

**REPORT TO:** SCRUTINY COMMITTEE PLACE  
**Date of Meeting:** 8 MARCH 2018  
**Report of:** Chief Finance Officer  
**Title:** BUDGET MONITORING REPORT – 3<sup>rd</sup> 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 31<sup>st</sup> 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 – 3<sup>rd</sup> Quarter

#### 8.1 Key Variations from Budget

The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £101,620 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 2.12% from the revised budget. This includes supplementary budgets of £621,297 already agreed by Council.

8.2 The significant variations by management unit (ignoring depreciation) are:

MU Code	Management Unit	Over / (Underspend)	Detail
81A4	Public Safety	30,460	<ul style="list-style-type: none"> <li>Income from the Homecall Alarm Service is not anticipated to meet the target.</li> <li>Expenditure on utilities in respect of the CCTV control room is expected to exceed the budget.</li> </ul>
81A6	Parks and Green Spaces	£97,520	<ul style="list-style-type: none"> <li>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.</li> </ul>
81D4	Street Cleaning	(£89,830)	<ul style="list-style-type: none"> <li>An underspend is anticipated on vehicle maintenance and pay budgets</li> </ul>
81D6	Cleansing Chargeable Services	51,200	<ul style="list-style-type: none"> <li>The predicted overspend is due to income from the trade refuse and recycling services being below target.</li> </ul>
81D8	Recycling	75,000	<ul style="list-style-type: none"> <li>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.</li> </ul>
83A3	Parking Services	(£91,710)	<ul style="list-style-type: none"> <li>Off Street car parking fee income anticipated to exceed the target.</li> <li>Additional expenditure on pay budgets.</li> </ul>
83A4	Growth & Enterprise	(40,000)	<ul style="list-style-type: none"> <li>The underspend is due to vacancies.</li> </ul>
83B5	Planning Services	(£96,070)	<ul style="list-style-type: none"> <li>Income from planning application fees expected to exceed the target.</li> <li>Underspend on pay budget.</li> <li>Community Infrastructure Levy grant expenditure, and additional pay expenditure funded by a transfer from the earmarked reserve.</li> </ul>
83B8	Major Projects	£110,000	<ul style="list-style-type: none"> <li>Additional expenditure in respect of a compensation payment.</li> </ul>
83B9	Markets & Halls	(32,000)	<ul style="list-style-type: none"> <li>Income streams at the Livestock / Matford centre are projected to be ahead of budget by the year end, plus increased income at the Corn Exchange.</li> </ul>

## 9. Capital Budget Monitoring – 3<sup>rd</sup> 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 was last reported to Place Scrutiny Committee on 9 November 2017. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Place Scrutiny Committee, 9 November 2017</b>	<b>7,896,720</b>	
Budget Deferred to 2018/19 & Beyond at Quarter 2	(4,666,810)	Approved by Council 19 December 2017
Overspends/(Underspends) reported at Quarter 2	(7,570)	
Cowick Barton Tennis Courts	35,000	
MRF Air Compressor	10,600	
RAMM World Culture Galleries	368,740	Approved by Council 17 October 2017
Mary Arches Lifts	100,000	
Vehicle Replacement Programme	25,710	Plug In Car Grants
<b>Revised Capital Programme</b>	<b>3,762,390</b>	

### 9.2 Performance

The Place Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £1,871,990 in 2017-18 with £931,790 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
Kings Arms Bridge	160,000	130,000	We are awaiting further information from Devon County Council and anticipating the majority of work to be carried out in 2018/19.
Replace Lift at Mary Arches MSCP	200,000	150,000	Work will commence this financial year and be completed in early 2018/19.
City Wide Property Level Protection	94,750	94,400	The scheme has been delayed due to staff sickness. Work is currently being undertaken to reach agreement with individual residents and will require planning and listed building consents.
Passenger Lift at RAMM	73,880	73,880	This scheme has been placed on hold to allow for the delivery of the World Culture Galleries and associated ventilation works.
RAMM World Culture Galleries	368,740	155,000	The majority of the gallery works will be completed this financial year but the ventilation and access works will be carried out in April.
RAMM Roof Access Improvements	68,500	47,000	
Leisure Complex – Build Project	472,580	(71,440)	This is a minor re-profiling of the budget.
Bus Station Construction	294,000	74,050	
Newtown Community Centre (S106)	84,670	84,670	After difficulty in assembling a funding package, the Association have scaled down their proposals and secured more funds. Planning permission now granted for the revised project.
Newtown Community Centre (2 <sup>nd</sup> Grant)	46,750	46,750	

## 9.5 Achievements

The following scheme has been completed during the third quarter of 2017-18:

- **Alphington Village Hall (Repairs & Extension)**

The result of the grant expenditure is effectively a new hall, with all facilities on one level, and modern kitchen and toilet facilities. The building is already proving more popular for community events and private hire to support its running costs. External improvements have improved access to the neighbouring doctors' surgery.

## 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