

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - ECONOMY
DATE OF MEETING: 13 NOVEMBER 2014
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: BUDGET MONITORING REPORT TO 30 SEPTEMBER 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.

An update on the approved budget savings has also been included.

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 September 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 £182,120 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 74.24% 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
83A2	Transportation	(1,820)	<ul style="list-style-type: none"> Saving on Rail Cards as no longer sold at Customer Service Centre
83A3	Parking Services	28,820	<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	(2,120)	<ul style="list-style-type: none"> Net additional income
83B4	Engineering & Construction Services	(17,140)	<ul style="list-style-type: none"> Vacancy pay savings
83B5	Planning Services	(70,000)	<ul style="list-style-type: none"> Additional income from Planning Application Fees Additional expenditure on legal costs due to appeals Additional consultants fees, partly offset by transfer from reserve
83B9	Markets & Halls	(101,590)	<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

8.3 An update on the approved budget savings for the Scrutiny – Economy committee are included in appendix 2.

9. Capital Budget Monitoring to 30 September 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 £6,401,430 and was last reported to Scrutiny Committee – Economy on 11 September 2014. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Economy, 11 September 2014	6,401,430	
Budget Deferred to 2015/16 & Beyond at Quarter 1	(296,130)	Approved by Executive 7 October 2014
Overspends/(Underspends) reported at Quarter 1	(8,000)	
Local Energy Network	149,000	S106 Contributions

New grants funded from the New Homes Bonus	40,000	Approved by Executive 16 September 2014
Revised Capital Programme	6,286,300	

9.2 Performance

The current Economy Capital Programme is detailed in Appendix 3. The appendix shows a total spend of £912,792 in 2014/15 with £49,850 of the programme potentially deferred until 2015/16.

9.3 Capital Variances from Budget

The main variances and issues concerning expenditure that have arisen since 30 June are as follows:

Scheme	Estimated Overspend / (Underspend) £	Reason
Canal Basin & Quayside	(30,485)	The boat trailer has now been purchased. There are no further planned works to be undertaken so the remaining budget is not required.
Replace Athletics Track at Exeter Arena	40,000	There is likely to be an overspend on this project, primarily due to additional unforeseen works required during the construction process. Overspend in the region of £40,000 but yet to be finalised.
Sports Facilities Refurbishment	(40,000)	A budget saving will be made to compensate the Athletics Track overspend detailed above.
Exeter City Football in the Community	(13,800)	Only £6,000 of the £19,800 grant was required therefore the unspent budget will go back into the New Homes Bonus pot to be made available to others.

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
Alphington Village Hall	50,000	50,000	This New Home Bonus Grant is for repairs and an extension to the Hall. It is unlikely the project will be able to commence this financial year as other funds need to be raised.

9.5 Achievements

The following schemes have been completed since 30 June 2014:

Replace Running Track at Exeter Arena

The track at Exeter Arena has been completely replaced. The new surface is non-porous – similar to the Olympic Stadium in London, will have limited maintenance costs and is estimated to last for 25 years.

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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