

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - ECONOMY
DATE OF MEETING: 11 SEPTEMBER 2014
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: BUDGET MONITORING REPORT TO 30 JUNE 2014

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 Economy Services 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 – Economy assure themselves that satisfactory actions are being undertaken by Officers to address the key areas of budgetary pressure highlighted in this report.

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 Economy Services.

4. What are the resource implications including non financial resources

The financial resources required to deliver Economy Services during 2014-15 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 Economy Services as at 31 March 2015.

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 Monitoring Officer has no issues to raise on the content of this report.

8. Report Details:

Economy Services Budget Monitoring to 30 June 2014

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 £20,340 after transfers from reserves and revenue contributions

to capital, as detailed in Appendix 1. This represents a variation of 8.29% from the revised budget. This includes supplementary budgets of £219,560.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
83A3	Parking Services	37,070	<ul style="list-style-type: none"> • Shortfall on Penalty Charge Notice Income • Saving on Non Domestic Rates budget
83A4	Economic Development	3,130	<ul style="list-style-type: none"> • Job evaluation increase
83A6	Tourist Information	1,880	<ul style="list-style-type: none"> • Sickness cover
83B4	Engineering & Construction Services	(17,140)	<ul style="list-style-type: none"> • Vacancy pay savings
83B9	Markets & Halls	(38,510)	<ul style="list-style-type: none"> • Net increase in income from usage
83C2	Museum Service	(6,770)	<ul style="list-style-type: none"> • Vacancy pay savings

9. Capital Budget Monitoring to 30 June 2014

To report the current position in respect of the Economy 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 Community Capital Programme

The 2014/15 Capital Programme, including commitments brought forward from 2013/14 is £2,738,540 and was last reported to Scrutiny Committee – Resources on 2 July 2014. There have been no revisions to the programme since that date.

9.2 Performance

The current Economy Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £1,844,280 in 2014/15 with £863,340 of the programme potentially deferred until 2015/16.

9.3 Capital Variances from Budget

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

9.4 Capital Budgets Deferred to 2015-16

Schemes which have been identified as being wholly or partly deferred to 2015/16 and beyond are:

Scheme	Revised 14/15 Budget £	Budget to be Deferred £	Reason
Northbrook Flood Alleviation Scheme	198,130	198,130	Awaiting further information from the Environment Agency
Newtown Community Centre (2 nd Grant)	50,000	40,000	Significant funds need to be raised from other sources before this project can proceed

Wear United	50,000	50,000	This New Home Bonus Grant is for a new community building but it is unlikely the project will be able to commence this financial year
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9.5 Achievements

There are no significant achievements to report this quarter.

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

Economy Service budgets contribute to 3 key purposes, as set out in the Corporate Plan; keep me/my environment safe and healthy, keep place looking good, help me find somewhere to live

11. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted in this report. An action plan addressing the key areas of budgetary risks within Economy Services will be included if and when they arise.

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

Assistant Director Finance

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

Background papers used in compiling this report:

None

Contact for enquiries:

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