputy chair and a management group that is able to co-ordinate the activities of the CSP between the Executive Group meetings. This has resulted in Exeter City Council taking the chair supported by the Police and Fire Service in the deputy chair roles.</p> <p>An agreed set of priorities will be agreed at the July Community Safety Partnership Executive meeting and will link to other key projects such as delivering active and healthy communities through the Sport England Local Delivery Programme and Wellbeing Exeter.</p>
PH22	Develop and implement strategies that provide public reassurance and reduces the root causes of antisocial behaviour (ASB)	<p>The coordination of multi-agency solutions to ASB has continued throughout 2017/18 to address the root causes of problems as and when they arise.</p> <p>During 2017/18, 342 ASB cases were dealt with by Environmental Health and Licensing in conjunction with other agencies. As a result 11 community protection warnings and one notice was served.</p> <p>59 cases were referred to the ASB Action Team for multi-agency discussion.</p> <p>2017/18 saw the implementation of the Public Spaces Protection Order which involved the fixing of signage in 90 different locations throughout the city. Training for police officers was carried out to ensure consistency of enforcement of the PSPO requirements. Since 1 August 2017 there have been 71 breaches of the PSPO prohibitions reported. There have been 6 prosecutions taken by the Crown Prosecution Service against those who have persistently breached the order.</p> <p>Staff from Environmental Health and Licensing supported the Police, Exeter University, Students Guild, residents and Licensed Premises to welcome the new student intake to the city at the start of the academic year. This was largely a proactive engagement to educate, support and prevent issues arising, but where necessary respond quickly to matters when needed. Initiatives included enforcing the Public</p>

	Priority	Update
		Spaces Protection Order, joint residential patrols with University Patrol, working with licensed premises to ensure effective management around premises and taking councillors and residents out to see the partnership in operation.
PH34	Oversee implementation of the community strategy	Plans for review of community grants and development of ECC Community Development Strategy through 2018/19.
PH35	Explore how Asset Based Community Development (ABCD) can be introduced across the council and in key services	See PH34 update.
PH36	Work with partners to improve the health and wellbeing of Exeter's communities	This is now delivered through Wellbeing Exeter.
PH37	Implement the council's Equality and Diversity Policy	A revised policy is due to go to Corporate Services Scrutiny committee on 28 June. Work has begun on revising the committee report format to include a separate section on equality and diversity.
PH38	Renew Exeter's Fairtrade City status and seek additional partners and new support for this initiative	Exeter renewed its Fairtrade City Status successfully in November 2016 and this will be due again in November 2018. The group has continued to campaign on Fairtrade attending community events such as Respect, Exeter Green Fair and Exeter Festival of South West Food and Drink. During Fairtrade Fortnight the Portfolio Holder held a Twitter competition encouraging the public to see how many Fairtrade products they could purchase during that time. The group now has representation from the Economy team which is helping to provide links with local businesses.
PH39	Take forward the St Sidwell's Point and bus station developments, including procurement of operators	Work is ongoing by way of a formal tender for the construction works. The two-stage tender process is scheduled to conclude by October 2018 ahead of a start on site in January 2019. Tendering preparation works continue to proceed with regard to the procurement of the operator for St Sidwell's Point. Formal tenders are anticipated to be issued to Leisure Operators late 2018 / early 2019.
PH41	Apply to become a Sport England Local Delivery Pilot Partner Agree a physical activity and Sports Strategy for the City	Successful bid notified in December 2017 High level concept discussed and this will be developed during 2018/19
PH42	Continue working with partners to make Exeter the most active city in the South West by 2018	See PH41 update.

2017/18 Portfolio Holder for Economy & Culture: Councillor Rachel Sutton

	Priority	Update
PH27	Support Innovation Exeter programme with the University and others to develop the knowledge economy and to drive productivity growth across the Greater Exeter sub region	<p>The work of Innovation Exeter has been incorporated into the corporate plan for Growth & Enterprise. It is also being fed into the emerging HOSW Productivity Strategy Delivery Plan, as well as the work around developing a growth corridor for Plymouth, Exeter and Torbay.</p> <p>The University of Exeter is pursuing options around the recommendations of the South West Science & Innovation Audit for Exeter.</p> <p>A submission has been submitted to central government to establish an Institute of Technology within the city, with Exeter College and the University of Exeter as partners. Additional FE & HE establishments from across Devon, Cornwall & Somerset are also included within the bid – hub (Exeter) and spoke (everywhere else) model is being recommended. The Bid has now been successful at stage one.</p> <p>A Digital Skills Partnership Pilot has been launched in the HOSW. Which is a national pilot to help identify gaps in digital skills provision, encourage partners to work strategically together to address them and attract investment from outside bodies. Officers from the City Council are directly involved with the pilot, to address digital skills gaps within Exeter.</p>
PH44	Drive transformational economic growth by directing business support at innovation and entrepreneurship (as identified in the Innovation Exeter Programme and including Exeter City Futures accelerators)	<p>Support has continued for the Exeter Velocities programme, which was launched this year to support a second cohort of new business start-ups which enable them to test their ideas and innovations.</p> <p>Exeter City Futures have been formally adopted as part of the Council's transformation plans for the city. This consolidates the partnership and enables Exeter City Futures to work more closely with the Council to tackle problems of urbanisation in ways that reduce social inequality and boost economic growth within the region. Liz O'Driscoll has been seconded to the City Council, into the post of Programme Director for Exeter City Futures, and will be working closely with the senior management team to establish a clear delivery plan as well as objectives and deliverables.</p> <p>Limited funding has been provided to the Heat of the South West Growth Hub, which will enable bespoke and face to face business support to be provided to new business start-ups and grow on businesses within Exeter.</p>

	Priority	Update
		An audit of what business support is available to businesses within Exeter has been undertaken. Recommendations on a way forward to support transformational economic growth to be discussed at Place Scrutiny Committee.
PH45	Inclusive Growth	<p>The Inclusive Growth agenda is now a focus of activity for the Growth & Enterprise team and is incorporated into our annual service plan, with the objective being: <i>“Enabling as many people as possible to contribute and benefit from growth and to tackle placed based social inequalities - Inclusive Growth”</i>.</p> <p>Inclusive Growth activity is broken down into three activity areas: skills & learning, jobs and public sector procurement. The new Skills Officer is leading on the delivery of this work.</p> <p>A pre-apprentice programme has been developed, to be piloted in a small number of schools this autumn to determine proof of concept. The programme is aimed at young people in school, who have no desire to attend university, and to open their eyes to the wide range of employment and training options to them.</p>

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REPORT TO CORPORATE SERVICES SCRUTINY COMMITTEE

Date of Meeting: 27 September 2018

REPORT TO EXECUTIVE

Date of Meeting: 9 October 2018

REPORT TO COUNCIL

Date of Meeting: 16 October 2018

Report of: Chief Finance Officer

Title: OVERVIEW OF REVENUE BUDGET 2018/19

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 2018/19 financial year after three months and to seek approval for a number of supplementary budgets.

2. Recommendations:

- 2.1 It is recommended that Corporate Services Scrutiny Committee and the Executive note the report and Council notes and approves (where applicable):

The General Fund forecast financial position for the 2018/19 financial year and the action proposed by the Strategic Management Board (see section 4.3);

The HRA forecast financial position for 2017/18 financial year;

The additional supplementary budgets listed in Appendix C;

The outstanding Sundry Debt position as at August 2017;

The creditors' payments performance.

3. Reasons for the recommendation:

- 3.1 To formally note the Council's projected financial position and to approve additional expenditure required during the financial year. Owing to a number of factors, set out in section 4, the end of year projection sees the Council's General Fund Balances fall below the minimum recommended level as set by the section 151 Officer. The Strategic Management Board are working with their Service Leads to reduce expenditure to bring Balances back to the recommended level.

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 A request for supplementary budgets totalling £140,000 has been included in the report. The budgets were approved during 2017-18, but not included within the budget in February and not listed in the requests for supplementary budgets in July 2018. However, this was an oversight by one of the Finance team and work has started on both projects.
- 4.3 The projected year-end balance on the General Fund is estimated to be £2.603 million, which is below the recommended minimum level of reserves for the Council to hold. The Strategic Management Board are working with Service Leads to identify spending reductions to address this and an update will be provided to Members in the second quarter report of how the shortfall will be addressed.

5. Section 151 Officer comments:

- 5.1 The financial position of the Council is such that action is required to ensure that reserves do not breach the minimum required by the section 151 Officer. There are two significant unknowns which could have an impact on the Council's medium term financial position, the impact of Universal Credit and the fair funding review. Therefore the section 151 Officer believes the minimum level of reserves must be maintained. The action is required mainly as a result of some unforeseen events along with unavoidable additional expenditure being approved in year.

6. What are the legal aspects?

- 6.1 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

7. Monitoring Officer's comments:

- 7.1 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances.

Section 25 of the Local Government Act 2003 requires the S151 officer to report on the adequacy of the Council's financial resource. Where following review, it appears there has been a deterioration in the financial position, an authority must take such action, if any, as it considers necessary to deal with the situation.

Essentially this is the first warning from the Council's Section 151 officer that our reserves may not be sufficient to meet future unknown liability and therefore very careful control and scrutiny of the Council spend is essential. Councillors are obliged to consider the Council's finances to ensure that funding is a central element of all decision making.

8. Report details:

8.1 Financial Summary

FUND	Planned Transfer (to) / from Working Balance	Budget Variance Over / (under)	Outturn Transfer 2018/19
	£	£	£
General Fund	2,005,710	83,264	2,088,974
HRA	4,097,145	(119,318)	3,977,827
Council own Build Houses	(16,630)	0	(16,630)

8.2 Housing Revenue Account (Appendix A)

8.2.1 The first quarter projection shows a small reduction in the amount to be taken from the working balance. The projected reduction is now £3,977,827 to leave the working balance at £6,234,417.

Movement	2018/19
Opening HRA Balance	£10,212,244
Deficit	(£3,977,827)
Projected balance at year end	£6,234,417

8.2.2 The key variances are as follows:

Management Unit	Over / (Underspend)	Detail
Repairs and Maintenance Programme	(£200,000)	<ul style="list-style-type: none"> The contract for external painting and low maintenance works in respect of flats is currently being procured and a new contractor will be appointed in the summer. Slippage in the programme is forecast to reflect a transition period between contractors.
Capital Charges	£187,682	<ul style="list-style-type: none"> Depreciation charges are higher than budgeted due to a rise in the valuation of council dwellings. <p>Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt.</p>
Housing Assets	(£70,000)	<ul style="list-style-type: none"> (£54k) savings in employee costs are expected due to various vacant posts within the Housing Assets team, of which several posts have recently been appointed to, including: Service Lead – Housing Assets and two 18 month fixed term contract Fire Safety Implementation officers. (£16k) A budget provision of £8k per property was allowed for the decant of tenants in ten LAINGS properties whilst a major demolish and re-build programme is undertaken. Two properties have naturally become void since the budgets were approved and a saving is therefore reported.

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 no variance to the projected surplus at the end of the first quarter.

Movement	2018/19
Opening Council Own Build reserve	£256,943
Surplus	16,630
Projected balance at year end	£273,573

8.3 General Fund (Appendix B)

8.3.1 The Service Committees show projected overspends of £553,663 against a revised budget of £14,898,840. The main variances are:

8.3.2 **People Scrutiny Committee – (A nil variance)**

There are no significant variances to report this quarter.

8.3.3 **Place Scrutiny Committee – (An overspend in total of £603,663)**

Management Unit	Q1 Forecast Variance (Under)/ Overspend £	Details
Public Conveniences	39,500	<ul style="list-style-type: none"> A £30,000 saving in utility costs was estimated in anticipation of the closure of the Paris Street toilets. This saving will not now be achieved. Maintenance costs are expected to exceed the budget
Cleansing Chargeable Services	50,000	<ul style="list-style-type: none"> As happened last year, income for Trade Refuse & Recycling is expected to be £100,000 (11%) below budget as local businesses look to reduce their own costs. The loss is reduced by £50,000 savings planned by the service, and commercialisation work will commence in-year.
Recycling	135,000	<ul style="list-style-type: none"> Problems with the MRF and fluctuations in global markets continue to increase costs and reduce income, despite the best efforts of the service to mitigate their impacts. An MRF investment plan is due to be presented in September and this will propose measures to reduce costs and increase the service's ability to extract value from the recyclable material delivered to the plant.

Management Unit	Q1 Forecast Variance (Under)/ Overspend £	Details
Building Control	(33,000)	<ul style="list-style-type: none"> Staff vacancies in the Land Charges service are expected to lead to a surplus of £18,000, which will be transferred into an earmarked reserve. A grant payment of £15,000 has been received in respect of the Land Charges service.
Planning Services	262,000	<ul style="list-style-type: none"> Community Infrastructure Grants amounting to £217,000 have been paid; these will be funded from the Community Infrastructure Levy (CIL). An additional officer has been seconded to deal with CIL work; the additional £23,000 cost arising will be funded from the CIL. £160,000 has been contributed towards the Growth Team will be paid, for which there is no budget. £80,000 of this will be funded from New Homes Bonus. Fee income is expected to exceed the budget by £100,000 Pay costs are expected to be £38,000 less than the budget due to staff vacancies.
Contracted Sports Facilities	91,463	<ul style="list-style-type: none"> In June 2018 the Council agreed to the recommendations in the Built Sports and Leisure Facilities report that included the permanent closure of Clifton Hill Sports Centre. A supplementary budget of up to £150,000 was approved to demolish Clifton Hill Sports Centre, to secure the site and avoid incurring Business Rates and other unbudgeted revenue costs. The figure shown here is covered by the up to £100,000 also approved to cover loss of revenue and VAT.

8.3.4 Corporate Scrutiny Committee – (An underspend in total of £50,000)

Management Unit	Q1 Forecast Variance (Under)/ Overspend	Details
Corporate Property – Estates	(50,000)	<ul style="list-style-type: none"> Rental income and service recharges are expected to exceed the budget by £50,000

8.3.5 Other Financial Variations

Other items	Over / (Underspend)	Detail
Repayment of debt	(112,299)	<ul style="list-style-type: none"> A lower than forecast need to borrow has resulted in a reduced repayment of debt calculation.

8.3.6 General Fund Balance

In 2018/19 it is projected that there will be an overall net contribution from the General Fund Balance of £2,088,974. The minimum requirement for the General Fund working balance was approved by Council in February 2018 at £3 million. Council therefore need to take action to address the shortfall in the projected balance.

Movement	2018/19
Opening Balance	£4,692,404
Deficit	(2,088,974)
Projected balance at year end	£2,603,430

8.3.7 Supplementary Budgets

There is a requirement for two further supplementary budgets in 2018/19. It is therefore proposed that General Fund supplementary budgets totalling £140,000, identified in Appendix C are approved in 2018/19. The two budgets were unfortunately missed from the list approved in July 2018, but both projects have previously been approved by Council and work has started on both.

8.3.8 The additional supplementary budgets being requested in this report are:

- £100,000 to support the refurbishment of car parks programme, originally approved in 2017/18;
- £40,000 to support improvements at Exton Road.

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	August 2017	March 2018	August 2018
Up to 29 days (current)	£470,979	£1,639,749	£575,078
30 days – 1 Year	£1,354,770	£1,238,393	£1,398,705
1 – 2 years	£589,425	£787,163	£742,745
2 –3 years	£792,195	£661,047	£402,966
3 – 4 years	£304,408	£368,184	£593,665
4 – 5 years	£268,765	£259,997	£246,335
5 + years	£343,256	£415,760	£498,729
Total	£4,123,798	£5,370,293	£4,458,223

8.5 DEBT WRITE-OFFS

- 8.5.1 The following amounts have been written-off during 2018/19:

	2017/18 total	2018/19 (Qtr 1)
• Council Tax	£316,198	£88,098
• Business Rates	£216,428	£0
• Sundry Debt	£131,163	£0
• Housing Rents	£149,210	£7,984
• Non-HRA Rents	£201,413	£84

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 97.83% for the first quarter of 2018/19 compared with 91.76% for 2017/18.

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 2018/19.

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. Members have a legal responsibility to take action where balances are projected to reach an unsustainable level and the Strategic Management Board are working to address the current projected shortfall in reserves..

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

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
2018/19 REVENUE ESTIMATES - SUMMARY
as at 30 June 2018

HOUSING REVENUE ACCOUNT

ACTUAL TO DATE			YEAR END FORECAST			
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
227,000	141,928	(85,072)	85A1 MANAGEMENT	1,270,275	35,000	1,305,275
298,105	273,416	(24,689)	85A2 HOUSING CUSTOMERS	1,393,120	(7,000)	1,386,120
117,519	67,535	(49,984)	85A3 SUNDRY LAND MAINTENANCE	561,710	(65,000)	496,710
1,684,886	1,071,732	(613,154)	85A4 REPAIRS & MAINTENANCE PROGRAMME	6,312,360	(200,000)	6,112,360
0	0	0	85A5 REVENUE CONTRIBUTION TO CAPITAL	7,196,550	0	7,196,550
0	0	0	85A6 CAPITAL CHARGES	3,006,450	187,682	3,194,132
341,091	254,762	(86,329)	85A7 HOUSING ASSETS	1,653,960	(70,000)	1,583,960
(7,172,658)	(7,178,849)	(6,191)	85A8 RENTS	(19,127,090)	0	(19,127,090)
0	0	0	85B2 INTEREST	1,829,810	0	1,829,810
			85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(4,097,145)	119,318	(3,977,827)
			Net Expenditure	0	0	0
			Working Balance 1 April 2018	10,212,244	31 March 2019	6,234,417

COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
7,012	7,206	194	H005 MANAGEMENT	32,670	0	32,670
(2,587)	(2,700)	(113)	H006 ROWAN HOUSE	(10,350)	0	(10,350)
(14,722)	(16,145)	(1,423)	H007 KNIGHTS PLACE	(58,400)	0	(58,400)
0	0	0	H008 INTEREST	6,070	0	6,070
0	0	0	H009 CAPITAL CHARGES	13,380	0	13,380
			H010 MOVEMENT TO/(FROM) WORKING BALANCE	16,630	0	16,630
			Net Expenditure	0	0	0
			Working Balance 1 April 2018	256,943	31 March 2019	273,573

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GENERAL FUND
2018/19 REVENUE ESTIMATES - SUMMARY
as at 30 June 2018

	Annual Budget	Supplementary Budgets	Revised Annual Budget	Year End Forecast	Variance to Budget
	£	£	£	£	£
SCRUTINY - PEOPLE	2,935,040	579,400	3,514,440	3,514,440	0
SCRUTINY - PLACE	9,366,030	815,220	10,181,250	10,784,913	603,663
SCRUTINY - CORPORATE	7,396,760	528,770	7,925,530	7,875,530	(50,000)
less Notional capital charges	(6,722,380)		(6,722,380)	(6,722,380)	0
<u>Service Committee Net Expenditure</u>	12,975,450	1,923,390	14,898,840	15,452,503	553,663
Net Interest	100,000		100,000	100,000	0
New Homes Bonus	(2,590,900)		(2,590,900)	(2,590,900)	0
Revenue Contribution to Capital	150,000		150,000	150,000	0
Minimum Revenue Provision	720,160		720,160	607,861	(112,299)
Voluntary Revenue Provision	1,000,000		1,000,000	1,000,000	0
<u>General Fund Expenditure</u>	12,354,710	1,923,390	14,278,100	14,719,464	441,364
Transfer To/(From) Working Balance	(82,320)	(1,923,390)	(2,005,710)	(2,088,974)	(83,264)
Transfer To/(From) Earmarked Reserves	(428,000)		(428,000)	(1,583,996)	(1,155,996)
<u>General Fund Net Expenditure</u>	11,844,390	0	11,844,390	11,046,494	(797,896)
Formula Grant	(4,841,660)		(4,841,660)	(4,841,660)	0
Business Rates Growth / Pooling Gain	(1,379,000)		(1,379,000)	(311,104)	1,067,896
CIL Income	0		0	(270,000)	(270,000)
Council Tax	(5,623,730)		(5,623,730)	(5,623,730)	0
	0	0	0	0	0

	Working Balance	March 2017	£ 4,692,404	£ 2,603,430	March 2018
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		Funded by	£	
Corporate				
Parking	Car Parks		100,000	Year end
Waste Operations	Exton Road		40,000	
			<u>140,000</u>	
Place				
River & Canal				
			<u>0</u>	
People				
			<u>0</u>	
General Fund Total			<u>140,000</u>	
HRA Total			<u>0</u>	
Overall Total			<u>140,000</u>	

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REPORT TO **CORPORATE SERVICES SCRUTINY COMMITTEE,
EXECUTIVE AND COUNCIL**

Date of Meeting: **Corporate Services Scrutiny - 27 September 2018
Executive - 9 October 2018
Council - 16 October 2018**

Report of: **Chief Finance Officer**

Title: **2018/19 Capital Monitoring Statement – Quarter 1**

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:

- 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:

There are no additional requests for funding for Council to consider. In terms of deferrals, a number of scheme have been re-profiled and close to £8 million of projects are being proposed for deferral to future years. Members should ensure that they are satisfied with the reasons for deferral.

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:

2018/19 CAPITAL MONITORING STATEMENT – QUARTER 1

8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2018/19 Capital Programme, including commitments brought forward from 2017/18, was last reported to Corporate Services Scrutiny Committee on 28 June 2018. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 22 June 2018	35,929,900	
Leisure Centre Essential Enhancements	2,000,000	Approved by Council on 13 June 2018
Leisure Centre Additional Enhancements	880,000	
Belmont Park Community Building	150,000	
Belmont Park Enhanced Facilities	50,000	
Kings Arms Bridge	250,000	Approved by Council on 24 July 2018
Livestock Market Drainage & Toilets	200,000	
Mary Arches Lifts	40,000	
Miscellaneous Adjustments	(1,480)	
Revised Capital Programme	39,498,420	

8.2 PERFORMANCE

The revised capital programme for the current financial year is £39.498 million. During the first three months of the year the Council spent £1.743 million on the programme, which equates to 4.4% of the revised programme. This compares with £1.478 million (4.4%) being spent in the first three months of 2017/18.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2018/19 of £31.674 million with £7.949 million of the programme potentially being

deferred to 2019/20 and beyond and £0.777 million being brought forward from future years.

Appendix 2 shows the approved budgets for 2019/20 with the proposed 2018/19 budget to be carried forward to 2019/20 and beyond 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 2018/19 are £9.860 million. An estimated spend of £14.346 million is required of which £10.740 million will be funded from borrowing with £6.254 million capital receipts carried forward to 2019/20. The available capital resources for the HRA for 2018/19 are £32.491 million. An estimated spend of £17.328 million is required leaving £15.163 million to be carried forward into 2019/20. 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 1 April 2018	6,306,833	7,704,749
New Receipts	70,000	704,950
Less HRA Pooling		(106,534)
Balance as at 30 June 2018	6,376,833	8,303,165

8.4 EXPENDITURE VARIANCES

The main variances and issues concerning expenditure in 2018/19 are:

Scheme	Estimated Overspend / (Underspend) £	Reason
Bowling Green Marshes Coastal Defence Scheme	(250,000)	This scheme was to be entirely funded by the Environment Agency (EA), but due to disputes between the EA and Natural England on how to proceed it is now anticipated that the scheme will not go ahead.
Topsham Flood Gates (Ferry Road/The Strand)	(100,000)	This scheme was also to be funded by the Environment Agency (EA). Following a trial, the EA are reviewing demountable defence

		flood barrier types for region-wide deployment. It is anticipated that the EA will manage the scheme themselves.
LAINGS Refurbishments	(11,000)	The contingency provision for this project has been reduced to offset additional employee costs being incurred in the revenue accounts. The Housing Community Partnership Officer is working additional contracted hours to assist with resident liaison and tenant decants.
Smoke/Fire Alarms – Older Persons	(15,724)	This budget was carried forward from 2017/18 as a contingency sum for acquiring further dispersed alarm units. However, the project completed successfully without incurring any additional costs.
Electrical re-wiring	(276,000)	<p>The forecast saving comprises (£90k) in respect of re-wiring domestic properties and (£186k) re-wiring communal areas.</p> <p>The move from 10 yearly electrical tests to 5 yearly has resulted in less extensive remedial works being identified in domestic properties, due to the shorter repairs period.</p> <p>The saving in respect of communal areas relates to labour costs. The in-house electricians undertake these works, rather than sub-contractors, and therefore the budget only needs to provide for materials. The cost of the in-house team are held in the revenue accounts.</p>

8.5 SCHEMES TO BE DEFERRED TO 2019/20 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2019/20 and beyond are:

Scheme	18/19 Budget £	Budget to be Deferred £	Reason
Leisure Complex	4,046,530	2,647,330	Budgets re-profiled in-line with anticipated expenditure.
Bus Station Construction	3,251,750	2,986,550	
Adaptations	495,970	75,000	Based on current levels of referrals it is anticipated that an under-spend may occur. However, any under-

			spend will be sought to be carried forward to provide resilience against a surge in referrals due to pressures of an aging population.
Rennes House Structural Works	2,200,000	1,850,000	Lift improvements have been prioritised for the first stage of the refurbishment programme. The lifts will be upgraded, one at a time, in order to maintain service provision. Each lift is scheduled to take 16 weeks, all other works will follow and the budget has been profiled accordingly.
St Loyes Extra Care Scheme	4,323,080	(776,924)	Council approved a revised scheme cost of £14m on 24 July, which has enabled the project team to progress the appointment of a main contractor. It is hoped that the contractor can start on site in Quarter 2 of 2018/19 and the budget has been profiled accordingly.
Acquisition of Social Housing – Section 106	490,000	390,000	Due to the time-lag between Section 106 negotiations and new homes completing on site (often 2-3 years) it is forecast that slippage of the budget will occur, including £240k specifically for acquiring flats at The Chasse development.

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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2018/19 CAPITAL MONITORING - QUARTER 1

	2018/19 Capital Programme	2018/19 Spend to Date	2018/19 Forecast Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
	£	£	£	£	£
PEOPLE					
HELP ME FIND SOMEWHERE TO LIVE					
Disabled Facility Grants	801,180	68,228	801,180		
Warm Up Exeter/PLEA Scheme	0	0	0		
Wessex Loan Scheme	79,030	24,888	79,030		
WHIL Empty Properties	194,000	0	194,000		
Temporary Accommodation Purchase	108,670	276	108,670		
PEOPLE TOTAL	1,182,880	93,392	1,182,880	0	0
PLACE					
WELL RUN COUNCIL					
Vehicle Replacement Programme	442,500	6,668	442,500		
MRF Air Compressor	7,840	0	7,840		
Car Park Resurfacing, Lining & Boundary Improvements	50,000	0	50,000		
Mechanisation of Street Scene	150,000	0	150,000		
Waste Infrastructure	16,700	0	16,700		
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD					
Repair Canal Bank at M5	29,090	900	29,090		
Queen's Crescent CPO	18,000	0	18,000		
Kings Arms Bridge	399,630	5,724	399,630		
Bowling Green Marshes Coastal Defence Scheme	278,900	0	28,900		(250,000)
Topsham Flood Gates (Ferry Road/The Strand)	100,000	0	0		(100,000)
Exeter Flood Alleviation Scheme	200,000	0	200,000		
Exwick Cemetery Ashes Section	32,420	20,023	32,420		
Replacement of Mallison Bridge (Exeter Quay)	350,000	17,398	350,000		
Parks Infrastructure	150,000	7,800	150,000		

	2018/19 Capital Programme	2018/19 Spend to Date	2018/19 Forecast Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
	£	£	£	£	£
Cemeteries & Churchyards Infrastructure Improvements	60,000	0	60,000		
Purchase of Harbour Patrol Vessel for Exe Estuary	50,000	0	50,000		
Improved Car Park Security Measures at King William Street & Arena Park	45,000	0	45,000		
Repairs to Turf Lock Pier Head	20,000	0	20,000		
Repairs to Salmonpool Bridge	45,000	0	45,000		
Repair to Walls at Farm Hill	30,000	0	30,000		
Bank Repairs & Stabilisation to Watercourses	20,000	11,293	20,000		
Matford Centre Fire Alarm Replacement	100,000	0	100,000		
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY					
Car Park Surfacing - Haven Road	12,350	0	12,350		
Replace Lifts at Mary Arches MSCP	240,000	0	240,000		
City Wide Property Level Protection	94,400	0	94,400		
RAMM Air Monitoring Equipment	89,560	256	89,560		
Topsham Lock	180,000	2,001	180,000		
PROVIDE GREAT THINGS FOR ME TO SEE & DO					
Outdoor Leisure Facilities	296,830	23,082	296,830		
Sports Facilities Refurbishment	146,430	44,913	146,430		
Passenger Lift at RAMM	73,880	0	73,880		
St Nicholas Priory	39,920	180	39,920		
RAMM World Culture Galleries	160,440	82,128	160,440		
Cowick Barton Tennis Courts	35,000	26,613	35,000		
Newtown Community Association - Belmont Park Community Building	150,000	0	150,000		
Belmont Park Enhanced Facilities	50,000	0	50,000		
MAINTAIN THE ASSETS OF OUR CITY					
RAMM Roof Access Improvement	58,520	952	58,520		
Pyramids Essential Works	950,000	2,450	950,000		
Leisure Centre Essential Enhancements	2,000,000	0	2,000,000		
Leisure Centre Additional Enhancements	880,000	0	880,000		
Livestock Market Drainage & Toilets	200,000	0	200,000		

	2018/19 Capital Programme	2018/19 Spend to Date	2018/19 Forecast Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
	£	£	£	£	£
DELIVER GOOD DEVELOPMENT					
Leisure Complex - Build Project	4,046,530	162,886	1,399,200	2,647,330	
Bus Station Construction	3,251,750	20,741	265,200	2,986,550	
Pinhoe Community Hub	90,000	0	90,000		
Newtown Community Centre (S106)	75,090	6,100	75,090		
Newtown Community Centre (1st Grant)	50,000	0	50,000		
Newtown Community Centre (2nd Grant)	43,410	0	43,410		
Beacon Heath Martial Arts & Boxing Club - New Roof	14,650	0	14,650		
PLACE TOTAL	15,823,840	442,109	9,839,960	5,633,880	(350,000)
CORPORATE SERVICES					
WELL RUN COUNCIL					
Invest to Save Opportunities	29,550	0	29,550		
Guildhall Fire Alarms	50,000	29,695	50,000		
Energy Saving Projects	2,011,870	3,790	2,011,870		
Belle Isle Temporary Facilities	103,330	34,249	103,330		
Council Signage Improvement	40,000	0	40,000		
Electoral Registration - Mobile Canvassing	20,000	0	20,000		
Building Management System (BMS)	80,000	0	80,000		
Civic Centre Air Conditioning Replacement	150,000	0	150,000		
Civic Centre Kitchens Replacement	90,000	0	90,000		
Customer Contact Platform	155,490	0	155,490		
Annual Contribution to Strata	53,900	53,904	53,900		
Idox System for Planning	104,300	0	104,300		
HR System	39,940	0	39,940		
Convergence Projects	294,660	0	294,660		
Capitalised Staff Costs	100,000	0	100,000		
CORPORATE SERVICES TOTAL	3,323,040	121,638	3,323,040	0	0

	2018/19 Capital Programme	2018/19 Spend to Date	2018/19 Forecast Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
	£	£	£	£	£
HRA					
INVESTMENT IN EXISTING STOCK					
Adaptations	495,970	40,475	420,975	75,000	
Environmental Improvements - General	218,400	4,750	218,395		
Programmed Re-roofing	280,590	0	280,590		
Energy Conservation	100,000	0	100,000		
Garage Upgrades	74,000	0	74,000		
LAINGS Refurbishments	1,947,000	0	1,936,000		(11,000)
Kitchen Replacement Programme	1,059,950	183,568	1,059,950		
Balcony Walkway Improvements	210,000	0	210,000		
Bathroom Replacement Programme	693,760	122,330	693,760		
Door Replacements (including Outbuildings)	122,000	0	122,000		
Fire Precautionary Works to Flats	28,530	2,951	28,530		
Communal Areas	97,890	0	97,893		
Structural Repairs	294,280	779	294,280		
Rennes House Structural Works	2,200,000	0	350,000	1,850,000	
Common Area Footpaths/Wall Improvements	350,000	0	350,000		
Soil Vent Pipe Replacement	77,530	0	77,530		
Electrical Central Heating	36,940	6,591	36,940		
Smoke/Fire Alarms - Older Persons	15,720	0	0		(15,720)
Electrical Re-wiring	826,250	57,719	550,250		(276,000)
Boiler Replacement Programme	560,000	28,281	560,000		
Communal Doors and Screens	331,000	0	331,000		
Fire Risk Assessment Works	476,810	4,655	476,810		
Loft & Cavity Insulation	50,000	0	50,000		
Whipton Barton House House Water Mains	50,000	0	50,000		
Re-roofing Works Shilhay	164,800	107,912	164,800		
Window Replacements	954,300	0	954,300		
Replacement Housing Management System	175,100	175,096	175,100		
Porch Canopies	102,000	0	102,000		
ZEBCat Project	480,000	1,800	480,000		

	2018/19 Capital Programme	2018/19 Spend to Date	2018/19 Forecast Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
	£	£	£	£	£
PROVISION OF NEW COUNCIL HOMES					
Social Housing Acquisitions - Open Market	855,000	142,999	855,000		
Social Housing Acquisitions - Section 106	490,000	0	100,000	390,000	
COB Wave 2 - Rennes Car Park	271,500	142,229	271,500		
St Loyes Extracare Scheme	4,323,080	204	5,100,000	(776,920)	
Estate Regeneration - Heavitree (COB Wave III)	59,860	33,885	59,860		
Estate Regeneration - Heavitree (Clifford Close)	141,950	5	141,950		
Estate Regeneration - Heavitree (Vaughan Road)	321,320	4,415	321,320		
Estate Regeneration - Heavitree (South Street)	233,130	25,330	233,130		
HRA TOTAL	19,168,660	1,085,974	17,327,863	1,538,080	(302,720)
TOTAL CAPITAL BUDGET	39,498,420	1,743,113	31,673,743	7,171,960	(652,720)

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BUDGETS CARRIED FORWARD TO 2019/20 AND BEYOND

	2019/20 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 1	Budget Reprofiled to Future Years	Total 2019/20 Capital Programme	2020/21 Budget as per Budget Book/Council Approvals
	£	£	£	£	£
PEOPLE					
HELP ME FIND SOMEWHERE TO LIVE					
Disabled Facility Grants	450,000	0	0	450,000	450,000
PEOPLE TOTAL	450,000	0		450,000	450,000
PLACE					
WELL RUN COUNCIL					
Vehicle Replacement Programme	400,000	0	0	400,000	400,000
Car Park Resurfacing, Lining & Boundary Improvements	200,000	0	0	200,000	
Waste Infrastructure	163,000	0	0	163,000	144,000
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD					
Parks Infrastructure	250,000	0	0	250,000	100,000
Cemeteries & Churchyards Infrastructure Improvements	80,000	0	0	80,000	20,000
Repairs to Turf Lock Pier Head	100,000	0	0	100,000	
Repair to Walls at Farm Hill	60,000	0	0	60,000	
Bank Repairs & Stabilisation to Watercourses	20,000	0	0	20,000	20,000
PROVIDE GREAT THINGS FOR ME TO SEE & DO					
Sports Facilities Refurbishment	56,430	0	0	56,430	
DELIVER GOOD DEVELOPMENT					
Leisure Complex - Build Project	16,831,010	2,647,330	(5,571,290)	13,907,050	12,664,550
Bus Station Construction	2,319,980	2,986,550	(2,852,430)	2,454,100	2,852,430
PLACE TOTAL	20,480,420	5,633,880	(8,423,720)	17,690,580	16,200,980

BUDGETS CARRIED FORWARD TO 2019/20 AND BEYOND

	2019/20 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 1	Budget Reprofiled to Future Years	Total 2019/20 Capital Programme	2020/21 Budget as per Budget Book/Council Approvals
	£	£	£	£	£
CORPORATE SERVICES					
WELL RUN COUNCIL					
Council Signage Improvement	40,000	0	0	40,000	40,000
Annual Contribution to Strata	53,900	0	0	53,900	53,900
Capitalised Staff Costs	100,000	0	0	100,000	100,000
CORPORATE SERVICES TOTAL	193,900	0	0	193,900	193,900
HRA					
INVESTMENT IN EXISTING STOCK					
Adaptations	517,500	75,000	0	592,500	535,610
Environmental Improvements - General	207,000	0	0	207,000	214,250
Programmed Re-roofing	186,100	0	0	186,100	314,140
Garage Upgrades	64,260	0	0	64,260	66,510
LAINGS Refurbishments	1,298,580	0	0	1,298,580	0
Kitchen Replacement Programme	1,347,250	0	0	1,347,250	2,020,880
Balcony Walkway Improvements	105,000	0	0	105,000	108,670
Bathroom Replacement Programme	883,220	0	0	883,220	1,324,840
Door Replacements (including Outbuildings)	143,940	0	0	143,940	231,000
Communal Areas	103,190	0	0	103,190	79,930
Structural Repairs	155,250	0	0	155,250	160,680
Rennes House Structural Works	3,495,275	1,850,000	0	5,345,275	0
Common Area Footpaths/Wall Improvements	94,050	0	0	94,050	95,800
Soil Vent Pipe Replacement	63,950	0	0	63,950	27,000
Electrical Central Heating	19,900	0	0	19,900	21,890
Electrical Re-wiring	756,140	0	0	756,140	566,300

BUDGETS CARRIED FORWARD TO 2019/20 AND BEYOND

	2019/20 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 1	Budget Reprofiled to Future Years	Total 2019/20 Capital Programme	2020/21 Budget as per Budget Book/Council Approvals
	£	£	£	£	£
Boiler Replacement Programme	575,000	0	0	575,000	590,500
Communal Doors and Screens	246,320	0	0	246,320	254,940
Fire Risk Assessment Works	65,200	0	0	65,200	67,480
Loft & Cavity Insulation	51,750	0	0	51,750	53,560
Window Replacements	733,090	0	0	733,090	758,750
Porch Canopies	90,480	0	0	90,480	55,810
<i>PROVISION OF NEW COUNCIL HOMES</i>					
Social Housing Acquisitions - Section 106	250,000	390,000	0	640,000	250,000
St Loyes Extracare Scheme	5,360,000	(776,920)	0	4,583,080	156,360
HRA TOTAL	16,812,445	1,538,080	0	18,350,525	7,954,900
TOTAL CAPITAL BUDGET	37,936,765	7,171,960	(8,423,720)	36,685,005	24,799,780

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CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

	Total Capital Budget	Total Spend to Date	2018/19 Programme Variances (Under)/Over
	£	£	£
PEOPLE			
HELP ME FIND SOMEWHERE TO LIVE			
Temporary Accommodation Purchase	584,950	476,560	0
PEOPLE TOTAL	584,950	476,560	0
PLACE			
WELL RUN COUNCIL			
MRF Air Compressor	13,300	5,460	0
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD			
Repair Canal Bank at M5	64,520	36,331	0
Kings Arms Bridge	410,000	16,094	0
Exwick Cemetery Ashes Section	60,000	47,603	0
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY			
RAMM Air Monitoring Equipment	90,000	692	0
PROVIDE GREAT THINGS FOR ME TO SEE & DO			
Passenger Lift at RAMM	75,000	1,120	0
St Nicholas Priory	115,000	75,256	0
RAMM World Culture Galleries	368,740	290,429	0
MAINTAIN THE ASSETS OF OUR CITY			
RAMM Roof Access Improvement	68,500	10,929	0
DELIVER GOOD DEVELOPMENT			
Leisure Complex - Build Project	31,171,509	3,363,592	0
Bus Station Construction	6,870,000	1,319,009	0
Pinhoe Community Hub	100,000	10,000	0
Newtown Community Centre (S106)	85,430	16,443	0

	Total Capital Budget	Total Spend to Date	2018/19 Programme Variances (Under)/Over
	£	£	£
Newtown Community Centre (1st Grant)	70,000	20,000	0
Newtown Community Centre (2nd Grant)	50,000	6,578	0
Beacon Heath Martial Arts & Boxing Club - New Roof	21,810	7,158	0
PLACE TOTAL	39,633,809	5,226,696	0
CORPORATE SERVICES			
<i>WELL RUN COUNCIL</i>			
Belle Isle Temporary Facilities	190,000	120,922	0
CORPORATE SERVICES TOTAL	190,000	120,922	0
HRA			
<i>PROVISION OF NEW COUNCIL HOMES</i>			
COB Wave 2 - Rennes Car Park	3,975,370	3,846,094	0
St Loyes Extracare Scheme	10,850,000	1,010,772	0
Estate Regeneration - Heavitree (COB Wave III)	459,150	433,179	0
Estate Regeneration - Heavitree (Clifford Close)	141,950	5	0
Estate Regeneration - Heavitree (Vaughan Road)	321,320	4,415	0
Estate Regeneration - Heavitree (South Street)	372,580	164,779	0
HRA TOTAL	16,120,370	5,459,244	0
TOTAL CAPITAL BUDGET	56,529,129	11,283,421	0

GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2018-19 £	2019-20 £	2020-21 £	2021-22 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Capital Receipts Brought Forward					4,820,370
GF Capital Receipts	163,590	0	1,259,750	0	2,430,371
GF Ringfenced Capital Receipts	0	0	0	0	1,387,400
Revenue Contributions to Capital Outlay	0	0	0	0	875,053
Disabled Facility Grant	801,181	450,000	450,000	450,000	2,605,550
New Homes Bonus	198,069	13,602,985	0	0	13,842,995
Community Infrastructure Levy	1,664,403	2,758,197	2,402,888	0	7,110,281
Other - Grants/External Funding/Reserves/S106	726,032	720,481	0	0	2,451,884
Total Resources Available	3,553,275	17,531,663	4,112,638	450,000	35,523,905
GENERAL FUND CAPITAL PROGRAMME					
Capital Programme	20,329,760	21,124,320	8,421,160	1,167,900	56,614,740
Overspends/(Savings)	(350,000)				(470,559)
Slippage	(5,633,880)	(2,789,840)	8,423,720		(1,384,818)
Total General Fund	14,345,880	18,334,480	16,844,880	1,167,900	54,759,363

UNCOMMITTED CAPITAL RESOURCES:					
Capital Receipts Brought Forward	6,306,833	6,253,895	6,253,895	1,387,400	4,820,370
Resources in Year	3,553,275	17,531,663	4,112,638	450,000	30,703,535
Less Capital Receipts to carry forward	(6,253,895)	(6,253,895)	(1,387,400)	(1,387,400)	(1,387,400)
Less Spend in Year	(14,345,880)	(18,334,480)	(16,844,880)	(1,167,900)	(54,759,363)
Borrowing Requirement	10,739,667	802,817	7,865,747	717,900	20,622,858

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2018-19 £	2019-20 £	2020-21 £	2021-22 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Usable Receipts Brought Forward					7,704,749
Major Repairs Reserve Brought Forward					11,169,004
Other HRA Sales	472,000	0	0	0	472,000
RTB sales	1,067,691	500,000	400,000	400,000	2,367,691
Surrender back to DCLG - pending investment in replacement affordable housing	(1,097,567)	0	0	0	(1,097,567)
Major Repairs Reserve	3,194,132	3,194,132	3,194,132	3,194,132	12,776,528
Revenue Contributions to Capital	7,196,555	2,500,000	3,000,000	4,500,000	17,196,555
External contributions	364,000	228,424	0	0	592,424
Grant funding - Estate Regeneration Funding	756,257	0	0	0	756,257
Grant funding - Zero Energy Buildings Project	216,000	0	0	0	216,000
Commuted sums	1,447,742	5,219,432	0	0	6,667,174
Total Resources available	13,616,810	11,641,988	6,594,132	8,094,132	58,820,815
CAPITAL PROGRAMME					
HRA Capital Programme	19,168,652	16,812,447	7,954,902	9,059,688	52,995,689
St Loyes Extra Care approved budget increase	776,924	2,140,000	233,076		3,150,000
Quarter 1 - Overspends / (Savings)	(302,724)				(302,724)
Quarter 1 - Slippage / Re-profiling	(2,315,000)	815,000	1,500,000		0
Total Housing Revenue Account	17,327,852	19,767,447	9,687,978	9,059,688	55,842,965
UNCOMMITTED CAPITAL RESOURCES:					
Usable Receipts Brought Forward	7,704,749	5,541,873	3,011,305	1,521,873	7,704,749
Major Repairs Reserve Brought Forward	11,169,004	9,620,838	4,025,947	2,421,533	11,169,004
Resources in Year	13,616,810	11,641,988	6,594,132	8,094,132	39,947,062
Less Estimated Spend	(17,327,852)	(19,767,447)	(9,687,978)	(9,059,688)	(55,842,965)
Uncommitted Capital Resources	15,162,711	7,037,252	3,943,406	2,977,850	2,977,850
WORKING BALANCE RESOURCES:					
Balance Brought Forward	10,212,244	6,234,417	6,319,353	6,490,362	8,567,454
HRA Balance Transfer - Surplus/(Deficit)	(4,097,145)	472,618	398,191	(623,006)	(2,204,552)
Quarter 1 budget monitoring - forecast variances	119,318	(387,682)	(227,182)	(187,682)	(683,228)
Balance Carried Forward	6,234,417	6,319,353	6,490,362	5,679,674	5,679,674
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Uncommitted HRA Working Balance	2,234,417	2,319,353	2,490,362	1,679,674	1,679,674
TOTAL AVAILABLE CAPITAL RESOURCES	17,397,128	9,356,605	6,433,768	4,657,524	4,657,524

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REPORT TO **CORPORATE SCRUTINY COMMITTEE**
Date of Meeting: **27 SEPTEMBER 2018**
Report of: **Chief Finance Officer**
Title: **2018/19 Budget Monitoring Report – Quarter 1**

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, by management unit, between the 2018/19 approved budget and the current outturn forecast in respect of Corporate Scrutiny Committee.

2. Recommendations:

That Members of Corporate Scrutiny Committee assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure, as 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 Scrutiny Committee and this is the first report for 2018-19.

4. What are the resource implications including non financial resources

The financial resources required to deliver Corporate Services during 2018-19 are set out in the body of this report.

5. Section 151 Officer comments:

There is a small underspend on the Committee at Quarter 1. Given the Council's overall financial position however, efforts still need to be made across the Council to maintain a strong financial discipline and to identify opportunities to reduce in-year expenditure.

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:

Budget Monitoring – Quarter 1

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will reduce from the revised budget by a total of £50,000 after transfers to and from reserves, as detailed in Appendix 1. This represents a variation of 0.63% from the revised budget, which includes supplementary budgets of £587,590 already agreed by Council.

8.2 The only significant variation (+/- £30,000) by management unit is:

Management Unit	Q1 Forecast Variance (Under)/ Overspend	Details
83A1 Corporate Property – Estates	(50,000)	<ul style="list-style-type: none"> Rental income and service recharges are expected to exceed the budget by £50,000

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

Corporate Committee contributes 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. Members are reminded of the general risk that, unless otherwise noted, the current outturn forecast expects Services to achieve and deliver the savings included in the budget set in February.

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

Authors: Sally Reeve and Adrian Rutter

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
(01392) 265275

**CORPORATE SCRUTINY COMMITTEE
2018/19 BUDGET MONITORING REPORT**

ACTUAL TO DATE			QUARTER 1		YEAR END FORECAST		
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	CODE		APPROVED BUDGET	OUTTURN	OUTTURN VARIANCE
£	£	£			£	£	£
(1,278,413)	(1,347,795)	(69,382)	83A1	CORPORATE PROPERTY - ESTATES	(2,490,330)	(2,540,330)	(50,000)
(45,193)	(46,896)	(1,703)	83C4	PROPERTIES	(23,850)	(23,850)	0
678,635	673,106	(5,529)	83C5	CORPORATE PROPERTY - ASSETS	1,349,800	1,349,800	0
31,593	35,648	4,055	83C6	CORPORATE ENERGY TEAM	119,320	119,320	0
163,273	157,267	(6,006)	86A2	ELECTIONS & ELECTORAL REG	374,760	374,760	0
(3,481)	(3,633)	(152)	86A3	CORPORATE	(13,900)	(13,900)	0
47,411	46,336	(1,076)	86A4	CIVIC CEREMONIALS	208,700	208,700	0
174,914	167,349	(7,565)	86A5	DEMOCRATIC REPRESENTATION	647,540	647,540	0
761,214	853,994	92,780	86A6	GRANTS/CENT SUPP/CONSULTATION	1,566,300	1,566,300	0
377,673	348,634	(29,039)	86A7	UNAPPORTIONABLE OVERHEADS	1,507,310	1,507,310	0
143,214	138,021	(5,193)	86B1	FINANCIAL SERVICES	530,110	530,110	0
23,083	25,836	2,753	86B2	INTERNAL AUDIT	94,460	94,460	0
172,410	174,228	1,818	86B3	HUMAN RESOURCES	625,690	625,690	0
131,077	129,565	(1,512)	86B4	LEGAL SERVICES	202,790	202,790	0
328,023	316,346	(11,677)	86B5	CORPORATE SUPPORT	743,720	743,720	0
486,519	526,734	40,215	86B6	IT SERVICES	1,664,240	1,664,240	0
180,060	180,287	227	86B7	STRATEGIC MANAGEMENT	737,640	737,640	0
19,292	33,811	14,519	86B8	PROCUREMENT	81,230	81,230	0
2,391,305	2,408,839	17,534		NET EXPENDITURE	7,925,530	7,875,530	(50,000)

TRANSFERS TO / (FROM) EARMARKED RESERVES	0
REVENUE CONTRIBUTION TO CAPITAL	0

OUTTURN FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	7,875,530
REVISED BUDGETS	7,925,530

OUTTURN VARIANCE AFTER TRANSFERS TO/FROM RESERVES & CONTRIBUTIONS TO CAPITAL	(50,000)
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**REPORT TO Corporate Services 27th September 2018
Executive 9th October 2018
Report of: Corporate Manager, Democratic & Civic Support
Title: REPLACEMENT OF AUDIO VISUAL EQUIPMENT**

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1.1 What is the report about?

1.1 This report seeks approval to replace all or some of the Audio Visual equipment at both the Civic Centre and the Guildhall so as to improve the meeting experience for those attending the meeting and also for those watching meeting broadcasts via social media.

1.2 The report gives various options as to how this can be achieved.

2. Recommendation:

2.1 That the Executive consider this matter and make an appropriate recommendation to the Council, as there is no budgetary provision for this in the current budget.

3. Reasons for the recommendation:

3.1 There are various options available which range in financial terms from £30,000 to £104,923 in costs.

3.2 There is no financial provision for this equipment to be purchased so the Executive will need to consider this proposal against other competing demands.

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

4.1 None.

5. Section 151 Officer Comments:

5.1 If approved, funding will need to be identified for this project. It is not appropriate to borrow for a relatively short dated asset and therefore funding will have to be identified, either from capital receipts or revenue. Council does not have sufficient reserves to set aside revenue for this purpose and therefore it is likely capital receipts will be used to fund the project. This of course means that they are unavailable for any other purpose.

6. What are the legal aspects?

6.1 There are no legal aspects to this report.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

- 8.1 The current Audio Visual (AV) equipment (including microphones) in the Civic Centre's meeting rooms, was installed when the rooms were moved to their current location as part of the Customer First project in 2005. At that time they were on the cutting edge of wireless technology.
- 8.2 The microphones currently used at the Guildhall were those which were replaced as per paragraph 8.1 above, and as such are at least 20 years old. They are all linked by a cable and it has been found on occasion, that once a connection has been lost, the whole system fails.
- 8.3 Technology has moved on significantly since 2005.
- 8.4 Members will be aware that there have been numerous occasions where the technology used in the civic centre meeting rooms and/or Guildhall has failed meaning that the experience for those not only participating in the meetings, but also those attending the meetings, most particularly the public, has been less than satisfactory. This situation has been heightened following the Council's decision to broadcast some of its public meetings via Facebook live.
- 8.5 Officers have received numerous complaints about this unsatisfactory situation, but despite the best efforts of the Council's IT company, as well as leading suppliers of such equipment to solve the issues experienced, no permanent and suitable fix has been found.
- 8.6 Many of those consulted stated that the age of the microphones, and the technology supporting them, is most likely to be the cause of the failures, together with a poor sound amplification system within the Guildhall.
- 8.7 To this end, various options have been sought, so that Members can consider which may be most suitable.
- 8.8 The first option relates to simply replacing the microphones at both the Civic Centre and Guildhall. This would cost approximately £40,000
- 8.9 The second option provides for a replacement of the microphone systems as per paragraph 8.8 above, together with an upgrade of visual equipment in the main civic centre meeting rooms. This would include replacing the screens and projectors in these meeting rooms, with up to date LED screens and all the necessary other equipment, which would, amongst other things, allow for easier presentations to be given. This will cost approximately £55,000
- 8.10 The final provides for all that included in paragraphs 8.8 and 8.9 above, together with:-
- The replacement of the speakers in the Rennes and Bad Homburg rooms;
 - The replacement of the repeater screens (used in the Bad Homburg room to replicate the image shown at Committees on the main screen in Rennes) with LED screens;
 - The replacement of the radio microphones used at some committee meetings;
 - The installation of permanent webcasting cameras in both the Civic Centre and Guildhall, to enable better screening of committee meetings.

This will “future proof” the facilities within the Civic Centre for a number of years, but will be the most costly at approximately £100,000.

8.11 It is recognised that this is a considerable amount which has not been budgeted for, so members are asked to consider:-

- Whether this is considered a corporate priority when taking into account the many other competing demands the Council has on its financial resources;
- If so, which of the options should be progressed

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

9.1 This decision will help promote the City as one which promotes transparency in its decision making process, and encourages members of the public to engage with the council’s meetings and democratic process.

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

10.1 There are no risks associated with the proposals

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 None applicable with this decision

12. Are there any other options?

12.1 The Council could decide not to invest in improved equipment which would mean that there would continue to be intermittent issues with its broadcasting ability, leading to customer dissatisfaction.

12.2 The Council would also not promote itself well as one which wants to promote transparency in its decision making process.

John Street
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Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

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