

REPORT TO: SCRUTINY COMMITTEE PLACE
Date of Meeting: 14 SEPTEMBER 2017
Report of: Chief Finance Officer
Title: BUDGET MONITORING REPORT TO 30 JUNE 2017

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report advises Members of any material differences to the revised budget in respect of 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 2017-18.

4. What are the resource implications including non financial resources

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

5. Section 151 Officer comments:

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

6. What are the legal aspects?

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

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

Place Services Scrutiny Committee Budget Monitoring to 30 June 2017

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 £331,880 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 5.00% from the revised budget. This includes supplementary budgets of £574,540 already agreed by Council.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A6	Parks and Green Spaces	£92,350	<ul style="list-style-type: none"> The saving target for the management unit will not be achieved in year due to the increasing service demands impacting on the existing resource base.
81D4	Street Cleaning	£47,430	<ul style="list-style-type: none"> Additional expenditure will be incurred on Graffiti removal, a supplementary budget will be requested to cover the additional expenditure.
81D6	Cleansing Chargeable Services	£100,000	<ul style="list-style-type: none"> The predicted overspend is due to income from the trade refuse and recycling services being below target.
83C2	Museum Service	£50,000	<ul style="list-style-type: none"> The predicted overspend relates to the Museum Shop. Although the shop has not yet been open for a full operating year, previous months' sales would suggest that the budgeted surplus will not be achieved for 2017-18.
83C3	Contracted Sports Facilities	£30,000	<ul style="list-style-type: none"> The funding for this expenditure is held within an ear-marked reserve and will be transferred at year end.

9. Capital Budget Monitoring to 30 June 2017

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 2017-18 Capital Programme, including commitments brought forward from 2016-17 was last reported to Corporate Services Scrutiny Committee on 22 June 2017. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 22 June 2017	4,634,020	
Leisure Complex and Swimming Pool	4,286,620	£7,050,000 additional budget was approved at the Extraordinary Meeting of the Council (19 July 2017), the remaining £2,763,380 will be added to the 2018-19 and 2019-20 budgets.
Bus Station Construction	0	£620,000 additional budget was approved at the Extraordinary Meeting of the Council (19 July 2017), all will be added to the 2019-20 budget.
Kings Arms Bridge	160,000	Approved by Council 25 July 2017
Exwick Cemetery Ashes Section	60,000	
Newtown Community Centre	38,960	Additional S106 Funding
Revised Capital Programme	9,179,600	

9.2 Performance

The Place Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £264,905 in 2017-18 with £1,281,300 of the programme potentially deferred until 2018-19.

9.3 Capital Variances from Budget

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

Scheme	Estimated Overspend / (Underspend) £	Reason
Exhibition Way Bridge Maintenance	(39,580)	Tenders were obtained to undertake the necessary repairs but were found to be in excess of the available budget. A new capital funding bid will be prepared.

9.4 Capital Budgets Deferred to 2018-19 and Beyond

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

Scheme	17-18 Budget £	Budget to be Deferred £	Reason
Outdoor Leisure Facilities	336,690	263,241	The scheme at Omaha Drive is delayed awaiting a decision on the location of the facilities. The Arena Skate Park has been delayed due to lack of staff resources.
Bowling Green Marshes Coastal Defence Scheme	278,900	278,900	There is a legal dispute between the Environment Agency and Natural England over strategy.
Topsham Flood Gates (Ferry Road/The Strand)	100,000	100,000	ECC still has not received formal notification of funding from the Environment Agency and DCC.
Exeter Flood Alleviation Scheme	200,000	200,000	The Environment Agency are still focused on the main flood defence scheme and have not started to promote the provision of property level protection to individual properties not protected by the main scheme.
Bus Station Construction	439,160	439,160	This is a minor re-profiling of the budget.

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 is attached as Appendix 3.

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?

No impact

13. Are there any other options?

No

DAVE HODGSON
Chief Finance Officer

Authors: Marie Holt / Paul Matravers / 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) 265275