

**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - ECONOMY**  
**11 MARCH 2010**

**ECONOMY SCRUTINY STEWARDSHIP TO DECEMBER 2009**

**1. PURPOSE OF REPORT**

- 1.1 This report advises Members of any forecast variations to the budget, based on the first nine months of the financial year 2009/10.

**2. INFORMATION**

- 2.1 This report highlights any differences by management unit to the outturn forecast for the first six months of the financial year up to 30 December 2009 compared with the approved annual budget. During this period the total of the variances indicate that the overall net expenditure for this committee will increase by £66,540 which represents a variation of 5.33% from the revised budget of £1,247,700. This includes supplementary budgets of £125,930. Notional charges in respect of FRS17 Pension Costs and Capital charges have been deducted from this to provide the total budget for management accounting purposes.

- 2.2 The budgets for 2009/10 included a provision of 1.5% for the pay award. The pay award has been agreed at 1% and there will therefore be a saving on pay budgets. This saving has been reflected within the individual management units.

- 2.3 The main variations by management unit are detailed below:

	<b>£</b>
<b>2009-2010 REVISED ESTIMATE Less NOTIONAL CHARGES</b>	<b>976,280</b>
<b>83A1 PROPERTY &amp; ESTATES SERVICES</b>	<b>(91,390)</b>
<p>Rental income is higher than expected at several properties due to the completion of various lease renewals and geared rent increases; the additional rental income has been offset by reduced income from rents at various other properties.</p> <p>An element of the additional income from the properties relates to a non recurring equity rent sum from due in respect of the Guildhall Shopping Centre.</p> <p>Projected income at St George's Retail Units is lower than budgeted due to a vacant unit.</p> <p>A revenue contribution to capital in respect of restrictive covenants will be made at year end.</p>	
<b>83A2 TRANSPORT/CONCESSIONARY FARES</b>	<b>(6,140)</b>
<p>There will be a small saving on the Green Travel Plan budget.</p>	

<b>83A3</b>	<b>CAR PARKING</b>	194,470
	<p>Income from off street car park fees is currently below the budgeted income figure as at 30 December 2009. If income trends follow historic patterns, this will result in a shortfall in the region of £150,000.</p> <p>The rental income from car park investment properties is expected to be less than budgeted.</p> <p>The budget in respect of National Non Domestic rates on will be exceeded; expenditure incurred in respect of reactive repairs to car parks has resulted in an overspend.</p> <p>Costs in relation to the printing of car parking tickets will exceed the budget. This overspend has been partly offset by a saving on employment costs due to vacancies.</p> <p>A surplus is expected on the Residents Parking Budget. The current agreement with Devon CC is that any surplus or deficit will be passed over to or funded by DCC and that the cost of the Customer Service Centre remains with ECC.</p>	
<b>83A4</b>	<b>ECONOMIC DEVELOPMENT</b>	80,600
	<p>Additional expenditure has been incurred in respect of Christmas Marketing in the city, the Trinity Project and various other projects as agreed in the Response to the Recession report approved by Scrutiny Economy Committee in June 2009.</p> <p>This additional expenditure will be funded from an earmarked reserve as per the approved report.</p> <p>A saving will be made on the staffing costs within the City Centre Management budget due to a vacant post; the saving will partially offset the cost of the Agency staff employed to cover the post.</p>	
<b>83A5</b>	<b>FESTIVALS &amp; EVENTS</b>	(3,240)
	<p>Savings have been made on the Summer Festival and on National Insurance and Superannuation budgets.</p>	
<b>83A6</b>	<b>TOURIST INFORMATION</b>	4,000
	<p>Income in the management unit is not expected to meet the budgeted amounts.</p> <p>Additional expenditure has been incurred in respect of Tourism marketing which is shown in 83A4 above. This expenditure relates to boosting the City's profile for wider business purposes and for conferences and tourism. This additional expenditure was approved as part of the Response to Recession report approved in June 2009.</p>	

<b>83A8</b>	<b>DISTRICT HIGHWAYS &amp; FOOTPATHS</b> Sub-contracted work and the time charged by the Engineering & Construction team in respect of the maintenance of ECC owned footpaths are expected to exceed the budget.	11,500
<b>83A9</b>	<b>BUILDING CONTROL</b> Building Control Fee income is not expected to meet the budgeted figure. An element of this shortfall will be funded from the Building Control Fee income earmarked reserve and the remainder will be addressed by cost savings.	50,790
<b>83B2</b>	<b>ADMINISTRATION SERVICE</b> Employment costs are expected to be less than the budget with savings anticipated on salaries and superannuation.	(6,720)
<b>83B3</b>	<b>DIRECTOR ECONOMY &amp; DEVELOPMENT</b> Employment costs are expected to be less than the budget due to a vacancy for part of the year. There will be a saving on National Insurance and Superannuation as a result of the vacancy.	(7,840)
<b>83B4</b>	<b>ENGINEERING &amp; CONSTRUCTION</b> Income budgets within the management unit are expected to fall short of the annual budget, mainly due to the expected loss of work in respect of the Pell Frischmann contract.  This shortfall has been offset by a saving on superannuation, consultants fees and various equipment budgets	22,870
<b>83B5</b>	<b>PLANNING</b> A saving will be made on employment budgets due to a number of vacancies within the management unit.  It is anticipated that planning fee income will be below budgeted levels by the end of the year due to the general downturn in the economy.  The budget in respect of office equipment and public notices will be exceeded.  A significant part of the planning expenditure is funded by Planning Delivery Grant. The surplus grant from 2009/10 will be transferred to an earmarked reserve at the year end.	(377,180)
<b>83B7</b>	<b>ARCHAEOLOGICAL FIELD UNIT</b> The overall income levels for the Field Unit are projected to be down for the year. This is due to the increasingly competitive nature of the service market and the reduced volume of activity.  Costs in respect of redundancy have also been incurred.	281,180

<b>83B9</b>	<b>MARKETS &amp; HALLS</b>	(86,360)
	Income at the Matford Centre is expected to exceed the budget due to an increase in livestock sales.	
	Sunday Markets and Car boot sales income is expected to be higher than the budget figure.	
	Exeter Corn Exchange income is also higher than budgeted due to increased lettings and event ticket sales.	
	A saving is expected in respect of superannuation.	
	<b>2009-2010 EXPECTED FINAL OUTTURN</b>	<b>1,042,820</b>
	<b>EXPECTED TRANSFERS TO / FROM RESERVES</b>	<b>(19,340)</b>
	<b>REVENUE CONTRIBUTIONS TO CAPITAL</b>	<b>31,000</b>
	<b>EXPECTED TOTAL NET EXPENDITURE</b>	<b>1,054,480</b>

3. **RECOMMENDED** that Members note the contents 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