

**REPORT TO: SCRUTINY COMMITTEE PLACE**  
**Date of Meeting: 10 NOVEMBER 2016**  
**Report of: Assistant Director Finance**  
**Title: BUDGET MONITORING REPORT TO 30 SEPTEMBER 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 Scrutiny Committee – Place 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:**

The Section 151 Officer has clearly set out the areas of overspend and those areas need careful management.

## 8. Report Details:

### Place Services Scrutiny Committee Budget Monitoring to 30 September 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 £408,210 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 4.35% from the revised budget. This includes supplementary budgets of £692,370 already agreed by Council.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81D6	Cleansing Chargeable Services	85,500	<ul style="list-style-type: none"><li>The overspend is due to income from the trade refuse and recycling services being below target, together with some increased transport expenditure.</li></ul>
81D8	Recycling	50,700	<ul style="list-style-type: none"><li>The forecast overspend is mainly due to a decrease in income received for recyclable materials.</li></ul>
83A3	Car Parking	(98,630)	<ul style="list-style-type: none"><li>Income from off street parking fees anticipated to exceed budget, partially offset by additional expenditure on equipment tools and materials.</li></ul>
83B5	Planning Services	170,000	<ul style="list-style-type: none"><li>Additional expenditure on legal and other costs associated with planning appeals including claim for costs award for planning appeal at Exeter Road, Topsham.</li></ul>
83B8	Major Projects	£30,000	<ul style="list-style-type: none"><li>The budget funds the legal team and property consultants engaged to deliver the property transactions required to bring forward the Bus &amp; Coach Station redevelopment. This work has ramped up this year and the initial budget was inadequate to meet these demands.</li></ul>
83B9	Markets & Halls	76,500	<ul style="list-style-type: none"><li>Owing to a delay in the installation of the solar panels at the Matford Centre the income is anticipated to be below budget. In addition, income from ticket sales, and ancillary sales at the Corn Exchange, is below target, as is income from room bookings and business units at the Matford Centre.</li></ul>
83C2	Museum Service	69,800	<ul style="list-style-type: none"><li>After a transfer from reserves of £29k, the anticipated overspend of £41k is mainly due to the RAMM shop opening later than originally anticipated.</li></ul>

#### 9. Place Capital Budget Monitoring to 30 September 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 Place Scrutiny Committee on 8 September 2016. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Place Scrutiny Committee, 8 September 2016</b>	<b>10,881,240</b>	
Budget Deferred to 2017/18 & Beyond at Quarter 1	(5,321,820)	Approved by Council 18 October 2016
Overspends/(Underspends) reported at Quarter 1	(933,870)	
Railway Arches at Riverside, Cowick Street	50,000	
Farmers Market Electricity	10,000	
<b>Revised Capital Programme</b>	<b>4,685,550</b>	

9.2 **Performance**

The Place Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £1,878,805 in 2016-17 with £10,430 of the programme potentially accelerated from 17-18.

9.3 **Capital Variances from Budget**

No significant variances or issues concerning expenditure have arisen for this committee.

9.4 **Capital Budgets Deferred to 2017-18 and Beyond**

No significant amounts have been identified as being wholly or partly deferred to 2017-18 and beyond.

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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