

REPORT TO:	SCRUTINY COMMITTEE PLACE
Date of Meeting:	8 SEPTEMBER 2016
Report of:	Assistant Director Finance
Title:	BUDGET MONITORING REPORT TO 30 JUNE 2016

Is this a Key Decision?

No

Is this an Executive or Council Function?

No

1. What is the report about?

This report advises Members of any material differences to the revised budget in respect of the Place Scrutiny Committee revenue and capital budgets.

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. Recommendations:

That Members of Place Scrutiny Committee assure themselves that Officers review areas with significant variances and undertake the necessary actions to address the issues that the variances may cause.

3. Reasons for the recommendation:

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Place Services Scrutiny Committee and this is the first report for 2016-17.

4. What are the resource implications including non financial resources

The financial resources required to deliver Place Services during 2016-17 are set out in the body of this report.

5. Section 151 Officer comments:

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of Place Services as at 31 March 2017.

6. What are the legal aspects?

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

7. Monitoring Officer's comments:

Report raises no issues for the Monitoring Officer.

8. Report Details:

Place Services Scrutiny Committee Budget Monitoring to 30 June 2016

8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £81,450 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 0.87% from the revised budget. This includes supplementary budgets of £622,370 already agreed by Council.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81D6	Cleansing Chargeable Services	42,500	<ul style="list-style-type: none"> Due to net income from trade refuse/recycling being lower than the budget.
83A3	Car Parking	(72,270)	<ul style="list-style-type: none"> Income from off street parking fees anticipated to exceed budget, partially offset by additional expenditure on equipment tools and materials.
83B5	Planning Services	60,000	<ul style="list-style-type: none"> Additional expenditure on legal fees in respect of the claim for costs awarded against the Council for the planning appeal at Exeter Road, Topsham.

9. Capital Budget Monitoring to 30 June 2016

To report the current position in respect of the Place Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

9.1 Revisions to the Place Capital Programme

The 2016-17 Capital Programme, including commitments brought forward from 2015-16 was last reported to Corporate Services Scrutiny Committee on 29 June 2016. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 29 June 2016	10,806,560	
Play Area Refurbishments	48,460	S106 Funding and Interest
Canal Pontoon	26,220	Funding awarded by ECQT
Revised Capital Programme	10,881,240	

9.2 Performance

The Place Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £972,838 in 2016-17 with £5,321,825 of the programme potentially deferred until 2017-18.

9.3 Capital Variances from Budget

The main variances and issues concerning expenditure in 2016-17 are:

Scheme	Estimated Overspend / (Underspend) £	Reason
Northbrook Flood Alleviation	(498,130)	This scheme is dependent on partner funding which has not been forthcoming, therefore it is unlikely to go ahead in the near future.
Replace Car Park Ticket Machines	9,521	More fibre connections than originally anticipated were required in order to complete the project.
RAMM Development	(382,380)	It is unlikely that this budget will now be required.
City Centre Enhancements – TV Screens	(40,000)	Despite extensive research a suitable location could not be found.
Heavitree Environmental Improvements	(22,880)	Agreement on this S106 funded scheme has not been reached with local groups.

9.4 Capital Budgets Deferred to 2017-18 and Beyond

Schemes which have been identified as being wholly or partly deferred to 2017-18 and beyond are:

Scheme	16/17 Budget £	Budget to be Deferred £	Reason
Newcourt Community Hall (Grant)	36,240	20,000	The Community Association are making the funds stretch further than originally envisaged.
Newtown Community Centre (1 st Grant)	50,000	50,000	Efforts are continuing to raise sufficient funds from elsewhere.
Newtown Community Centre (2 nd Grant)	46,750	46,750	
Bus Station Complex	6,126,240	5,029,660	The budget has now been re-profiled in-line with projected expenditure.

Leisure Complex – Build Project	1,538,210	175,410	This is a minor re-profiling of the budget.
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9.5 Achievements

The following schemes have been completed during the first quarter of 2016-17:

- **Replace Car Park Ticket Machines**

A new parking control system to replace failing one at Guildhall and Mary Arches Street car parks has been installed with the additional benefit of automated links to John Lewis car park and St Stephens Control Centre.

Reusable plastic discs have replaced expensive paper/card ones and will net revenue savings over the course of the life of the equipment (7-8 years).

Newer more reliable equipment enhances customer experience. Alterations to the entrance and exit at Guildhall means the middle lane can be utilised for maximum benefit to traffic flow (e.g. two lanes in and one lane out during the morning changing to one lane in and two lanes out during the afternoon, or when circumstances dictate). These sites take approximately £2.2 million income per year.

- **Repair to Turf Lock Gates**

Outer gates of the canal into the estuary had not been refurbished for 25 years and were becoming unstable. These were lifted out, rebuilt and replaced.

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

Place Committee contributes to 6 key purposes, as set out in the Corporate Plan; a stronger city, keep place looking good, keep me / my environment safe and healthy, provide great things for me to see and do, help me run a successful business and deliver good development

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. An action plan to address the key areas of budgetary risks within Place was reported in March 2016 and is attached as Appendix 3, for reference only.

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

No impact

13. Are there any other options?

No

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

Background papers used in compiling this report:

None

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