

**REPORT TO: SCRUTINY COMMITTEE ECONOMY**  
**Date of Meeting: 18 JUNE 2015**  
**Report of: Assistant Director Finance**  
**Title: Economy Final Accounts 2014-15**

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

No

**1. What is the report about?**

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2015 in respect of Economy Committee.

An outturn update in respect of the Economy Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Scrutiny Committee – Economy Budgets.

**2. Recommendation:**

**That Members of Scrutiny Committee – Economy assure themselves that Officers review areas with significant variances and undertake the necessary actions to address the issues that the variances may cause.**

**3. Reasons for the recommendation:**

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Economy Services and this is the final report for 2014-15.

**4. What are the resource implications including non financial resources**

The financial resources required to deliver Economy Services during 2014-15 are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of Economy Committee, as at 31 March 2015, ahead of inclusion in the Council's annual Statement of Accounts.

**6. What are the legal aspects?**

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

**7. Monitoring Officer's comments:**

The report raises no issues of concern to the Monitoring Officer.

**8. Report Details:**

**Economy Committee Final Accounts to 31 March 2015**

### 8.1 Key Variations from Budget

The final actual outturn has now been calculated and the report below highlights the major differences by management unit from the approved annual budget after adjusting for supplementary budgets.

The total variance for the year shows a surplus of £743,912 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1.

8.2 The significant variations by management are:

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Estates Services	135,870	<ul style="list-style-type: none"> <li>Rental income for the property portfolio is less than the budget</li> <li>The expenditure on AIM lease requirements and Asset Improvement Maintenance fund less than budget</li> <li>Additional expenditure on rates due to void properties at South Street</li> <li>Capital Charges and Support Service recharge exceeded budget</li> </ul>
83A3	Parking Services	(142,748)	<ul style="list-style-type: none"> <li>Income from car parking fees exceeded the budgeted target</li> <li>Expenditure on AIM reactive repair, service and maintenance and utilities budgets less than annual budget</li> <li>Additional expenditure on security patrol offset saving on rates and other maintenance budgets</li> <li>Saving on pay, superannuation and overtime budgets</li> </ul>
83A8	District Highways & Footpaths	59,547	<ul style="list-style-type: none"> <li>Support Service recharge from Engineers more than budgeted</li> <li>Additional external income received for recharge of works</li> </ul>
83A9	Building Control	68,264	<ul style="list-style-type: none"> <li>Additional legal costs incurred and provision for liability in respect of search fee refunds included</li> <li>Income from Land Charges exceeded the annual budget</li> </ul>
83B1	Land Drainage	(36,744)	<ul style="list-style-type: none"> <li>Sub contractors budget overspent. The additional expenditure funded by income from external sources</li> <li>Support Service Recharges exceeded the budget</li> </ul>
83B5	Planning Services	(82,471)	<ul style="list-style-type: none"> <li>Additional income from Planning Application Fees</li> <li>Additional expenditure on legal costs due to appeals</li> <li>Additional consultant fees, partly offset by transfer from reserve</li> <li>Underspend on Support Service recharge in respect of Legal Services</li> </ul>

MU Code	Management Unit	Over / (Underspend)	Detail
83B6	Conservation	(83,113)	<ul style="list-style-type: none"> <li>• AIM reactive repair budget underspent.</li> <li>• Support Service recharge from Engineers less than budget</li> </ul>
83B8	Major Projects	(38,940)	<ul style="list-style-type: none"> <li>• Expenditure in respect of consultant fees less than the annual budget</li> </ul>
83B9	Markets & Halls	(244,981)	<ul style="list-style-type: none"> <li>• Increase in net income from lettings, livestock auctions and Corn Exchange events</li> <li>• AIMS, utilities and NNDR (National Non Domestic Rates) costs were less than the estimates</li> </ul>
83C1	Waterways	(41,248)	<ul style="list-style-type: none"> <li>• AIM reactive repair and service and maintenance budget underspent</li> <li>• Underspend on commission budget</li> <li>• Additional rental income</li> </ul>
83C2	Museum Service	(115,538)	<ul style="list-style-type: none"> <li>• Appeal against rateable value resulted in reduced NNDR costs.</li> <li>• Pay costs for the RAMM were less than estimated, offset by the cost of a redundancy</li> <li>• AIMS and utility costs were less than estimated</li> <li>• Income exceeded the estimate</li> </ul>
83C3	Contracted Sports Facilities	165,214	<ul style="list-style-type: none"> <li>• Expenditure on consultants and the tender exercise for the proposed new leisure complex will be funded from the New Homes Bonus.</li> <li>• Expenditure on works at the Isca Centre will be funded from an earmarked reserve</li> <li>• Additional income under the contract</li> <li>• Reduced expenditure on utilities</li> </ul>

## 9. Economy - Capital Budget Monitoring to 31 March 2015

To advise members of the financial performance in respect of the 2014-15 Economy Capital Programme.

### 9.1 Revisions to the Economy Capital Programme

The 2014-15 Capital Programme, including commitments brought forward from 2013-14, was last reported to Scrutiny Committee – Economy on 5 March 2015. Since that meeting the following changes have been made to the programme:

### 9.2

Description	£	Approval/Funding
<b>Capital Programme, as reported to Scrutiny Committee – Economy, 5 March 2015</b>	<b>6,286,300</b>	
Budget Deferred to 2015-16 & Beyond at Quarter 2	(49,850)	Approved by Executive on 9 December 2014
Overspends/(Underspends) reported at Quarter 2	(44,280)	

RAMM Passenger Lift	45,000	Approved by Executive on 9 December 2014
Other	(7,000)	
<b>Revised Capital Programme</b>	<b>6,230,170</b>	

### 9.3 Performance

The current Economy Capital Programme is detailed in Appendix 2. The appendix shows a total spend of £5,119,893 in 2014-15 with £515,861 of the programme deferred until 2015/16.

### 9.3 Capital Variances from Budget

The main variances and issues concerning expenditure that have arisen since 31 December are as follows:

Scheme	Estimated Overspend / (Underspend) £	Reason
Replacement of Car Park Pay & Display Machines	(26,341)	The under-spend is a result of being able to purchase good quality refurbished machines rather than brand new ones.

### 9.4 Capital Budgets Deferred to 2015-16

Schemes which have been identified since 31 December as being wholly or partly deferred to 2015/16 and beyond are:

Scheme	Revised 14-15 Budget £	Budget to be Deferred £	Reason
Exhibition Way Bridge Maintenance	39,980	39,980	Progress has been delayed while access agreements are negotiated with Network Rail
Repairs to Turf Lock Gates	60,000	55,316	There is a very small window of opportunity when these works can be carried out due to needing low tides. Unfortunately there has been a delay with the supply of materials necessary to dam the canal so consequently there is significant budget carry forward to 2015-16.
Replace Running Track at Exeter Arena	783,000	205,723	Snagging works still to be completed.

## 9.5 Achievements

The following schemes have been completed during the final quarter of 2014-15:

- **Replacement of Car Park Pay & Display Machines**

All 57 pay & display machines have been either replaced or upgraded to enable remote interrogation of the machine's status (tickets remaining, cash within box, faults etc). This has enabled more focused visits to car park sites (particularly quieter peripheral ones) to undertake routine maintenance such as restocking tickets. The under-spend is a result of being able to purchase good quality refurbished machines rather than brand new ones.

## 10. How does the decision contribute to the Council's Corporate Plan?

Economy Committee contributes to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city; well run Council and customer access to help me with my housing and financial problem.

## 11. What risks are there and how can they be reduced?

Areas of budgetary risk are highlighted in this report. An action plan addressing the key areas of budgetary risks within Economy Services will be included if and when they arise.

## 12. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?

No impact

## 13. Are there any other options?

No

## Assistant Director Finance

### Local Government (Access to Information) Act 1972 (as amended)

#### Background papers used in compiling this report:

None

Contact for enquiries:

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