

## EXETER CITY COUNCIL

**REPORT TO:** SCRUTINY COMMITTEE - ECONOMY  
**DATE OF MEETING:** 10 SEPTEMBER 2015  
**REPORT OF:** ASSISTANT DIRECTOR FINANCE  
**TITLE:** BUDGET MONITORING REPORT TO 30 JUNE 2015

### 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 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 note the content of this report in order to be satisfied that prudent steps are being taken 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 2015/16 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 2016.

#### 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:

**Economy Services Budget Monitoring to 30 June 2015**

##### 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 £103,040 after transfers from reserves and revenue

contributions to capital, as detailed in Appendix 1. This represents a variation of 13.1% from the revised budget. This includes supplementary budget of £637,460 already agreed by Council.

8.2 The significant variations by management are:

<b>MU Code</b>	<b>Management Unit</b>	<b>Over / (Underspend)</b>	<b>Detail</b>
<b>83A1</b>	Estates Services	45,000	<ul style="list-style-type: none"> <li>• Non Domestic Rates expenditure expected to exceed the budget.</li> <li>• Income from South Street anticipated to be less than budget</li> </ul>
<b>83A4</b>	Economic Development	45,610	<ul style="list-style-type: none"> <li>• Following the secondment of the Assistant Director Economy on 1 July 2015, his pay costs will be charged entirely to this unit. This will result in salary savings in the services which previously bore his costs, partially offset by honoraria paid to the acting managers.</li> <li>• The unit has an apprentice for which there is no budget; however there are savings elsewhere in the Council where apprentices are no longer employed.</li> <li>• These additional costs are partially offset by a net saving following the deletion of the City Centre Management service.</li> </ul>
<b>83B5</b>	Planning Services	96,730	<ul style="list-style-type: none"> <li>• Additional consultant fees, partly offset by transfer from Local Development Framework reserve.</li> <li>• Recharge from Environmental Health for work carried out expected to exceed budget.</li> </ul>
<b>83B9</b>	Markets & Halls	(45,620)	<ul style="list-style-type: none"> <li>• Additional income is anticipated from car storage and lettings at the Livestock Centre.</li> <li>• Utility costs at the Corn Exchange are expected to be less than the estimates.</li> <li>• Non Domestic Rates expenditure expected to be less than the budget.</li> </ul>
<b>83C3</b>	Contracted Sports Facilities	(220,000)	<ul style="list-style-type: none"> <li>• As a result of the sports facilities contractor acquiring charitable status, the income receivable under the contract will increase.</li> <li>• The estimated contribution required from the Council for utility costs is expected to be excessive, leading to a cost saving.</li> </ul>

## 9. Capital Budget Monitoring to 30 June 2015

To advise members of the financial performance in respect of the 2015/16 Economy Capital Programme.

### 9.1 Revisions to the Economy Capital Programme

The 2015/16 Capital Programme, including commitments brought forward from 2014/15 is £3,650,880 and was last reported to Scrutiny Committee – Resources on 1 July 2015. 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 £139,687 in 2015/16 with £1,101,870 of the programme potentially accelerated from 2016/17.

### 9.3 Capital Variances from Budget

The main variances and issues concerning expenditure in 2015/16 are:

Scheme	Estimated Overspend / (Underspend) £	Reason
Countess Wear Community Centre (Grant Towards Build)	(68,580)	These overspends and underspends reflect the changes outlined to the New Homes Bonus and Grants Panel on 25 June and subsequently approved by Council on 28 July 2015
Wear United	(50,000)	
Countess Wear – Village Hall	75,000	
Beacon Heath Martial Arts & Boxing Club – New Roof	21,805	

### 9.4 Capital Budgets Deferred to 2016/17

Schemes which have been identified as being wholly or partly deferred to 2016/17 and beyond are:

Scheme	Revised 15/16 Budget £	Budget to be Deferred £	Reason
Northbrook Flood Alleviation Scheme	498,130	498,130	Awaiting further information from the Environment Agency
Leisure Complex – Build Project	0	(1,600,000)	The capital budget was profiled to commence in 2016/17, however it is now proposed to accelerate this project and commence the capital spend this financial year.

## 9.5 Achievements

The following scheme has been completed during the first quarter of 2015/16:

### **Paris Street Roundabout Landscaping & Sculptural Swift Tower**

The swift tower forms part of the Exeter Wild City project an initiative between Exeter City Council and Devon Wildlife Trust which aims to help wildlife thrive in the city and help people connect to nature on their doorstep. The tower project has been developed working closely with the RSPB.

The eight metre high tower has been constructed as a centre piece for the newly landscaped Paris Street Roundabout. Its sculptural form provides a series of nest holes for use by swifts. It is hoped that in coming years the tower will provide bespoke city centre housing for swifts, although experience from towers provided elsewhere in Europe suggests that it may take a few years before the birds fully take up residence.

In addition to the tower, the roundabout has also been planted so that it will provide people and wildlife with a stunning summer display of wildflowers. Flowers including poppies and cornflowers will give a splash of colour to the roundabout and help to feed important pollinating insects such as bumblebees and butterflies.

The tower has been funded by the construction of the nearby Jury's Inn hotel and from housing development. No money was spent from Exeter City Council's budget. Devon Wildlife Trust has also contributed to the scheme. Whilst providing a purpose designed nest tower for swifts the sculptural form meets a requirement of the funding for an artwork in this locality.

## **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. The key areas of budgetary risks within Economy Services are attached as Appendix 3, for reference.

## **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

**David Hodgson**  
**Assistant Director Finance**

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

### **Background papers used in compiling this report:**

None

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