

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY
10 MARCH 2011

ECONOMY SCRUTINY STEWARDSHIP TO DECEMBER 2010

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 2010/11.

2. INFORMATION

- 2.1 This report highlights any differences by management unit to the outturn forecast for nine months of the financial year up to 31 December 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 £478,590. This includes supplementary budgets of £21,610. Notional charges in respect of FRS17 Pension Costs 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	781,850

83A1 PROPERTY & ESTATES SERVICES	(33,830)
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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.

Additional expenditure is anticipated on repairs and utilities at commercial properties, most of this expenditure will be recharged to the tenants. A saving is expected on NNDR and empty property charges.

The under recovery of income has been offset by a saving on employment costs due to the revised management structure within Estates Services.

Income from Land charges is anticipated to fall short of the budgeted figure due to not being able to charge for Personal Searches for part of the year.

83A2 TRANSPORT/CONCESSIONARY FARES	(12,490)
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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	(41,240)
	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 December 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 utilities budget and the National Non Domestic rates budget will be exceeded.	
	Additional expenditure is anticipated in respect of equipment tools and materials, pay and display equipment and printing.	
83A4	ECONOMIC DEVELOPMENT	(£3,110)
	Savings will be made on pay, superannuation and staff training budgets.	
83A5	FESTIVALS & EVENTS	3,400
	An overspend is expected on the Summer Festival primarily due to unanticipated costs for one of the free events.	
83A6	TOURISM	(16,880)
	A saving on employee costs will be made due to a member of staff reducing hours.	
	Expenditure in respect of rent and rates will be less than the annual budget. The budget in respect of attraction tickets will be exceeded; the additional expenditure will be recovered through the sale of the tickets to customers.	
	Additional income will be received in respect of works undertaken for external organisations	
83A8	DISTRICT HIGHWAYS & FOOTPATHS	(22,650)
	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	
83A9	BUILDING CONTROL	(16,590)
	Savings will be made on the employees, car mileage allowances and essential user lump sums budgets	
83B1	LAND DRAINAGE	5,050
	The recharge from the Engineering and Construction team for works in this area is expected to exceed the budget	

83B2	ADMINISTRATION SERVICE Employment costs are expected to be less than the budget with savings anticipated on salaries and superannuation.	(39,620)
83B3	DIRECTOR ECONOMY & DEVELOPMENT There will be a saving made on the employment costs within the management unit.	(73,290)
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	7,990
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 and pre application charges. A saving will be made on employee budgets due to vacancies within the management unit; the expenditure in respect of car mileage allowances and essential user lump sum will be less than the budgeted figures. A significant part of the planning expenditure is funded by Planning Delivery Grant. No grant will be received in 2010/11. However the expenditure in this financial year will be funded from the earmarked reserve at the year end.	(80,490)
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. The expenditure in respect of document archiving will be less than the allocated annual budget, this budget will be needed and a request to carry forward the unspent budget will be made at year end.	27,280
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 due to the increased number of events staged. Income at the Matford Centre is expected to exceed the budget due to an increase in livestock sales, car storage, and income from business unit leases.	(144,000)

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 due to the closure of the waste transfer station.

Exeter Corn Exchange income is anticipated to be higher than budgeted due to increased box office income and an increased number of events and lettings together with other income associated with these events.

83C1 WATERWAYS (38,060)

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.

The budget in respect of the Harbour Revision Order has not been spent in the year. The budget is required, and a request to carry the unspent budget forward to the next financial year will be made.

2010-2011 EXPECTED FINAL OUTTURN 303,260

ADDITIONAL UNBUDGETED RESERVE TRANSFERS 78,000

EXPECTED TOTAL NET EXPENDITURE 381,260

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