

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY
7 NOVEMBER 2007

ECONOMY SCRUTINY STEWARDSHIP TO SEPTEMBER 2007

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 2007/08.

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 2007 compared with the approved annual budget. During this period the total of the variances indicate that the overall net expenditure for this committee will decrease by £447,380 which represents a variation of 38.5% from the approved budget.

- 2.2 Following the removal of the Asset Management Revenue Account, government grants and other external contributions received in respect of fixed assets, referred to as 'deferred contributions', must be released to the service revenue accounts in order to help offset the depreciation that is charged on the assets. In order to ensure that depreciation and the release of government grants and other contributions do not impact on the level of council tax, all entries made to the service revenue accounts are reversed out in the Statement of Movement on the General Fund Balance in accordance with the Statement of Recommended Practice.

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

	£
2007-2008 APPROVED ESTIMATE	1,160,700
3A1 PROPERTY & ESTATES SERVICES	(115,210)
Rental income is higher than expected due to the completion of several rent reviews for South Street properties involving the collection of back rent from previous years.	

Princesshay rent was only budgeted for one quarter but, due to the timely completion of the project, two quarters rent will be received in this financial year.

It was anticipated that no rent would be charged for one property at Haven Road and another at Marsh Barton, however delays in the rent reviews and lease re-structuring processes have resulted in rents still being received.

Depreciation costs are lower than budgeted as the Basin/Quayside enhancements are now classified as non-operational property and therefore no capital charges apply.

Exeter City Council is surrendering the lease of Haven Road Industrial Estate towards the end of the financial year, this will result in a net loss of income.

Rent from the Southgate Hotel is lower than anticipated as it is based on occupancy levels which dropped below the budgeted threshold limit this year.

Projected income at St George's Retail Units is lower than budgeted due to the former Card Shop being vacant.

3A3 CAR PARKING (196,200)

Fee income is higher than budgeted.

Standard charge income is lower than budgeted. The introduction of pay on foot at both the Guildhall and Mary Arches Street car parks has resulted in standard charge tickets no longer being issued to customers overstaying their purchased time as there is no longer a possibility of this happening.

Season ticket income is expected to be higher than budgeted; this could also be a factor in the decrease in standard charge income.

Asset Improvement and Maintenance expenditure is lower than budgeted as some works planned to be undertaken as part of the 2007/08 programme have been delayed until 2008/09 and savings are anticipated on works due to be completed in the current financial year.

Rates are lower than budgeted.

Electricity costs are higher than expected.

3A5 FESTIVALS & EVENTS (2,500)

The Summer Festival has made a small surplus.

3A8 DISTRICT HIGHWAYS & FOOTPATHS (5,070)

There has been a release of deferred contributions to the revenue accounts as described above.

Depreciation has been higher than anticipated due to the inclusion of the Cathedral Yard enhancements in the Council's asset register.

3B5 PLANNING (66,990)

A saving in staffing costs has occurred due to several posts being vacant for periods during the first half of the year. These posts have now been filled.

There has been a release of deferred contributions to the revenue accounts as described above.

3B9 MARKETS & HALLS (61,410)

Income is higher than budgeted due to the increased use of the car parks at the Matford Centre and the introduction of a Wednesday car boot sale, however the Sunday market income is lightly lower than expected due to the wet weather. General savings relating to premises and vehicle hire costs are anticipated.

Exeter Corn Exchange income continues to be higher than budgeted due to the increased number of events and food and beverage income.

Depreciation costs are slightly lower than budgeted.

2007-2008 EXPECTED FINAL OUTTURN **£713,320**

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