

RESPONSE TO ACTION POINT

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| AUDIT COMMITTEE | |
| 30 JUNE 2014 | PUBLIC |

AGENDA ITEM: DRAFT STATEMENT OF ACCOUNTS 2013 / 2014

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| ACTION | | |
| To report the reason for the movement in the income from Commercial Properties from £1,790k in 2012/13 to £1,127k in 2013/14, an overall movement of £663k. | | |
| Contact Officer (s) | John Harrison, Executive Director - Resources Steven Pilsworth, Head of Strategic Finance | Tel: 452398 Tel: 384564 |
| Response: | | |
| 1 | COMMERCIAL PROPERTY DECREASE IN INCOME | |
| 1.1 | The Council is currently developing a new Skills Centre and football stand at the Peterborough United Football Stadium. As part of this project, there has been an independent valuation of the rental value of the current lease and an agreed abatement of rent during the construction period. The abatement was agreed with PUFC due to loss of income from ticket sales, additional stewarding and policing costs around the area of the site on which building is taking place and loss of catering and advertising from the Moy's End. This was agreed in a CMDN in August 2013 and discussed at full Council in July 2013 and the reduction of income relating to this project in the 2013/14 accounts is £462k. | |
| 1.2 | The other large decrease in income in Commercial Property is from the Town Hall shops. Unfortunately, several businesses previously renting Town Hall shops including Hawkins Bazaar, Past Times and Modelzone have ceased trading and subsequently rental income has declined from the previous financial year by £134k. | |

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