	REPORT TO CABINET TO BE HELD ON 12 FEBRUARY 2019	
	Key Decision	Yes
	Forward Plan Ref No	
Corporate Priority - ALL	Cabinet Portfolio Holder	Cllr. Helen Mallory

REPORT OF THE DIRECTOR (NE) – 19/36

WARDS AFFECTED: ALL

**SUBJECT: FINANCIAL MONITORING TO DECEMBER 2018
(QUARTER 3)**

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 £702k is currently expected to be achieved (£187k higher than previously reported);
 - £234k of this surplus is already committed and Cabinet have previously agreed that the remaining balance will be transferred to reserves and set aside for the capital strategy / one off priorities.
 - The Draft Financial Strategy (19/44) recommends delaying the £200k draw from the General Fund included within the 2018/19 budget until 2020/21. This will reduce the year end surplus.
 - 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 capital programme continues to operate within the overall parameters set in terms of contingency levels;

- ii) Approve acceptance of the following grants:
 - £4,900 from Local Government Association for Cyber Resilience training and testing

- £35,000 from MHCLG to support the Council in making preparations for Brexit.
 - £145,308 from MHCLG for the provision of Disabled Facilities Grants (DFG's)
- iii) Approve the allocation of £25,000 of Section 106 monies towards access road improvements at Clarence Drive playing fields.
- iv) Approve allocation of £6,869 of Section 106 monies towards garden improvements to the rear of the Evron Centre in Filey.
- v) Approve the reallocation of monies within the Peasholm capital scheme to the wider park offering.

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 nine months of the 2018/19 financial year from April to December 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 £17.7m. 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 £k
			Actual £k	Budget £k	Surplus/ (Deficit) £k	
Chief Executive	1.1	1,817	1,319	1,369	50	(12)
Director (Nick Edwards)	1.2	6,273	4,044	4,136	92	68
Director (Lisa Dixon)	1.3	(4,705)	(4,245)	(4,291)	(46)	(41)
Director (Richard Bradley)	1.4	(1,305)	(1,600)	(1,374)	225	235
Corporate	1.5	4,951	3,956	4,452	497	452
2019 Tour De Yorkshire		-	150	-	(150)	(150)
Residents off street parking scheme		-	84	-	(84)	(84)
Remove Draw from General fund		(200)	-	-	-	(200)
Total		6,831	3,707	4,293	586	268

- 3.1.6 The table above outlines that a surplus of £268k is expected to be achieved against the revenue budget for 2018/19. This surplus is after having funded the following areas from the 2018/19 revenue budget:
- £150k for the 2019 Tour de Yorkshire cycle event (18/195).
 - the implementation of a trial residents car parking scheme (£84k) for a period of 12 months (from 1 March 2019) without introducing a new winter charging scheme (Cabinet November 2018 following a scrutiny review)
 - the removal of the budgeted draw from the General Fund Balance in 2018/19. The government will fundamentally review core grant funding allocations in 2020/21 through the Fair funding Review and a reset of business rate baselines. The Government have recently published further consultation documents on the Fair funding Review and highly surprisingly the papers showed that deprivation will be removed as an indicator from the funding needs assessment. This, together with a full rather than partial reset of business rates, has led to a higher risk that the funding allocations will be worse than previously anticipated. To help mitigate this, higher levels of contingency are required in the budget and therefore the 2019 Financial Strategy (19\44) is recommending that the £500k draw from the General Fund (previously earmarked to be drawn in 2018/19 (£200k) and 2019/20 (£300k)) be delayed until 2020/21. Further details on this were presented to Audit Committee in January (19/33).
- 3.1.7 If funding the above areas leads to an overspend in year then this cost would require funding from the Council's General Fund Balance.
- 3.1.8 The main movements in the expected year end surplus since the last monitoring report are outlined below (with deficits being shown in brackets). Further details are provided in **Appendix 1** to this report which also includes details of the items identified within the first two monitoring reports. Aspects of those items highlighted with an * have been included within the draft 2019/20 budget proposals.

Chief Executive

- (£13k) – a service review within the elections team has led to budget growth *.
- £20k – in year salary saving with ICT due to part year vacant posts.
- £15k – reduction in telephony spend during the year (including mobile devices) *.

Director (Nick Edwards)

- (£15k) – reduction in expected surplus from court cost recharges; previously £45k now expected to be £30k.
- £100k – lower than expected costs within the cleansing service (street sweeping)
- £16k – salary saving expected from public conveniences staffing

Director (Lisa Dixon)

- (£21k) – reduced income from Albion Road car park due to it being used as a compound for contractors working on the Spa Coast Protection scheme
- £25k – review of CCTV service has led to part year salary saving *
- (£40k) – income from burials, cremations and memorials expected to be lower than budget; this increases the total in year expected deficit from £15k to £55k
- £30k – in year salary saving (£20k) expected within the Environmental Health service and additional income (£10k) expected from the provision of export certificates *
- (£19k) – reduction in the expected surplus from legal services due to increased locum costs (£37k) offset, in part, by reduced salary costs (£9k) and higher than expected external income (£10k)
- (£10k) – print plus income targets look unlikely to be achieved in full this year
- £39k – reduced expenditure on print consumables and postage *
- (£20k) – reduction in saving expected from Regulation and Governance in year staffing saving
- £10k – expected income shortfall from Peasholm Park attractions reduced from that previously reported

Director (Richard Bradley)

- £28k – temporary staffing savings within the planning service due to in year vacant posts
- £21k – one off fees relating to new leases are now more frequently changed *
- (£21k) – reduced rental income from Oliver’s Mount properties (£11k) and costs of securing remote vacant properties (£10k).

Corporate

- £50k – additional budgeted salary increment costs not required this year

3.1.9 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 Councils 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.

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

Whitby Golf Club

This scheme of works facilitated the redevelopment of areas of the Council owned golf course. Two new tees have been created together with the movement of hundreds of tonnes of soil and improvement works to the fourth green.

As a result, areas of land have been recycled enabling potential future alternative usage. The works have been completed and a contribution made to Whitby Golf Club in line with budget.

Glenn Gardens Toddler Play Area

Following the allocation of Section 106 monies received specific to off-site play facilities within the Filey Area, new toddler play equipment has been provided together with a new larger rubber safety area. A small amount of funds remain available with regard to the agreement which will be utilised for additional improvements such as new picnic tables. The total expenditure will be equivalent to the value of the Section 106 monies received.

Cinder Track Information Panel

Officers have worked in conjunction with the 'Friends of the Old Railway' group to install a new information panel for the start of the track at Sainsbury's car park.

The scheme was allocated £2,293 of Section 106 monies together with £1,500 of NYCC Locality match funding. The information panel has been completed with £1,580 of the commuted sum monies remaining. Officers will utilise these remaining funds in the coming months for further enhancements in the vicinity such as timber sculptures or benches.

Fuel Bunker Replacement

A new fuel bunker has been situated at the Dean Road Depot site providing a compliant facility while also allowing the Authority to enter into new purchasing agreements. The funding for the works was provided through the Councils Investment Fund and the scheme will generate annual savings of £7,300.

Whitby CCTV upgrade

These works facilitated the replacement of CCTV cameras in Whitby. The new cameras no longer require BT Fibre infrastructure and therefore a £17k per annum saving has been achieved. Total cost of the works at £50k was in line with budget and was funded from the Councils Investment Fund.

Waiting Room & Lighting at Crematorium

The scheme was to extend the existing waiting room, undertake infrastructure improvements to benefit both pedestrian and vehicular flow, install a new CCTV system to improve security; and provide external lighting to the exit footways and car park.

These works have not only improved the quality of the offering at the Crematorium but also provided an opportunity for an increased number of services to be scheduled.

The works were well scoped and planned which meant that the scheme contingency was not required and this has led to a £10k saving against budget. Further investments are due to begin at the crematorium in the summer with improvements to the office space. The initial works were funded through crematorium based reserves and therefore it is proposed to retain this underspend until the further improvements are complete.

Eskside Wharf Monitoring

Originally approved in 2012 (ref 12/525) funds were provided for the installation of inclinometer monitoring at Eskside Wharf following the findings of the Sheet Pile Load Assessment.

The budget for the implementation of the equipment together with the ongoing monitoring costs has now been used and the scheme will therefore now be closed and removed from the capital programme. Monitoring of the wharf will continue providing vital data, with ongoing costs being funded through annual coastal protection budgets.

Vincent Pier Toilets

The redevelopment of these public conveniences was completed and opened in time for the 2018 Easter holidays. Completion of the adjoining harbour user facilities followed and these were opened up in September.

The total cost of the scheme following payments of outstanding retentions will be £169k, £11k below budget. Funding for the works were predominantly provided from Harbour Reserves (£150K) with £30k also provided from the Public Convenience Redevelopment Fund. As a result of the underspend £11k will be transferred back into Harbour Reserves and made available for alternative infrastructure works.

South Cliff Gardens Lottery Bid

As Members are aware, the Council have been awarded a £4,665,700 grant by the Heritage Lottery Fund towards the cost of this project to restore and improve the historic South Cliff Gardens. A report relating to the restoration scheme is presented to Cabinet as part of this meeting (19/04).

The budget for the submission of the successful bid was funded through a HLF grant of £332k (79%) together with £90k match funding from the Councils capital resources. The final cost of the bid at £390k was £32k under budget, utilising £307k of eligible HLF funding.

The SBC contribution therefore totalled £83k providing a budget saving of £7k. This saving shall provide a contribution towards the Council funded element of the restoration works.

Middle Deepdale Infrastructure Works

In association with the sale of HA1 approval was granted to enter into a funding agreement for £2.319m with the York North Yorkshire and East Riding Local Enterprise Partnership (LEP). This grant, together with £935k from NYCC, are to be utilised towards enabling infrastructure works for the first phase of housing (access roads and related drainage and services).

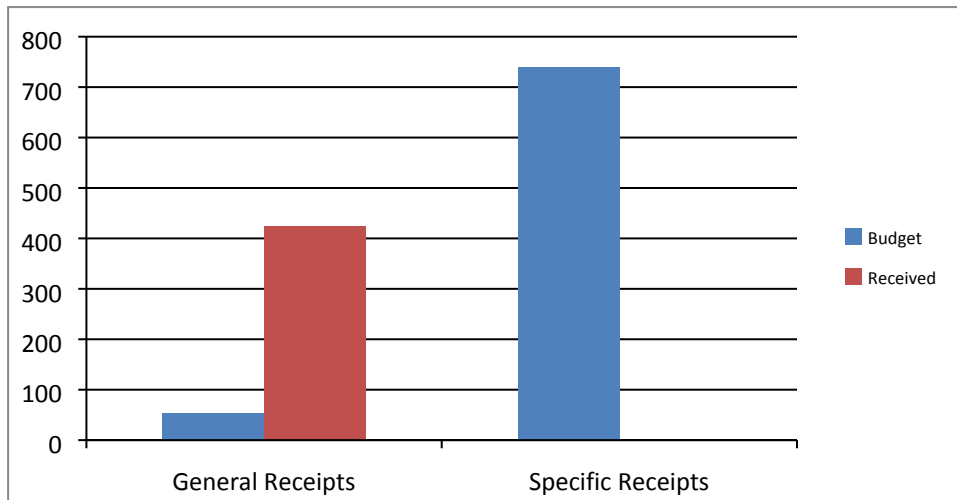
Although the grants are awarded to the Borough Council, the Council are not undertaking any of the works. As part of the sale agreement the grants are made available to Keepmoat Homes who are responsible for carrying out the construction of the infrastructure.

The Council's capital programme has therefore included these works to reflect the terms of the sale agreement for HA1. The infrastructure works are an asset of the Council and accounted for accordingly until a Section 38 agreement is completed and the roads formally adopted by NYCC.

All monies have been paid based on completion of the works and the independent certification of them with the exception of a final retention of £91,295. This will be forward to Keepmoat Homes upon formal adaptation of the roads.

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 Council's 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 target relates to the sale of the former public toilets at Khyber Pass, and the Manor Road Nursey. General capital receipts are exceeding budget primarily as a result of the sale of land at the former Stakesby Depot.

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 £38,010 from the developers of a site at Southdene, Filey. 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 proposing two new schemes of work as detailed within Appendix 2 of this report.

It is recommended as part of this report that the monies received from the development are utilised as a contribution towards these to schemes of work.

3.3 Grants

3.3.1 Revenue Grants

Cyber Resilience Funded Programme

Cyber security continues to present critical challenges to Council service delivery and ways to improve resilience to cyber threats are constantly under review. The Local Government Association (LGA) have offered the Council

grant funding of £4,900 to cover the costs associated with ISO 270001 training for a relevant officer and the funding to run cyber security 'phishing' tests.

Ministry of Housing, Communities and Local Government (MHCLG)

Cabinet are recommended to accept £35,000 of funding to help the Council in making preparations for Brexit. Whilst the funding is not ring-fenced, the expectation is that it will be used to fund preparatory work for Brexit-related activities. The Government have confirmed that Local Authorities may receive additional resource to fund new pressures related to Brexit; Government departments will assess and, if appropriate, provide the necessary funding for new burdens falling on LAs as a direct consequence of any additional requirements they may place upon them.

3.3.2 Capital Grants

Ministry of Housing, Communities and Local Government (MHCLG)

Cabinet are recommended to accept additional funding of £145,308 from the Ministry of Housing, Communities and Local Government (MHCLG) for the provision of further Disabled Facilities Grants.

3.4 Reserves

3.4.1 Reserves play an important role in the Council's financial planning process and underpin the sustainability of both the revenue and capital financial plans. Retaining an optimum level of reserves is integral to the budget setting process and the uncommitted level of reserves are monitored throughout the year in conjunction with the wider budget monitoring process to ensure that they are on target and are deemed to be adequate.

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	
	Min	Max				
General Fund	2,000	3,000	3,026	-	3,026	●
Capital Contingency	500	1,500	705	-	705	●
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 and investments matched over 10 years		14,152	(7,949)	6,203	●
Investment Fund	no min	no max	932	(151)	781	●
Other Reserves	no min	no max	9,285	(2,632)	6,653	●
Total			31,168	(10,697)	20,471	

3.4.3 **General Fund** - the balance of the General Fund at 31 March 2018 was £3.026m. The Council's budget strategy for the period from 2018/19 to

2020/21 incorporates a £500k draw from reserves to balance the revenue budget over the period. 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 £100k has recently been earmarked for the works at Dean Road depot (19/17). After taking into account the base budget contribution into the reserve during the year of £100k the uncommitted balance is therefore £505k.
- 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** – the projected reserve balance as at 31 March 2019 is £1.17m, which is above the predetermined range. Whilst it is recognised that the requirement to make high levels of savings to balance the revenue budget may put a particular strain over this reserve in the short to medium term an analysis of future year indicative savings shows that the savings identified to date are largely driven via the Council's commercialisation agenda so should not result in large scale staffing reductions.
- On that basis, it has been proposed to the Audit Committee (19/33) that £300k of the uncommitted reserve balance be transferred to the Investment Fund and, should this be endorsed, the transfer will be included within the 2019 Financial Strategy that will be presented to Full Council in March. This transfer will reduce the uncommitted balance of the Pension Reserve to £870k, which is still in excess of the predetermined range.
- 3.4.7 **Capital Development Reserve** – this reserve aims to match resources to investments over a ten year period. Projections currently show that the Capital Development reserve balances are fully committed over the 10 year period although separate monies have been identified within the Council's Financial Strategy, which will allow the Council to take forward an updated capital strategy from 2019/20 onwards. It is anticipated that this Strategy will be presented to members for approval during 2019.
- 3.4.8 **Investment Fund** – this reserve has been established to provide one-off funding for schemes that will help the Council to deliver revenue savings. The establishment of the reserve has been extremely successful and a number of schemes have been funded from the reserve. The current uncommitted balance of the reserve is £300k however, as outlined above, an additional £300k may be transferred from the Pension Reserve to provide additional resources.
- 3.4.9 At present the balance of other earmarked reserves is considered adequate.

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 £702k. £434k of this surplus is already committed and the remaining balance will be transferred to reserves and earmarked for capital / one off investments to allow a long term strategy to be developed (18/266).
- 4.2 Whilst a surplus is positive news, it should be noted that this does include one off savings including £237k relating to refunds of business rates on the Council's car parks. Any savings that are likely to recur have been factored into the draft 2019/20 budget proposals.
- 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

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Background Papers:

18/43 – Financial and Asset Management Maintenance Strategy and Council Tax Setting 2018/19
18/266 – Financial Monitoring to September 2018 (2nd Period)

FINANCIAL PERFORMANCE - REVENUE BUDGET

1. Introduction

This is the third monitoring summary for the 2018/19 financial year covering the period **1 April to 31 December 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	1,376	1,388	1,399	11	1,867	1,855	11
Director (Nick Edwards)	2,760	3,249	3,455	206	5,269	5,104	165
Director (Lisa Dixon)	(4,396)	(4,413)	(4,384)	29	(4,810)	(4,876)	67
Director (Richard Bradley)	(1,142)	(1,672)	(1,394)	277	(1,262)	(1,482)	220
Corporate	1,694	1,760	2,019	260	2,021	1,784	238
Total	291	312	1,096	784	3,085	2,385	700

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	(130)	(69)	(30)	39	(50)	(27)	(23)
Director (Nick Edwards)	801	795	681	(114)	1,004	1,100	(97)
Director (Lisa Dixon)	113	168	93	(75)	105	212	(108)
Director (Richard Bradley)	9	72	20	(52)	(43)	(57)	15
Corporate	2,150	2,196	2,433	237	2,930	2,716	214
Total	2,943	3,161	3,197	36	3,946	3,944	2

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	1,246	1,319	1,369	50	1,817	1,828	(12)
Director (Nick Edwards)	3,561	4,044	4,136	92	6,273	6,204	68
Director (Lisa Dixon)	(4,283)	(4,245)	(4,291)	(46)	(4,705)	(4,664)	(41)
Director (Richard Bradley)	(1,133)	(1,600)	(1,374)	225	(1,305)	(1,539)	235
Corporate	3,844	3,956	4,452	497	4,951	4,500	452
	3,234	3,473	4,293	820	7,031	6,329	702
Items funded from projected year end surplus:							
Residents Parking Scheme	-	84	-	(84)	-	(84)	(84)
2019 Tour de Yorkshire	-	150	-	(150)	-	(150)	(150)
Remove 2018/19 draw from General Fund	-	-	-	-	(200)	-	(200)
Total	3,234	3,707	4,293	586	6,831	6,095	268

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	120	138	111	(28)	153	167	(13)
HR and Health & Safety	219	224	234	10	311	307	5
Capital and Procurement Unit	286	298	298	(0)	398	398	-
Internal Audit	99	118	115	(3)	147	147	-
Public Relations	35	36	36	(0)	47	47	-
Senior Management Team and Support	107	109	109	0	145	145	-
Marketing and Events	-	(4)	-	4	-	-	-
ICT Services	394	405	422	17	565	545	20
Corporate	117	64	75	11	100	100	-
Total	1,376	1,388	1,399	11	1,867	1,855	11

Key points to note about performance year to date:

- **Electoral Services** – A review of the service has been undertaken during the year that has led to budget growth. The additional cost from this review has been included in the 2019/20 budget setting proposals. Additional costs incurred year to date on canvassing are expected to be covered by the EIR grant.
- **HR** – Small saving expected in year due to maternity leave
- **ICT Services** – An in year salary saving will occur following the resignation of a team member during this year. The service is now taking the opportunity to review the skills required within the service and have created a digital solutions team which will include dedicated Firmstep resource. Recruitment for the vacancy is now underway and the budget is therefore required in 2019/20.

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	(7)	(0)	(1)	(1)	(2)	(2)	-
Local Taxation	116	61	61	(0)	125	91	34
Property Services Operational Unit	(72)	(38)	(84)	(46)	(111)	(111)	-
Scarborough Harbour	(598)	(658)	(520)	138	(558)	(613)	55
Whitby Harbour	(510)	(535)	(545)	(10)	(563)	(565)	2
Depots and Admin Buildings	(48)	(31)	(43)	(12)	(57)	(57)	-
Home Improvement Agency	148	73	64	(8)	86	86	-
Accountancy	220	228	231	3	308	308	-
Accounts Receivable and Payable	131	144	139	(5)	185	185	-
Cash Collection and Administration	34	32	32	0	42	42	-
Choices 4 Energy	(9)	(15)	(3)	12	(4)	(4)	-
Environmental Health and Safety	37	32	36	4	51	51	-
Estates and Asset Management	170	181	192	10	255	255	-
Housing and Homeless	220	456	487	31	664	664	-
Housing Benefits Administration	672	680	731	51	969	915	54
Refuse Collection and Street Cleansing	662	923	984	61	1,553	1,462	91
Rental Properties	43	55	(4)	(59)	(6)	(6)	-
Senior Management Team and Support	74	76	76	0	101	101	-
Street Seats, Lighting and Name Boards	(44)	(50)	(50)	(0)	(50)	(50)	-
Transport and Vehicles Maintenance	213	201	258	57	326	317	9
Public Conveniences	104	96	54	(43)	70	110	(41)
Parks and Open Spaces	1,203	1,339	1,361	22	1,885	1,925	(40)
Total	2,760	3,249	3,455	206	5,269	5,104	165

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
- **Property Services** – whilst this unit looks likely to under recover during the year any shortfall will be offset against an underspend on the property maintenance budget.

- **Scarborough Harbour** –whilst officers expect further surpluses to be generated than the £55k included within this report these are earmarked towards costs associated with a harbour masterplan. 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.
- **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 and also lower than expected staffing costs.
- **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.

APPENDIX 1.3

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	(67)	(49)	(48)	1	(64)	(64)	-
Parking Off Street	(4,014)	(4,034)	(4,068)	(34)	(4,560)	(4,563)	3
CCTV	108	105	112	7	151	126	25
Cemeteries and Crematorium	(640)	(643)	(710)	(66)	(985)	(930)	(55)
Licensing	(212)	(209)	(221)	(13)	(218)	(218)	-
Cash Collection and Administration	38	36	41	5	53	53	-
Community Centres	(31)	(46)	(36)	10	(46)	(46)	-
Environmental Health and Safety	377	342	404	62	540	490	50
Legal Services	108	80	159	79	209	116	93
Member & Mayoral Expenses	1	1	1	0	2	2	-
Outdoor Playing Fields and Amenities	(15)	(11)	(19)	(8)	(19)	(19)	-
Print Plus	55	58	43	(15)	57	77	(20)
Regulatory, Governance, Performance & Admin	307	377	392	15	511	496	15
Senior Management Team and Support	110	86	86	0	111	111	-
Beaches	77	93	89	(4)	89	89	-
Beach Chalets	(171)	(161)	(175)	(14)	(175)	(167)	(8)
Theatres	87	15	46	32	62	37	25
Rental Properties	-	(44)	(43)	1	(70)	(53)	(17)
Outdoor Leisure Sites	(540)	(441)	(489)	(48)	(515)	(470)	(45)
Marketing and Events	25	34	52	18	58	58	-
Total	(4,396)	(4,413)	(4,384)	29	(4,810)	(4,876)	67

Key points to note about performance year to date:

- **Parking Off-Street** – a £24k surplus on salaries due to part year vacant posts where the service has found it difficult to recruit is offset by reduced income from Albion Road car park (£21k). Albion Road is currently being used as a compound for contractors working on the Spa Coast Protection scheme.
- **CCTV** – one off salary savings are expected in the service this year.
- **Cemeteries and Crematorium** – lower than expected numbers of services and burials has led to a reduction in expected income of £45k this year. In addition to this sales of memorials are continuing to reduce which has increased the expected year end shortfall by a further £10k.
- **Environmental Health and Safety** – Higher levels of income from export licences (£35k) offset in part by no income being achieved from Schedule B registrations this year (£5k) will lead to an overall surplus of £30k. In addition

to this staffing savings of £20k are expected this year due to a combination of part year vacant posts and maternity leave.

- **Legal Services** – part year vacant posts in legal services, (offset In part by Locum costs (see section 1.6)) together with £25k additional income from external clients.
- **Print Plus** – Savings from print consumables and postage are expected this year and, with these expected to be continue, savings are included in the 2019/20 draft budget proposals.
- **Regulatory, Governance, Performance & Admin** –savings 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	413	299	305	6	407	400	7
Economic Development	179	255	297	42	391	369	23
Industrial Units	(130)	(132)	(134)	(2)	(179)	(179)	-
Planning	33	27	94	67	188	85	103
Markets	(133)	(142)	(179)	(37)	(236)	(191)	(45)
Community Centres	(3)	(3)	-	3	2	2	-
Estates and Asset Management	99	128	156	28	207	184	23
Outsourced Services	(20)	(20)	(20)	(1)	(25)	(25)	-
Refuse Collection and Street Cleansing	(840)	(942)	(825)	117	(824)	(974)	150
Rental Properties	(1,276)	(1,717)	(1,757)	(40)	(2,085)	(2,044)	(41)
Senior Management Team and Support	43	76	76	-	101	101	-
Sports Development	57	48	71	23	95	95	-
Marketing and Events	141	137	179	42	242	242	-
Customer Services	272	303	321	19	424	424	-
Tourist Information Centres	23	12	20	9	31	31	-
Total	(1,142)	(1,672)	(1,394)	277	(1,262)	(1,482)	220

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. Pleasingly the issue regarding utility costs looks to be resolved and credits have recently been received from the energy provider in relation to incorrect billing
- **Estates** – one off fees relating to new leases are now more frequently charged increasing the expected income within the unit. This source of income has been included as a saving in the draft 2019/20 budget proposals.
- **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 occupancies at Skinner Street, High Eastfield Farm and Oliver's Mount properties.

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.

- **Sports Development** – areas of this service are currently being funded from a Sport England grant and therefore any surplus will be offset by reduced levels of grant.

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	2,019	260	2,021	1,784	238
Total	1,694	1,760	2,019	260	2,021	1,784	238

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.
 - £100k of corporately provided increment costs will not be required this year but are required in future years.

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	91	135	91	(44)	124	124	-
Business Rates	732	889	1,162	274	1,162	979	184
Interest Receivable	(426)	(489)	(441)	48	(581)	(611)	30
Interest Payable	304	394	398	4	596	596	-
Capital Salary Recharges	(304)	(296)	(372)	(76)	(1,032)	(983)	(49)
Property Repair Fund	352	251	421	170	540	540	-
Grounds Maintenance (Highways Hardstanding)	309	204	336	132	433	433	-
Grounds Maintenance (Coast Protection)	190	216	328	112	434	434	-
Insurance	502	558	43	(515)	679	679	-
Contingency Budgets	-	-	120	120	119	119	-
Utilities (Gas, Electric and Water)	377	431	420	(11)	559	559	-
Vehicle Repairs & Fuel	511	567	408	(159)	549	604	(55)
Council Tax Benefit (prior to 2013/14)	(22)	(17)	-	17	-	(3)	3
Housing Benefit (costs net off subsidy)	36	(65)	(10)	55	13	13	-
Audit Fees	9	23	10	(13)	75	56	19
2018/19 saving - Refuse Rounds Review	-	-	-	-	-	36	(36)
Other Areas (net) Identified by Budget Managers:							
DWP one of housing benefit grants and partnership workings	(95)	(149)	(54)	95	(59)	(154)	96
Corporate Modernisation	-	-	(29)	(29)	(29)	-	(29)
Legal Locum costs	50	90	40	(50)	53	130	(77)
Interceptor Tank	-	-	-	-	-	65	(65)
Customer First Security	-	16	0	(16)	-	37	(37)
Peasholm Kiosk equipment	-	21	2	(19)	2	20	(18)
Filey Brigg Caravan Park	19	29	16	(13)	18	39	(21)
Other	309	354	308	(46)	291	234	56
Total High Risk Areas	2,943	3,161	3,197	36	3,946	3,944	2

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) has been agreed slightly earlier in the year than usual and is in line with expectations.

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 has been partially implemented but is not expected to be fully implemented until 2019/20. There will therefore 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
- (£77k) – 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 has been 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 December 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	14,812	49.37%	30,000	
Scarborough Spa Coast protection Scheme	14,893	5,961	40.02%	14,893	
Whitby Piers	7,637	1,422	18.62%	7,637	
Filey Flood Alleviation Construction	4,370	110	2.53%	4,370	
Futurist - Demolition and Redevelopment	4,202	3,074	73.15%	4,202	
Coastal Protection Contingency Reserve	4,178	-	-	4,178	
North East Strategic Regional Coastal Monitoring Programme 2	2,903	1,336	46.03%	2,903	
Eastfield Regeneration (Middle Deepdale)	2,274	4	0.20%	2,274	
Whitby church Street Flood Alleviation	2,094	199	9.50%	2,094	
Eskside Wharf Parkol works	2,000	13	0.16%	2,000	
Community Housing	1,861	88	4.72%	1,861	
Neighbourhood & Communities Programme	1,678	483	28.78%	1,678	
Runswick Bay Coast Protection Scheme	1,588	1,417	89.24%	1,588	
Disabled Facilities Grants	1,558	857	55.00%	1,558	
Spa Roof Replacement	1,140	51	4.48%	1,140	
Pathfinder Grant	1,023	851	83.18%	1,023	
Lighting Columns	970	482	49.70%	970	
Dean Road Depot Redevelopment	923	36	3.86%	923	
Vehicles Plant & Equipment (2018/19 expenditure only)	764	198	25.86%	764	
Purchase of Empty Homes for Homelessness Accommodation	750	693	92.34%	750	
Robin Hoods Bay Sea Wall	659	-	-	659	
3G Pitch at Whitby	602	12	1.92%	602	
Flat Cliffs Urgent Slope Stabilisation	572	417	72.80%	572	
Property Asset Mgt Works - 2018/19	536	233	43.53%	536	
Eastside Green Spaces	424	365	85.89%	424	
Hard standings - Ground Maintenance	416	217	52.23%	416	
Filey and Cayton Bay Coastal Strategy	400	193	48.34%	400	
Cemetery Provision in Whitby	400	17	4.21%	400	
East Pier Footbridge	340	4	1.06%	340	
IT Infrastructure Investments (2018/19 expenditure only)	333	50	15.05%	333	
Sports Facilities in Filey	328	-	-	328	
Peasholm Park Boat Deck	317	215	67.71%	317	
Scarborough Coastal Risk Mgt Plan	313	212	67.84%	313	
Discover Filey	300	22	7.45%	300	
Homelessness Accommodation Phase 2	260	230	88.46%	260	
Spa Little Theatre Roof	250	2	0.67%	250	
Other current schemes <£250k	2,170	938	43.88%	2,170	
Total	95,425	35,213	36.90%	95,425	

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

The previous quarterly Financial Monitoring Report presented to Members in November (ref 18/266) detailed the levels of funding available for the statutory provision of Disabled Facility Grants. The Council has the statutory duty to provide for DFG's regardless of the levels of funding received therefore any demands in excess of the grant funding provided must be met from Council resources.

It was detailed that Government pledged a further £55m in 2018/19 for DFG's and it was anticipated this may result in an additional £120k of available resource for the Borough. It is pleasing to note that the Council has been awarded further funding of £145,308. Should Members accept this additional funding in line with the recommendations of this report the revised in year grant funding received and available for DFG allocation is £1,206k. Equivalent expenditure incurred as at the end of December stands at £673k.

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 been amended since the publication of the previous quarterly Financial Monitoring Report (18/266). This change in budget is a result of:

- the reallocation of budget to the Dean Road Depot redevelopment works (19/017)
- new grave digging vehicles - as part of the 2019/20 budget setting process officers within the Parks Department have identified annual savings of £9,300 through the bringing in house of grave digging. As part of these savings a new flat-bed van is required together with a new digger. The new digger can also be utilised for other works such as trench clearance saving the requirement to utilise ad-hoc external contractors.
- Rounds Review - as part of the works examining the efficiency of refuse rounds officers have identified a reduction in the number of required refuse freighters. As a result the replacement of one freighter has been removed from the capital programme contributing to the 2019/20 savings proposals.

Schemes under £250k

There are no major variations to report.

New Schemes

There are two new schemes seeking approval as part of this report. It is proposed both schemes are funded through the utilisation of Section 106 monies received from the developers of a site at Southdene, Filey. 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”.

Gardens to the rear of the Evron Centre:

These works relate to the installation of two additional concrete footpaths to connect the existing footpath network with the car park at the rear of the Evron Centre, enhancing access into the gardens. A new seating area will be formed within the gardens and the existing flagged access steps lifted, repaired as required and re-laid. An existing landing area will be reconstructed to make it safer for users. Finally a concrete plinth will be laid to allow for the siting of a litter bin closer to the picnic area. The total cost of these works is budgeted at £6,869.

Clarence Drive Playing Fields

Improvements are required to the access road and car park that serves the Clarence Drive playing fields in Filey. The improvements primarily relate to resurfacing and reconstruction works to improve the standard of the surface. The total cost of these works is budgeted at £25,000.

Amendment to Schemes

Peasholm

As part of the 2016/17 year end outturn (17/170), £300k was earmarked for works at Peasholm Park, including a new boat deck, kiosk, dredging of the lake and a play area.

The dredging works have been undertaken, a new boat deck installed and a new kiosk built. A shelter will shortly be installed on the boat deck and, once these costs have been incurred, £70k of the scheme budget will remain.

The budget originally included allowance for a play area to be incorporated into the area near the kiosk and external works to the café. The decision not to relocate the kiosk means that the provision of a play area in that location is no longer possible and external works to the café remaining outstanding.

Members and officers are currently looking at enhancing the wider Peasholm offering and therefore Members are asked to approve the reallocation of the remaining £70k available within the scheme to the wider Peasholm area rather than restricting it to the original scope of the project. As part of this reallocation any works required to the café will be considered as there is no budget provision elsewhere to undertake these works.

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