

CORPORATE SERVICES SCRUTINY COMMITTEE

Date: Thursday 27 June 2019

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

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), Buswell (Deputy Chair), Hannaford, Mrs Henson, Lamb, Mitchell, M, Moore, D, Quance, A, Vizard and Warwick

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 28 March 2019.

(Pages 5 -
8)

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 Modern Slavery Transparency Statement

To consider the report of the Director (JY).

(Pages 9 - 20)

8 Overview of Revenue Budget

To consider the report of the Chief Finance Officer.

(Pages 21 - 46)

9 Capital Outturn

To consider the report of the Chief Finance Officer.

(Pages 47 - 68)

10 Treasury Management

To consider the report of the Chief Finance Officer.

(Pages 69 - 74)

ITEMS FOR DISCUSSION

11 Budget Monitoring Report

To consider the report of the Chief Finance Officer.

(Pages 75 - 82)

12 Members' Allowances

To consider the report of the Corporate Manager Democratic & Civic Support.

(Pages 83 - 86)

Date of Next Meeting

The next scheduled meeting of the Corporate Services Scrutiny Committee will be held on **Thursday** 26 September 2019 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

Thursday 28 March 2019

Present:

Councillor Sheldon (Chair)
Councillors Warwick, Holland, Musgrave, Thompson, Vizard M and Wood

Apologies:

Councillor Lamb

Also present:

Chief Finance Officer and Democratic Services Officer (MD)

In Attendance:

Councillor Peter Edwards - Leader and Portfolio Holder for Growth & City Development
Councillor Ollie Pearson - Portfolio Holder for Support Services

11 MINUTES

The minutes of the meeting held on 24 January 2019 were taken as read, approved and signed by the Chair as correct

12 DECLARATIONS OF INTERESTS

No declarations of disclosable interest were made.

13 QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 19

One member of the public, submitted a question under Standing Order 19, in relation to the practical impact to staffing and various savings measures.

Councillor Edwards, as the Council Leader and Portfolio Holder for Growth & City Development provided a response to the questions. A copy of the question and response is appended to the minutes.

14 QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER 20

In accordance with Standing Order No 20, Councillor Musgrave and Councillor Thompson submitted respective questions on Councillor Compliance with the constitution, redaction policy and funding for the Pinhoe Hub.

A copy of the questions had been circulated to Members, and together with the response from Councillor Edwards, Leader and Portfolio Holder for Growth & City Development are appended to the minutes.

15 OVERVIEW OF REVENUE BUDGET

The Chief Finance Officer presented the report for the Revenue Budget for 2018/19, advising Members of the overall projected financial position of the HRA & General Fund Revenue Budgets and for the Members to formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

He explained that work had been undertaken during the second quarter, to prevent the General Fund level from falling below the £3 Million level, which was initially expected to happen. Although the level had not dropped, there was still a requirement to continue to identify means of funding for unexpected financial pressures throughout the year.

The Housing Revenue Account (HRA), showed a significant reduction in the amount to be taken from the working balance, and the projected reduction was £396,482, leaving the balance at £9,815,762. Members were informed that the HRA position had been affected by delays from the Capital Programme, which had resulted in a large reduction to the amount to be taken from the working balance. Members noted that there should be progress moving schemes forward.

The General Fund Balance, had remained stable during the last quarter, with an overall net contribution of £1,645,926, leaving the projected year-end balance at £3,046,478, which was marginally above the £3 million minimum level approved by Council. Members were referred to the key variances for Planning Services, noting that there was no £357,000 overspend as this would be funded from the Community Infrastructure Levy (CIL) and it was confirmed that without this, the Planning Services would be in surplus.

In response to questions from Members, the Chief Finance Officer responded:-

- The £130K additional consultancy cost for procurement, covered the whole year, and there had been no consultancy spend since October 2018. There had been a temporary HRA Procurement Manager in post for over a year, with the costs re-charged to the HRA. The Manager would be leaving the Council and the work would be incorporated into the internal Procurement Team.
- There was an error with the debt write off figures in the report, which would be corrected and re-issued to Members.

Corporate Services Scrutiny Committee noted the report and requested Executive and Council to note and approve:

- (1) The General Fund forecast financial position for the 2018/19 financial year;
- (2) The HRA forecast financial position for 2018/19 financial year;
- (3) The outstanding Sundry Debt position as at March 2019; and
- (4) The creditors' payments performance.

CAPITAL MONITORING STATEMENT - QUARTER 3

The Chief Finance Officer presented the Capital Monitoring Statement, which reported the current position of the Council's revised annual capital programme and advised Members of the anticipated level of deferred expenditure into future years. Capital expenditure was a significant source of risk and uncertainty and the Capital Programme was updated every three months to reflect the latest costs and manage the risks.

He explained that that £10.7million had now been deferred to future years and that £1.074 million had been brought forward into 2018/19. There were a few significant projects in place at Exeter City Council, which would see substantially higher expenditure by the end of the next financial year. Members noted that they could enquire with project managers for explanations on why a scheme had been deferred.

The Chief Finance Officer referred to the completed schemes during the third quarter, stating that it was being recommended to Council, to add £74,900 to the Capital Programme for the Mobile and Agile Working for Environmental Health, which was a part of the Council's Transformational Change Programme.

Corporate Services Scrutiny Committee supported the report and requested Executive to recommend to Council to approve:

- (1) The revision of the annual Capital Programme to reflect the reported variations detailed in 8.1, 8.4 and 8.5 of the report; and
- (2) The additions to the Capital Programme detailed in 8.7 of the report.

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BUDGET MONITORING REPORT - QUARTER 3

The Chief Finance Officer presented the quarterly report which advised Members of material differences, by management unit, between the 2018/19 approved budget and the current outturn forecast in respect of Corporate Services Scrutiny Committee. He advised that local authorities had a statutory duty to set and monitor budgets during the year and to action potential overspends or income losses.

The Chief Finance Officer highlighted that following the formation of the Procurement team, the significant variances were now stable and would be reflected accordingly in next year's report.

The Corporate Services Scrutiny Committee noted the content of the report and were satisfied that actions were being taken to address the key areas of budgetary pressure highlighted in this report.

(The meeting commenced at 5.30 pm and closed at 5.52 pm)

Chair

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REPORT TO CORPORATE SERVICES SCRUTINY

Date of Meeting: 27 June 2019

REPORT TO EXECUTIVE

Date of Meeting: 9 July 2019

Report of: Director, Jo Yelland

TITLE: Modern Slavery Transparency Statement

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?

Executive

1. What is the report about?

1.1 To request that the Council adopts a Modern Slavery Transparency Statement and authorises the Leader and the Chief Executive to update and amend the document and republish on an annual basis.

2. Recommendations:

2.1 It is recommended that Corporate Services Scrutiny Committee supports and the Executive approve:

a) the adoption of the Modern Slavery Transparency Statement 2019-20.

b) the Leader and the Chief Executive be authorised to update and amend the document and republish on an annual basis.

3. Reasons for the recommendation:

3.1 Section 54 of the Modern Slavery Act 2015 was brought into force in October 2015 and requires commercial organisations with an annual turnover of £36m or more to produce a modern slavery transparency statement each financial year. Although there is no legal obligation for local authorities to publish statements, many are now choosing to do so thereby promoting ethical business practices and policies that protect workers from being abused and exploited in their own organisation and supply chains. In addition there is an expectation from commercial organisations that may wish to bid for contracts that the council will supply a transparency statement.

3.2 The Local Government Association encourages councils to publish transparency statements and reports that 86 councils have already done so.

4. What are the equality and diversity impacts of this decision? A completed EQIA is attached at Appendix B.

4.1 The Modern Slavery Transparency Statement has a positive impact on gender, age and race and ethnicity. No negative impacts were identified.

5. What are the resource implications including non-financial resources:

- 5.1 The statement largely sets out work that is already being undertaken or is planned as part of routine operational arrangements. There are no specific resource implications other than training and awareness raising programmes to ensure all staff understand their responsibilities and what to do to manage enquiries and referrals which will be picked up under safeguarding training.

6. Section 151 Officer comments:

- 6.1 There are no additional financial implications contained within this report.

7. What are the legal aspects?

- 7.1 Section 54 of the Modern Slavery Act requires commercial organisations with an annual turnover of £36m or more to produce a modern slavery transparency statement each financial year though there is currently no obligation on local authorities. The Local Government Association issued guidance in December 2017, 'Tackling Modern Slavery. A Council Guide'. Although the guidance does not go so far as to state that there is a legal requirement to issue a section 54 statement, it states that Councils should consider their position with regard to the Modern Slavery Act 2015 and the guidance provided with regard to procurement and supply chains, and that Councils will also 'want to ensure that the risks of modern slavery within their supply chains are understood, and can show leadership in promoting a human rights approach towards procurement'.

It is a matter of best practice and important that the Council has a statement in place in accordance with section 54 of the Act, although the statute does not expressly state that such a statement is required from a public authority. However, Guidance issued by the Government, 'Transparency in Supply Chains etc, a practical guide' states that '...so long as the organisation in question is incorporated by whatever means...it does not matter if it pursues primarily charitable or educational or purely public functions. The organisation will be caught if it engages in commercial activities and has a total turnover of £36m.' (Paragraph 3.6).

There is presently a Bill in the House of Lords seeking to amend the Act to make it clear that the section 54 requirements apply to 'public authorities' in order to address the lack of certainty and clarity in the Act as it stands. The Bill had its first reading in the House of Lords on 12 July 2017. The date for the second reading has yet to be announced.

8. Monitoring Officer Comments:

Despite the lack of clarity concerning the legal obligations, the Council should have a modern slavery transparency statement in place.

9. Report details:

- 9.1 The Modern Slavery Act 2015 suggests that a modern slavery transparency statement should include information about the following:

- The organisation's structure, its business and supply chains
- Policies and procedures to minimise the risk of modern slavery
- Work with suppliers and due diligence processes in relation to modern slavery
- Measurement and performance indicators
- Training and capacity building about modern slavery

- 9.2 The Government's guidance on producing a modern slavery statement is that it must be approved at the highest level of the organisation and be published on the website with a prominent link to the statement on the homepage.

- 9.3 In addition to the council's own statement, it will need to retain copies of the statements from its suppliers who are required to publish their own statement e.g. commercial organisations with a total turnover of £36 million per annum. From April 2016, all tender processes require bidders to provide confirmation that they are compliant with the Modern Slavery Act 2015.
- 9.4 In publishing its own modern slavery statement Exeter City Council recognises its commitment to understanding the risks presented by slavery and will seek to ensure that there are no victims of modern slavery working within the council, within the organisations we commission services from or in our supply chains. A draft statement is attached as Appendix A.

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

- 10.1 In promoting ethical business practices and policies that protect workers from being abused and exploited the work indicated in the statement contributes directly to two strands of the Corporate Plan:
- Leading a well-run council
 - Building great neighbourhoods

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

There are no risks associated with the proposals.

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

None applicable with this decision.

13. What other options are there, and why have they been dismissed?

As there is no legal obligation the council could choose not to publish a statement however everything covered in the statement is good practice that we would wish to continue. In addition those organisations that the council wishes to bid for contracts with may not accept the legislative situation and still require a statement as part of the bidding process.

Author: Melinda Pogue-Jackson
Policy Officer Environmental Health and Licensing

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 265115



Modern Slavery Transparency Statement 2018-19

Statement development and Version details

May 2019

Title	Modern Slavery Transparency Statement 2018-19
Author	Melinda Pogue-Jackson
Owner	Jo Yelland, Lead Director for Equalities and Diversity
Review dates	May 2020
Status for FOI	Open
Protected marking status	Unclassified
EqlA conducted	Not applicable

1. Introduction

- 1.1 Exeter City Council recognises and accepts its responsibility as an employer to ensure, as far as it is reasonably practicable, the implementation of the Modern Slavery Act 2015. This statement sets out the Council's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and, its supply chains and in doing so will strive to act as an "Exemplar" within the city.

2. The Modern Slavery Act 2015

- 2.1 Modern slavery includes:

- **Forced labour** - Victims are forced to work against their will, often working very long hours for little or no pay in dire conditions under verbal or physical threats of violence.
- **Debt bondage** - Victims are forced to work to pay off debts that realistically they never will be able to.
- **Sexual exploitation** - Victims are forced to perform non-consensual or abusive sexual acts against their will, such as prostitution, escort work and pornography. Adults are coerced often under the threat of force, or another penalty.
- **Criminal exploitation** - Often controlled and maltreated, victims are forced into crimes such as cannabis cultivation or pick pocketing against their will.
- **Domestic servitude** - Victims are forced to carry out housework and domestic chores in private households with little or no pay, restricted movement, very limited or no free time and minimal privacy often sleeping where they work.

- 2.2 Section 52 of the Act imposes a duty on public authorities, including district councils, to notify the Secretary of State of suspected victims of slavery or human trafficking.

- 2.3 Section 54 of the Act imposes a legal duty on commercial organisations, which supply goods and/or services from or to the UK and have a global turnover above £36 million, to publish a slavery and human trafficking statement each financial year.

- 2.4 The Council engages in commercial activities by providing services (statutory and discretionary), and its annual turnover is greater than £36million. There is not currently a legal obligation on local authorities under the Act but the Council has nonetheless determined to issue this Modern Slavery Transparency Statement setting out the steps it has taken to ensure there is no slavery or human trafficking in its business or supply chains.

3. Standards

- 3.1 Exeter City Council will meet the following standards and also expects those with whom it does business with, to meet these standards:
- To support every individual's human right to live free from abuse, servitude and inhumane treatment;
 - To promote ethical business and operational practices in corporate activity and the services delivered;
 - To take appropriate steps to ensure that slavery and human trafficking is not taking part in any of its business or supply chains;
 - To take reports of witnessed, suspected or disclosed concerns of slavery and human trafficking seriously;
 - To take appropriate steps to address actual instances of slavery and human trafficking.

4. Organisational structure

- 4.1 Exeter City Council is a district local authority which provides a wide range of statutory and discretionary services, delivered both directly by the Council and through external contractors.
- 4.2 The Council's Constitution can be found [here](#).
- 4.3 The Council's [Corporate Plan 2018-21](#) sets out the priorities for the next few years:
- Help deliver the emerging Exeter Vision 2040, by providing services and developments that build on Exeter's growth and success and meet local communities' aspirations
 - Focus on three strategic programmes that address the current, major challenges facing the city:
 - Tackling congestion and accessibility
 - Promoting active and healthy lifestyles
 - Building great neighbourhoods
 - Provide value-for-money services despite continuing central government budget reductions
 - Lead a well-run council

5.0 Supply chains

- 5.1 In the procurement process, Exeter City Council expects all suppliers of goods and services to comply with all applicable laws, statutes, regulations [and codes] from time to time in force [including [but not limited to] the Modern Slavery Act 2015.

6.0 Policies and Plans

- 6.1 Exeter City Council has a range of policies and plans in place which reflect its commitment to acting ethically and with integrity to prevent slavery and human trafficking in its operations:
- [Safeguarding Policy](#) – sets out how the Council will safeguard and promote the welfare of children, young people and adults at risk who come into contact with its services and activities. The policy is supported by a suite of documents providing guidance on how to make safeguarding referrals including the duty to notify the Secretary of State of suspected victims of slavery and human trafficking.
 - [Equality and Diversity Policy](#) – sets out the Council's legal obligations under the Equality Act 2010 and the various ways the Council meets its duties. The Corporate Plan 2018-21 also includes a specific objective to promote equality and diversity and tackle social exclusion in all of our work.
 - [Whistle Blowing Policy and Procedure](#) – is part of the Council Constitution and enables employees and others who help to deliver its services to raise concerns and provide them with protection from detriment such as victimisation or discipline.
 - [Officers' Code of Conduct](#) – is the ethical framework that employees work to, which makes clear the actions and behaviour expected of them when representing the Council. The Council strives to maintain the highest standards of employee conduct and ethical behaviour and breaches are investigated.
 - **Recruitment Policy** – sets out robust procedures for vetting new employees, which ensures they are able to confirm their identities and qualifications. To comply with the Asylum, Immigration and Nationality Act 2006, all prospective employees are asked to

supply evidence of their eligibility to work in the UK. References are also requested and followed up.

The Council uses only reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

- **Pay** - The Council use a job evaluation scheme, thereby ensuring that all employees are paid fairly and equitably. All new and changed jobs are evaluated by a panel of trained evaluators including trade union representatives. The Council is a Living Wage employer.
- **Responsible Procurement Strategy** – This is expected to be finalised in September 2019. The strategy will include safeguarding requirements and include considerations managers should think about when procuring contracts.

7.0 Due diligence

7.1 Where turn-over is less than £36million, Exeter City Council suppliers are required to comply with this Modern Anti-Slavery and Human Trafficking Statement. Exeter City Council is investing in the process of effective risk assessment strategies.

8.0 Training

8.1 Exeter City Council has a programme of mandatory safeguarding training for employees that enables them to identify and know how to report suspected or disclosed incidents of abuse and neglect, including modern slavery and human trafficking.

8.2 Induction briefings on equality and diversity and safeguarding are provided to Members following local elections.

9.0 Partnership working

9.1 Exeter City Council is a statutory member and leads on the management of the Exeter Community Safety Partnership (CSP). The CSP brings together statutory and third sector agencies with a shared responsibility to tackle crime, disorder and anti-social behaviour.

9.3 Exeter City Council is a member of the Devon Anti-Slavery Partnership which provides strategic direction and response to all threats, risks and harm identified in relation to modern slavery and human trafficking. The City Council is also a member of the Devon and Torbay Migrant Workers Action Group which provides operational direction and response to all threats, risks and harm identified in relation to modern slavery and human trafficking.

10.0 Our commitment to combating slavery and human trafficking

10.1 In the next 12 months, we commit to implementing the following changes to help combat slavery and human trafficking:

1. Mandate that all suppliers of goods and services should comply with their own anti-slavery policy (where applicable) and this Modern Anti-Slavery and Human Trafficking Statement.
2. Incorporate clauses in our contract terms and conditions setting out the requirements of contractors and subcontractors in relation to ensuring there is no slavery or human trafficking in their businesses.

3. Ensure that all contractors and sub-contractors engaged in a 'regulated activity' to children and adults at risk to have safeguarding policies, procedures and training in place and that they comply with the reporting procedures in the Council's Safeguarding Policy.
4. Require suppliers of goods and services to implement due diligence procedures in relation to modern slavery for their own suppliers, subcontractors and other participants in their supply chains where their annual turn-over exceeds £36million.

11.0 Review and Approval

- 11.1 This Modern Anti-Slavery and Human Trafficking Statement has been approved by the Executive and adopted by Council. The Statement will be reviewed annually or sooner if required by the Corporate Safeguarding Group to reflect the council's evolution of commitment, understanding and practice.

SIGNED

SIGNED

Chief Executive for EXETER CITY COUNCIL

Leader for EXETER CITY COUNCIL

Equality Impact Assessment

Title of work being assessed: Modern Slavery Transparency Statement

Introduction

Section 54 of the Modern Slavery Act requires commercial organisations with an annual turnover of £36m or more to produce a modern slavery transparency statement each financial year. Although there is currently no obligation on local authorities, the report requests that Exeter City Council adopt a statement in order to promote ethical business practices and policies that protect workers from being abused and exploited in their own organisation and supply chains.

Lead officer: Melinda Pogue-Jackson, Policy Officer, Environmental Health and Licensing.

Service Manager: Simon Lane, Environmental Health and Licensing Manager

Stakeholders: Staff, Councillors and businesses.

For each of the areas below, an assessment has been made on whether the policy has a **positive, negative or neutral impact**, and brief details of why this decision was made and notes of any mitigation are included. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

	Neutral	Positive	Negative
Protected characteristic/ area of interest Race and ethnicity (including Gypsies and Travellers; migrant workers asylum seekers etc.)		Referral to the National Referral Mechanism (NRM) include 75 different nationalities therefore the adoption of this statement is likely to have a positive impact on race and ethnicity.	
Disability (as defined by the Equality Act - a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities)	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Sex/Gender		Referrals to the NRM suggest that over 50% of victims are male and that these are mainly victims of labour exploitation. Therefore the adoption of this statement is likely to have a positive impact on sex and gender.	
Gender reassignment	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Religion and belief	There is no evidence to		

	suggest that the proposed report would have a potential impact on this characteristic.		
Sexual orientation (including heterosexual, lesbian, gay, bisexual)	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Age (children and young people aged 0 – 24, adults aged 25 – 50, younger older people aged 51 – 75/80; older people 81+. The age categories are for illustration only as overriding consideration should be given to needs).		Almost half of the referrals to the NRM are for child victims and of these the majority are boys who are victims of labour exploitation. Therefore the adoption of this statement is likely to have a positive impact on sex and gender.	
Community relations	There is no evidence to suggest that the proposed report would have a potential impact on this characteristic.		
Human Rights		The adoption of this statement has a positive impact on Article 3 of the Human Rights Act: the right not to be tortured or subjected to treatment or punishment that is inhuman or degrading.	
Actions identified as a result of the impact assessment:			
Action	Lead	By when	
None			

REPORT TO CORPORATE SERVICES SCRUTINY COMMITTEE

Date of Meeting: 27 June 2019

REPORT TO EXECUTIVE

Date of Meeting: 9 July 2019

REPORT TO COUNCIL

Date of Meeting: 23 July 2019

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 financial position of the HRA & General Fund Revenue Budgets for the 2018/19 financial year and to seek approval for the General Fund working balance, HRA working balance, a number of supplementary budgets and the creation of new earmarked reserves.

2. Recommendations:

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

- 2.1 That the net transfer of £1,717,058 to Earmarked Reserves as detailed in paragraph 9.3.6 is approved.
- 2.2 That supplementary budgets of £2,344,257 be approved as detailed in paragraph 9.3.8
- 2.3 That Earmarked Reserves at 31 March 2019 be noted;
- 2.4 That the Council Tax account and collection rate be noted;
- 2.5 That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted;
- 2.6 That the creditor payments performance be noted;
- 2.7 By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2019, be approved at £4,395,024;
- 2.8 That the Housing Revenue Account working balance at 31 March 2019 is approved at £10,025,355 and the Council Own Build working balance is approved at £274,855.

3. Reasons for the recommendation:

- 3.1 To formally approve the Council's end of year financial position and carry forward any budgets that were not spent but where the funding is still required.

4. What are the equality and diversity impacts of this decision?

4.1 An Equalities Impact Assessment is not required as the report only approves supplementary budgets.

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

5.1 The impact on the General Fund working balance, HRA working Balance and Council Own Build working balance are set out in sections 9.3.7, 9.2.1 and 9.2.4 respectively.

5.2 A request for supplementary budgets totalling £2,344,257 has been included.

6. Section 151 Officer comments:

6.1 The overall financial position of the Council has benefitted from the 100% business rates pilot and the strong business rates performance overall. The Council has maintained strong financial reserves to enable it to face any unexpected financial challenges going forward. The fact remains however, that difficult decisions lie ahead in the following year to ensure that financial stability is maintained. The Government's plan to reset business rates means the Council must identify reductions of £2.4 million for 2020-21, whilst ensuring it delivers the £2.2 million identified for 2019-20. This is not an easy task and will require Members to adopt and maintain a disciplined approach to their ambitions. Any need / requests for additional expenditure will require members to identify what budgets they will stop in order to fund the new requirements.

7. What are the legal aspects?

7.1 The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.

8. Monitoring Officer's comments:

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

9. Report details:

9.1 Financial Summary

FUND	Planned Transfer (to) / from Working Balance	Budget Variance Over / (under)	Outturn Transfer 2018/19
	£	£	£
General Fund	2,005,710	(1,708,330)	297,380
HRA	2,487,615	(4,132,405)	(1,644,790)
Council own Build Houses	(16,630)	(1,282)	(17,912)

9.2 Housing Revenue Account (Appendix A)

9.2.1 The Outturn Statement shows a reduction in the working balance of £186,889 to stand at £10,025,355. This is a significant variance from the proposed reduction to the balance of £4,097,145 at the start of the year.

Movement	2018/19
Opening HRA Working Balance, as at 01/04/18	£10,212,244
Deficit	£186,889
Balance as at 31/03/19	£10,025,355

9.2.2 The key variances are as follows:

Budget Heading	Actual Budget Variance (Under)/Overspend
Management Costs	(£170,875)
<p>Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets</p> <ul style="list-style-type: none"> • £100K additional consultancy costs in respect of procurement, as part of a Council-wide action plan to strengthen procurement arrangements. A temporary HRA Procurement Manager has developed a procurement strategy focused on housing assets including full compliance of all contracts and contract management capacity building within existing teams. • (£30K) savings in employee costs, partly due to two temporary IT System Officers starting in August, in order to help implement the new Housing Management system and a vacant Older Persons Property Services Officer post. • (£61k) Reduced support service recharges to Housing General Management. However, this is partially offset by an additional legal services recharge to Housing Customers in accordance with timesheet information. • (£40k) Staff training on the new Housing Management System will be deferred until next financial year, ahead of its planned implementation in early 2020. • (£45k) Saving in respect of resident involvement, as significant spend has been pending a review of the existing Resident Involvement Strategy. The appointment of a temporary Resident Involvement Officer from mid-February will support the co-ordination, development and delivery of both resident involvement and community development services. • (£86k) Reflects a combination of smaller savings arising from; the updating of a range of tenant and leaseholder handbooks being deferred to 2019/20, additional income from solar panel installations and an accounting adjustment to the bad debt provision for sundry HRA debts. 	

Housing Customers	(£86,573)
<p>Officer Responsible: Service Lead – Housing Tenancy Services</p> <ul style="list-style-type: none"> • (£38k) Savings in employee costs due to vacant posts within the Housing Customers team • (£35k) The cost of decanting tenants to enable asbestos removal works to be undertaken were lower than anticipated, as two flats were set up to enable a rolling decant to take place in-line with planned works, rather than decanting all tenants simultaneously. • £62k Additional recharge from legal services in respect of right-to-buy applications and tenancy management matters, which is partially offset by a reduction in time recharged to Housing General Management. • (£19k) An amalgamation of various minor forecast savings including bank charges, stationery and communal cleaning costs. • (£57k) Additional income in respect of service charges from leaseholders and council tenants, right to buy administration fees, leasehold flat transfer fees and recovered court costs. 	
Sundry Land Maintenance	(£107,270)
<p>Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets</p> <ul style="list-style-type: none"> • (£87k) A new Tree Manager and Technical Officer (Trees) started in August. Tree works in 2018/19 were therefore lower than budgeted due to the appointments mid-way through the year and allowing time for officers to prioritise works and resolve access issues. • (£21k) Savings in respect of the Garden Assistance Scheme following lower inflationary rises in contract costs and a lower level of initial cultivations to prepare gardens in advance of moving to the scheme. 	
Repairs and Maintenance Programme	(£348,218)
<p>Officer Responsible: Service Lead – Housing Assets</p> <p>This represents a combination of forecast under/overspends, most notably due to:</p> <ul style="list-style-type: none"> • (£175k) Planned asbestos removal works to flats were delayed, as two flats made available to temporarily decant tenants were required for other urgent tenant decants, including those affected by fire damage. A lower level of asbestos surveys have also been undertaken as they are largely driven by the kitchen and bathroom replacements programmes, which have been placed on hold for part of the year due to contractor issues. • £197k Overspend in repair to void properties. Whilst the number of void properties for the year was below recent annual averages, a large number of properties required significant levels of work to return them to a lettable standard. Additionally, an increased level of asbestos survey and removal costs were incurred as the opportunity to carryout whilst properties are empty was taken. 	

- (£102k) Saving in electrical remedial works, partly due to two vacant Electrician posts. A contractor is planned to be appointed to undertake remedial works arising from electrical testing, which are planned to start in June.
- (£146k) Saving in respect of routine service and maintenance contracts, which predominantly relates to savings in the gas servicing contract. Servicing and associated boiler repair costs have been saved, due to the extent of boiler replacements and that servicing will be due in 12 months' time.
- (£400k) A new contractor for external painting and low maintenance works in respect of flats was appointed from 1 October. An underspend has occurred due to the transition period between the main contractors and mobilisation of the new contractor, for this reason a supplementary budget will be requested to carry forward the budget into 2019/20.
- £250K As reported at Quarter 3, an overspend in respect of general reactive repairs occurred due to a targeted reduction in overdue jobs (from 800 down to less than 100) and additional repairs identified by the Housing Customer Relation Officers following routine property inspections; both assisted by the recruitment to Surveyor posts to oversee the repairs.

Revenue Contribution to Capital	(£3,196,550)
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Officer Responsible: Service Lead – Housing Assets

- The amount of revenue monies required towards financing the HRA Capital Programme in 2018-19 has reduced by £3.2m, from £7.2m to £4m.

In March 2014 Executive approved a £2.7m contribution towards the St Loyes Extra Care scheme, which was profiled to be required in 2018-19 but delays to the scheme will mean that significant spend will not take place until 2019-20.

Planned investment in existing stock is also lower than anticipated, predominantly due to delays in the LAINGS project, contractor issues and new contractor mobilisation.

Rents	£102,985
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Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead Revenues, Benefits and Customer Access

- A £70k reduction in dwelling rents relates to delays in letting the new units at Chester Long Court. It was anticipated that the units would be fully let during 2018/19. However, the final Building Control inspection identified additional fire safety works, which meant that lettings did not start until December 2018. All units are now let.
- A £30k reduction in rents relates to garages at Thornpark Rise and Anthony Road that were cleared and sold to Exeter City Living Ltd during the year. Garages at Bovemoors Lane were also cleared ahead of their intended sale in 2019/20 to the new housing development company.

Capital Charges	£173,887
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Officer Responsible: not applicable (statutory accounting charge)

- Depreciation charges are higher than budgeted due to a rise in the valuation of council dwellings.

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.

Housing Assets	(£144,766)
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Officer Responsible: Service Lead – Housing Assets

- (£38k) savings in employee costs due to various vacant posts within the Housing Assets team during the year, including Service Lead – Housing Assets, two 18 month fixed term contract Fire Safety Implementation officers and an Electrician, partially offset by the recent appointment of a Void Surveyor and a Health & Safety Compliance Officer.
- (£45k) Stock condition surveys will re-commence in the 2019/20 to supplement the extensive stock condition survey undertaken by consultants last year, in order to achieve 100% coverage. The condition surveys will be performed by the surveyors, rather than external consultants, enabling a saving to be reported.
- (£48k) £8k per property was budgeted for the decant of tenants in ten LAINGS properties to facilitate a major demolish and re-build programme. Two properties have naturally become void since the budgets were approved resulting in a £16k saving. A further saving of £32k is reported in respect of decants from LAINGS properties, as works will be focused on those properties that are already empty, avoiding the need to decant tenants until later 2019.
- (£11k) Plans to undertake office improvements and purchase furniture are pending the outcomes of the agile working pilot. For this reason a supplementary budget will be requested in 2019/20 for implementing agile working within the HRA.

Interest	(£132,876)
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Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets

- Reflects additional interest receivable on HRA balances (Working Balance, Major Repairs Reserve and capital receipts). Combined forecast revenue and capital underspends in 2018-19 have resulted in higher than anticipated HRA balances and interest rates also increased from 0.90% to 0.95%.

9.2.3 The Major Repairs Reserve is 'ring fenced' for capital works. After transfers, the balance on the Major Repairs Reserve will stand at £14,255,236 at 31 March 2019.

Movement	2018/19
Opening Major Repairs Reserve, as at 01/04/18	£11,169,004
Revenue monies set aside	£3,180,337
Amount used to finance capital expenditure	(£94,105)
Balance, as at 31/03/19	£14,255,236

- 9.2.4 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. The total budget variances for 2018/19 have resulted in a net surplus of £17,912, which will be transferred to the COB working balance.

Movement	2018/19
Opening Council Own Build, as at 01/04/18	£256,943
Surplus	£17,912
Balance, as at 31/03/19	£274,855

9.3 General Fund (Appendix B)

- 9.3.1 The Service Committees show an overall underspend of £2,149,518 against a revised budget of £15,288,840. The main variances are:

9.3.2 **Scrutiny Committee People**

Budget Heading	Actual Budget Variance (Under)/Overspend £
Housing Needs	(72,049)
Responsible Officer: Interim System Lead, Housing Needs	
The underspend on pay reflects the lead-in time for fully recruiting to the new Housing Needs structure approved by Executive in February 2018. Recruitment proved a significant challenge primarily due to it coinciding with the implementation of the Homelessness Reduction Act. This meant the team was very busy preparing beforehand and in the aftermath of the Act going live in April 2018 which also triggered a strong market demand for experienced housing needs staff which impacted on recruitment across the country including the South West area. The service is now at 95% of the structure with just two remaining posts under recruitment this month. Therefore, this underspend represents a one-off in-year saving to the General Fund.	
Private Sector Housing	(37,188)
Responsible Officer: Environmental Health and Licensing Manager	
The underspend reflects the capitalisation of officer time in respect of Disabled Facility Grants and Warm Up Exeter, which can be met from the Better Care Fund in accordance with proper accounting practice.	
General Fund Housing - Property	41,658
Responsible Officer: Service Lead Housing Assets	
The Housing Needs team have recently reassessed and re-banded a large number of households in Private Sector Leased (PSL) properties in order to create some move-on out of temporary accommodation. This provided an opportunity to handback some PSL properties with financially onerous lease agreements, which has led to a rise in handback costs in the last three months alongside a reduction in rental income. Although this represents an in-year overspend, it will achieve future revenue savings due to ending leases with favourable terms to the landlord.	

Revenues, Benefits & Customer Access	129,388
Responsible Officer: System Lead Revenues, Benefits & Customer Access	
<p>As described above in 9.1 due to a new method of calculating the bad debt provision the loss allowance relating to the recovery of overpaid housing benefits has increased by £177k, across the council the impact of this change is broadly cost neutral.</p> <p>Before accounting for this movement the service made an overall saving of £47k:</p> <ul style="list-style-type: none"> • £9k of this was due to savings in pay while vacancies were being filled • £38k was due to variances against the housing benefits budgets, this represents a variance of 0.1% against the £35m budget. 	

9.3.3 Scrutiny Committee Place

Budget Heading	Actual Budget Variance (Under)/Overspend
Parks & Green Spaces	(£482,569)
Responsible Officer: Public and Green Space Manager	
<ul style="list-style-type: none"> • The transfer of the Valley Parks to Devon Wildlife Trust (DWT) as agreed by Executive on 12th July 2016 was not finalised until 1 May 2019. The agreed payment of £425,000 was therefore not made until that date, creating an underspend in the year to 31 March 2019. A request will be made for a supplementary budget in 2019/20 to cover this payment. • A saving of £100,000 was agreed to be made in the Children's Play Areas service, as part of the strategy to reduce in year savings for Public Realm. • The creation of the two tree officer posts led to increased pay costs of £36,000. This was funded from savings in the Public Realm Development Team (below) • Other pay costs across this unit were £26,000 less than budgeted • Fleet and plant maintenance costs in this service exceeded the budget by £35,000 	
Public Realm Development Team	(£128,875)
Responsible Officer: Public and Green Space Manager	
<ul style="list-style-type: none"> • Two posts have been deleted from this unit, and the fixed term post of Place Project Co-ordinator was not filled until March 2019. Part of the resulting pay saving of £121,000 has been used to fund two tree officer posts in Parks and Green Spaces (above). • In addition, a supplementary budget will be requested to fund the Place Project Co-ordinator post until the end of February 2020. 	
Bereavement Services	(£37,920)

Responsible Officer: Public and Green Space Manager	
<ul style="list-style-type: none"> • Income exceeded the budget by £13,000 • Fleet and Plant maintenance was £14,000 less than the budget • Expenditure on special works was £11,000 less than the budget 	
Street Cleaning	(£60,212)
Responsible Officer: Public and Green Space Manager	
<ul style="list-style-type: none"> • Fleet and Plant maintenance in this unit cost £54,000 less than the budget • Additional net income of £14,000 arose from undertaking additional work for other organisations • Pay costs exceeded the budget by £8,000 as a result of the pay award being in excess of the budget 	
Public Conveniences	£46,902
Responsible Officer: Public and Green Space Manager	
<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 was not achieved as the toilets were not closed. • Pay costs exceeded the budget by £12,000 due to high levels of staff sickness • The remaining variance relates to increased utility and maintenance costs, partly offset by a saving on National Non Domestic Rates (NNDR) costs 	
Cleansing Chargeable Services	£53,659
Responsible Officer: Cleansing and Fleet Manager	
Income for Trade Refuse & Recycling was £143,000 (11%) below budget as local businesses look to reduce their own costs. The loss was reduced by savings in a range of non-pay areas, and there was an additional £7,000 income for Special Collections for the HRA.	
Exton Road Overheads & Fleet	£11,179
Responsible Officer: Cleansing and Fleet Manager	
The Service has been able to make some short-term staff savings and brought-in additional income to help offset some significant additional costs – for example, the major fleet procurement process (now completed) and utilities (especially electricity) and clearing vehicle wash drains at Oakwood House.	
Cost pressures on utilities and clearing wash drains are likely to continue throughout 2019-20.	
Recycling	£212,837

Responsible Officer: Cleansing and Fleet Manager	
<p>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. Pay costs at the MRF are £100,000 over budget of £822,000 (driven by sickness and overtime) while £150,000 additional supplies costs were only partially offset by a £62,000 saving in transport costs. The main cause of the additional supplies cost was the need to send unprocessed materials to other MRFs when the ECC MRF was unable to operate and unprocessed material could not be stored on-site without breaching ECC's site licence.</p> <p>Income fell short of budget by a little over £23,000.</p>	
Parking Services	(£150,125)
Responsible Officer: Community Safety and Enforcement Service Manager	
<ul style="list-style-type: none"> • Income from parking charges, including season tickets, exceeded the budget by £291,000. • Rental income exceeded the budget by £22,000. • National Non Domestic Rates (NNDR) for this service exceeded the budget by £60,000 • Exceptional costs of £40,000 arose for upgrading credit card facilities, buying tokens for the pay on foot machines and updating signage for a second tariff increase • Maintenance costs for car parking equipment exceeded the budget by £19,000; the 2019/20 budget has been adjusted to reflect current costs. • Additional costs of £13,000 arose in the car park cleaning service due to higher than expected vehicle maintenance costs • Pay costs exceeded the budget by £11,000 following a job evaluation review • The remaining £20,000 variance relates to several small variances 	
Growth & Enterprise	(£37,700)
Responsible Officer: Economy and Enterprise Manager	
<p>The full underspend has been requested as carry-forward into 2019-20, since this Service has many initiatives such as in-depth reviews and reports that span financial years.</p>	
Arts & Events (Culture)	(£56,760)
Responsible Officer: Service Lead - Communications, Tourism & Culture	
<p>This unit is now managed as an integral part of the wide-ranging Communications, Tourism & Culture Service, enabling, for example, specialist staff to apply their skills to different projects and activities as needs change in-year. The Service as a whole was £12,000 over full-year budget of £1.1m.</p>	
Planning Services	(£118,708)

Responsible Officer: City Development Manager.

- Community Infrastructure Grants amounting to £357,000 have been paid; these are funded from the Community Infrastructure Levy (CIL).
- An additional officer has been seconded to deal with CIL work; the additional £23,000 cost arising has been funded from the CIL.
- £160,000 has been contributed towards the Growth Team, for which there is no budget. This has been funded from New Homes Bonus.
- Additional costs of approximately £60,000 are expected to arise from a successful Planning appeal
- Fee income was expected to exceed the budget by £210,000. Part of this is earmarked for improvements in the service; it is anticipated that £70,000 of this will be unspent at 31 March 2019 and this will be placed in an earmarked reserve to be utilised in 2019-20.

Major Projects	(£265,400)
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Responsible Officer: City Surveyor

A supplementary budget of £300,000 was approved at Council on 18th December 2018 in connection with the Bus Station Wider Options. As at 31 March 2019 only £34,600 had been spent; a £265,400 supplementary budget will be requested in 2019/20 to enable this work to continue.

Markets & Halls	(£102,494)
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Responsible Officer: Events, Facilities & Markets Manager

As a commercially-focussed service running the Matford Centre and the Corn Exchange, the financial outturn is dependent on a range of variables. After all the necessary year-end adjustments, the Service has achieved both lower costs and higher income leading to a contribution margin of 44%, an improvement on the budgeted 34% for 18-19 and the 39% achieved in 17-18.

The Service has requested that £14,000 of the additional 18-19 contribution be carried-over into 19-20 as a supplementary budget to fund an apprentice post.

Contracted Sports Facilities	(£69,343)
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Responsible Officer: Category Contracts Manager

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. Demolition costs have so far underspent this allocation by £112,000 which has been requested to be carried forward to 2019-20.

Up to a further £100,000 was approved to cover loss of revenue and VAT. The £91,465 is the budgeted lost revenue and the £99,180 adds-on £7,715 which will be covered from the Redundancy Reserve.

The time-limited required credit, relating to a potential claim for partial repayment of rates associated with Riverside, has reduced by £60,000 at the end of this year; this has been released back to the management unit.

9.3.4 Scrutiny Committee Corporate

Budget Heading	Actual Budget Variance (Under)/Overspend
Corporate Property - Estates	(£274,298)
<p>Responsible Officer: City Surveyor</p> <p>As described above in 9.1 due to a new method of calculating the bad debt provision, the loss allowance relating to the recovery of income from commercial properties has reduced by £138k. Across the council, the impact of this change is broadly cost neutral.</p> <p>Before accounting for this movement the service made an overall saving of £136,000; the following items were the main items within this figure:</p> <ul style="list-style-type: none"> • A dilapidations settlement of £42,000 was reached in the final quarter of the financial year • Following a review of bad debt provisions across the Council, a reduction of £35,000 was made in this service • The South Street Urban Design project was achieved at a saving of £23,000 against the original budget • Rents received in this unit were £26,000 more than budgeted • Empty property costs across the service were £16,000 less than the budget <p>A backdated NNDR charge of £43,400 for an empty property has been paid in the 2019/20 financial year; a supplementary budget will be requested to cover this.</p>	
Democratic Representation	(£66,427)
<p>Responsible Officer: Corporate Manager Democratic and Civic Support</p> <p>Members Allowances, including training, are £25,300 less than the budget due to some members undertaking more than one role whilst taking only one allowance.</p>	

<p>Member Services - one part time employee left the service and has not been replaced, reducing the pay spend by £15,700 against budget.</p> <p>Income has been generated by sharing Member Services officers with Teignbridge District Council; the arrangement generated income of £25,500 in the current year.</p>	
Grants/Central Support/Consultation	(£35,621)
<p>Responsible Officer: Programme Manager Communities</p> <p>Grant to Exeter St James Community Trust Ltd, of £50,000, has been covered by New Homes Bonus support.</p>	
Unapportionable Overheads	£200,253
<p>Responsible Officer: Chief Finance Officer</p> <p>Strain payments re Superannuation of £93,000 have been partially offset by a saving against expected additional superannuation payments of £33,000.</p> <p>The adverse movement from Q3 position reflects the transfer of £138,300 of unallocated central costs here at year-end.</p>	
Financial Services	(£50,807)
<p>Responsible Officer: Chief Finance Officer</p> <p>ECL SLA Income for support provided since November 2018 (£11,250), coupled with the Commission from Zurich re Block Insurance (£21,979) were not within the Q3 forecast, as neither had been confirmed at that time.</p>	
Corporate Support	(£67,942)
<p>Responsible Officer: Corporate Manager Democratic and Civic Support</p> <p>Postage costs have come in at £35,000 less than the budget.</p> <p>£22,000 rental income has been generated from leasing part of the Civic Centre to the Police.</p> <p>Staff cost savings of £9,000 arose as a result of an unfilled vacancy for part of the second half of the year.</p> <p>The cost of utilities and other premises costs in the Civic Centre exceeded the budget by £6,000 but this was more than offset by a Rates underspend of £9,000.</p>	
IT Services	(£33,319)
<p>Responsible Officer: Chief Finance Officer</p> <p>Benefit accrued from return of surplus anticipated from Strata contract.</p>	
Strategic Management	(£55,892)
<p>Responsible Officer: Chief Finance Officer</p>	

Saving against payroll costs £85,000 within Deputy Chief Executive Cost Centre offset by use of consultants on Strategy/Commercialisation projects, £163,500 was supported from the Transformation Earmarked Reserve.

Procurement	£156,901
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Responsible Officer: Chief Finance Officer

Delays in forming the Procurement Team have resulted in anticipated savings and recharges not being fully realised (£125,790), whilst use of consultants/contractors have more than consumed savings from pay budget by £31,000.

9.3.5 Other Financial Variations

Budget Heading	Actual Budget Variance (Under)/Overspend
Net interest	(315,890)
There has been a lower need to borrow than initially projected during the year, which has left more funds available to invest.	
Revenue Contribution to Capital	551,392
The funds set aside from New Homes Bonus to pay off debt have partially been used to pay for lower life assets and local infrastructure delivered in-year. This enables the Council to minimise ongoing borrowing costs.	
Minimum / Voluntary Revenue Provision	(689,197)
The Council has voluntarily set aside £0.423m to repay debt. The remainder of the proposed voluntary revenue provision has been used to fund the revenue contribution to capital set out above to ensure the best use of resources.	
Business Rates	(1,104,639)
Business Rates income was higher as a result of the 100% pilot. This generated a benefit of £950,000. Alongside this, the opening of new businesses provided additional rates income.	

9.3.6 Earmarked Reserves

Six new Earmarked reserves are being proposed for this financial year.

The six proposed reserves are :

- Land Charges – a statutory requirement to ensure that the Service breaks even and does not impact (positively or negatively) on the Council Tax - £254,465;
- Business Rates Pilot – setting aside the funds generated by the 100% pilot, to be spent on economic initiatives (note £600,000 already committed) - £902,173;
- Planning Income – the Council has been allowed to increase fees subject to the funds only being spent on Planning - £70,000;
- RAMM NDR Refund – the Council successfully appealed against the business rates valuation of the RAMM. This itself, however is subject to appeal and therefore it is prudent to set this aside in case we are required to repay - £1,018,075;

- GESP – The budget for GESP in 2018-19 was financed by a grant from MHCLG. This sets aside the funding that would otherwise have been used last year to deliver the next stage of the Garden City vision;
- Leisure Compensation Fund – to set aside Funds to pay the Leisure Operator for loss of business during capital works to Leisure Centres - £360,000.

During 2018/19 there has been an overall net transfer to Earmarked Reserves of £1,717,258. The details of all Earmarked Reserve movements are shown in Appendix C.

Movement	2018/19
Opening Balance, as at 01/04/18	£7,530,127
Net transfer	£1,717,258
Balance, as at 31/03/19	£9,247,185

9.3.7 General Fund Balance

During 2018/19 there has been an overall net contribution from the General Fund Balance of £297,380. The minimum requirement for the General Fund working balance was approved by Council in February 2019 at £3million.

Movement	2018/19
Opening Balance, as at 01/04/18	£4,692,404
Deficit	(£ 297,380)
Balance, as at 31/03/19	£4,395,024

9.3.8 Supplementary Budgets

There is a requirement for significant supplementary budgets in 2019/20 as the Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £2,344,257 identified in Appendix D are approved and added to the 2019/20 budget. Of the total above, £949,600 relates to the HRA and will be funded from the HRA working balance. The remaining £1,394,657 relate to the General Fund and will be financed from CIL (£80,000), Earmarked Reserves (£462,290) and the General Fund working balance (£852,367).

The impact on the projected General Fund working balance will be to reduce it to £3,542,657, which is above the minimum required for the Council.

9.4 COUNCIL TAX

- 9.4.1 As at 1 April 2018, arrears amounted to £4.112m, the movements during 2018/19 were as follows:

	£m	£m
Arrears at 1 April 2018		4.112
Add:		

2018/19 debits raised net of discounts	65.788	
Less:		
Payments received	(66.317)	
Refunds and change in pre-payments	0.883	
Write-offs	<u>(0.352)</u>	
Arrears at 31 March 2018		<u>£4.114</u>

9.4.2 Against the arrears of £4.114m, a bad and doubtful debt provision of £1.534m has been provided, calculated in accordance with the appropriate accounting guidelines.

9.4.3 The 'In-Year' collection rate has increased in comparison with the previous year. The collection rate for 2018/19 was 97.1% compared with 95.6% in 2017/18.

9.5 OUTSTANDING SUNDRY DEBT

9.5.1 An aged debt analysis of the Council's sundry debts is shown in the table below.

Age of Debt	March 2018	March 2019
Up to 29 days (current)	£1,639,749	£1,356,559
30 days – 1 Year	£1,238,393	£1,613,514
1 – 2 years	£787,163	£647,966
2 –3 years	£661,047	£617,436
3 – 4 years	£368,184	£511,466
4 – 5 years	£259,997	£275,815
5 + years	£415,760	£583,089
Total	£5,370,293	£5,605,845

9.6 DEBT WRITE-OFFS

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

	2017/18	2018/19
• Council Tax	£316,198	£351,917
• Business Rates	£216,909	£73,387
• Sundry Debt	£131,163	£52,786
• Housing Rents	£48,478	£65,824
• Non-HRA rent	N/A	£167,125
• HB Overpayments	N/A	£195,758

9.7 CREDITOR PAYMENTS PERFORMANCE

9.7.1 Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 94.47% for 2018/19 compared with 91.76% for 2017/18.

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

10.1 This is a statement of the financial position at the end of the 2018/19.

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

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

12. 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?

12.1 Not applicable

13. Are there any other options?

13.1 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

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**HOUSING REVENUE ACCOUNT
REVENUE OUTTURN**

APRIL 2018 TO MARCH 2019

Code	APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2018-19 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET	
						£	%
85A1 Management	1,270,275	1,213,275	1,099,400	(113,875)	(170,875)	(13)	
85A2 Housing Customers	1,393,120	1,370,120	1,306,547	(63,573)	(86,573)	(6)	
85A3 Sundry Lands Maintenance	561,710	480,710	454,440	(26,270)	(107,270)	(19)	
85A4 Repairs & Maintenance Programme	6,312,360	5,952,360	5,964,142	11,782	(348,218)	(6)	
85A5 Revenue Contribution to Capital	7,196,550	4,000,000	4,000,000	0	(3,196,550)	(44)	
85A6 Capital Charges	3,006,450	3,180,337	3,180,337	0	173,887	6	
85A7 Housing Assets	1,653,960	1,506,960	1,509,194	2,234	(144,766)	(9)	
85A8 Rents	(19,127,090)	(19,027,090)	(19,024,105)	2,985	102,985	(1)	
85B2 Interest	1,829,810	1,719,810	1,696,934	(22,876)	(132,876)	(7)	
85B4 Variance in Working Balance	(4,097,145)	(396,482)	(186,889)	209,593	3,910,256		
Net Expenditure	0	0	0	0	0		

Working Balance 1 April 2018 10,212,244 31 March 2019 10,025,355

COUNCIL OWN BUILD SITES

Code	APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2018-19 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET	
						£	%
H005 Management	32,670	31,930	31,983	53	(687)	(2.1)	
H006 Rowan House	(10,350)	(10,350)	(10,924)	(574)	(574)	5.5	
H007 Knights Place	(58,400)	(59,020)	(59,640)	(620)	(1,240)	2.1	
H008 Interest	6,070	6,070	6,335	265	265	4.4	
H009 Capital Charges	13,380	14,330	14,334	4	954	7.1	
Variance in Working Balance	16,630	17,040	17,912	872	1,282	7.7	
Net Expenditure	0	0	0	0	0		

Working Balance 1 April 2018 256,943 31 March 2018 274,855

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GENERAL FUND
2018/19 REVENUE ESTIMATES - SUMMARY
as at 31 March 2019

	Annual Budget	Supplementary Budgets	Revised Annual Budget	Year End Forecast	Variance to Budget
	£	£	£	£	£
SCRUTINY - PEOPLE	2,935,040	579,400	3,514,440	3,593,605	79,165
SCRUTINY - PLACE	9,366,030	1,115,220	10,481,250	7,537,561	(2,943,689)
SCRUTINY - CORPORATE	7,396,760	618,770	8,015,530	7,965,368	(50,162)
less Notional capital charges	(6,722,380)		(6,722,380)	(5,957,212)	765,168
<u>Service Committee Net Expenditure</u>	12,975,450	2,313,390	15,288,840	13,139,322	(2,149,518)
Net Interest	100,000		100,000	(215,890)	(315,890)
New Homes Bonus	(2,590,900)		(2,590,900)	(2,590,906)	(6)
Revenue Contribution to Capital	150,000		150,000	701,392	551,392
Minimum Revenue Provision	720,160		720,160	607,861	(112,299)
Voluntary Revenue Provision	1,000,000		1,000,000	423,102	(576,898)
<u>General Fund Expenditure</u>	12,354,710	2,313,390	14,668,100	12,064,881	(2,603,219)
Transfer To/(From) Working Balance	(82,320)	(1,923,390)	(2,005,710)	(297,380)	1,708,330
Transfer To/(From) Earmarked Reserves	(428,000)	(390,000)	(818,000)	1,717,058	2,535,058
<u>General Fund Net Expenditure</u>	11,844,390	0	11,844,390	13,484,559	1,640,169
Formula Grant	(4,841,660)		(4,841,660)	(4,904,006)	(62,346)
Business Rates Growth / Pooling Gain	(1,379,000)		(1,379,000)	(2,483,639)	(1,104,639)
CIL Income	0		0	(474,135)	(474,135)
Council Tax	(5,623,730)		(5,623,730)	(5,622,779)	951
	0	0	0	(0)	(0)

	Working Balance	March 2018	£	<u>4,692,404</u>		March 2019
			£	<u>4,395,024</u>		

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			Opening Balance	Money in	Money out	Closing Balance
44444	09401	PRINCESSHAY/MAJOR PROJECTS	(19,458.80)			(19,458.80)
44444	09403	PARTNERSHIP	(15,017.25)			(15,017.25)
44444	09413	CONSERVATION	(2,338.96)			(2,338.96)
44444	09416	VEHICLE LICENSING	(64,179.14)			(64,179.14)
44444	09417	S 57 GRANTS	(19,613.00)			(19,613.00)
44444	09419	SURE START	(20,000.00)			(20,000.00)
44444	09420	BUILDING CONTROL	(142,331.95)	(1,753.91)	69,637.31	(74,448.55)
44444	09422	LOCAL DEV FRAMEWORK	(36,642.41)			(36,642.41)
44444	09427	MALLINSON	(134,075.59)		17,403.60	(116,671.99)
44444	09428	OLD MILL	(5,498.86)			(5,498.86)
44444	09434	SHIP	(7,438.00)			(7,438.00)
44444	09437	HOUSING ASSESSMENT	(1,244.51)			(1,244.51)
44444	09444	Climate Change	(6,709.04)			(6,709.04)
44444	09448	DEVON HOME CHOICE	(90,473.95)	(11,032.35)		(101,506.30)
44444	09451	TRANSFORMATION	(1,500,000.00)		228,927.11	(1,271,072.89)
44444	09455	Habitat Assessment	(30,532.73)			(30,532.73)
44444	09456	Green Travel	(5,877.59)	(13,145.67)		(19,023.26)
44444	09457	AFU Archiving	(21,030.79)		6,025.00	(15,005.79)
44444	09458	Countryside Grants	(14,500.43)			(14,500.43)
44444	09460	Redundancy reserve	(200,000.00)	(250,000.00)	161,361.91	(288,638.09)
44444	09463	EBAC	(5,306.32)			(5,306.32)
44444	09464	Museum of the Year	(79,000.00)		10,563.50	(68,436.50)
44444	09465	RAMM Legal Costs	(336,868.22)		49,065.28	(287,802.94)
44444	09467	Natura 2000	(22,397.98)	(93,712.00)		(116,109.98)
44444	09468	Neighbourhood Plans	(36,552.69)			(36,552.69)
44444	09472	NHB - Ward Projects	(27,664.00)	(39,000.00)	30,931.85	(35,732.15)
44444	09473	NHB - Local Community Infra	(166,986.62)		93,410.00	(73,576.62)
44444	09474	NHB - MI & Unallocated	0.00	(226,906.00)	160,000.00	(66,906.00)
44444	09475	NHB - Active Exeter	(484,231.32)	(150,000.00)	353,708.18	(280,523.14)
44444	09480	NNDR Deficit	(1,650,896.00)		1,090,165.00	(560,731.00)
44444	09485	Capital Fund	(789,938.08)			(789,938.08)
44444	09486	LOCAL WELFARE SUPPORT (T006)	(73,326.91)		37,339.95	(35,986.96)
44444	09487	PINHOE COMMUNITY HUB	(90,000.00)		13,680.00	(76,320.00)
44444	09488	EVENTS BUDGETS	(100,000.00)		100,000.00	0.00
44444	09489	RIVERSIDE DILAPIDATIONS	(274,996.00)	(4,014.00)		(279,010.00)
44444	09490	2018-19 BUDGET	(400,000.00)			(400,000.00)
44444	09491	IFRS 9	(250,000.00)			(250,000.00)
44444	09492	NHB - LOCAL COMMUNITY GRANTS	(300,000.00)	(150,000.00)	50,000.00	(400,000.00)
44444	09493	DEVCO	(105,000.00)		105,000.00	0.00
44444	09494	Land Charges	0.00	(254,464.93)		(254,464.93)
44444	09495	Business Rates Pilot (to be set up)	0.00	(953,985.00)	51,812.50	(902,172.50)
44444	09496	Planning Income (to be set up)	0.00	(70,000.00)		(70,000.00)
44444	09497	RAMM - NNDR refund	0.00	(1,018,075.00)		(1,018,075.00)
44444	09498	GESP	0.00	(750,000.00)		(750,000.00)
44444	09499	Leisure Compensation Fund	0.00	(360,000.00)		(360,000.00)
			(7,530,127.14)	(4,346,088.86)	2,629,031.19	(9,247,184.81)

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		£	
Corporate			
Corporate Property	Bus Station wider option appraisal	265,400	Earmarked Reserve
Corporate Property	Corporate Asset Challenge	60,000	Earmarked Reserve
Corporate Property	BMS System Upgrade	15,000	General Fund Balance
Corporate Property	Empty Property backdated NNDR charge	43,400	General Fund Balance
		383,800	
Place			
Leisure	Clifton Hill Demolition	112,000	General Fund Balance
	Sport England expenditure budget	133,792	Self-financing
	Sport England Grant	(133,792)	Self-financing
Planning	Grassroots Grants	80,000	CIL
River & Canal	Craning pads not installed in 19/20 - needs to be done in the summer	55,000	General Fund Balance
Countryside	Devon Wildlife Trust - transfer payment Vally Parks	425,000	General Fund Balance
	Economy	32,535	General Fund Balance
	Leisure Complex PR	34,102	Earmarked Reserve
	Markets & Halls Apprentice funding	14,232	General Fund Balance
	New Venue Viability	72,788	Earmarked Reserve
	Sport England match Funding	30,000	General Fund Balance
	Additional funding for new pay grades	55,000	General Fund Balance
	Funding for two posts arising from approved restructure	70,200	General Fund Balance
	Funding to host Tour of Britain stage	30,000	Earmarked Reserve
		1,010,857	
People			
	Rapid Rehousing Pathway Fund - Grant from MHCLG (£35,950 received to date)	348,450	Self-financing
	Private Rented Access Fund - Grant from MHCLG (£21,600 received to date)	120,800	Self-financing
	Rough Sleeping Grant	138,700	Self-financing
	Homeless Prevention Trailblazers	49,000	Self-financing
	MHCLG Homelessness Grants	(656,950)	Self-financing
		0	
General Fund Total		1,394,657	
	Training	10,000	HRA Working Balance
	Mobile devices and other IT associated with roll out of agile working	20,000	HRA Working Balance
	Remote offices set up costs - connected with agile working	25,000	HRA Working Balance
	Design, printing & postage - re consultation on new tenancy agreements and tenants handbook	20,000	HRA Working Balance
	Office alterations	11,200	HRA Working Balance
	Balance remaining in respect of the STAR survey	4,900	HRA Working Balance
	St Thomas Space Project - mobile resource (youth bus)	8,500	HRA Working Balance
	Asbestos removal in respect of communal areas	50,000	HRA Working Balance
	Low maintenance and painting - 2018/19 contract	400,000	HRA Working Balance
	Decant & site clearance costs in respect of disposals to Exeter City Living (Vaughan Road)	400,000	HRA Working Balance
HRA Total		949,600	
Overall Total		2,344,257	
		General Fund Balance	852,367
		Earmarked Reserve	462,290
		CIL	80,000

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Report To CORPORATE SERVICES SCRUTINY COMMITTEE,
EXECUTIVE AND COUNCIL

Date of Meeting: Corporate Services Scrutiny Committee – 27 June 2019
Executive – 9 July 2019
Council – 23 July 2019

Report of: Chief Finance Officer
Title: Capital Monitoring 2018/19 and Revised Capital Programme for 2019/20 and Future Years

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise members of the overall financial performance of the Council for the 2018/19 financial year in respect of the annual capital programme.

To seek approval of the 2019/20 revised capital programme, including commitments carried forward from 2018/19.

2. Recommendations:

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

- (i) The overall financial position for the 2018/19 annual capital programme.
- (ii) The amendments and further funding requests to the Council's annual capital programme for 2019/20.

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 equality and diversity impacts of this decision?

There are no significant equality and diversity impacts associated with this decision.

5. What are the resource implications including non financial resources:

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

6. Section 151 Officer comments:

The borrowing requirement on the General Fund is again lower than the amount that has been set aside to repay debt. Therefore the statutory debt repayment for 2019-20 will be lower than estimated. The major schemes that have been delayed are now all on site and progressing. This should ensure the variance in the capital programme is lower in the next financial year.

7. What are the legal aspects?

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

8. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer

9. Report Details:

CAPITAL MONITORING 2018/19 AND REVISED CAPITAL PROGRAMME FOR 2019/20 AND FUTURE YEARS

9.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2018/19 Capital Programme was last reported to Corporate Services Scrutiny Committee on 21 March 2019. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 21 March 2019	31,521,200	
Budget Deferred to 2019/20 & Beyond at Quarter 3	(10,406,750)	Approved by Council 16 April 2019
Overspends/(Underspends) reported at Quarter 3	(1,750)	
Agile & Flexible Working for Environmental Health	74,900	Approved by Council 16 April 2019
MRF Fire Alarms	15,000	Approved by Council 16 October 2018
Revised Capital Programme	21,202,600	

9.2 PERFORMANCE

Capital expenditure in the year amounted to £17,033,202. The actual expenditure during 2018/19 represents 80.3% of the revised Capital Programme, it is proposed to carry forward a total of £5.435 million budget into future years, whereas £1.642 million budget has been brought forward from future years and spent in 2018/19 (giving a net budget carry forward of £3.793 million), as indicated in Appendix 1.

Appendix 2 shows the overall position for those schemes which span more than one financial year

9.3 CAPITAL FINANCING

The capital expenditure in 2018/19 of £17,033,202 was financed as follows:

	General Fund	HRA	Total
Housing Revenue Account (Revenue)		4,000,000	4,000,000
HRA Major Repairs Reserve		94,105	94,105
Capital Grants & Contributions	1,006,521	1,578,524	2,585,045
Capital Receipts	1,062,206	524,629	1,586,835
Community Infrastructure Levy	3,868,283		3,868,283
Revenue (New Homes Bonus etc.)	701,392		701,392
Borrowing	4,197,542		4,197,542
TOTAL	10,835,944	6,197,258	17,033,202

The available capital resources for the General Fund for 2018/19 are £12.013 million. Total General Fund capital expenditure is £10.836 million of which £4.198 million will be funded from borrowing, allowing £5.375 million of capital receipts to be carried forward. The available capital resources for the HRA for 2018/19 are £31.004 million. Total HRA capital expenditure is £6.197 million leaving £24.807 million to be carried forward into 2019/20.

Appendix 3 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 four years.

The value of actual capital receipts received in 2018/19 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	129,998	3,372,090
Amount used to finance capital expenditure in 2018/19	(1,062,206)	(524,629)
Balance as at 31 March 2019	5,374,625	10,552,210

9.4 EXPENDITURE VARIANCES

The main variances and issues concerning expenditure that have arisen since 31 December are as follows:

Scheme	Overspend / (Underspend) £	Reason
Vehicle Replacement Programme	(366,179)	The programme has been on hold during the 2018/19 financial year pending the results of a Procurement review.
Capitalised Staff Costs	(100,000)	No directly attributable staff costs were incurred this year.
Central Heating & Boiler Replacement Programme	116,548	System failures rose sharply in the last three months and parts for certain boilers have become obsolete. In particular, Saunier Duval and Glow-worm boilers are failing earlier than previously anticipated. The life expectancy of boilers will be reviewed as part of the next budget setting cycle so that budgets can be realigned with patterns of demand. The reported overspend equates to an additional 92 boiler replacements during 2018/19 with a large number of these boilers in 3 and 4 storey buildings necessitating the need for scaffolding.
COB Wave 2 – Rennes House Car Park	26,682	A saving is reported following payment of the final account. The cost of the additional fire prevention works, as identified by the final building control inspection, were lower than expected including a saving in the cost of smoke vents and associated works. Along with savings in the main contract.

9.5 SCHEMES TO BE DEFERRED TO 2018/19 AND BEYOND

Schemes which have been identified since 31 December as being wholly or partly deferred to 2018/19 and beyond are:

Scheme	Revised 18/19 Budget £	Budget to be Deferred £	Reason
Disabled Facility Grants	401,180	86,942	A variety of awareness activities have taken place, including articles in the Citizen to increase accessibility to these grants. Work has also been undertaken to reduce end to end time with respect to stair lift applications and to remove barriers to people having such adaptations made. A communications plan has been drafted to increase awareness further and it is anticipated that grant take up will be higher in 2019/20.
Temporary Accommodation Purchase	108,670	89,203	Final refurbishment works will take place in 2019/20.
Mechanisation of Street Scene	150,000	136,325	Items of specialist equipment are on order. They have reasonably long lead-in times. The expected delivery date is June 2019.
Repairs to Salmonpool Bridge	45,000	45,000	The contractor has been appointed and awaiting completion of Environment Agency work in this area before undertaking repairs to bridge.
Air Quality Monitoring Equipment	89,560	35,628	Three of the four analysers are working correctly (including the two which are part of DEFRA's national air quality network). However the fourth has just been returned by the manufacturer following repair and is awaiting installation and testing by the contractor.
Outdoor Leisure Facilities	385,710	86,674	Works at Pinhoe, Station Road will commence after the consultation process has been completed.
Sports Facilities Refurbishment	146,460	39,859	Ongoing budget to fund leisure contract obligations.
Belmont Park Enhanced Facilities	50,000	50,000	Work will be undertaken in 2019/20.
Pyramids Essential Works	950,000	138,328	Majority of works complete, the remaining works are on-going.

Leisure Centre Essential Enhancements	2,000,000	1,875,118	Works from the approved scheme continue to be delivered.
Leisure Centre Additional Enhancements	880,000	231,857	
Livestock Market Drainage & Toilets	200,000	195,380	Tenders have been prepared but are awaiting procurement action.
Riverside Leisure Centre	0	(279,389)	Works have commenced ahead of the 2019/20 financial year.
Leisure Complex	2,516,760	(1,158,223)	Work on site started in January, the budgets have been re-profiled in-line with anticipated expenditure.
Bus Station Construction	460,710	164,360	
Belle Isle Temporary Facilities	168,330	40,184	Final works to complete the road resurfacing were undertaken in April 2019.
Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	65,000	38,003	The replacement equipment was partially installed in March and completed in April.
Customer Contact Platform	155,490	164,935	Work will continue on these Strata led schemes in 2019/20.
Idox System for Planning	104,300	100,500	
Convergence Projects	294,660	271,651	
LAINGS Refurbishment	305,930	216,732	The main contractor has been on site since February, removing asbestos and stripping out the ten empty properties ready for the demolition to commence. Drainage investigations are underway for the seven occupied properties that will form phase 2 of the project. The overall project is scheduled for completion in June 2020 and the budget has been re-profiled accordingly.
Structural Repairs	44,280	(60,694)	Additional structure repairs were undertaken in 2018/19 in respect of drainage repairs, whilst monitoring for structural movements continue. Enabling works resulting from fire damage were also undertaken, ahead of planned significant structural repairs to three fire affected properties in 2019/20

Extra Care Scheme	1,500,000	625,187	The piled foundation work has been completed on site and the main contractor has now moved onto the substructures work, which will be completed in August 2019, before moving onto the installation of the concrete frame. The scheme is scheduled for completion in September 2020 and the budget has been re-profiled accordingly.
Estate Regeneration	756,260	391,457	In March 2017 the Council received £1.295m Estate Regeneration funding, in order to progress four HRA sites to the pre-construction stage. The funding for two of the HRA sites has been spent and delivered the required outcomes, however the timetables for Vaughan Road and Clifford Close will run into 2019/20.

9.6 CAPITAL PROGRAMME 2018/19 (Appendix 4)

The revised Capital Programme for 2019/20, after taking into account the carried forward requirements from 2018/19 now totals £68,533,310.

9.7 FURTHER FUNIDNG REQUESTS

Energy Saving Projects (request for additional £150,000 budget)

The existing Energy Saving Projects budget of £2,002,380 will be required to provide match funding for a European Regional Development Fund grant to support a large solar and battery storage project. It is proposed to add a further £150,000 to support two new energy saving schemes:

- Oil boiler replacement at the Corn Exchange
- LED lighting at John Lewis/Leighton Terrace Car Park.

These two additional projects will be financed by Salix Finance Ltd.

Salix Finance Ltd provides interest-free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills. Salix is funded by the Department for Business, Energy and Industrial Strategy, the Department for Education, the Welsh Government and the Scottish Government and was established in 2004 as an independent, publicly funded company, dedicated to providing the public sector with loans for energy efficiency projects.

Agile & Flexible Working for Environmental Health (request for additional £50,000 budget)

The Agile and Flexible Working Project in Environmental Health and Licensing forms part of the Council's overall EX1 Internal Transformational Change Programme. This approach looks to review service delivery by starting with the customer and then redesigning systems around their needs. The £50,000 will be used to provide seating for 72 staff, 56 at desks and 16 touch down positions.

It is proposed that this £50,000 is financed via a Revenue Contribution to Capital Outlay funded by money already set aside in the Transformation Fund.

Oracle Weblogic (£11,000)

In order for Exeter City Council to meet PSN (Public Services Network) requirements it is necessary to upgrade our existing version of Oracle Weblogic which is now out of date. This will allow ECC to install future maintenance packs and Critical Patch Updates which are released by Oracle.

10. 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.

11. 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.

12. 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?

The impact of each scheme is considered prior to approval. Any significant deviation from this will be noted within the body of this report.

13. What other options are there, and why have they been dismissed?

There are no options.

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
(01392) 265115

2018/19 CAPITAL MONITORING TO 31 MARCH 2019

Responsible Officer	Scheme	2018/19 Capital Programme	2018/19 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					
Environmental Health & Licensing Manager	Disabled Facility Grants	401,180	314,238	86,942	
Environmental Health & Licensing Manager	Warm Up Exeter/PLEA Scheme	92,380	79,431	12,949	
Environmental Health & Licensing Manager	Wessex Loan Scheme	79,030	57,158	21,872	
System Lead, Housing Needs	Temporary Accommodation Purchase	108,670	19,467	89,203	
PEOPLE TOTAL		681,260	470,294	210,966	0
PLACE					
WELL RUN COUNCIL					
Fleet Manager/SMB	Vehicle Replacement Programme	442,500	76,321	0	(366,179)
Service Manager, Community Safety & Enforcement	Car Park Resurfacing, Lining & Boundary Improvements	0	0	(10,000)	(10,000)
Interim Public & Green Space Manager	Mechanisation of Street Scene	150,000	13,675	136,325	
Cleansing & Fleet Manager	Waste Infrastructure	16,700	0	16,700	
Environmental Health & Licensing Manager	Agile & Flexible Working for Environmental Health	74,900	0	74,900	
Cleansing & Fleet Manager	MRF CCTV & Alarm	15,000	0	15,000	
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD					
Commercial Operations Manager, Public Realm	Repair Canal Bank at M5	3,100	2,200	900	
Principal Project Manager (Place Making)	Queen's Crescent CPO	18,000	18,000	0	
Commercial Operations Manager, Public Realm	Kings Arms Bridge	84,630	99,485	(14,855)	
Interim Public & Green Space Manager	Exwick Cemetery Ashes Section	30,400	30,404	0	4
Service Manager, Community Safety & Enforcement	Replacement of Mallison Bridge (Exeter Quay)	20,000	17,404	2,596	
Interim Public & Green Space Manager	Parks Infrastructure	64,190	88,188	(23,998)	
Interim Public & Green Space Manager	Cemeteries & Churchyards Infrastructure Improvements	0	26,087	(26,087)	
Service Manager, Community Safety & Enforcement	Repairs to Turf Lock Pier Head	0	1,500	(1,500)	
Service Manager, Community Safety & Enforcement	Repairs to Salmonpool Bridge	45,000	0	45,000	
Service Manager, Community Safety & Enforcement	Bank Repairs & Stabilisation to Watercourses	27,990	27,992	0	2
City Surveyor	Matford Centre Fire Alarm Replacement	50,000	40,125	9,875	
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY					
Commercial Operations Manager, Public Realm	Car Park Surfacing - Haven Road	12,350	1,511	10,839	
Commercial Operations Manager, Public Realm	City Wide Property Level Protection	64,400	47,742	16,658	
Environmental Health & Licensing Manager	Air Quality Monitoring Equipment	89,560	53,932	35,628	
Commercial Operations Manager, Public Realm	Topsham Lock	230,000	228,483	0	(1,517)
Commercial Operations Manager, Public Realm	St James Weir	95,000	107,590	0	12,590
PROVIDE GREAT THINGS FOR ME TO SEE & DO					
Commercial Operations Manager, Public Realm	Outdoor Leisure Facilities	385,710	299,036	86,674	
Director	Replace Arena Athletics Track	0	2,250	0	2,250
City Surveyor	Sports Facilities Refurbishment	146,430	106,571	39,859	
City Surveyor	Passenger Lift at RAMM	0	2,100	(2,100)	
City Surveyor	St Nicholas Priory	39,920	19,756	20,164	

Responsible Officer	Scheme	2018/19 Capital Programme	2018/19 Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
		£	£	£	£
RAMM, Operational Services Lead	RAMM World Culture Galleries	160,440	141,209	19,231	
Interim Public & Green Space Manager	Cowick Barton Tennis Courts	33,430	33,434	0	4
Director	Newtown Community Association - Belmont Park Community Building	200,000	200,007	0	7
Director	Belmont Park Enhanced Facilities	50,000	0	50,000	
Principal Project Manager (Strategic Infrastructure Planning)	Land at Ludwell Valley Park Gardens	66,640	66,640	0	
MAINTAIN THE ASSETS OF OUR CITY					
City Surveyor	RAMM Roof Access Improvement	2,360	11,045	(8,685)	
City Surveyor	Pyramids Essential Works	950,000	811,672	138,328	
City Surveyor	Leisure Centre Essential Enhancements	2,000,000	124,882	1,875,118	
City Surveyor	Leisure Centre Additional Enhancements	880,000	648,143	231,857	
City Surveyor	Livestock Market Drainage & Toilets	200,000	4,620	195,380	
City Surveyor	Riverside Leisure Centre	0	279,389	(279,389)	
DELIVER GOOD DEVELOPMENT					
Chief Executive & Growth Director	Leisure Complex - Build Project	2,516,760	3,674,983	(1,158,223)	
Chief Executive & Growth Director	Bus Station Construction	460,710	296,350	164,360	
Director	Pinhoe Community Hub	0	13,680	(13,680)	
Director	Newtown Community Centre (S106)	75,090	75,090	0	
Director	Newtown Community Centre (1st Grant)	50,000	50,000	0	
Director	Newtown Community Centre (2nd Grant)	43,410	43,410	0	
PLACE TOTAL		9,794,620	7,784,904	1,646,877	(362,839)
CORPORATE SERVICES					
WELL RUN COUNCIL					
SMB	Invest to Save Opportunities	0	50	0	50
City Surveyor	Guildhall Fire Alarms	50,000	38,993	11,007	
City Surveyor	Energy Saving Projects	9,490	9,491	0	1
Interim Public & Green Space Manager	Belle Isle Temporary Facilities	168,330	128,146	40,184	
Director	Council Signage Improvement	40,000	40,000	0	
Corporate Manager, Democratic & Civic Support	Electoral Registration - Mobile Canvassing	14,500	14,500	0	
Corporate Manager, Democratic & Civic Support	Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	65,000	26,998	38,003	
SMB	Customer Contact Platform	155,490	(9,445)	164,935	
SMB	Annual Contribution to Strata	53,900	53,904	0	4
SMB	Idox System for Planning	104,300	3,800	100,500	
SMB	HR System	39,940	19,390	20,550	
SMB	Convergence Projects	294,660	23,009	271,651	
SMB	ECC Cabinet & Network Replacement	0	31,911	(31,911)	
SMB	Loan to Exeter City Living	2,200,000	2,200,000	0	
SMB	Capitalised Staff Costs	100,000	0	0	(100,000)
CORPORATE SERVICES TOTAL		3,295,610	2,580,746	614,919	(99,945)

Responsible Officer	Scheme	2018/19 Capital Programme	2018/19 Spend	2018/19 Budget to be Carried Forward to 2019/20 and Beyond	2018/19 Programme Variances (Under)/Over
		£	£	£	£
HRA					
INVESTMENT IN EXISTING STOCK					
Reactive Repairs Lead	Adaptations	370,970	367,562	3,408	
Housing Lead - Tenancy Services	Estate Improvements	60,700	46,408	14,292	
Planned Works Lead	Programmed Re-roofing	0	57,899	(57,899)	
Planned Works Lead	Energy Conservation	0		0	
Planned Works Lead	Garage Upgrades	0		0	
Planned Works Lead	LAINGS Refurbishments	305,930	89,198	216,732	
Reactive Repairs Lead	Kitchen Replacement Programme	659,950	640,639	19,311	
Planned Works Lead	Balcony Walkway Improvements	22,000	21,043		(958)
Planned Works Lead	Bathroom Replacement Programme	463,760	455,201	8,559	
Planned Works Lead	Door Replacements (including Outbuildings)	122,000	83,558	38,442	
Health, Safety & Compliance Lead	Fire Precautionary Works to Flats	28,530	25,581		(2,949)
Planned Works Lead	Communal Area Improvements	97,890	77,571	20,319	
Planned Works Lead	Structural Repairs	44,280	104,974	(60,694)	
Planned Works Lead	Rennes House Structural Works	145,000	181,300	(36,300)	
Health, Safety & Compliance Lead	Common Area Footpaths/Wall Improvements	159,370	126,953	32,417	
Planned Works Lead	Soil Vent Pipe Replacement	0	10,535	(10,535)	
Planned Works Lead	Electrical Central Heating	36,940	32,700	4,240	
Planned Works Lead	Smoke/Fire Alarms - Older Persons	0	0	0	
Health, Safety & Compliance Lead	Fire Safety Storage Facilities	50,000	56,215	(6,215)	
Health, Safety & Compliance Lead	Electrical Re-wiring	550,250	491,861	58,389	
Health, Safety & Compliance Lead	Central Heating and Boiler Replacement Programme	560,000	676,548		116,548
Planned Works Lead	Communal Doors and Screens	100,000	50,285	49,715	
Health, Safety & Compliance Lead	Fire Risk Assessment Works	70,000	36,243	33,757	
Planned Works Lead	Loft & Cavity Insulation	5,000	0		(5,000)
Planned Works Lead	Whipton Barton House Water Mains	0	0	0	
Planned Works Lead	Re-roofing Works Shillhay	164,800	171,932		7,132
Planned Works Lead	Window Replacements	161,300	199,294	(37,994)	
Housing Lead - Tenancy Services	Replacement Housing Management System	121,220	107,909	13,311	
Planned Works Lead	Porch Canopies	0	0	0	
Planned Works Lead	ZEBCat Project	5,000	3,918	1,082	
PROVISION OF NEW COUNCIL HOMES					
Service Lead Housing Assets	Social Housing Acquisitions - Open Market	524,600	524,629	0	29
Service Lead Housing Assets	Social Housing Acquisitions - Section 106	490	464	0	(26)
Service Lead Housing Assets	COB Wave 2 - Rennes Car Park	344,870	318,183		(26,687)
Service Lead Housing Assets	Newport Road	0	(960)	0	(960)
Service Lead Housing Assets	St Loyes Extracare Scheme	1,500,000	874,813	625,187	
Service Lead Housing Assets	Estate Regeneration - Heavitree (COB Wave III)	89,570	89,574	0	4
Service Lead Housing Assets	Estate Regeneration - Heavitree (Clifford Close)	141,950	15,471	126,479	
Service Lead Housing Assets	Estate Regeneration - Heavitree (Vaughan Road)	321,320	73,056	248,265	
Service Lead Housing Assets	Estate Regeneration - Heavitree (South Street)	203,420	186,701	16,719	
HRA TOTAL		7,431,110	6,197,258	1,320,985	87,133
TOTAL CAPITAL BUDGET		21,202,600	17,033,202	3,793,747	(375,651)

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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	495,751	0
PEOPLE TOTAL	584,950	495,751	0
PLACE			
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD			
Repair Canal Bank at M5	64,520	37,631	0
Kings Arms Bridge	410,000	109,855	0
Exwick Cemetery Ashes Section	57,980	57,984	4
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY			
Air Quality Monitoring Equipment	90,000	54,368	0
PROVIDE GREAT THINGS FOR ME TO SEE & DO			
Passenger Lift at RAMM	75,000	3,220	0
St Nicholas Priory	115,000	94,832	0
RAMM World Culture Galleries	368,740	349,509	0
MAINTAIN THE ASSETS OF OUR CITY			
RAMM Roof Access Improvement	68,500	21,022	0
DELIVER GOOD DEVELOPMENT			
Leisure Complex - Build Project	42,000,000	7,196,970	0
Bus Station Construction	8,021,100	1,594,619	0
Pinhoe Community Hub	100,000	23,680	0
Newtown Community Centre (S106)	85,430	85,433	0
Newtown Community Centre (1st Grant)	70,000	70,000	0
Newtown Community Centre (2nd Grant)	50,000	49,988	0
Beacon Heath Martial Arts & Boxing Club - New Roof	21,810	7,158	0
PLACE TOTAL	51,598,080	9,756,268	4
CORPORATE SERVICES			
WELL RUN COUNCIL			
Belle Isle Temporary Facilities	255,000	214,818	0
CORPORATE SERVICES TOTAL	255,000	214,818	0
HRA			
PROVISION OF NEW COUNCIL HOMES			
COB Wave 2 - Rennes Car Park	4,048,740	4,022,048	(26,687)
St Loyes Extracare Scheme	14,000,000	1,885,381	0
Estate Regeneration - Heavitree (COB Wave III)	460,900	488,868	4
Estate Regeneration - Heavitree (Clifford Close)	141,950	15,471	0
Estate Regeneration - Heavitree (Vaughan Road)	321,320	73,056	0
Estate Regeneration - Heavitree (South Street)	370,830	326,150	0
HRA TOTAL	19,343,740	6,810,974	(26,683)
TOTAL CAPITAL BUDGET	71,781,770	17,277,811	(26,679)

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GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2018-19 £	2019-20 £	2020-21 £	2021-22 £	2022-23 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Capital Receipts Brought Forward	6,306,833					6,306,833
GF Capital Receipts	129,998	50,000	0	0	0	179,998
Revenue Contributions to Capital Outlay	494,302	1,116,672	837,900	697,900	553,900	3,700,674
Disabled Facility Grant	393,669	999,892	500,000	500,000	500,000	2,893,561
New Homes Bonus	207,090	90,967	0	0	0	298,057
Community Infrastructure Levy	3,868,283	2,957,205	0	0	0	6,825,488
Other - Grants/External Funding/Reserves/S106	612,852	618,955	617,431	0	0	1,849,238
Total Resources Available	12,013,027	5,833,691	1,955,331	1,197,900	1,053,900	22,053,849
GENERAL FUND CAPITAL PROGRAMME						
Capital Programme	13,771,490	39,603,510	22,594,520	1,231,900	1,053,900	78,255,320
Overspends/(Savings)	(462,784)					(462,784)
Slippage	(2,472,762)	2,011,801	460,961			(0)
Total General Fund	10,835,944	41,615,311	23,055,481	1,231,900	1,053,900	77,792,536

UNCOMMITTED CAPITAL RESOURCES:						
Capital Receipts Brought Forward	6,306,833	5,374,625	5,042,805	5,042,805	5,042,805	6,306,833
Resources in Year	5,706,194	5,833,691	1,955,331	1,197,900	1,053,900	15,747,016
Less Capital Receipts to carry forward	(5,374,625)	(5,042,805)	(5,042,805)	(5,042,805)	(5,042,805)	(5,042,805)
Less Spend in Year	(10,835,944)	(41,615,311)	(23,055,481)	(1,231,900)	(1,053,900)	(77,792,536)
Borrowing Requirement	4,197,542	35,449,800	21,100,150	34,000	0	60,781,492

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2018-19 £	2019-20 £	2020-21 £	2021-22 £	2022-23 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						7,704,749
Major Repairs Reserve Brought Forward						11,169,004
Other HRA Sales	830,000	1,224,500	0	0	0	2,054,500
RTB sales	2,542,089	650,000	500,000	500,000	400,000	4,592,089
Surrender back to DCLG - pending investment in replacement affordable housing	0	(2,033,542)	0	0	0	(2,033,542)
Major Repairs Reserve	3,180,337	3,224,210	3,224,210	3,224,210	3,224,210	16,077,177
Revenue Contributions to Capital	4,000,000	5,696,550	3,100,000	4,500,000	3,400,000	20,696,550
External contributions	20,726	592,424	0	0	0	613,150
Grant funding - Estate Regeneration Funding	364,801	391,456	0	0	0	756,257
Grant funding - Zero Energy Buildings Project	0	216,000	0	0	0	216,000
Commutated sums	1,192,996	3,784,244	1,736,617	0	0	6,713,857
Total Resources available	12,130,949	13,745,842	8,560,827	8,224,210	7,024,210	68,559,791
CAPITAL PROGRAMME						
HRA Capital Programme	7,431,096	25,022,556	15,319,050	10,470,156	8,920,408	67,163,266
Reported slippage - Quarter 3	(1,320,976)	1,895,434	(574,458)	0	0	0
Reported (under)overspends - Quarter 3	87,137					87,137
Total Housing Revenue Account	6,197,257	26,917,990	14,744,592	10,470,156	8,920,408	67,250,403
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	7,704,749	10,552,213	5,105,536	2,818,168	2,418,168	7,704,749
Major Repairs Reserve Brought Forward	11,169,004	14,255,232	6,529,761	2,633,364	787,418	11,169,004
Resources in Year	12,130,949	13,745,842	8,560,827	8,224,210	7,024,210	49,686,038
Less Estimated Spend	(6,197,257)	(26,917,990)	(14,744,592)	(10,470,156)	(8,920,408)	(67,250,403)
Uncommitted Capital Resources	24,807,445	11,635,297	5,451,532	3,205,586	1,309,388	1,309,388
WORKING BALANCE RESOURCES:						
Balance Brought Forward	10,212,244	10,025,355	5,468,590	5,245,876	4,012,847	10,212,244
HRA Balance Transfer - Surplus/(Deficit)	(186,889)	(386,815)	(222,714)	(1,233,029)	25,674	(2,003,773)
Revenue Contributions to Capital - slippage		(3,196,550)				(3,196,550)
Supplementary budgets to be requested		(973,400)				(973,400)
Balance Carried Forward	10,025,355	5,468,590	5,245,876	4,012,847	4,038,521	4,038,521
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	6,025,355	1,468,590	1,245,876	12,847	38,521	38,521
TOTAL AVAILABLE CAPITAL RESOURCES	30,832,800	13,103,887	6,697,408	3,218,433	1,347,909	1,347,909

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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 3 £	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 4 £	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	500,000	400,000	86,942	0	986,942	500,000
Warm Up Exeter/PLEA Scheme	0	0	12,949	0	12,949	0
Wessex Loan Scheme	0	0	21,872	0	21,872	0
Wessex Loan Scheme	0	194,000	0	0	194,000	0
Temporary Accommodation Purchase	0	0	89,203	0	89,203	0
PEOPLE TOTAL	500,000	594,000	210,966	0	1,304,966	500,000
PLACE						
WELL RUN COUNCIL						
Vehicle Replacement Programme	400,000	0	0	0	400,000	400,000
Car Park Resurfacing, Lining & Boundary Improvements	200,000	0	(10,000)	0	190,000	0
Mechanisation of Street Scene	0	0	136,325	0	136,325	0
Waste Infrastructure	163,000	0	16,700	0	179,700	144,000
Agile Working in Environmental Health	0	0	74,900	0	74,900	0
MRF CCTV & Alarm	0	0	15,000	0	15,000	0
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD						
Repair Canal Bank at M5	25,990	0	900	0	26,890	0
Kings Arms Bridge	15,000	300,000	(14,855)	0	300,145	0
Bowling Green Marshes Coastal Defence Scheme	28,900	0	0	0	28,900	0
Exeter Flood Alleviation Scheme	200,000	0	0	0	200,000	0
Replacement of Mallison Bridge (Exeter Quay)	300,000	30,000	2,596	0	332,596	0
Parks Infrastructure	250,000	85,810	(23,998)	0	311,812	100,000
Cemeteries & Churchyards Infrastructure Improvements	80,000	60,000	(26,087)	0	113,913	20,000
Purchase of Harbour Patrol Vessel for Exe Estuary	50,000	0	0	0	50,000	0
Improved Car Park Security Measures at King William Street & Arena Park	0	45,000	0	0	45,000	0
Repairs to Turf Lock Pier Head	100,000	(25,000)	(1,500)	0	73,500	0
Repairs to Salmonpool Bridge	0	0	45,000	0	45,000	0
Repair to Walls at Farm Hill	60,000	30,000	0	0	90,000	0
Bank Repairs & Stabilisation to Watercourses	20,000	(4,990)	0	0	15,010	20,000
Matford Centre Fire Alarm Replacement	0	0	9,875	0	9,875	0
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY						
Car Park Surfacing - Haven Road	0	0	10,839	0	10,839	0
Replace Lifts at Mary Arches MSCP	0	240,000	0	0	240,000	0
City Wide Property Level Protection	30,000	0	16,658	0	46,658	0

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 3 £	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 4 £	Budget Reprofiled to Future Years £	Total 2019/20 Capital Programme £	2020/21 Budget as per Budget Book/Council Approvals £
Air Quality Monitoring Equipment	0	0	35,628	0	35,628	0
PROVIDE GREAT THINGS FOR ME TO SEE & DO						
Outdoor Leisure Facilities	80,000	60,720	86,674	0	227,394	0
Sports Facilities Refurbishment	56,430	0	39,859	0	96,289	0
Passenger Lift at RAMM	0	73,880	(2,100)	0	71,780	0
St Nicholas Priory	0	0	20,164	0	20,164	0
RAMM World Culture Galleries	0	0	19,231	0	19,231	0
Newtown Community Association - Belmont Park Community Building	0	50,000	0	0	50,000	0
Belmont Park Enhanced Facilities	0	0	50,000	0	50,000	0
MAINTAIN THE ASSETS OF OUR CITY						
RAMM Roof Access Improvement	0	56,160	(8,685)	0	47,475	0
Leisure Centre Essential Enhancements	0	0	1,875,118	0	1,875,118	0
Leisure Centre Additional Enhancements	0	0	231,857	0	231,857	0
Livestock Market Drainage & Toilets	0	0	195,380	0	195,380	0
Riverside Leisure Centre	4,400,000	0	(279,389)	0	4,120,611	0
DELIVER GOOD DEVELOPMENT						
Leisure Complex - Build Project	26,017,300	(975,950)	(1,158,223)	(9,332,657)	14,550,470	20,238,561
Bus Station Construction	2,208,430	(98,330)	164,360	2,713,006	4,987,466	1,439,020
Pinhoe Community Hub	0	90,000	(13,680)	0	76,320	0
Beacon Heath Martial Arts & Boxing Club - New Roof	0	14,650	0	0	14,650	0
PLACE TOTAL	34,685,050	31,950	1,646,877	(6,619,651)	29,744,226	22,361,581

CORPORATE SERVICES**WELL RUN COUNCIL**

Guildhall Fire Alarms	0	0	11,007	0	11,007	0
Energy Saving Projects	0	2,002,380	0	0	2,002,380	0
Belle Isle Temporary Facilities	0	0	40,184	0	40,184	0
Council Signage Improvement	40,000	0	0	0	40,000	40,000
Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	0	0	38,003	0	38,003	0
Building Management System (BMS)	0	80,000	0	0	80,000	0
Civic Centre Air Conditioning Replacement	0	150,000	0	0	150,000	0
Civic Centre Kitchens Replacement	0	90,000	0	0	90,000	0
Customer Contact Platform	0	0	164,935	0	164,935	0
Annual Contribution to Strata	53,900	0	0	0	53,900	53,900
Idox System for Planning	0	0	100,500	0	100,500	0

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 3 £	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 4 £	Budget Reprofiled to Future Years £	Total 2019/20 Capital Programme £	2020/21 Budget as per Budget Book/Council Approvals £
HR System	0	0	20,550	0	20,550	0
Convergence Projects	0	0	271,651	0	271,651	0
DR VDI Infrastructure	53,900	0	0	0	53,900	0
ECC Cabinet & Network Replacement	125,000	0	(31,911)	0	93,089	0
Street Scene and Other Asset Management	35,940	0	0	0	35,940	0
Legal Case Management	23,360	0	0	0	23,360	0
ECM - Scoping Exercise	17,970	0	0	0	17,970	0
Cash and Income Management	28,750	0	0	0	28,750	0
Loan to Exeter City Living Ltd	7,150,000	0	0	0	7,150,000	0
Capitalised Staff Costs	100,000	0	0	0	100,000	100,000
CORPORATE SERVICES TOTAL	7,628,820	2,322,380	614,919	0	10,566,119	193,900

HRA						
INVESTMENT IN EXISTING STOCK						
Adaptations	592,500	0	3,408	0	595,908	560,820
Estate Improvements	50,000	0	14,292	0	64,292	50,000
Programmed Re-roofing	1,401,200	100,590	(57,899)	0	1,443,891	1,391,790
Energy Conservation	25,000	50,000	0	(50,000)	25,000	25,000
Garage Upgrades	68,400	0	0	0	68,400	68,400
LAINGS Refurbishments	1,298,580	1,780,070	216,732	(875,382)	2,420,000	875,382
Kitchen Replacement Programme	1,347,250	400,000	19,311	0	1,766,561	1,347,500
Balcony Walkway Improvements	235,000	88,000	0	0	323,000	108,710
Bathroom Replacement Programme	918,750	230,000	8,559	0	1,157,309	918,750
Door Replacements (including Outbuildings)	172,490	0	38,442	0	210,932	213,490
Communal Area Improvements	97,890	0	20,319	0	118,209	73,840
Structural Repairs	155,250	250,000	(60,694)	0	344,556	160,680
Rennes House Structural Works	2,000,000	65,000	(36,300)	0	2,028,700	2,000,000
Common Area Footpaths/Wall Improvements	159,360	90,634	32,417	(90,634)	191,777	159,370
Soil Vent Pipe Replacement	103,950	37,530	(10,535)	0	130,945	33,740
Electrical Central Heating	15,000	0	4,240	0	19,240	15,000
Fire Safety Policy Storage	240,000	10,000	(6,215)	0	243,785	150,000
Electrical Re-wiring	567,200	0	58,389	0	625,589	567,490
Boiler Replacement Programme	590,670	0	0	0	590,670	590,500
Communal Doors and Screens	208,060	131,000	49,715	0	388,775	208,070
Fire Risk Assessment Works	215,200	256,810	33,757	0	505,767	344,830
Loft & Cavity Insulation	52,690	45,000	0	0	97,690	52,690
Window Replacements	758,750	793,000	(37,994)	0	1,513,756	758,750
Replacement Housing Management System	25,000	53,876	13,311	0	92,187	0

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 3 £	Proposed Budget to be Carried Forward to 2019/20 and Beyond at Qtr 4 £	Budget Reprofiled to Future Years £	Total 2019/20 Capital Programme £	2020/21 Budget as per Budget Book/Council Approvals £
Porch Canopies	90,480	102,000	0	0	192,480	55,810
ZEBCat Project	0	445,000	1,082	0	446,082	0
PROVISION OF NEW COUNCIL HOMES						
Social Housing Acquisitions - Open Market	1,000,000	330,400	0	0	1,330,400	1,000,000
Social Housing Acquisitions - Section 106	390,000	99,507	0	(99,507)	390,000	100,000
St Loyes Extracare Scheme	7,811,840	2,100,000	625,187	(1,336,390)	9,200,637	2,913,980
Estate Regeneration - Heavitree (Clifford Close)	0	0	126,479	0	126,479	0
Estate Regeneration - Heavitree (Vaughan Road)	0	0	248,265	0	248,265	0
Estate Regeneration - Heavitree (South Street)	0	0	16,719	0	16,719	0
HRA TOTAL	20,590,510	7,458,417	1,320,985	(2,451,913)	26,917,999	14,744,592
TOTAL CAPITAL BUDGET	63,404,380	10,406,747	3,793,747	(9,071,564)	68,533,310	37,800,073

Report To CORPORATE SERVICES SCRUTINY COMMITTEE,
EXECUTIVE AND COUNCIL

Date of Meeting: Corporate Services Scrutiny Committee – 27 June 2019
Executive – 9 July 2019
Council – 23 July 2019

Report of: Chief Finance Officer

Title: Treasury Management 2018/19

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To report on the current Treasury Management performance for the 2018/19 financial year and the position regarding investments and borrowings at 31 March 2019. The report is a statutory requirement and is for information only with no key decisions required.

2. Recommendations:

It is recommended that Corporate Services Scrutiny Committee, the Executive and Council note the content of this report.

3. Reasons for the recommendation:

It is a statutory requirement for the Council to publish regular reports on Treasury Management to Council. This includes an annual Treasury Management Strategy and half yearly report and a year-end report as a minimum.

4. What are the equality and diversity impacts of this decision?

As this report does not call for a decision, an Equality Impact Assessment is not required.

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

The report is an update on the overall performance in respect of treasury management for the 2018/19 financial year. Therefore, there are no financial or non-financial resource implications.

6. Section 151 Officer comments:

The interest position is positive and principally relates to the delays in the capital programme, meaning additional funds are available for investment. The Council's investment strategy for 2018-19 will continue with the same approach. Certain projects have been backed by long term borrowing, where an income is generated. This provides long term certainty over the funding available.

7. What are the legal aspects?

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management recommends that members be updated on treasury management activities regularly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

8. Monitoring Officer's comments:

The purpose of this report is to provide an update on the Council's treasury management performance and provides information in accordance with the CIPFA Code of Practice and statutory provisions. This report raises no issues for the Monitoring Officer.

9. Report Details:

9.1 Interest Rate Forecast

Interest rate forecasts, provided by our Advisors, are set out below.

Interest Rate Forecasts									
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Bank Rate	0.75%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%
5yr PWLB Rate	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.20%	2.30%	2.40%
10yr PWLB Rate	2.10%	2.20%	2.30%	2.40%	2.50%	2.50%	2.60%	2.70%	2.80%
25yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%
50yr PWLB Rate	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.10%

9.2 Treasury Management Strategy

The Council approved the 2019/20 Treasury Management Strategy at its meeting on 26 February 2019. The Council's stated investment strategy was to continue to hold only small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government's Debt Management Office and use short dated deposits which would be placed with Local Authorities, Banks or Building Societies which are on the Council's counterparty list.

The strategy for In-House investments included approval to invest in Property Funds. The council has made 2 investments in the CCLA – LAMIT property fund (April and November 2016). As at 31 March the fund size was approximately £1,127 million, the dividend yield as at the end of March was 4.26%, which is significantly higher than the returns on other investment options available. The investment in the property fund is a long term commitment which will mean that there will be fluctuations in the return over the period of the investment. Details of the current value of the investment are provided later in the report.

The Council's stated borrowing strategy was to maintain, and if possible reduce, short-term borrowing as long as rates remained low.

In July 2018 the Council approved the establishment of a Housing Development Company. The Council has borrowed £2.2 million during the 2018/19 financial year over 25 years from the PWLB and has loaned the money to the Company at a rate of 5%. A second loan of £2.15m has been made in April 2019 and a further £5m loan amount was approved by Council in February 2019.

9.3 Net Interest Position

The General Fund shows an improvement against the estimate for net interest payable, the position is:

	Estimate	Actual	Variance
	£	£	£
Interest Paid	300,000	80,515	(219,485)
Interest Earned			
Temporary investment interest	(190,610)	(423,420)	(232,810)
Other interest earned	(180)	0	180
Science Park Loan	(25,780)	(25,779)	1
CVS Loan	(19,530)	0	19,530
Less			
Interest to HRA	192,000	306,433	114,433
Interest to S106 agreements & CIL	90,000	92,663	2,663
Interest to Trust Funds	4,000	4,783	783
Lord Mayors Charity	100	83	(17)
Miscellaneous	0	(9,329)	(9,329)
GF interest (received) / paid out	50,000	(54,565)	(104,565)
Net Interest	350,000	25,950	(324,050)
			0
CCLA - LAPF Dividend	(250,000)	(241,840)	8,160
Investment Loss - General Fund	0	0	0
Net Interest	100,000	(215,890)	(315,890)

9.4 The HRA earned £306,433 interest on its balances. This is calculated on the following:

- HRA working balance;
- The balance of funds in the Major Repairs Reserve and Useable Capital Receipts

However it has also had to pay interest on borrowing. As members will be aware, the Council had to borrow £56,884,000 to buy itself out of the HRA subsidy scheme. Interest of £1,979,563 has been charged to the HRA to cover the interest payment. Additionally £9,484 has been charged on the borrowing used to fund the Council's Own Build properties.

10. Investment Interest

10.1 A number of Money Market Funds have been set up by the Council, which also allow immediate access to our funds and spreads risk as it is pooled with investments by other organisations and invested across a wide range of financial institutions.

- 10.2 An investment has been made in the CCLA Property Fund. The investment in the property fund is a long term commitment which means that are fluctuations on the return from the investment, and this will continue to be the case.
- 10.3 The Council's investments as at 31 March 2019 are:

Money Market Funds

Amount	Investment	Interest rate
£1,000,000	Amundi Asset Management	0.74%
£500,000	Black Rock Asset Management	0.75%
£1,500,000	CCLA Public Sector Deposit Fund	0.79%
£5,000,000	Federated Investors	0.78%
£5,000,000	Aberdeen Standard Investments	0.78%

Fixed Term Deposits

Amount	Investment	Interest rate	Maturity Date
£5,000,000	Slough Borough Council	0.60%	03/04/2019
£5,000,000	Surrey County Council	1.00%	03/06/2019
£3,000,000	Goldman Sachs	1.00%	19/06/2019
£3,000,000	North Ayrshire Council	0.70%	25/06/2019
£3,000,000	Liverpool City Council	0.85%	13/08/2019
£5,000,000	Dundee City Council	0.85%	21/08/2019
£3,000,000	Cambridgeshire County Council	1.15%	09/12/2019
£3,000,000	North Lanarkshire Council	0.95%	15/07/2019
£3,000,000	Stirling Council	1.00%	22/08/2019
£3,000,000	Eastleigh Borough Council	0.97%	27/08/2019

Property Fund

Amount	Investment	Dividend Yield
£5,000,000	CCLA – LAMIT Property Fund	4.26%

The value of the investment as at 31 March 2019 was £4,888,184. At the end of the financial year the value of the investment in the Property Fund is adjusted to equal the number of units held multiplied by the published bid price, with the gain or loss taken to the Available for Sale Reserve. Movements in the unit price therefore have no impact on the General Fund until the investment is sold or impaired.

11. Borrowings

- 11.1 As at 31 March 2019 the Council has short term borrowing of £10m, long term borrowing has increased from £56.884m to £59.084. Details of the loans are set out in 11.2.

Interest rates remain at record low levels and indications are that they will remain at this level for the foreseeable future. The borrowing rates from other Local Authorities are currently around 1.35% for two years.

11.2	Amount	Lender	Interest rate	Date of repayment
	£10,000,000	London Borough of Wandsworth	0.90%	05/12/2019
	£2,200,000	PWLB	2.34%	11/01/2044
	£56,884,000	PWLB	3.48%	28/03/2062

12. Future Position

- 12.1 The future cash flow forecast includes planned borrowing of £35 million as part of the 2019/20 capital programme. The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates and the decision is delegated to the section 151 Officer and Leader of the Council.
- 12.2 The Council's five Money Market Funds which are AAA rated, currently offer rates which vary from 0.71% to 0.77%, the rates are liable to fluctuation in the year.
- 12.3 The short term investments that are made through the call accounts and money market funds ensure cash can be accessed immediately. This has an ongoing impact on returns but increases the security of our cash.
- 12.4 We will also lend, when possible, to institutions on the Council's counterparty list which includes other Local Authorities, UK and Foreign owned banks and the Debt Management Office. The rates received for Local Authority deposits are currently between 0.80% and 0.90%.

13. New Investment Opportunities

- 13.1 Officers meet with the Council's treasury advisors in order to explore alternative investment opportunities.
- 13.2 Officers will continue to liaise to treasury advisors in respect of new investment opportunities. Any decisions taken will comply with the code of practice that requires the council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.
- 13.3 If an amendment to the current treasury management strategy is required, a report will be presented to committee requesting the necessary amendments.

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

Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.

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

The council uses treasury management advisors who continually provide updates on the economic situation, interest rates and credit ratings of financial institutions. They also provide a counterparty list which details the financial institutions which meet the council's treasury management strategy.

16. 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.

17. Are there any other options?

No.

**Dave Hodgson
Chief Finance Officer**

**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

REPORT TO CORPORATE SCRUTINY COMMITTEE
Date of Meeting: 27 June 2019
Report of: Chief Finance Officer
Title: 2018/19 Budget Monitoring Report – Outturn

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 actual outturn 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 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 equality and diversity impacts of this decision?

As this report does not call for a decision, an Equality Impact Assessment is not required.

5. 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.

6. Section 151 Officer comments:

There has been an under-spend in Corporate Services and therefore no action is required from the Committee. Overall Services across the Council have underspent by £2.149 million. Taking into account all other income and expenditure, the transfer from the working balance is £1.708 million lower than budget, leaving the working balance at £4.395 million.

7. 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.

8. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer

9. Report Details:

Revenue Final Accounts to 31 March 2019

9.1 The 2018/19 Code of Practice on Local Authority Accounting has introduced a new method of calculating bad debt provision, which are now classified as loss allowances. The purpose of the change is to ensure that prudent provision is made for possible future losses because the debtor could default on payment. Across council services, the impact of the change is broadly cost neutral, however the loss allowance relating to commercial properties has reduced by £138k, for housing properties has reduced by £46k and for the recovery of overpaid housing benefits has increased by £177k. The impact of these changes are shown against each of the services, however it does not reflect a change in the performance of debt recovery, just an estimate of credit risk.

9.2 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will reduce from the revised budget by a total of £253,786 after transfers to and from reserves, as detailed in Appendix 1. This represents a favourable variation of 3.17% from the revised budget, which now includes supplementary budgets of £677,590 already agreed by Council.

9.3 Members may wish to note that, because of the often-large sums involved in individual corporate transactions, many quarterly variances are simply 'administrative' and are naturally resolved in-year. Areas of genuine budgetary risk are addressed as explained in paragraph 11 below.

9.4 The significant variations (+/- £30,000) by management unit are:

Forecast Budget Variances by Management Unit:		
Management Unit	Forecast Outturn Budget Variance at Quarter 3	Actual Outturn Budget Variance at 31 March 2019
	(Under) / Overspend	(Under) / Overspend
Corporate Property - Estates	(£0)	(£274,298)

Responsible Officer: City Surveyor

As described above in 9.1 due to a new method of calculating the bad debt provision, the loss allowance relating to the recovery of income from commercial properties has reduced by £138k. Across the council, the impact of this change is broadly cost neutral.

Before accounting for this movement the service made an overall saving of £136,000; the following items were the main items within this figure:

- A dilapidations settlement of £42,000 was reached in the final quarter of the financial year
- Following a review of bad debt provisions across the Council, a reduction of £35,000 was made in this service

Forecast Budget Variances by Management Unit:		
Management Unit	Forecast Outturn Budget Variance at Quarter 3	Actual Outturn Budget Variance at 31 March 2019
	(Under) / Overspend	(Under) / Overspend
<ul style="list-style-type: none"> • The South Street Urban Design project was achieved at a saving of £23,000 against the original budget • Rents received in this unit were £26,000 more than budgeted • Empty property costs across the service were £16,000 less than the budget <p>A backdated NNDR charge of £43,400 for an empty property has been paid in the 2019/20 financial year; a supplementary budget will be requested to cover this.</p>		
Democratic Representation	(£50,000)	(£66,427)
<p>Responsible Officer: Corporate Manager Democratic and Civic Support</p> <p>Members Allowances, including training, are £25,300 less than the budget due to some members undertaking more than one role whilst taking only one allowance.</p> <p>Member Services - one part time employee left the service and has not been replaced, reducing the pay spend by £15,700 against budget.</p> <p>Income has been generated by sharing Member Services officers with Teignbridge District Council; the arrangement generated income of £25,500 in the current year.</p>		
Grants/Central Support/Consultation	(£17,290)	(£35,621)
<p>Responsible Officer: Programme Manager Communities</p> <p>Grant to Exeter St James Community Trust Ltd, of £50,000, has been covered by New Homes Bonus support.</p>		
Unapportionable Overheads	£63,500	£200,253
<p>Responsible Officer: Chief Finance Officer</p> <p>Strain payments re Superannuation of £93,000 have been partially offset by a saving against expected additional superannuation payments of £33,000.</p> <p>The adverse movement from Q3 position reflects the transfer of £138,300 of unallocated central costs here at year-end.</p>		
Financial Services	(£17,000)	(£50,807)
<p>Responsible Officer: Chief Finance Officer</p>		

Forecast Budget Variances by Management Unit:		
Management Unit	Forecast Outturn Budget Variance at Quarter 3	Actual Outturn Budget Variance at 31 March 2019
	(Under) / Overspend	(Under) / Overspend
ECL SLA Income for support provided since November 2018 (£11,250), coupled with the Commission from Zurich re Block Insurance (£21,979) were not within the Q3 forecast, as neither had been confirmed at that time.		
Corporate Support	(£46,000)	(£67,942)
<p>Responsible Officer: Corporate Manager Democratic and Civic Support</p> <p>Postage costs have come in at £35,000 less than the budget.</p> <p>£22,000 rental income has been generated from leasing part of the Civic Centre to the Police.</p> <p>Staff cost savings of £9,000 arose as a result of an unfilled vacancy for part of the second half of the year.</p> <p>The cost of utilities and other premises costs in the Civic Centre exceeded the budget by £6,000 but this was more than offset by a Rates underspend of £9,000.</p>		
IT Services	(£37,000)	(£33,319)
<p>Responsible Officer: Chief Finance Officer</p> <p>Benefit accrued from return of surplus anticipated from Strata contract.</p>		
Strategic Management	(£79,845)	(£55,892)
<p>Responsible Officer: Chief Finance Officer</p> <p>Saving against payroll costs £85,000 within Deputy Chief Executive Cost Centre offset by use of consultants on Strategy/Commercialisation projects, £163,500 was supported from the Transformation Earmarked Reserve.</p>		
Procurement	£154,250	£156,901
<p>Responsible Officer: Chief Finance Officer</p> <p>Delays in forming the Procurement Team have resulted in anticipated savings and recharges not being fully realised (£125,790), whilst use of consultants/contractors have more than consumed savings from pay budget by £31,000.</p>		

9.4 The approved budget rose by £90,000 in Quarter 3 (from £7,925,530 to £8,015,530) to cover the costs of the St Sidwell's Point multi-venue review charged within 86A6 Grants/Central Support/Consultation Management Unit - no changes occurred in Q4.

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

Corporate Committee supports the delivery of all Corporate Plan priorities, and in particular contributes significantly to • *Provide value-for-money services despite continuing central government budget reductions* and • *Lead a well-run council*.

11. 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.

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

No impact.

13. What other options are there, and why have they been dismissed?

The report details past performance according to statutory requirements.

DAVE HODGSON

Chief Finance Officer

Authors: Mark Neville Smith, 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:

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

APPENDIX 1

QUARTER 4		FULL YEAR to 31 March 2019				
		APPROVED BUDGET	OUTTURN	TRANSFERS TO/(FROM) EARMARKED RESERVES	ADJUSTED OUTTURN VARIANCE 31 March 2019	ADJUSTED OUTTURN FORECAST VARIANCE Q3
CODE		£	£	£	£	£
83A1	CORPORATE PROPERTY - ESTATES	(2,490,330)	(2,764,628)		(274,298)	0
83C4	PROPERTIES	(23,850)	(24,351)		(501)	0
83C5	CORPORATE PROPERTY - ASSETS	1,349,800	1,334,379		(15,421)	(25,000)
83C6	CORPORATE ENERGY TEAM	119,320	127,941		8,621	0
86A2	ELECTIONS & ELECTORAL REG	374,760	387,865		13,105	(12,500)
86A3	CORPORATE	(13,900)	(42,210)		(28,310)	(17,000)
86A4	CIVIC CEREMONIALS	208,700	229,280		20,580	29,000
86A5	DEMOCRATIC REPRESENTATION	647,540	581,113		(66,427)	(50,000)
86A6	GRANTS/CENT SUPP/CONSULTATION	1,656,300	1,707,133	(86,454)	(35,621)	(17,290)
86A7	UNAPPORTIONABLE OVERHEADS	1,507,310	1,707,563		200,253	63,500
86B1	FINANCIAL SERVICES	530,110	479,303		(50,807)	(17,000)
86B2	INTERNAL AUDIT	94,460	91,699		(2,761)	(3,250)
86B3	HUMAN RESOURCES	625,690	606,675		(19,015)	8,500
86B4	LEGAL SERVICES	202,790	199,858		(2,932)	0
86B5	CORPORATE SUPPORT	743,720	675,778		(67,942)	(46,000)
86B6	IT SERVICES	1,664,240	1,630,921		(33,319)	(37,000)
86B7	STRATEGIC MANAGEMENT	737,640	798,918	(117,170)	(55,892)	(79,845)
86B8	PROCUREMENT	81,230	238,131		156,901	154,250
	NET EXPENDITURE	8,015,530	7,965,368	(203,624)	(253,786)	(49,635)

TRANSFERS TO / (FROM) EARMARKED RESERVES	
86A6 Grants Exeter St James Community Trust New Homes Bonus	(50,000)
86A6 Central Support SSP New Venue Viability Review	(17,212)
37 Transformation Earmarked Reserve for Commercialisation/Strategic Direction	(116,327)
86A6 Transformation Earmarked Reserve for Panacea	(19,242)
86B7 Strategic Management redundancy reserve	(843)
	(203,624)
REVENUE CONTRIBUTION TO CAPITAL	0
OUTTURN FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	7,761,744
REVISED BUDGETS	8,015,530
AFTER TRANSFERS TO/FROM RESERVES & CONTRIBUTIONS TO CAPITAL	(253,786)

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REPORT TO CORPORATE SERVICES SCRUTINY COMMITTEE

Date of Meeting: 27 June 2019

Report of: Corporate Manager Democratic and Civic Support

Title: Members' Allowances and Expenses Paid 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 Function

1. What is the report about?

To report the allowances paid to Elected Members in 2018/19.

2. Recommendations:

The Members of the Corporate Services Scrutiny Committee note the allowances paid and the expenses claimed by Members in 2018/19.

3. Reasons for the recommendation:

The Council has a statutory obligation to publish all allowances paid, and expenses claimed by Members each financial year.

4. What are the equality and diversity impacts of this decision?

An Equalities Impact Assessment is not required.

5. What are the resource implications including non-financial resources:

There is an existing budget allocation to meet the amount paid in Members' Allowances. .

6. Section 151 Officer Comments:

The amounts contained within the report were within the overall budget set for members allowances. There are therefore no financial issues for members to be aware of.

7. What are the legal aspects?

The Members Allowances Scheme is governed by the Local Government and Housing Act 1989, and in particular the details are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003. Publication of the details contained in this report meet these requirements.

8. Monitoring Officer Comments:

The publication of the details concerned in this report meet the statutory requirements imposed upon local authorities.

9. Report details:

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to publish the total sum of each of the following allowances paid to each recipient in the previous financial year:

- (a) Basic allowance,
- (b) Special responsibility allowance,
- (c) Dependants' carers' allowance,
- (d) Travelling and subsistence allowance,
- (e) Co-optees' allowance, and
- (f) The Lord Mayor and Deputy Lord Mayor's expenses allowance.

A schedule of allowances made and expenses claimed for 2017/18 is attached to this report in Appendix A.

The amounts paid are in accordance with the Scheme of Member's Allowance as agreed by Council on 19 December 2017, which accepted the recommendations of the Independent Remuneration Panel on Members' Allowances, which included approval of a three year allowances scheme.

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

- Ensuring a well-run Council.
- To invoke public confidence that the Council's operation in relation to Members are transparent.

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

The risks are reduced by the publication of this annual report.

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

There is no impact.

13. What other options are there, and why have they been dismissed?

Not applicable.

**John Street,
Corporate Manager, Democratic Services and Civic Support**

**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 26511

As required by the Local Authorities (Members) 2003 Regulations 2003 the total amount of Basic, Special Responsibility and Travel & Subsistence Allowances paid to each Member (including part payment to those Members who ceased to be Councillors during the year) for the year ending 31 March 2019 are given below. For details of the Special Responsibility Allowances please refer to the Council's website - www.exeter.gov.uk

Initial	Councillor Surname	Basic Allowance	Special Responsibility Allowances	Travel & Subsistence Expense Claims	Carers	Sub Total
R	Ashwood	£522.44				£522.44
M	Baldwin	£522.44				£522.44
j	Begley	£4,848.39				£4,848.39
P	Bialyk	£5,400.00	£9,450.00			£14,850.00
R	Branston	£5,400.00				£5,400.00
S	Brimble	£522.44	£914.49			£1,436.93
R	Denham	£5,400.00	£9,450.00	£330.15		£15,180.15
P	Edwards	£5,400.00	£17,550.00	£375.22		£23,325.22
B	Foale	£5,400.00				£5,400.00
O	Foggin	£5,400.00				£5,400.00
D	Gottschalk	£5,400.00				£5,400.00
R	Hannaford	£5,400.00	£4,732.26	£178.75		£10,311.01
K	Hannan	£5,138.71	£166.94			£5,305.65
D	Harvey	£5,400.00	£8,281.45			£13,681.45
D	Henson	£5,400.00				£5,400.00
Y	Henson	£5,400.00				£5,400.00
P	Holland	£5,400.00				£5,400.00
L	Keen	£1,800.00				£1,800.00
R	Lamb	£5,400.00				£5,400.00
A	Leadbetter	£5,400.00	£2,700.00			£8,100.00
R	Lyons	£5,400.00	£1,183.05			£6,583.05
K	Mitchell	£5,400.00				£5,400.00
H	Morris	£522.44				£522.44
E	Morse	£5,400.00	£9,450.00	£213.70		£15,063.70
C	Musgrave	£5,400.00				£5,400.00
R	Newby	£5,400.00		£26.49		£5,426.49
K	Owen	£5,400.00	£4,050.00			£9,450.00
H	Packham	£5,400.00	£5,131.45			£10,531.45
J	Pattison	£4,848.39				£4,848.39
C	Pierce	£4,848.39				£4,848.39
O	Pearson	£5,400.00	£9,450.00			£14,850.00
P	Prowse	£5,400.00				£5,400.00
L	Robson	£5,400.00	£667.74	£197.84		£6,265.58
G	Sheldon	£5,400.00	£5,400.00	£252.00		£11,052.00
L	Sills	£5,400.00	£5,400.00	£21.38		£10,821.38
R	Sutton	£5,400.00	£9,450.00	£263.70		£15,113.70
C	Thompson	£5,400.00				£5,400.00
M	Vizard	£5,400.00				£5,400.00
N	Vizard	£5,400.00	£2,700.00			£8,100.00
T	Wardle	£5,400.00	£5,400.00			£10,800.00
S	Warwick	£5,400.00				£5,400.00
L	Wright	£4,831.87	£4,318.55			£9,150.42
D	Wood	£5,400.00	£1,237.50			£6,637.50
TOTAL		£206,605.51	£117,083.43	£1,859.23		£325,548.17

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