

CORPORATE SERVICES SCRUTINY COMMITTEE

Thursday 28 March 2019

Present:

Councillor Sheldon (Chair)
Councillors Warwick, Holland, Musgrave, Thompson, Vizard M and Wood

Apologies:

Councillor Lamb

Also present:

Chief Finance Officer and Democratic Services Officer (MD)

In Attendance:

Councillor Peter Edwards - Leader and Portfolio Holder for Growth & City
Development
Councillor Ollie Pearson - Portfolio Holder for Support Services

11 **MINUTES**

The minutes of the meeting held on 24 January 2019 were taken as read, approved and signed by the Chair as correct

12 **DECLARATIONS OF INTERESTS**

No declarations of disclosable interest were made.

13 **QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 19**

One member of the public, submitted a question under Standing Order 19, in relation to the practical impact to staffing and various savings measures.

Councillor Edwards, as the Council Leader and Portfolio Holder for Growth & City Development provided a response to the questions. A copy of the question and response is appended to the minutes.

14 **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER** **20**

In accordance with Standing Order No 20, Councillor Musgrave and Councillor Thompson submitted respective questions on Councillor Compliance with the constitution, redaction policy and funding for the Pinhoe Hub.

A copy of the questions had been circulated to Members, and together with the response from Councillor Edwards, Leader and Portfolio Holder for Growth & City Development are appended to the minutes.

OVERVIEW OF REVENUE BUDGET

The Chief Finance Officer presented the report for the Revenue Budget for 2018/19, advising Members of the overall projected financial position of the HRA & General Fund Revenue Budgets and for the Members to formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

He explained that work had been undertaken during the second quarter, to prevent the General Fund level from falling below the £3 Million level, which was initially expected to happen. Although the level had not dropped, there was still a requirement to continue to identify means of funding for unexpected financial pressures throughout the year.

The Housing Revenue Account (HRA), showed a significant reduction in the amount to be taken from the working balance, and the projected reduction was £396,482, leaving the balance at £9,815,762. Members were informed that the HRA position had been affected by delays from the Capital Programme, which had resulted in a large reduction to the amount to be taken from the working balance. Members noted that there should be progress moving schemes forward.

The General Fund Balance, had remained stable during the last quarter, with an overall net contribution of £1,645,926, leaving the projected year-end balance at £3,046,478, which was marginally above the £3 million minimum level approved by Council. Members were referred to the key variances for Planning Services, noting that there was no £357,000 overspend as this would be funded from the Community Infrastructure Levy (CIL) and it was confirmed that without this, the Planning Services would be in surplus.

In response to questions from Members, the Chief Finance Officer responded:-

- The £130K additional consultancy cost for procurement, covered the whole year, and there had been no consultancy spend since October 2018. There had been a temporary HRA Procurement Manager in post for over a year, with the costs re-charged to the HRA. The Manager would be leaving the Council and the work would be incorporated into the internal Procurement Team.
- There was an error with the debt write off figures in the report, which would be corrected and re-issued to Members.

Corporate Services Scrutiny Committee noted the report and requested Executive and Council to note and approve:

- (1) The General Fund forecast financial position for the 2018/19 financial year;
- (2) The HRA forecast financial position for 2018/19 financial year;
- (3) The outstanding Sundry Debt position as at March 2019; and
- (4) The creditors' payments performance.

CAPITAL MONITORING STATEMENT - QUARTER 3

The Chief Finance Officer presented the Capital Monitoring Statement, which reported the current position of the Council's revised annual capital programme and advised Members of the anticipated level of deferred expenditure into future years. Capital expenditure was a significant source of risk and uncertainty and the Capital Programme was updated every three months to reflect the latest costs and manage the risks.

He explained that that £10.7million had now been deferred to future years and that £1.074 million had been brought forward into 2018/19. There were a few significant projects in place at Exeter City Council, which would see substantially higher expenditure by the end of the next financial year. Members noted that they could enquire with project managers for explanations on why a scheme had been deferred.

The Chief Finance Officer referred to the completed schemes during the third quarter, stating that it was being recommended to Council, to add £74,900 to the Capital Programme for the Mobile and Agile Working for Environmental Health, which was a part of the Council's Transformational Change Programme.

Corporate Services Scrutiny Committee supported the report and requested Executive to recommend to Council to approve:

- (1) The revision of the annual Capital Programme to reflect the reported variations detailed in 8.1, 8.4 and 8.5 of the report; and
- (2) The additions to the Capital Programme detailed in 8.7 of the report.

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BUDGET MONITORING REPORT - QUARTER 3

The Chief Finance Officer presented the quarterly report which advised Members of material differences, by management unit, between the 2018/19 approved budget and the current outturn forecast in respect of Corporate Services Scrutiny Committee. He advised that local authorities had a statutory duty to set and monitor budgets during the year and to action potential overspends or income losses.

The Chief Finance Officer highlighted that following the formation of the Procurement team, the significant variances were now stable and would be reflected accordingly in next year's report.

The Corporate Services Scrutiny Committee noted the content of the report and were satisfied that actions were being taken to address the key areas of budgetary pressure highlighted in this report.

(The meeting commenced at 5.30 pm and closed at 5.52 pm)

Chair