

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY
8 MARCH 2012

ECONOMY SCRUTINY STEWARDSHIP TO DECEMBER 2011

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 2011/12.

2. INFORMATION

- 2.1 This report highlights any differences by management unit to the outturn forecast for the first nine months of the financial year up to 31 December 2011 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 increase by £31,650 after transfers to and from reserves and revenue contributions to capital outturn. This includes supplementary budgets of £125,170. Notional charges in respect of IAS19 Pension Costs and Capital Charges have been deducted from this to provide the total budget for management accounting purposes.

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

	£
2011-2012 REVISED ESTIMATE Less NOTIONAL CHARGES	(2,567,770)

83A1 PROPERTY & ESTATES SERVICES	(52,860)
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The stewardship report for the first six months of the year reported that income was anticipated to be lower than expected at the end of the financial year. The figures as at the end of December indicate that property income is holding up generally, but some areas of the property portfolio are under pressure which could result in income failing to meet the budgeted amount at the end of the financial year.

Income has been received in the quarter due to the release of a restrictive covenant; this income has been accounted for in the figures but will be used to finance capital expenditure.

Savings are anticipated on the various sub-contractor budgets within the management unit and the service charge budget at Bradninch Place, these savings have been partially offset by an overspend on the National Non Domestic Rates budget due to the liability for this charge falling on the Council when units become void.

83A3 CAR PARKING	45,850
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Income from off street car park fees and season tickets was 4.9% below the profiled budget at the end of September

resulting in a projected shortfall of income at year end in the region of £250,000. The October to December period has seen the shortfall of income against the profiled budget reduce to 0.1%.

Therefore the projected shortfall at year end is now anticipated to be £125,000. This is due to the ongoing uncertainties with the economic climate and a weakness in consumer spending.

The National Non Domestic rates and printing budgets will be exceeded and additional expenditure will be incurred in respect of the opening and closing of Council Car Parks.

The expected shortfall of income and the anticipated additional expenditure will be offset by a saving on the insurance and employee budgets due to a number of vacant posts within the Management Unit.

83A4	ECONOMIC DEVELOPMENT	(14,900)
	Employment costs are anticipated to be less than the budget due to a vacant post for part of the year. The savings being made on Salaries, National Insurance and Superannuation budgets. A small saving is also expected on transport costs.	
83A5	FESTIVALS & EVENTS	3,060
	Costs will be incurred in respect of pay protection following a restructure, this has resulted in a small overspend on employment budgets.	
83A6	TOURISM	6,330
	The expenditure to date in respect of overtime and enhancements has resulted in an anticipated overspend on these budgets; however the overspend will be partially offset by a saving on the budget allocated for casual staffing.	
83A8	DISTRICT HIGHWAYS & FOOTPATHS	(6,630)
	Income has been received in respect of an insurance claim and the expenditure in respect of sub-contractors is anticipated to be less than the budget.	
83A9	BUILDING CONTROL	13,080
	The Building Control fee earning account is budgeted on a cost recovery basis. The income from building control fees is anticipated to be less than budgeted meaning the break even position may not be achieved at year end.	
	There are savings anticipated on various expenditure budgets which has partially offset the expected shortfall of income. The anticipated deficit on the fee earning account will be funded from the building control earmarked reserve at the end of the financial year.	

83B1	LAND DRAINAGE	(14,500)
	<p>The expenditure on the sub-contractor budget within the management unit is expected to be less than the annual budget.</p>	
83B2	ADMINISTRATION SERVICE	(21,140)
	<p>Employment costs are anticipated to be less than the budget due to a number of vacant posts within the management unit. The savings being made on Salaries, National Insurance and Superannuation budgets.</p> <p>The savings made will be recharged back to the various management units within this committee at the end of the financial year.</p>	
83B5	PLANNING	20,580
	<p>The income budget in respect of planning fees was reported as being achieved in the previous stewardship report. It is now anticipated that the income from planning fees and the pre-application planning fees will marginally exceed the budget at year end. However, various other income sources are anticipated to fall short of the budgeted levels which will reduce this projected additional income.</p> <p>Additional expenditure will be incurred due to costs awarded against the council in respect of a planning appeal at Hill Barton Farm. The additional expenditure has been partially offset by an expected saving on the sub-contractor budget and various supplies and services and transport budgets.</p>	
83B7	ARCHAEOLOGICAL FIELD UNIT	196,950
	<p>Income and expenditure figures as at 31 December indicate that the cost of closure will now be in the region of £196,950. This figure is £71,470 less than reported for the first six months of the year.</p> <p>However, there are still a number of uncertainties that could result in this figure changing at the end of the financial year.</p>	
83B9	MARKETS & HALLS	(115,590)
	<p>The income in respect of livestock auctions and the use of car park areas was reported to be expected to exceed the budgets for the year. Income received in the October to December quarter from these sources has exceeded the profiled budget meaning income over and above the annual budget will be achieved at year end.</p> <p>The trend of Sunday Markets and Car Boot sales providing income above the profiled budget has also continued in the quarter. It is therefore anticipated that the income budgets will also be exceeded at year end.</p> <p>Expenditure on employment costs in the management unit is expected to be less than the budget with savings being made on National Insurance and Superannuation budgets,</p>	

the savings on these budgets will be partially offset by an anticipated overspend on overtime and enhancements due to the increased number of events being staged.

A saving will be made on the National Non Domestic Rate Budgets at the Livestock Centre and Exeter Corn Exchange.

An overspend is expected on the expenditure budget in respect of event promotion at Exeter Corn Exchange. This overspend will be more than offset by the income generated from the events staged.

83C1 WATERWAYS (39,980)

A saving will be made on the employment budgets in the management unit due to the retirement of the Canal Manager.

The budget in respect of the Harbour Revision Order will not be spent in the year. This budget will be required for various planned works and a request to carry the budget forward will be made at the end of the financial year.

The saving on the employment budgets will be partially offset by an anticipated overspend in respect of the cost of marine insurance, consultants fees and maintenance costs of the canal.

2011-2012 EXPECTED OUTTURN (2,547,520)

UNPLANNED TRANSFERS TO/(FROM) RESERVES (18,600)
REVENUE CONTRIBUTION TO CAPITAL OUTLAY 30,000

2011-2012 EXPECTED FINAL OUTTURN (2,536,120)

3. **RECOMMENDED** that Members note the contents of this report.

ANDY STARK
ASSISTANT DIRECTOR FINANCE

KARIME HASSAN
STRATEGIC DIRECTOR

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

Background papers used in compiling this report:

1. None