

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - ECONOMY
6 SEPTEMBER 2012**

BUDGET MONITORING REPORT TO 30 JUNE 2012

1. PURPOSE OF REPORT

- 1.1 This report advises Members of any material differences by management unit to the revised budget.

2. BUDGET MONITORING TO 30 JUNE 2012

- 2.1 The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £386,830 after transfers to and from reserves, which represents a variation of 13% from the revised budget. This includes supplementary budgets of £71,060. Capital charges have been deducted from this to provide the total budget for management accounting purposes.
- 2.2 Provision for a pay increase of 2.5% has been included in the 2012/13 budgets. The Council proposed a payment of £250 to staff earning a full time equivalent salary of under £21,000 per annum; the proposal was approved at the Executive on 19 June 2012. This has resulted in a saving on salary budgets; these savings have been included in the variance for each individual management unit.
- 2.3 The main variations by management unit are detailed below:

	£
2012-13 REVISED ESTIMATE Less NOTIONAL CHARGES	(2,832,310)

83A1 PROPERTY & ESTATES SERVICES	(2,850)
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The reduced pay award has resulted in a saving on pay budgets, see 2.2 above.

The budget in respect of Local Land Charges has been moved to the Planning management unit as part of the senior management restructure. Therefore any variances in respect of this budget will be report in 83B5.

Income from the property portfolio is broadly on profile as at 30 June.

83A2 TRANSPORTATION	0
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There are no material variances to report.

83A3 CAR PARKING	(39,600)
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The reduced pay award has resulted in a saving on pay budgets, see 2.2 above.

Income from parking charges is expected to exceed the estimate.

These savings are partially offset by increased National Non-Domestic Rates (NNDR) charges.

83A4	ECONOMIC DEVELOPMENT	(6,130)
	<p>The reduced pay award has resulted a saving in this unit. A further saving will be made on salary costs due to a member of staff taking voluntary redundancy with effect from 31 December 2012.</p>	
83A5	ARTS & EVENTS	(12,550)
	<p>Expenditure in respect of the Olympic Screen (£16,000) and the Royal Visit (£9,700) has been funded in this management unit.</p> <p>The budget for the year in respect of the Olympic Torch Event will not be fully spent, the budget for this is fully funded in 2012/13 however an element of the expenditure was incurred in the previous financial year and reported as an overspend.</p> <p>Due to the above mentioned events taking place the annual budget for summer events will not be spent in this financial year, a request will be made at year end to carry forward any unspent budget to the next financial year (£26,000).</p>	
83A6	TOURISM	(7,140)
	<p>The reduced pay award has resulted in a saving on pay budgets, see 2.2 above.</p> <p>There are no other material variances to report this quarter.</p>	
83A8	DISTRICT HIGHWAYS & FOOTPATHS	(12,500)
	<p>Maintenance and electricity costs are expected to be less than estimated.</p>	
83A9	BUILDING CONTROL	(3,230)
	<p>The reduced pay award has resulted in a saving on pay budgets, see 2.2 above.</p> <p>The Building Control fee earning account is budgeted on a cost recovery basis. The income from building control fees was on profile as at 30 June 2012.</p> <p>The reduced pay award has resulted in savings on pay budgets, however as only 3 months of this financial year have passed and the volatile nature of fee income the salary saving on the fee earning element of this management unit has not been declared in this quarter.</p>	
83B2	ADMINISTRATION SERVICE	0
	<p>The Administration team was transferred to the new Corporate Support Unit with effect from 1 April 2012. The cost of this service and any variance will be reported through the Scrutiny Resources budget monitoring report.</p>	

83B3 DIRECTOR ECONOMY & DEVELOPMENT 0

This management unit and the associated costs have been transferred to Chief Executive's Unit as part of the senior management restructure; any variances to the budget will be reported through the Scrutiny Resources budget monitoring report.

83B5 PLANNING SERVICES (246,430)

The reduced pay award has resulted a saving in this unit (see 2.2 above). A further saving will be made on salary costs due to a member of staff taking voluntary redundancy with effect from 30 June 2012.

Income from planning fees was 32% above the profiled budget as at 30 June. Income received in July indicates this trend is continuing and it is therefore anticipated that fee income will exceed the budgeted figure (£195,000).

Expenditure has been incurred in respect of the match funding contribution to Exeter and East Devon New Growth Point Delivery Team, this expenditure has been approved as an overspend and a budget will be funded in 2013/14.

83B6 CONSERVATION 0

There are no material variances to report in this quarter.

83B7 ARCHAEOLOGICAL FIELD UNIT (20,000)

The budget in this management unit is in respect of the running costs of the Customs House.

Part of the Custom House has been leased meaning additional income will be received in the year.

83B8 MAJOR PROJECTS 0

There are no material variances to report in this quarter.

83B9 MARKETS & HALLS (41,400)

The reduced pay award has resulted a saving in this unit (see 2.2 above).

Income figures as at 30 June were above the profiled budget with income at the Matford Centre and the Corn Exchange being above the profile. It is anticipated that this will continue meaning income received from each facility will be above the budgeted figure (£59,000).

Sources of income that are anticipated to be above the budgeted figure are Corn Exchange events income and income from concourse events, boardroom hire and car parks at the Matford Centre.

This additional income has been partially offset by unbudgeted expenditure in respect of markets. This expenditure related to the

2011/12 financial year but was not included in the accounts for that year.

The budget in respect of event promotion at the Corn Exchange will also be exceeded. This additional expenditure will be covered by the additional income received in respect of the events held at the venue.

83C1 WATERWAYS

5,000

The Topsham Ferry Operator and Quaymaster's contract was revised from 1 April 2012. Under the previous arrangements, the operator received all income from the ferry and a reduced salary. He now receives a full salary, and the Council retains all income from the ferry. It is anticipated that the new arrangements will increase costs.

2012-13 EXPECTED FINAL OUTTURN

EXPECTED TRANSFERS TO / (FROM) RESERVES

0

EXPECTED TOTAL NET EXPENDITURE

(3,219,140)

3. RECOMMENDED

That Scrutiny Committee – Economy note this report.

**KARIME HASSAN
STRATEGIC DIRECTOR**

**ANDY STARK
ASSISTANT DIRECTOR FINANCE**

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report

None