

REPORT TO: SCRUTINY COMMITTEE PLACE
Date of Meeting: 9 NOVEMBER 2017
Report of: Chief Finance Officer
Title: BUDGET MONITORING REPORT – 2nd Quarter

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 second 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 – 2nd Quarter

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 £188,220 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 2.86% from the revised budget. This includes supplementary budgets of £574,297 already agreed by Council.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A6	Parks and Green Spaces	£85,000	<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.
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.
81D8	Recycling	£50,000	<ul style="list-style-type: none"> The predicted overspend is due to income being below target for recycling, mainly paper. Paper tonnage collected has reduced compared to last year, and the rate received for selling paper has also reduced.
81F1	Public Realm Assets	£30,000	<ul style="list-style-type: none"> The saving included in respect of the closure of Paris Street PCs will not be achieved due to the delay in the redevelopment of the bus station.
83A4	Growth & Enterprise	(£38,000)	<ul style="list-style-type: none"> The underspend is due to vacancies.
83B5	Planning Services	(£50,000)	<ul style="list-style-type: none"> Income figures to date indicate that the budget in respect of Planning Application Fees will exceed the budget.
83B9	Markets & Halls	(£41,000)	<ul style="list-style-type: none"> Income streams at the Livestock / Matford centre are projected to be ahead of budget by the year end, plus an underspend on vacancies at the Corn Exchange.

8.3 The predicted outturn overspend of £188,220 (after transfers to / from reserves) is an improvement from the reported position in quarter 1. Work is ongoing within the services who are working together within their Directorate management teams to address predicted overspends with the aim of reducing them. This includes reviewing anticipated expenditure, and increasing income where the opportunity arises. In addition, Directors are looking across their whole Directorates to establish whether underspends can be delivered within any of their Corporate areas to offset any overspends within Place. This will be reported as part of the Overview of Revenue Budget 2017/18 report that will go to Corporate Services Scrutiny Committee on 23rd November.

9. Capital Budget Monitoring – 2nd Quarter

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 28 September 2017. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Corporate Services Scrutiny Committee, 28 September 2017	9,179,600	
Budget Deferred to 2018/19 & Beyond at Quarter 1	(1,243,300)	Approved by Council 17 October 2017
Overspends/(Underspends) reported at Quarter 1	(39,580)	
Revised Capital Programme	7,896,720	

9.2 Performance

The Place Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £1,121,576 in 2017-18 with £4,666,810 of the programme potentially deferred until 2018-19.

9.3 Capital Variances from Budget

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

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
Repair Canal Bank at M5	34,290	30,000	Planned works can only be carried out during summer months due to environmental restrictions.
Leisure Complex – Build Project	5,121,540	4,648,960	The budget has been re-profiled to reflect the delay to the Leisure Complex build and proposal to de risk the remaining site (formally Crown Estates Development).
Bus Station Construction	281,850	(12,150)	

9.5 Achievements

The following schemes have been completed during the second quarter of 2017/18:

- **Newcourt Community Hall**

The grant helped the relatively newly formed Newcourt Community Association with the setting up and initial running costs of a new community building. They have risen to the challenge and developed it into a popular and successful local venue, most notably providing a home for the new primary school until its own building is complete.

- **Rougemont Gardens – Path and Railings**

A defective, steeply sloping path within the public gardens has been stabilised and repaired after having been temporarily closed for several months. The works to the pathway involved obtaining Ancient Monument Consent and involved ground stabilisation investigations before the works could be undertaken. The outcome is that this path has been re-opened and the damaged metal fencing repaired to public in time for the summer months & the outdoor park events.

- **Canal Pontoons**

The withdrawal from service and replacement of a deteriorating wooden pontoon immediately downstream Double Locks, plus the addition of a second new pontoon facility upstream, has been funded by Exeter Canal and Quay Trust. The installation and anchorages have been overseen by Public Realm staff and local adaptations made to improve access for boat users to launch boats, canoes, even rowing boats – multi-skulled. Feedback from users has been very positive and makes entry onto the water safe and more stable. A genuine improvement that allows users to more easily avoiding the lock when it is closed.

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

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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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