	REPORT TO CABINET TO BE HELD ON 13 NOVEMBER 2018	
	Key Decision	Yes
	Forward Plan Ref No	
Corporate Priority - ALL	Cabinet Portfolio Holder	Cllr. Helen Mallory

REPORT OF THE DIRECTOR (NE) – 18/266

WARDS AFFECTED: ALL

SUBJECT: FINANCIAL MONITORING TO SEPTEMBER 2018 (2nd QUARTER)

RECOMMENDATION (S):

Cabinet is recommended to:

- i) Note the report and in particular that:
 - Despite the setting of an extremely challenging budget a year end surplus of £515k is currently expected to be achieved;
 - As approved by Council (18/195), the 2019 Tour De Yorkshire cycle event (£150k) will be funded from the 2018/19 revenue budget surplus, reducing the uncommitted balance to £365k. In the unlikely event that this causes an in year overspend then this cost would require funding from the Council's General Fund Balance.
 - The surplus is primarily driven by one-off savings specifically in relation to business rates refunds, one off grants and delays in legislative changes to pension auto-enrolment.
 - The majority of income targets are being achieved;
 - The majority of savings identified as part of the 2018/19 budget setting process are being achieved but there are a small number of areas that still require addressing (including some perpetual under achieved budgets). These will continue to be monitored.
 - The capital programme continues to operate within the overall parameters set in terms of contingency levels;
- ii) Approve that any surplus generated this financial year is set aside for the

capital strategy / one off priorities.

- iii) Approve acceptance of the following grants:
 - £30,000 from NYCC to help mitigate the impacts on tourism and commerce following a poor performance in rail services over the summer.
 - £41,170 from the Big Local Programme for the delivery of support worker services to the Barrowcliff Big Local Partnership.
- iv) Note the acceptance of the funding allocation for the Robin Hoods Bay Sea Wall Scheme.
- v) Approve the allocation of £43,000 from the capital receipt owed in relation to the Middle Deepdale development as a contribution towards the relocation costs of Tourism Services staff from High Eastfield Farm to Dean Road Depot.
- vi) Approve allocation of £4,000 of Section 106 towards footpath network upgrades within Valley Park.

REASON FOR RECOMMENDATION(S):

To provide information relating to the Council's financial performance for the 2018/19 year.

HIGHLIGHTED RISKS:

There are risks in respect of financial matters, primarily in respect of potential additional costs or underachieved income. These risks are mitigated by the monitoring procedures that are in place throughout the Council.

1. INTRODUCTION

- 1.1 The Council is committed to a strong financial management culture that underpins the focus on continuous improvement. Regular monitoring of the Council's capital and revenue budgets and level of reserves are key components of the performance management framework.
- 1.2 This report covers the first six months of the 2018/19 financial year from April to September 2018. It is important that all the data included within this report is carefully considered if we are to continue to embed the culture of continuous improvement within the organisation.
- 1.3 The report covers the following areas:
 - Financial Performance – Revenue Budget
 - Financial Performance – Capital Budget
 - Grants
 - Reserves

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

2.1 The Council's capital and revenue budgets cover all Corporate Objectives.

3. BACKGROUND AND ISSUES

3.1 Financial Performance – Revenue Budget

3.1.1 The Council's revenue monitoring process concentrates on areas that are categorised as high risk due to their size, volatility or previous year's outturn. This report summarises all areas of concern and budgetary surpluses that are anticipated for the year, which have been identified through the budget monitoring exercise.

3.1.2 Sales, Fees and Charges and External Rents (net of direct costs)

Sales, fees and charges and external rents (net of direct costs) have a full year budgetary target of £17.6m. Various factors can affect income levels and therefore they are closely monitored during the year.

3.1.3 Salaries and Wages

The Council is budgeted to spend nearly £21m on salary and wages this year and therefore these costs are monitored closely.

3.1.4 Other High Risk Areas

In addition to the two areas above, the budget monitoring process has identified other areas of concern and budgetary surpluses that are anticipated in the year. These are categorised as high risk as a result of their size, volatility or previous years' outturn. Items get added to this section as the year progresses if the financial monitoring outlines any material in year shortfalls or surpluses.

3.1.5 The table below summarises the position, per Directorate, of the areas outlined above. All other areas of revenue income and expenditure within the Council are currently expected to be in line with budget. **Appendix 1** of this report outlines, in greater detail, the key areas that are reviewed as part of the monitoring process.

Director	Appendix	Full Year Budget	Year to Date			Year End Forecast
			Actual	Budget	Surplus/ (Deficit)	
			£k	£k	£k	£k
Chief Executive	1.1	1,797	820	898	78	(36)
Director (Nick Edwards)	1.2	6,326	2,212	2,294	82	(29)
Director (Lisa Dixon)	1.3	(4,828)	(3,787)	(3,915)	(128)	(28)
Director (Richard Bradley)	1.4	(1,305)	(1,071)	(967)	104	208
Corporate	1.5	4,972	3,104	4,044	940	402
2019 Tour De Yorkshire		-	-	-	-	(150)

Total		6,961	1,277	2,354	1,076	365
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3.1.6 The table above outlines that a surplus of £365k is expected to be achieved against the revenue budget for 2018/19. This surplus is after having funded the 2019 Tour de Yorkshire cycle event from the 2018/19 revenue budget (18/195). In the unlikely scenario that funding this events leads to an overspend in year then this cost would require funding from the Council's General Fund Balance.

3.1.7 The key variations from budget that are expected to occur this year are outlined below. Deficits to budget are shown in brackets and more details are provided in **Appendix 1** to this report. Aspects of those items highlighted with an * may recur and will therefore be reviewed as part of the 2019/20 budget setting proposals.

Chief Executive

- (£29k) - savings that were included in the Financial Strategy that are to be delivered from corporate modernisation reviews. This saving will be delivered in full from ongoing reviews, however the savings are presented within the report under the relevant Directorate's service area*

Director (Nick Edwards)

- £18k – reduction in external audit fee costs*
- £45k – increased income from court cost recharges, the costs of administering the debt recovery process are included within existing budget resources*
- (£37k) – security costs being incurred within Customer First are not included within current budget*
- (£50k) – rounds review proposals finalised but not yet implemented (expected to generate total savings of £70k), shortfall partially offset by savings in staffing costs.
- (£9k) lower than expected recycling credit income primarily as a result of reduced levels of garden waste offset, in part, by higher income from garden waste collection fees.
- (£55k) – higher than expected costs on repairing fleet vehicles (unfair wear and tear £30k)* and (£25k) higher than expected costs on fleet fuel*
- £149k – salaries savings within benefits team as a result of vacant posts and maternity leave* together with one-off grant from DWP in relation to changes in legislation
- £55k – higher than budgeted income from fish dues at Scarborough Harbour*
- (£57k) – a shortfall in income from Public Conveniences is forecasted, primarily as a result of removing charges for the usage of the St Nicholas Gardens facility and the subsequent knock on effect of reduced income from the West Pier facility. In addition new income budgeted as part of the Public Convenience review will not materialise due to delays in some of the related refurbishments. It should be noted

that £200k savings have been included against the running costs for public convenience in the budget proposals leading up to the 2018/19 year therefore, despite this shortfall, it does mean that savings of £144k have been delivered.*

- (£40k) – shortfall on parks income due to loss of some external contracts.*
- (£65k) – repairs to interceptor tank

Director (Lisa Dixon)

- £24k - saving from part year vacant posts within parking services
- (£15k) - shortfall from crematoria income
- £20k – increased income from export licencing
- £75k – in year vacant post within legal services together with additional income from external clients
- £25k – net underspend at Open Air Theatre
- (£35k) – shortfall from Peasholm Park income partly due to a delay in Buttercup kiosk becoming operational at the start of the year, delayed re-opening of the boat deck, poor weather in the early season and reduced rental income from cafe.
- (£22k) - summer shows in Peasholm Park.
- (£33k) – income from Oliver’s Mount racing days will not be achieved this year as the circuit is not currently in use.
- (£21k) – unbudgeted works at Filey Brigg Caravan Park to undertake essential maintenance works
- (£10k) – reduced income from South Bay chalets as failure of retaining wall in the area means that some of them are no longer available for letting. *
- (£35k) – expected shortfall on capital salaries within legal teams.

Director (Richard Bradley)

- £23k – temporary staffing savings due to long term absence
- (£20k) – reduced rental income from vacant properties*
- (£45k) – reduced occupancy at Scarborough Indoor Market following the refurbishment works*
- £94k – lower than budgeted salaries within the planning department due to part year vacancies and external income* from providing planning services to other authorities and savings on advertising*
- £150k – further savings from the Trade Waste service review*
- (£14k) – non achievement of capital salary recharges with the regeneration team*

Corporate

- £110k – delay in pension auto-enrolment for some staff members means budget not required this year
- £50k – budgeted salary increment costs not required this year
- £28k – additional saving from prepaying pension fund contributions *
- £30k – additional interest income due to higher than anticipated cash balances in the first half of the year

- £184k – lower than expected expenditure on business rates following one off refunds in relation to the Council's off street car parks (£237k) offset, in part, by rates due on the Council's old indoor leisure facilities* (indoor pool and sports centre) for which there is no budget.

3.1.8 Other key opportunities / threats

The following items have not been adjusted for within this forecasted outturn however will be carefully monitored throughout the rest of the year:

Opportunities

- Revenue contingency budgets – as part of the budget setting process it was noted that inflationary pressures and the general state of the economy would exert pressures on many areas of the council during the year. For this reason a contingency budget was created. At this stage it is assumed that this will be utilised in full throughout the year however this may not be the case.
- Business Rate revaluations - expenditure on business rates is below budget to date primarily as a result of one off refunds dating back to the 2010 valuation list. This saving (£237k) has been included in the forecast outturn but further appeals could be successful during the remainder of the year. Any further one off refunds during the remainder of the year will be earmarked for one-off investment in the capital programme.
- Some savings proposed for 2019/20 are being delivered during the current year and therefore budgetary savings will be achieved early. Whilst the budget saving from some of these schemes (such as the commercialisation of the asset portfolio) are being earmarked for one-off investment in the capital programme some will lead to savings this year.

Threats

- The introduction of the Homelessness Reduction Act has had, and will continue to have, far reaching implications upon the Council's approach to preventing and relieving homelessness within the Borough. The Council now has a responsibility for helping a much broader group of people which in turn increases the financial pressures upon the Council. Measures have been introduced to utilise available grant funding and therefore minimise the impact upon Council resources.
- Earlier this year North Yorkshire County Council put forward a proposal to reduce their annual funding contribution for CCTV by £54,000 from £76,000 to £22,000 with effect from 2019/20. This reduction would have significant budgetary implications for the Council and as such negotiations are ongoing with the County Council as to how the service would be jeopardised with such a significantly reduced level of external financial support. It is not certain at the moment whether or not this will affect the financial performance of the service this year however nothing has been included within this report.

3.2 Financial Performance - Capital Budget

3.2.1 **Appendix 2** sets out detailed information in relation to areas identified in the capital monitoring process and schemes with a value above £250k.

3.2.2 Completed schemes

Peasholm Lake De-Silting

The silt within Peasholm Park lake had accumulated to such an extent that the navigation channels for the naval warfare were being compromised. The silt has been removed from the lake, allowing for free flowing movements of the naval warfare boats and leisure craft. The works resulted in vast quantities of silt waste being removed which were subsequently disposed of in accordance with current regulations.

Open Air Theatre Permanent Decking

As a result of the permanent decking construction the venue has increased in size enabling the attraction of bigger acts. The new decking has also provided the Council with a more flexible space in which to hold its own events such as the Tour de Yorkshire and Scarborough Sparkle.

The final cost of the scheme was £685k, the decking costing approximately £639k with a further £46k of costs relating to the provision of security barriers. The recent contract with the venue operator means that they have agreed to reimburse the Council for the cost of the decking over a nine year period. The Council has therefore significantly enhanced this asset with no direct cost to the tax payer.

The works have ensured the longevity of the venue, making it an attractive venue to artists and promoters alike and providing the Council with a flexible outdoor space for its own use and events.

With the need for security barriers expected to continue, the decision was made by the Major Projects Board to purchase the barriers hired for the OAT at the end of the season to take advantage of a partial refund of the hire costs. It is intended that these barriers are used as a corporate asset to support other major events in the Borough reducing the costs of staging these events as well as supporting the OAT. As such the purchase has been funded from the Council's Investment Fund reserve at a total cost of £46k.

Remedial Works to Pilings at Endeavour Wharf

This scheme of works approved in July 2017 (17/169) was a result of a structural survey which concluded that, without significant repair, the structure has a limited lifespan with failure predicted within less than 20 years.

Officers were subsequently successful in obtaining £315k of Marine Management Organisation (MMO) funding as a 75% contribution towards the

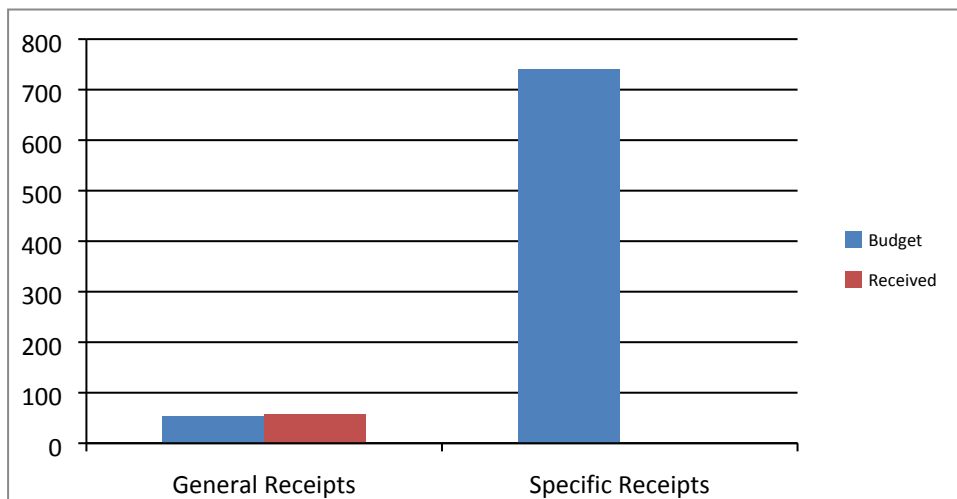
works and the councils contribution of £105k was funded from Harbour Reserves. It was noted at the time that the funding approvals from the MMO provided no contingency as these were not eligible costs within the funding submission.

Due to the nature of the works and the unknown elements of working both above and below sea level it was deemed prudent to allocate a scheme contingency of £80k (20%). This contingency was also funded from Harbour Reserves.

All works are now structurally complete with only an element of the retention payments outstanding. Whilst £58k of the contingency was used it is pleasing to report that £22k was not required and this has therefore increased the uncommitted amount within Harbour Reserves.

3.2.3 Capital receipts

The graph below details the current levels of capital receipts within the year.



A general level of capital receipts are anticipated each year and are built into the Councils capital strategy together with any specific disposals where appropriate. These levels of receipt must be generated in order to balance the Council's capital budgets.

The outstanding specific receipts targets relate to the sale the former public toilets at Khyber Pass, and Manor Road Nursey.

3.2.2 Section 106

The Council holds monies received under the terms of Section 106 of the Town and Country Planning Act 1990. These monies are received as contributions towards various infrastructure projects throughout the Borough.

The Council have received a sum of £4,000 from the developers of a site at Grosvenor House. The conditions of the Section 106 agreement state that the monies shall be “towards the provision and enhancement of off-site public open / play / sports and recreation facilities”.

The Council are developing a scheme of works to upgrade the footpath network within the Valley Park, Scarborough.

The scheme will involve both the reconstruction and resurfacing of various footpaths within the gardens. This will provide users with several walkways through the gardens and a defined route from Valley Road to Ramshill Road allowing safer transit through the gardens. Previously several sections of the path network have been closed due to landslips or more generally not being safe. These sections will be either brought back into use or broken up with the area returned to grass.

It is recommended as part of this report that the monies received from the development are utilised as a contribution towards the footpath network upgrades.

3.3 Grants

3.3.1 Revenue Grants

North Yorkshire County Council (NYCC)

As a result of poor performance over the summer a levy has been agreed by NYCC with the rail industry to help mitigate the impacts on tourism and commerce. The Scarborough area has been allocated £30,000 of this funding from NYCC for the promotion of Scarborough for out of season visits. A promotional plan is currently being developed which, once approved by NYCC, will allow the funding to be released.

Big Local Programme

Funding of £41,170 (£20,585 each year for two years) has been allocated from the Big Local Programme for the delivery of support worker services to the Barrowcliff Big Local Partnership. This funding will provide 23 hours per week of resource and is effective from 1 August 2018.

3.3.2 Capital Grants

There are no capital grants to approve as part of this report.

3.4 Reserves

3.4.1 Reserves form an important part of the Council’s financial planning process and retaining an optimum level of reserves is integral to the budget setting process. The level of reserves are monitored throughout the year to ensure that they are on target and are deemed to be adequate, taking into account the risks identified in the budget monitoring process.

3.4.2 The criteria for assessing the adequacy of reserves are set out each year in the Council's Financial Strategy. The table below outlines the balances of the reserves at the start of the year and also the projected year end balances:

Reserve	Optimum Criteria		Balance at 1 April 18	In year Forecast movement	Projected 31 Mar 19	
	Minimum	Maximum				
General Fund	2,000	3,000	3,026	(200)	2,826	●
Capital Contingency	500	1,500	705	100	805	●
Insurance Reserve	1,350	no max	1,977	(48)	1,929	●
Pension Reserve	100	750	1,091	83	1,174	●
Capital Development Reserve (including useable capital receipts)	Resources matched to investments over 10 yrs		14,152	(8,008)	6,144	●
Other Reserves	no min	no max	10,217	(3,291)	6,926	●
Total			31,168	(11,363)	19,805	

3.4.3 **General Fund** - the balance of the General Fund at 31 March 2018 was £3.026m. £200k of this balance is, however, being used to support the revenue budget in 2018/19 with a further £300k being required in 2019/20. The uncommitted balance of the reserve is therefore £2.526m.

3.4.4 **Capital Contingency Reserve** – whilst the balance at 31 March 2018 was £705k, £200k of the balance is earmarked for the Futurist redevelopment (should it be required) and therefore the uncommitted balance, after taking into account the base budget contribution into the reserve during the year of £100k, is £605k.

3.4.5 **Insurance Reserve** – the Insurance Reserve covers risks which are by their nature difficult to insure such as cliff slippage and certain storm damage, and risks which are generally uneconomic to insure such as damage due to leakage from water pipes and the theft of small items of equipment. The fund also meets the cost of some insurance excesses and risk management expenditure. The balance of the reserve is currently considered adequate.

3.4.6 **Pension Reserve** – whilst this balance is in excess of the optimum range, it is recognised that this reserve will be subject to a particular strain over the short to medium term as the Council delivers the high level of savings targets needed to balance its revenue budget. The current balance is therefore considered to be appropriate particularly given that base budget contributions into the reserve have been reduced (from £201k to £101k) as part of the 2018/19 budget setting process.

3.4.7 **Capital Development Reserve** – this reserve aims to match resources to investments over a ten year period. The current projections show that the resources available are broadly balanced over the 10 year period to 2028; however there are overcommitted balances in some of the later years of the plan and not all essential expenditure is included in the projections (e.g. asset management backlog works). Proposals to commit monies from the reserve have therefore been restricted in 2018/19.

3.4.8 At present the balance of other earmarked reserves is considered adequate.

3.5 Capital Strategy / One Off Investments

3.5.1 The 2018 Financial Strategy outlined plans to develop a robust, long term capital investment strategy. This strategy will integrate with the revenue budget projections as well as the Property Asset Management Plan, the Commercial and the Priority Projects Plan. The establishment of a more robust capital investment strategy should ensure that capital resources are utilised in a planned and structured way and provide funding to take forward priority schemes that will deliver the Council's longer term strategic priorities and resources.

3.5.2 The 2018 Financial Strategy outlined a number of unfunded schemes together with a number of funding sources that had not been committed within the budget proposals.

3.5.3 Assuming that business rates and business rates pool projections come in in line with expectation during 2018/19, and that current year revenue budget surpluses are earmarked for capital / one-off funding purposes, there will be in excess of £4m available to invest in capital / one-off projects. Whilst this may appear like a sizeable amount of money, a huge value of works remain unfunded as part of the current budget strategy.

3.5.4 Representatives from Finance, Asset Management, Estates, Regeneration and Projects are currently collating details of schemes that will require funding and are already aware of a number of commitments that may need to be accommodated or have already been approved. Such areas include:

- Asset Management Backlogs
- Cemetery Provision
- Critical Junctions Work with NYCC
- Retaining Wall behind South Bay Chalets
- South Cliff Gardens (HLF bid)
- Spa Cliff Lift

3.5.5 Cabinet is asked to approve that any underspend against the revenue budget this year is earmarked for capital / one off investments to allow a long term strategy to be developed. The overall strategy and investment proposals will be considered alongside the 2019 budget report in December.

4. ASSESSMENT

4.1 Despite severe funding cuts the revenue budget for the year is expected to be achieved and current projections envisage a year end surplus of £515k. £150k of this surplus is committed for the Tour de Yorkshire. Whilst this is positive news it should be noted that this does include one off savings of £237k relating to refunds of business rates on the Council's car parks.

- 4.2 There are a very small number of savings that were put forward for 2018/19 that are not being achieved (in full) and these will continue to be monitored throughout the year. In addition there are a small number of areas that still require addressing (including some perpetual under achieved budgets) and these will continue to be carefully monitored.
- 4.3 The Capital Programme continues to operate within the overall parameters set in terms of contingency levels.

5. IMPLICATIONS

5.1 Policy

No direct implications.

5.2 Legal

No direct implications.

5.3 Financial Implications

Set out in this report.

5.4 Staffing Implications, Planning Implications, Crime and Disorder, Health & Safety and Environmental Implications

No specific implications, through many of the Corporate Priorities are linked to Economic and Sustainable Development.

Nicholas Edwards

Nicholas Edwards
Director

Author: Neil Hughes, Accountancy Manager
Telephone No: 01723 232357
e-mail address: neil.hughes@scarborough.gov.uk

Background Papers:

18/43 – Financial and Asset Management Maintenance Strategy and Council Tax Setting 2018/19
18/201 – Financial Monitoring to July 2018 (1st Period)

FINANCIAL PERFORMANCE - REVENUE BUDGET

1. Introduction

This is the second monitoring summary for the 2018/19 financial year covering the period **1 April to 30 September 2018**. The information contained within these appendices is derived from the same information that is delivered to managers desktops on a monthly basis and it is hoped that this consistency will aid the understanding and further embed the budget monitoring process across the authority.

Appendices 1.1 to 1.6 provide additional information on Sales, Fees and Charges, External Rents, Salaries and Wages and Other High Risk areas analysed by Directorate responsibility.

Sales, Fees and Charges, External Rents and Salaries and Wages

Director	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus / (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus / (Deficit) £k
Chief Executive	912	916	923	6	1,862	1,858	4
Director (Nick Edwards)	1,654	1,692	1,878	186	5,302	5,236	67
Director (Lisa Dixon)	(3,856)	(3,849)	(3,910)	(61)	(4,789)	(4,873)	84
Director (Richard Bradley)	(1,094)	(1,116)	(994)	122	(1,265)	(1,456)	192
Corporate	1,694	1,760	2,031	271	2,035	1,848	188
Total	(689)	(597)	(72)	524	3,147	2,612	534

Other High Risk Areas

Director	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus / (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus / (Deficit) £k
Chief Executive	(116)	(97)	(25)	72	(65)	(25)	(40)
Director (Nick Edwards)	593	520	416	(104)	1,023	1,119	(96)
Director (Lisa Dixon)	10	62	(6)	(67)	(39)	73	(113)
Director (Richard Bradley)	82	45	27	(17)	(41)	(57)	16
Corporate	1,315	1,344	2,014	669	2,937	2,723	214
Total	1,884	1,874	2,426	552	3,815	3,834	(19)

Overall Summary

Director	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus / (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus / (Deficit) £k
Chief Executive	797	820	898	78	1,797	1,833	(36)
Director (Nick Edwards)	2,247	2,212	2,294	82	6,326	6,355	(29)
Director (Lisa Dixon)	(3,845)	(3,787)	(3,915)	(128)	(4,828)	(4,800)	(28)
Director (Richard Bradley)	(1,012)	(1,071)	(967)	104	(1,305)	(1,513)	208
Corporate	3,009	3,104	4,044	940	4,972	4,571	402
Total	1,195	1,277	2,354	1,076	6,961	6,446	515

Chief Executive

Sales, Fees and Charges, External Rents and Salaries and Wages

Service	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus/ (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus/ (Deficit) £k
Electoral Services	73	82	69	(13)	153	154	(1)
HR and Health & Safety	149	151	156	5	311	307	5
Capital and Procurement Unit	189	199	199	-	398	398	-
Internal Audit	62	77	74	(3)	142	142	-
Public Relations	23	24	24	-	47	47	-
Senior Management Team and Support	71	73	73	-	145	145	-
Marketing and Events	-	(2)	-	2	-	-	-
IT Services	264	268	280	12	565	565	-
Corporate	81	46	50	4	100	100	-
Total	912	916	923	6	1,862	1,858	4

Key points to note about performance year to date:

- **Electoral Services** – Salary saving expected from temporary staffing budget offset by additional costs following a service review. The additional cost from the service review will be included in the 2019/20 budget setting proposals.
- **HR** – Small saving expected in year due to maternity leave.

APPENDIX 1.2

Director (Nick Edwards)

Sales, Fees and Charges, External Rents and Salaries and Wages

Service	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus/ (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus/ (Deficit) £k
Corporate Management	(5)	-	(1)	(1)	(2)	(2)	-
Local Taxation	41	(14)	10	24	125	76	49
Property Services Operational Unit	(40)	(51)	(58)	(7)	(111)	(111)	-
Scarborough Harbour	(494)	(544)	(454)	89	(558)	(613)	55
Whitby Harbour	(483)	(528)	(517)	11	(563)	(565)	2
Depots and Admin Buildings	(27)	(23)	(28)	(4)	(56)	(56)	-
Home Improvement Agency	75	28	43	15	86	86	-
Accountancy	146	152	154	3	308	308	-
Accounts Receivable and Payable	87	95	93	(2)	185	185	-
Cash Collection and Administration	24	21	22	1	43	43	-
Choices 4 Energy	(9)	(15)	(2)	13	(4)	(4)	-
Environmental Health and Safety	28	25	27	1	51	51	-
Estates and Asset Management	104	133	128	(5)	255	255	-
Housing and Homeless	122	306	314	8	642	642	-
Housing Benefits Administration	451	449	489	40	962	905	57
Refuse Collection and Street Cleansing	396	438	457	20	1,553	1,562	(9)
Rental Properties	44	56	(1)	(57)	(5)	(5)	-
Senior Management Team and Support	49	50	50	-	101	101	-
Street Seats, Lighting and Name Boards	(37)	(32)	-	32	-	-	-
Transport and Vehicles Maintenance	151	118	173	55	326	317	9
Public Conveniences	63	69	9	(60)	79	135	(57)
Parks and Open Spaces	969	960	971	11	1,884	1,924	(40)
Total	1,654	1,692	1,878	186	5,302	5,236	67

Key points to note about performance year to date:

- **Local Taxation** – increased income from court cost recharges, the costs of administering the recovery process are included within existing budget resources
- **Scarborough Harbour** – The previous Financial Monitoring Report (18/201) highlighted a projected year end surplus of £55k as a result of higher than budgeted income from fish dues. Officers now expect further surpluses to be generated throughout the remainder of the year however nothing has been

included within this report. This is because officers are currently in the process of seeking to procure consultants to undertake a comprehensive masterplan and fully costed feasibility and implementation plan to assist delivery of the regeneration of Scarborough Harbour. The additional surpluses anticipated within the year will therefore provide the resource required to undertake the masterplan.

- **Housing Benefit Admin** – salaries savings within benefits team as a result of vacant posts and maternity leave
- **Refuse Collection and Street Cleansing** – the dry summer led to a reduction in the amount of garden waste collected and this has led to a reduction in recycling credits. This reduced income has been offset, in part, by income from the paid garden waste service.
- **Transport and Vehicles Maintenance** – saving on salaries due to vacant apprentice position
- **Public conveniences** – a shortfall in income from Public Conveniences is forecasted, primarily as a result of removing charges for the usage of the St Nicholas Gardens facility and the subsequent knock on effect of reduced income from the West Pier facility. In addition new income budgeted as part of the Public Convenience review will not materialise due to delays in some of the related refurbishments. It should be noted that £200k savings have been included against the running costs for public convenience in the budget proposals leading up to the 2018/19 year therefore, despite this shortfall, it does mean that savings of £143k have been delivered.
- **Parks and Open Spaces** – the shortfall is in relation to schools contract income following the loss of some external contracts. The effect that this has on the levels of resource required will be determined as part of the parks review.

Director (Lisa Dixon)

Sales, Fees and Charges, External Rents and Salaries and Wages

Service	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus/ (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus/ (Deficit) £k
Local Land Charges	(48)	(33)	(37)	(5)	(64)	(64)	-
Parking Off Street	(3,416)	(3,433)	(3,484)	(51)	(4,542)	(4,566)	24
CCTV	73	68	73	5	151	151	-
Cemeteries and Crematorium	(406)	(436)	(461)	(25)	(985)	(970)	(15)
Licensing	(159)	(128)	(151)	(23)	(218)	(218)	-
Cash Collection and Administration	25	25	29	3	53	53	-
Community Centres	(20)	(35)	(25)	11	(46)	(46)	-
Environmental Health and Safety	251	239	267	28	540	520	20
Legal Services	77	48	100	53	201	126	75
Member & Mayoral Expenses	1	1	1	-	2	2	-
Outdoor Playing Fields and Amenities	(7)	(6)	(15)	(10)	(19)	(19)	-
Print Plus	37	38	28	(10)	56	56	-
Regulatory, Governance, Performance & Admin	205	228	241	13	511	476	35
Senior Management Team and Support	80	82	61	(21)	111	111	-
Beaches	71	84	85	1	90	90	-
Beach Chalets	(170)	(166)	(175)	(9)	(175)	(167)	(8)
Theatres	57	(6)	36	42	62	37	25
Rental Properties	0	(35)	(44)	(8)	(70)	(53)	(17)
Outdoor Leisure Sites	(518)	(407)	(474)	(67)	(515)	(460)	(55)
Marketing and Events	11	23	35	12	70	70	-
Total	(3,856)	(3,849)	(3,910)	(61)	(4,789)	(4,873)	84

Key points to note about performance year to date:

- **Parking Off-Street** – the shortfall from off street car parking reported in the last report primarily as a result of an early Easter and poor weather during April has been offset by higher than expected income in August and September. The saving outlined above is due to part year vacant posts where the service has found it difficult to recruit.
- **Cemeteries and Crematorium** – lower than expected number of services has led to a reduction in expected income of £15k.
- **Environmental Health and Safety** – Higher levels of income from export licences (£25k) offset in part by no income being achieved from Schedule B registrations this year (£5k) will lead to an overall surplus of £20k
- **Legal Services** – part year vacant posts in legal services, (offset in part by Locum costs (see section 1.6)) together with £15k additional income from external clients.

- **Regulatory, Governance, Performance & Admin** – this saving is due to a part year vacant post offset, in part, by agency staff to cover the role in the short term.
- **Rental Properties & Outdoor Leisure Sites** – shortfall from Peasholm Park income partly due to a delay in Buttercup kiosk becoming operational at the start of the year, delayed re-opening of the boat deck, poor weather in the early season, reduced rental income from café and summer shows which were put in place without budget provision.
- **Beach Chalets** - reduced income from South Bay chalets as failure of retaining wall in the area means that some of them are no longer available for letting. These chalets will not be lettable again until 2020 and therefore growth will be provided in the 2019/20 budget proposals.
- **Theatres** – reduced net costs from the Open Air Theatre this year is expected to result in an underspend against budget of £25k. A review of the 2018 Open Air Theatre season was presented to Audit Committee in October (18/236).

Director (Richard Bradley)

Sales, Fees and Charges, External Rents and Salaries and Wages

Service	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus/ (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus/ (Deficit) £k
Community Partnerships & Safety	275	199	207	9	407	400	7
Economic Development	85	180	203	22	391	369	23
Industrial Units	(101)	(90)	(91)	(1)	(180)	(180)	0
Planning	27	5	83	78	188	113	75
Markets	(87)	(95)	(121)	(26)	(236)	(191)	(45)
Community Centres	(2)	(1)	1	2	2	2	0
Estates and Asset Management	69	92	100	8	195	193	2
Outsourced services	(10)	(9)	(15)	(6)	(25)	(25)	0
Refuse Collection and Street Cleansing	(809)	(818)	(826)	(8)	(824)	(974)	150
Rental Properties	(917)	(964)	(981)	(17)	(2,075)	(2,055)	(20)
Senior Management Team and Support	26	50	50	0	101	101	0
Sports Development	36	35	47	12	95	95	0
Marketing and Events	117	95	119	24	242	242	0
Customer Services	183	203	219	16	424	424	0
Tourist Information Centres	14	3	11	8	31	31	0
Total	(1,094)	(1,116)	(994)	122	(1,265)	(1,456)	192

Key points to note about performance year to date:

- **Economic Development** – salary saving due to long term sickness within the unit.
- **Planning** – lower than budgeted salaries within the planning department due to part year vacancies and external income from providing planning services to other authorities
- **Markets** – Following a delay in the refurbishment project, reductions in occupancy rates have lasted longer than originally anticipated. Whilst the mezzanine and the vaults are performing well, vacancy rates are too high on the main trading floor. In addition to the income shortfalls utility costs are expected to exceed budget. Officers are investigating the reasons for the increased use of energy at the site and hope to have this resolved within the next month.
- **Refuse Collection (Trade Waste)** – a review of the trade waste and holiday let service identified savings of £100k and these were put forward as part of the 2018/19 budget setting process. Further savings (increased income) are expected this year and it is currently projected that an additional £150k will be achieved. This additional income will be included as a saving in the 2019/20 budget proposals.

- **Rental Properties** - reduced rental income primarily as a result of a void occupancy at Skinner Street. Cabinet have recently approved the sale of this property and therefore this rental income shortfall will be provided as growth in the 2019/20 budget setting process.

Corporate

Sales, Fees and Charges, External Rents and Salaries and Wages

Service	Prev YTD Actuals	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus/ (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus/ (Deficit) £k
Corporate	1,694	1,760	2,031	271	2,035	1,848	188
Total	1,694	1,760	2,031	271	2,035	1,848	188

Key points to note about performance year to date:

- **Corporate**
 - The budget for the back funded element of the pension scheme is included within the 'Corporate' Service and this expenditure is in line with budget. There is a £28k saving (in addition to that included as a saving in the 2018/19 budget proposals) from prepaying the pension fund contributions this year.
 - A £110k saving relates to growth that was provided as part of the 2017/18 budget setting process for pension auto-enrolment. October 2017 was to see the next phase of the Council employees auto-enrolled into the pension scheme but legislative changes mean that this won't now happen until October 2019. Whilst there has been a delay, employees who are not currently in the scheme are actively encouraged to join. Whilst this money won't be required this year it is expected that it will be required in the future.
 - £50k of corporately provided increment costs will not be required this year.

APPENDIX 1.6

High Risk Areas

High Risk Area	Prev Yr Actual to Date £k	Year to Date			Estimated Year End Outturn		
		Actual £k	Budget £k	Surplus/ (Deficit) £k	Full Yr Budget £k	Full Yr Forecast £k	Surplus/ (Deficit) £k
Homelessness - B&B accommodation	64	91	61	(31)	124	124	-
Business Rates	897	971	1,150	179	1,162	979	184
Interest Receivable	(278)	(316)	(290)	26	(581)	(611)	30
Interest Payable	202	202	204	2	596	596	-
Capital Salary Recharges	(171)	(199)	(265)	(66)	(1,020)	(972)	(49)
Property Repair Fund	150	100	302	202	540	540	-
Grounds Maintenance (Highways Hardstanding)	131	98	238	140	433	433	-
Grounds Maintenance (Coast Protection)	90	97	223	126	434	434	-
Insurance	(18)	(8)	23	31	659	659	-
Contingency Budgets	-	-	134	134	134	134	-
Utilities (Gas, Electric and Water)	231	313	266	(47)	559	559	-
Vehicle Repairs & Fuel	314	407	281	(126)	562	617	(55)
Council Tax Benefit (prior to 2013/14)	(12)	(7)	-	7	-	(3)	3
Housing Benefit (costs net off subsidy)	90	(64)	(32)	31	13	13	-
Audit Fees	(9)	9	-	(9)	75	56	19
2018/19 saving - Refuse Rounds Review	-	-	-	-	-	50	(50)
Other Areas (net) Identified by Budget Managers:							
DWP one of housing benefit grants and partnership workings	(50)	(127)	(37)	90	(47)	(140)	92
Corporate Modernisation	-	-	(29)	(29)	(29)	-	(29)
Whitby Harbour costs	11	13	(5)	(18)	2	4	(2)
Legal Locum costs	1	30	15	(15)	15	55	(40)
Interceptor Tank	-	-	-	-	-	65	(65)
Customer First Security	-	11	0	(11)	-	37	(37)
Peasholm Kiosk equipment	-	21	2	(19)	2	20	(18)
Filey Brigg Caravan Park	16	31	14	(17)	18	39	(21)
Other	226	199	170	(29)	164	146	18
Total High Risk Areas	1,884	1,874	2,426	552	3,815	3,834	(19)

Key points to note about performance year to date:

Business Rates

Lower than expected expenditure on business rates following one off refunds in relation to the Council's off street car parks (£237k) offset, in part, by rates due on the Council's old indoor leisure facilities (indoor pool and sports

centre) for which there is no budget. Officers do expect further one off refunds during the remainder of the year but, should these be received, they will be earmarked for one-off investment in the capital programme.

Interest Receivable

Additional interest income due to higher than anticipated cash balances in the first half of the year and a Bank of England rate rise in August.

Capital Salary Recharges

Non achievement of capital salary recharges within the regeneration and legal teams.

Property Repair Fund and Grounds Maintenance

These budgets are fully committed however timings in when the expenditure takes place may cause variances during the year.

Insurance

The insurance renewal (with effect from 30 September 2018) is currently being negotiated and the outcome of this will be reported within the next monitoring report.

Budget Contingencies

As part of the budget setting process it was noted that inflationary pressures and the general state of the economy would exert pressures on many areas of the council during the year. A contingency of £200k was therefore included within the 2018/19 budget proposals and, in addition, some of the monies provided within the 2017/18 budget for the same purpose are still available for allocation.

It is currently assumed that the 2018/19 budget contingencies will be utilised in full. The residual contingency remaining from 2017/18 (£87k) has been earmarked for one-off investment in the capital programme in 2018/19 and has been included as a budget saving in the 2019/20 budget proposals.

Vehicle Fuel and Repairs

Higher than expected costs of repairing fleet vehicles has been incurred during the year to date, primarily as a result of unfair wear and tear.

Audit Fees

Reduction in external audit fees agreed for 2018/19 (and beyond) and will therefore be included as a saving in the 2019/20 budget proposals.

2018/19 saving - Refuse Rounds Review

The rounds review included as a saving in the 2018/19 budget proposals will not come into effect until the final three months of 2018/19. Whilst the savings are expected to be achieved in full in future years, there will be a shortfall in the current year.

Other Areas Identified by Budget Managers

- £92k – one-off grants received from DWP in relation to changes in legislation and income from partnership working with Ryedale District Council.
- (£29k) - savings that were included in the Financial Strategy that are to be delivered from corporate modernisation reviews. These savings have been identified in full, however the savings are shown in the service area to which they relate
- (£40k) – locum costs for legal are being incurred following the resignation of staff members. Staffing savings outlined within appendix 1.3 of this report offset these costs.
- (£65k) – An interceptor tank is situated at Dean Road depot in order to filter out all the silt, sand, oil and dirt from the vehicle wash. The material within the interceptor tank has been removed on a periodic basis however, over time, identifying a licensed operator to undertake this work has proved more challenging and costly. In summer the tank filled to capacity therefore requiring works to clear the tank entirely and undertake a condition survey. A specialist contractor was identified to clear the tank but unfortunately only 30%-50% of the waste could be removed due to safety concerns over the roof structure. The tank is of an old design, entirely sealed and with limited access therefore further increasing the hazard to personnel. Without being able to enter the tank, the required removal of waste from the surface is much more costly and inefficient.
Works are therefore required to remove the tank ceiling / roof and strengthen the walls. A mesh floor will then be installed across the area for safety, allowing removal of the remaining waste to be done via a mini excavator. Total costs of £65k are expected to undertake these essential works.
- (£37k) – following a review, Customer First in Scarborough is now permanently manned by a security guard. There is no budget for this and therefore provision will be made in the 2019/20 budget setting process.
- (£18k) – upfront costs required to ensure that the Buttercup kiosk could become operational and help deliver the £35k saving put forward as part of the 2018/19 budget setting process.
- (£21k) –works have been carried out at Filey Brigg Caravan Park to undertake essential maintenance works. A group of Members have been actively involved in progress at the site and works / improvements still to be undertaken.

APPENDIX 2

FINANCIAL PERFORMANCE - CAPITAL BUDGET

The following table shows, for ongoing schemes and schemes anticipated to commence in 2018/19, the budget, and expenditure incurred to date as at 30 September 2018, anticipated forecast outturn and the resultant impact on Borough Council Resources.

Description	Budgeted Expenditure	Expenditure to Date	Budget Expended	Forecast Outturn	Impact on Council Resources
	£000	£000	%	£000	£000
Commercialisation Strategy	30,000	8	0.03%	30,000	
Scarborough Spa Coast protection Scheme	14,893	2,645	17.76%	14,893	
Whitby Piers	7,637	475	6.22%	7,637	
Filey Flood Alleviation Construction	4,370	87	2.00%	4,370	
Futurist - Demolition and Redevelopment	4,202	2,775	66.05%	4,202	
Coastal Protection Contingency Reserve	4,178	-	-	4,178	
Middle Deepdale Infrastructure works	3,254	3,163	97.19%	3,254	
North East Strategic Regional Coastal Monitoring Programme 2	2,903	1,164	40.11%	2,903	
Eastfield Regeneration (Middledeepdale)	2,317	4	0.19%	2,317	
Eskside Wharf Parkol works	2,000	2	0.10%	2,000	
Community Housing	1,861	58	3.11%	1,861	
Neighbourhood & Communities Programme	1,678	483	28.78%	1,678	
Runswick Bay Coast Protection Scheme	1,588	1,377	86.71%	1,588	
Disabled Facilities Grants	1,412	504	35.69%	1,412	
Spa Roof Replacement	1,140	11	0.99%	1,140	
Pathfinder Grant	1,023	851	83.18%	1,023	
Whitby Church Street Flood Alleviation	979	131	13.38%	979	
Lighting Columns	970	415	42.80%	970	
Vehicles Plant & Equipment (2018/19 expenditure only)	936	73	7.77%	936	
Purchase of Empty Homes for Homelessness Accommodation	750	693	92.34%	750	
Robin Hoods Bay Sea Wall	659	-	-	659	
Dean Road Depot Redevelopment	586	35	6.01%	586	
3G Pitch at Whitby	602	12	1.92%	602	
Flat Cliffs Urgent Slope Stabilisation	572	416	72.63%	572	
Property Asset Mgt Works - 2018/19	536	173	32.31%	536	
Eastside Green Spaces	424	342	80.50%	424	
Spa Heritage Lottery Funding Works	424	360	84.74%	424	
Hard standings - Ground Maintenance	416	116	28.00%	416	
Filey and Cayton Bay Coastal Strategy	400	187	46.64%	400	
Cemetery Provision in Whitby	400	17	4.21%	400	
East Pier Footbridge	340	2	0.66%	340	
IT Infrastructure Investments (2018/19 expenditure only)	333	29	8.83%	333	
Sports Facilities in Filey	328	-	-	328	
Peasholm Park Boat Deck	320	214	66.72%	320	
Scarborough Coastal Risk Mgt Plan	313	203	64.76%	313	
Discover Filey	300	22	7.45%	300	
Homelessness Accommodation Phase 2	260	155	59.62%	260	
Spa Little Theatre Roof	250	-	-	250	
Other current schemes <£250k	2,563	1,299	50.67%	2,563	
Total	98,116	18,500	18.85%	98,116	

Comments are made in order to provide updates and commentary on key schemes or to report a change in budget or budget variation:

Schemes over £250k

Disabled Facility Grants

Within the Capital Programme the Council undertakes a rolling provision of Disabled Facility Grants (DFG's). The provision of these grants is budgeted as 100% externally funded. Funding is received via the Better Care Fund pool allocated to Upper Tier Authorities.

The Grant allocation received for 2018/19 is £1,341k, being an increase of £98k from the previous year. This increase reflects a national commitment made by the Government to increase levels of capital funding in order to help Local Authorities enable disabled, elderly and vulnerable people to live independently.

In 2017/18, North Yorkshire County Council advised District Councils that it intended to remove the funding it provides to Home Improvement Agencies across North Yorkshire from 2018/19. The County Council will however retain its statutory duty to provide minor adaptations.

It is recognised that preventative services such as the Handyperson and Well Being Services which were previously funded are highly important within our aging society. Formal agreement was reached with Ryedale District Council (17/217) to utilise the growth within the DFG allocations to fund the continuation of Well Being and Handyperson Services.

Where demand results in the full DFG allocation being required for statutory DFGs, North Yorkshire County Council will fund the minor adaptations element with Scarborough Borough Council and Ryedale District Council covering any shortfall in relation to the small repairs and the well-being service.

In order to ensure that the agency has sufficient resources a fee of 15% is levied against the value of grant received. Following this deduction and the allocation of funding for the Handyperson and Well Being Services the underlying levels of grant available for works stands at £1,080k.

With expenditure during 2017/18 being slightly lower (£72k) than the grant allocation £1,152k is available for 2018/19. The Council has the statutory duty to provide for DFG's regardless of the levels of funding received and therefore any demands in excess of the grant total must be met from Council resources.

In the first 6 months of the year expenditure totals £504k which, if demand carried on at current levels, would result in full year expenditure of £1,008k. Officers are confident that there will be sufficient resources to both meet the demand for DFG's and to fund the Handyperson and Wellbeing Services without any draws upon Council resources.

Dean Road Depot Redevelopment

Following the recommendations of the review of the Parks Nursery (17/160) approval was granted (17/167) for the allocation of £560k budget for the redevelopment of the Dean Road depot in advance of the relocation of the Manor Road nursery functions. It was noted that the funding for the works was undertaken at risk with the ultimate aim of deriving a capital receipt for the freehold disposal of Manor Road nursery.

Since the initial allocation grant funding of £50k was received as a contribution to additional costs that will be incurred through dealing with and remediating contaminated land and materials.

In addition an element of the initial works incorporated the implementation of new security barriers, these works are now incorporated within the separate Smartt Access implementation (18/216) and £24k of budget was transferred to the alternative scheme. The revised budget for the works therefore stands at £586k.

Due to the size of the site, the nature of the disjointed buildings, contamination issues and the general levels of under investment over recent years, primarily driven by severe budget constraints, the levels of work required are significant. In addition the scheme involves major improvements to the working environment of a large proportion of the Councils workforce and it is therefore paramount that a quality fit for purpose outcome is achieved.

Furthermore, as a result of contrasting Council decisions additional works which were not within the original plan have materialised resulting in increased costs. Various outbuildings around the site of High Eastfield Farm were used previously by the Tourism Department for boat repairs and secure storage. These premises need to be vacated as part of the wider Middle Deepdale development. As a consequence the latest scope incorporates their relocation with the required works costed at £43k.

As part of the Middle Deepdale housing development the Council sold a piece of land to Keepmoat Homes Limited. Under the terms of the sale agreement the Council received an upfront payment of £1.525m and will receive an additional £1.158m after 3 years and a further £1.158m after 6 years. In addition further capital receipts may be receivable pending the viability of affordable housing requirements.

As the increased costs for the relocation are of direct consequence to the Middle Deepdale development it is recommended as part of this report that the equivalent value of £43k be deducted from the £2.316m future capital receipts in order to fund these works.

Competitive tenders and estimates have been received and reviewed for most cost areas within the scheme. Some cost estimates are still being worked through with regard to the renovations of certain buildings within the site. As further works and variations to the scope have started to become apparent, officers have prudently ring fenced some current budgets in order to fund these works. Further details of the scheme costs will be presented to Members upon the return and completed analysis of all tenders.

Vehicle, Plant & Equipment

Capital provision exists within the Capital Development Fund for the replacement of essential, operational vehicle, plant and equipment items. Vehicle replacements are budgeted on a rolling programme with the expected useful life being dependant on each individual vehicle. The equipment budget incorporates ongoing requirements such as replacement bins, investments in boats at Peasholm Lake and ad-hoc one off related investments.

The budget held for 2018/19 has increased since the publication of the Financial Strategy primarily as a result of slippage in the replacement of vehicles. This delay in replacement has been done to achieve best value in both replacement costs and operational needs.

Robin Hoods Bay Sea Wall

A scheme of works was approved (16/57) to carryout urgent repairs to the 12-14m high seawall at Robin Hoods Bay. Approval of the business case was given by the Environment Agency on 4 December 2017 along with an allocation of funding to undertake both the design stage (stage 1) and works stage (stage 2).

Contractors have been approved to progress with the design stage of the works; these costs are fully funded through the Environment Agency with a budget of £50k.

The second stage currently has an allocated budget of £609k. Funding has been allocated funding from The Environment Agency £523k, Scarborough Borough Council £36k and Fylingdales Parish Council £50k via a local precept contribution.

Once the detailed design has been completed and analysed a tendering exercise will take place for Stage 2, (the works element) and approval will then be sought from Cabinet to enter into contract.

Peasholm Boat Deck

The timber covered boat deck was failing creating potential trip hazards to both staff and users of the boat deck and uneconomical temporary repairs.

The building sited on the boat deck itself was also listing due to the failure of the timber joists and major repairs were therefore required. This gave an opportunity to consider the overall layout and offering of the boat deck and nearby catering establishments with the aim of sustaining a significant and important income stream for the Council. A £320k budget was provided for works at the park principally funded as part of the 2016/17 Financial Outturn (17/170). This money was also to incorporate an allocation towards future investments within the park.

The works to the boat deck and the adjacent catering facilities were completed throughout the winter of 2017 and early 2018 and have provided a safe and improved facility for the summer season. The scheme budget also incorporates further investment to the boat deck in order to provide a shelter, protecting both users and staff from the weather. This shelter will be in place in time for the 2019 summer season.

The anticipated cost of these works (£239k) is slightly higher (£21k) than the initial budget allocation for this element of the works. This is a result of poor winter weather causing delays in the works and increases to the footprint of both the boat deck and catering premises. Following the boat deck, shelter and catering works a budget of £81k remains for further investments within the park.

Coastal Protection Contingency Reserve

In line with the Councils Major Project Boards Governance Procedures contingencies relating to the major coastal protection schemes have been removed from the individual scheme budgets and held separately within the Coastal Protection Contingency Reserve.

The balance of the reserve is made up of the contingency values approved for the Scarborough Spa Coast Protection Scheme (£1,016k), Whitby Piers Refurbishment Scheme (£1,364k) and the unallocated balance of the SBC funded coastal protection allocation (£1,797). The total balance of the reserve at £4,177k incorporates both internal and externally funded contingencies.

Members have previously approved an allocation of £5,000k (17/170) of council funding towards coastal protection works. Due to the significant costs and the unpredictable nature of carrying out coastal protection works it was deemed prudent to hold back a further £1,000k of funding previously allocated to Eskside Wharf works to provide a total coastal protection allocation of £6,000k.

The council funded element of the coastal protection budget is allocated as follows:

Scheme	£k
Spa Coastal Protection Construction	2,062
Whitby Piers Construction	232
Filey Flood Alleviation	369
Spa Sea Wall	206
Spa Gardens Heritage Lottery	50
Spa Coastal Protection Contingency	1,016
Whitby Piers Contingency	268
Unallocated contingency	1,797
Total	6,000

Schemes under £250k

There are no major variations to report.

New Schemes

There are no new schemes seeking approval as part of this report however approval is sought within section 3.2.2 of this report to utilise £4k of Section 106 monies towards grounds re-surfacing at Valley Gardens. If approved these costs will not form part of the capital programme but will instead be incorporated within the councils ongoing hard grounds maintenance programme.

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager / Responsible Officer	Action Plan
A	Sept 2011	Service and Financial Planning not integrated	Poor service planning, not achieving VFM. Resources not allocated in line with priorities. Affects Use of Resources Score	Financial Strategy Corporate Strategy group. Clear procedures and timescales. Resource allocation procedures that link directly to priorities.	B3	B3	Dir (NE)	-
B	Sept 2011	Financial pressures not planned and managed effectively	Cuts in services Non-achievement of efficiency targets Not delivering priorities	Long term Financial Strategy Efficiency Targets set over a number of years	B4	B3	Dir (NE)	Action Plans for areas not achieving budget
C	Aug 2012	Service Unit Managers do not supply timely and accurate financial information for inclusion within the monitoring report	Information provided within the report will be inaccurate and the forecast position reported may be misleading	Service Unit Managers undertook mandatory training.	C3	B3	Dir (NE)	On-going training and support planned for Service Unit Managers
D	Sept 2018	That budget managers are overly prudent and recurring savings are not taken into account in future year budgets	Budgets are overstated and services are unnecessarily reduced.	Exercise to review 2017/18 outturn and in-year monitoring projections as part of the budget strategy	C3	B3	Dir (NE)	Finance to undertake a critical assessment of previous years outturn position as part of 2019/20 budget setting process

RISK MATRIX

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
	Likelihood					

Likelihood:

- A = Very Low
- B = Not Likely
- C = Likely
- D = Very Likely
- E = Almost Certain

Impact

- 1 = Low
- 2 = Minor
- 3 = Medium
- 4 = Major
- 5 = Disaster