

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY
11 NOVEMBER 2010

ECONOMY SCRUTINY STEWARDSHIP TO SEPTEMBER 2010

1. PURPOSE OF REPORT

- 1.1 This report advises Members of any forecast variations to the budget, based on the first six months of the financial year 2010/11.

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 September 2010 compared with the approved annual budget.

- 2.2 During this period the total of the variances indicate that the overall net expenditure for this committee will decrease by £265,170. This includes supplementary budgets of £21,610. 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.

- 2.3 The budgets for 2010/11 included a provision of 0.7% for the pay award. The current position is that Local Government Employers have not offered a pay award for the current year.

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

| | £ |
|--|------------------|
| 2010-2011 REVISED ESTIMATE Less NOTIONAL CHARGES | 390,480 |
| 83A1 PROPERTY & ESTATES SERVICES | (28,490) |
| Property income is lower than expected at various properties due to a general increase in void periods and downward pressures on rent levels across the portfolio. | |
| The under recovery of income has been offset by a saving on employment costs due to the revised management structure within Estates Services. | |
| 83A2 TRANSPORT/CONCESSIONARY FARES | (5,400) |
| A saving is expected on the contract for maintenance of bus shelters; this saving will be partially offset by additional expenditure required in respect of the concessionary fares scheme for 16 to 18 year olds. | |
| 83A3 CAR PARKING | (103,420) |
| A saving on employee costs will be made due to a number of vacant posts within the Management Unit. Additional savings are expected on the budget in respect of security at the Matford Park & Ride Car Park. | |

Income from off street car park fees is above the budgeted income figure as at 30 September 2010. Additional income is expected in respect of rental of car park spaces; this additional income will be partially offset by income from Car

Park Investment properties being less than budgeted.

The budget in respect of National Non Domestic rates will be exceeded.

| | | |
|-------------|--|----------|
| 83A5 | FESTIVALS & EVENTS An overspend is expected on the Summer Festival primarily due to unanticipated costs for one of the free events | 6,940 |
| 83A6 | TOURISM A saving on employee costs will be made due to a member of staff reducing hours. Income is expected to exceed the budget at Exeter Visitor Information Centre | (14,380) |
| 83A8 | DISTRICT HIGHWAYS & FOOTPATHS Savings are anticipated on electricity costs in respect of Street Lighting The recharge from the Engineering and Construction team for works in this area will be less than the budget | (16,240) |
| 83A9 | BUILDING CONTROL The expenditure on car mileage allowances and essential user lump sums will be less than the budget | (6,410) |
| 83B1 | LAND DRAINAGE The recharge from the Engineering and Construction team for works in this area is expected to exceed the budget | 4,000 |
| 83B2 | ADMINISTRATION SERVICE Employment costs are expected to be less than the budget with savings anticipated on salaries and superannuation. | (15,970) |
| 83B3 | DIRECTOR ECONOMY & DEVELOPMENT There will be a saving made on the employment costs within the management unit. | (59,940) |
| 83B4 | ENGINEERING & CONSTRUCTION A saving will be made on employee budgets due to a number of vacant posts in the management unit. Additionally, savings are anticipated on Software licences and transport costs. Income budgets within the management unit are expected to fall short of the annual budget; mainly due to the loss of work in respect of the Pell Frischmann contract and work undertaken on Capital schemes | (13,520) |
| 83B5 | PLANNING It is anticipated that planning fee income will be below budgeted levels by the end of the year; this will be partially offset by additional income from legal costs. A significant part of the planning expenditure is funded by Planning Delivery Grant. No grant will be received in | 58,230 |

2010/11. However the expenditure in this financial year will be funded from the earmarked reserve at the year end.

| | | |
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| 83B7 | ARCHAEOLOGICAL FIELD UNIT Work in Progress brought forward from the previous financial year will be written off in the year as the amounts are no longer able to be recovered. | 24,570 |
| 83B9 | MARKETS & HALLS A saving will be made on salary costs due to the revised management structure within Estates Services, this will be partially offset by an expected overspend on casual staffing. Income at the Matford Centre is expected to exceed the budget due to an increase in livestock sales, car storage, and income from leases. Sunday Markets income is expected to exceed the budgeted figure; this additional income is partially offset by City Centre Market and Car Auction income falling short of the budgeted figures. Cleansing charges in respect of the Matford Centre will exceed the budget. Exeter Corn Exchange income is anticipated to be higher than budgeted due to increased events and lettings and other income associated with these events. | (73,320) |
| 83C1 | WATERWAYS An overspend is expected on various Canal maintenance budgets. Works undertaken by the Engineering and Construction team on the Canal and River Exe will result in an overspend on the budgets in this management unit. This additional expenditure will be partially offset by additional income in respect of Canal Licences and various other income budgets within the management unit. | 3,800 |
| 2010-2011 EXPECTED FINAL OUTTURN | | 125,310 |
| ADDITIONAL UNBUDGETED RESERVE TRANSFERS | | 14,600 |
| EXPECTED TOTAL NET EXPENDITURE | | 139,910 |

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:

None