

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY

7 JUNE 2007

ECONOMY SCRUTINY REVENUE FINAL ACCOUNTS 2006-07

1. PURPOSE OF REPORT

- 1.1 To advise members of the overall financial performance of the Economy and Development Directorate for the 2006-2007 financial year ended 31 March 2007.

2. INFORMATION

- 2.1 During the course of the financial year ending 31 March 2007, regular reports were made to this committee on the estimated revenue outturn.
- 2.2 Changes introduced by the 2006 SORP (published in July 2006) resulted in the removal of notional interest from the Capital Charges in the 2006/07 accounts. In overall terms there has been a “saving” of £546,200 to this Scrutiny Committee, however this saving is a ‘book entry’ only and does not represent a reduction in real cost and therefore has no impact on the level of Council Tax requirement.
- 2.3 Following changes in the revenue accounting requirements for fixed assets, CIPFA have specified that ‘deferred contributions’ must be released to service revenue accounts. Deferred contributions are government grants and external contributions received in respect of fixed assets. In order that this adjustment does not impact on the level of Council Tax, it is required that the value of deferred contributions released to revenue accounts are reversed out when accounting for total service cost.
- 2.4 The final actual outturn has now been calculated, and the report below highlights the major differences by management unit from the approved annual budget. The total variation for the year is a saving of £351,642 against the budget, leading to an overall outturn position of a £590,742 surplus.
- 2.5 The main variations are detailed below by management unit:

	£
2006-2007 APPROVED ANNUAL BUDGET	(239,100)
3A1 PROPERTY & ESTATES SERVICES	(350,729)
Rental income was higher than budgeted due to the rent review of 223/226 High Street. It was also anticipated that no rent would be charged for two properties at Marsh Barton, however delays in the rent review and lease re-structuring process resulted in rent still being received.	

Additional rental income was also received from the Guildhall, Sidwell Street and St George's Retail Units.

Savings were made within the budgets provided for Voids and Doubtful Debts.

Land Charges generated a £64,000 surplus.

Lease Repair works within the Asset Improvement and Maintenance Programme were delayed; it is anticipated that this work will go ahead in 2007/08.

3A2 TRANSPORTATION 395,943

Demand for free off-peak concessionary travel was much higher than anticipated.

A £10,000 grant was paid to the car club, this will be funded from the Transportation earmarked reserve.

3A3 CAR PARKING 35,151

Car park fees, season ticket sales and standard charge income were all lower than expected (£275,000 below budgeted levels). This was due to a mixture of factors including work on Guildhall Car Park, the loss of Bampfylde Street for the duration of the ice rink facility, the opening of Summerland Gate and Queen Street car parks (run by private operators) and the introduction of free bus travel for older people.

Works planned to be undertaken as part of the Asset Improvement and Maintenance programme on various car parks in 2006/07, budgeted at £193,000 have been delayed until 2007/08. The delay was, in part, to reduce the loss of parking space whilst major work was being carried out at Guildhall and partly because of high workload in the Contracts Unit.

Rate rebates of £48,000 relating to previous years were received.

The Security contract costs were more than budgeted.

There were delays in preparing the new service/security hut at Matford Park and Ride therefore savings were made on the new Information and Security post.

3A4 ECONOMIC DEVELOPMENT (999)

There are no significant variations to report.

3A5 FESTIVALS & EVENTS (4,270)

	Each festival and the Christmas Ice Rink made a small surplus.	
3A6	TOURIST INFORMATION Employee costs were lower than budgeted.	(9,809)
3A8	DISTRICT HIGHWAYS & FOOTPATHS There was a small saving on depreciation.	(5,927)
3A9	BUILDING CONTROL There were staff vacancies throughout the year within the Building Control section and Support Service costs were lower than expected.	(73,585)
	The surplus made on the Building Control fee earning account will be transferred to an earmarked reserve in accordance with the Statement of Recommended Practice.	
3B1	LAND DRAINAGE Works planned to be undertaken as part of the Asset Improvement and Maintenance programme on the sluice for the Higher Leat intake at Bonhay Road and the alteration to the lagoon at Mincinglake Reed Bed in 2006/07 have been delayed until 2007/08.	(29,491)
3B5	PLANNING SERVICES The £313,000 Planning Delivery Grant was used to fund £242,000 of expenditure in 2006/07 as detailed in the report to the Executive in January 2006. This expenditure was greater than originally budgeted, with work brought forward from 2007/08. The £71,000 surplus will be added to the Planning Delivery Grant earmarked reserve to fund expenditure (primarily on staffing) in future years.	36,498
	The number of planning applications was higher than anticipated leading to additional income.	
	£48,700 expenditure was incurred on work to date in preparing the Local Development Framework. This expenditure will be funded from an earmarked reserve.	
3B6	CONSERVATION Works planned to be undertaken on the City Wall, Athelstans Tower, the Vicars Choral, St Edmunds Church and St Loyes Chapel in 2006/07 have been delayed until 2007/08.	(120,757)
3B7	ARCHAEOLOGICAL FIELD UNIT The AFU have been exceptionally busy with external projects giving rise to a small surplus. This has, however, led to delays in the progress of the Economy and Development programme	(44,298)

of works, so it is proposed these works will be undertaken in 2007/08.

3B8 PRINCESSHAY (37,606)

£102,500 was budgeted for Princesshay related expenditure but actual costs were only £65,000. This will be funded by the Princesshay earmarked reserve.

3B9 MARKETS & HALLS (141,763)

A £26,000 revenue contribution has been made to the capital scheme for new toilets at the Matford centre.

Repair works planned to be undertaken on the Livestock Centre in 2006/07 have been delayed until 2007/08.

Savings were made throughout the year on staffing and contractors budgets.

Income from the Matford Centre and from St George's Hall was higher than budgeted.

There has been a small saving on depreciation

2006-2007 FINAL OUTTURN (£590,742)

3. RECOMMENDED that Members note the content of this report.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

Background papers used in compiling this report:

1. None