

EXETER CITY COUNCIL

REPORT TO: SCRUTINY COMMITTEE - ECONOMY
DATE OF MEETING: 5 MARCH 2015
REPORT OF: ASSISTANT DIRECTOR FINANCE
TITLE: BUDGET MONITORING REPORT TO 31 DECEMBER 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 contents of this report raise no issues for the monitoring officer.

8. Report Details:

Economy Services Budget Monitoring to 31 December 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 £127,540 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 77.14% from the revised budget. This includes supplementary budgets of £299,560.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Estates Services	133,070	<ul style="list-style-type: none"> Rental income for the property portfolio is expected to be less than the budget The expenditure on AIM lease requirements is anticipated to be less than the budget Additional expenditure on rates due to void properties at South Street
83A2	Transportation	3,500	<ul style="list-style-type: none"> Net cost in respect of the purchase and sale of senior railcards which are no longer sold at the Customer Service Centre
83A3	Parking Services	97,150	<ul style="list-style-type: none"> Income from car parking fees not expected to meet the budgeted target Expenditure on AIM reactive repair and service and maintenance budgets less than annual budget Additional expenditure on security patrol offset by anticipated saving on rates and other maintenance budgets
83A4	Economic Development	3,130	<ul style="list-style-type: none"> Job evaluation increase
83A6	Tourist Information	(5,780)	<ul style="list-style-type: none"> Net additional income
83A8	District Highways & Footpaths	(11,210)	<ul style="list-style-type: none"> Additional external income received for recharge of works.
83A9	Building Control	(20,000)	<ul style="list-style-type: none"> Income from Land Charges expected to exceed the annual budget
83B1	Land Drainage	0	<ul style="list-style-type: none"> Sub contractors budget will be overspent. This expenditure will be funded by additional income from external sources
83B4	Engineering & Construction Services	(54,040)	<ul style="list-style-type: none"> Vacant posts resulting in underspend on pay budgets
83B5	Planning Services	(47,870)	<ul style="list-style-type: none"> Additional income from Planning Application Fees Additional expenditure on legal costs due to appeals Additional consultant fees, partly offset by transfer from reserve
83B6	Conservation	(7,500)	<ul style="list-style-type: none"> AIM reactive repair budget expected to underspend
83B8	Major Projects	(35,000)	<ul style="list-style-type: none"> Expenditure in respect of consultant fees expected to be less than the annual budget
83B9	Markets & Halls	(109,040)	<ul style="list-style-type: none"> Net increase in income
83C1	Waterways	(5,550)	<ul style="list-style-type: none"> AIM reactive repair and service and maintenance budget expected to underspend Additional expenditure on insurance budget Additional rental income expected
83C2	Museum Service	(6,770)	<ul style="list-style-type: none"> Vacancy pay savings
83C5	Property Maintenance Team	(47,000)	<ul style="list-style-type: none"> Saving on pay budgets due to vacant posts Saving on fuel costs

9. Capital Budget Monitoring to 31 December 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 Economy Capital Programme

The 2014/15 Capital Programme, including commitments brought forward from 2013/14 is £6,286,300 and was last reported to Scrutiny Committee – Economy on 13 November 2014. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Scrutiny Committee – Economy, 13 November 2014	6,286,300	
Budget Deferred to 2015/16 & Beyond at Quarter 2	(49,850)	Approved by Executive on 9 December 2014
Overspends/(Underspends) reported at Quarter 2	(44,280)	
RAMM Passenger Lift	45,000	Approved by Executive on 9 December 2014
Other	(7,000)	
Revised Capital Programme	6,230,170	

9.2 Performance

The current Economy Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £3,974,611 in 2014/15 with a further £686,270 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 since 30 September 2014.

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
Repair to Turf Lock Gate	150,000	90,000	There is a very small window of opportunity when these works can be carried out due to needing low tides. Unfortunately there has been a delay with the supply of materials necessary to dam the canal so this window may be lost and consequently there may be significant budget carry forward to 2015/16.

St Sidwells Community Centre	40,000	40,000	Building works are due to start early in 2015/16.
Exeter Gymnastics Club	40,000	40,000	The Association are re-thinking their proposals, so preparatory work on hold.
Science Park Loan	1,000,000	500,000	£500,000 of the loan will be advanced to the Science Park this financial year.

9.5 Achievements

The following schemes have been completed since 30 September 2014:

- **Major Flood Prevention Works**

Exeter City Council has paid the Environment Agency £3,000,000 as its contribution to the £30 million flood defence scheme. Work has already begun on the scheme with the aim to complete by late 2017. Once finished, the scheme will reduce flood risk to over 3,000 residential and commercial properties in the city.

- **Wonford Community Centre Boiler**

An efficient condensing boiler has been installed at the community centre; a supplementary system to heat hot water in case of boiler failure has also been installed.

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:

Democratic Services (Committees)

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