

## **REPORT TO CORPORATE SERVICES SCRUTINY COMMITTEE**

**Date of Meeting: 28 June 2018**

## **REPORT TO EXECUTIVE**

**Date of Meeting: 10 July 2018**

## **REPORT TO COUNCIL**

**Date of Meeting: 24 July 2018**

**Report of: Assistant Director Finance**

**Title: OVERVIEW OF REVENUE BUDGET 2017/18**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

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

Council

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

- 1.1 To advise Members of the overall financial position of the HRA & General Fund Revenue Budgets for the 2017/18 financial year and to seek approval for the General Fund working balance, HRA working balance, a number of supplementary budgets and the creation of new earmarked reserves.

#### **2. Recommendations:**

It is recommended that Corporate Services Scrutiny Committee and the Executive note the report and Council notes and approves (where applicable):

- 2.1 That the net transfer of £2,419,076 from Earmarked Reserves as detailed in paragraph 8.3.6 is approved.
- 2.2 That supplementary budgets of £1,880,480 be approved as detailed in paragraph 8.3.8
- 2.3 That Earmarked Reserves at 31 March 2018 be noted;
- 2.4 That the Council Tax account and collection rate be noted;
- 2.5 That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted;
- 2.6 That the creditor payments performance be noted;
- 2.7 By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2018, be approved at £4,692,404;
- 2.8 That the Housing Revenue Account working balance at 31 March 2018 is approved at £10,212,244 and the Council Own Build working balance is approved at £256,943.

#### **3. Reasons for the recommendation:**

- 3.1 To formally approve the Council's end of year financial position and carry forward any budgets that were not spent but where the funding is still required.

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

4.1 The impact on the General Fund working balance, HRA working Balance and Council Own Build working balance are set out in sections 8.3.7, 8.2.1 and 8.2.4 respectively.

4.2 A request for supplementary budgets totalling £1,880,480 has been included.

**5. Section 151 Officer comments:**

5.1 The report represents the financial position as at 31 March 2018. In respect of the year, whilst there are some areas of the Council that have struggled to remain within budget, the overall position in respect of the General Fund is positive, with a much smaller reduction in the working balance. The request for supplementary budgets for 2017/18 will still keep the General Fund Balance above the £3 million mark. As a prudent measure funds have been set aside in earmarked reserves to help the Council face the very difficult challenges of the next three years. The performance of the HRA is also generally positive, although much of the significant underspend against budget is down to a failed procurement in respect of a large capital scheme.

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

6.1 There are no legal aspects to the report.

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

7.1 This report raises no issues of concern for the Monitoring Officer.

**8. Report details:**

8.1 Financial Summary

FUND	Planned Transfer (to) / from Working Balance	Budget Variance Over / (under)	Outturn Transfer 2017/18
	£	£	£
General Fund	1,536,459	(964,022)	572,437
HRA	2,487,615	(4,132,405)	(1,644,790)
Council own Build Houses	(35,970)	(12,876)	(48,846)

## 8.2 Housing Revenue Account (Appendix A)

- 8.2.1 The Outturn Statement shows an increase in the working balance of £1,644,790 to stand at £10,212,244. This is a significant variance from the proposed reduction to the balance of £2,487,615 at the start of the year.

<b>Movement</b>	<b>2017/18</b>
Opening HRA Working Balance, as at 01/04/17	£8,567,454
Surplus	£1,644,790
<b>Balance, as at 31/03/18</b>	<b>£10,212,244</b>

- 8.2.2 The key variances are as follows:

Management Unit	Over / (Underspend)	Detail
Management Costs	(£75,233)	<ul style="list-style-type: none"> <li>• (£48k) savings have arisen in respect of training on the new Housing Management System. Implementation of the new system will commence in 2018/19 following Executive approval in October '17 for temporary staff resources to manage the project in conjunction with Strata.</li> <li>• (£23k) reflects a reduction in the provision for insurance excess payments in-line with current insurance claims.</li> <li>• £70k additional recharge for Procurement, which reflects both Corporate Procurement and the appointment of a dedicated HRA Procurement Manager. Offset by a combination of savings; employee costs (£30k) due to vacant posts and (£40k) saving in tenant participation activities (e.g. STAR survey and annual conference).</li> </ul>
Housing Customers	£45,339	<ul style="list-style-type: none"> <li>• £45k additional employee costs have been incurred in respect of covering maternity leave and long term sickness.</li> </ul>

Management Unit	Over / (Underspend)	Detail
Sundry Land Maintenance	(£87,840)	<ul style="list-style-type: none"> <li>• (£60k) tree inspections and works to trees identified as 'at risk' have been prioritised during 2017/18, including diseased trees, those in natural decline and those in unsuitable locations. Lower level remedial works are pending the appointment of a dedicated Tree Officer for Housing, within Public Realm, on a 12 month fixed term contract. A saving is therefore reported for this year.</li> <li>• (£28k) saving in respect of the Garden Assistance Scheme and initial cultivation works, due to no inflationary increase in contract costs and a review of eligibility.</li> </ul>
Repairs and Maintenance Programme	(£953,332)	<ul style="list-style-type: none"> <li>• <u>Asbestos Survey &amp; Removal (£220k)</u> Reflects a lower than anticipated level of asbestos removal works originating from planned capital projects. Asbestos removal works are also pending the decant of tenants, for this reason Executive approval will be sought to carry forward £100k into 2018/19.</li> </ul> <p><u>General Maintenance (£208k)</u> of which (£93k) relates to savings in larger general reactive repairs (&gt;£10,000) and (£115k) relates to general reactive repairs. A minor backlog of repairs occurred in March due to contractor capacity, which were dealt with as a priority early in the new financial year. For this reason, Executive approval will be sought to carry forward £100k into 2018-19.</p> <p><u>Repairs to Void Properties (£102k)</u> Savings occurred in respect of void properties.</p> <p><u>Service Contracts (£143k)</u> Reflects a £60k under-spend in fire risk assessment costs. The appointment of a main contractor is pending the procurement process, in the interim priority fire risk assessments have been undertaken including sheltered sites.</p> <p><u>Low Maintenance and Painting (£132k)</u> Final accounts for previous year's contracts were settled at lower than provided for levels. Certain works instructed under the 2017/18 contract will be completed early in the new financial year, therefore Executive approval will be sought to carry forward £30k into 2018/19.</p>

Management Unit	Over / (Underspend)	Detail
Revenue Contribution to Capital	(£2,700,000)	<ul style="list-style-type: none"> <li>The amount of revenue monies required towards financing HRA capital expenditure in 2017-18 has reduced by £2.7m, from £6.5m to £3.8m.</li> <li>In March 2014 Executive approved a £2.7m contribution towards the St Loyes Extra Care scheme, but delays to the scheme mean that the contribution is not required in 2017/18. Officers are currently preparing a detailed report for committee with the outcomes of a recent tender process.</li> </ul>
Capital Charges	£64,684	<ul style="list-style-type: none"> <li>Depreciation charges are higher than budgeted due to a rise in the valuation of council dwellings.</li> <li>Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for the cost of future capital works or to repay debt.</li> </ul>
Housing Assets	(£92,918)	<ul style="list-style-type: none"> <li>(£57k) savings in employee costs due to vacant posts during the year.</li> <li>(£53k) tenant decants from LAINGS properties were not required during 2017-18. Executive approved the budget for the demolish and re-build option on 9 January '18. A saving is therefore reported in 2017-18, as the cost of decanting tenants has been factored into next year's budgets.</li> <li>The additional cost of settling an employer's liability insurance claim, was offset by savings in the consultant's budget. However, Executive approval will be sought to carry forward the consultant's budget (£45k) to support continuation of stock condition surveys in 2018/19.</li> </ul>
Rents	(£227,509)	<ul style="list-style-type: none"> <li>Rental income from council dwellings was higher than budgeted; representing a 1.1% variance. Partly attributable to a lower than anticipated number of empty properties for major works such as Rennes House and the LAINGS properties. Delays with the rollout of Universal Credit Full Service have also meant that rent arrears have remained stable during the year, resulting in only a minor change to the provision for bad debts.</li> </ul>

Management Unit	Over / (Underspend)	Detail
Interest	(£105,596)	• Reflects additional interest earned on HRA balances (Working Balance, Major Repairs Reserve and capital receipts). The revenue and capital under-spends in 2017-18 combined with retaining right-to-buy receipts rather than surrendering them back to DCLG have resulted in higher balances.

- 8.2.3 The Major Repairs Reserve is 'ring fenced' for capital works. After transfers, the balance on the Major Repairs Reserve will stand at £11,169,004 at 31 March 2018.

<b>Movement</b>	<b>2017/18</b>
Opening Major Repairs Reserve, as at 01/04/17	£8,719,196
Revenue monies set aside	£3,000,614
Amount used to finance capital expenditure	(£550,806)
<b>Balance, as at 31/03/18</b>	<b>£11,169,004</b>

- 8.2.4 The Council's new properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing. The total budget variances for 2017/18 have resulted in a net surplus of £48,846, which will be transferred to the COB working balance.

<b>Movement</b>	<b>2017/18</b>
Opening Council Own Build, as at 01/04/17	£208,097
Surplus	£48,846
<b>Balance, as at 31/03/18</b>	<b>£256,943</b>

### 8.3 General Fund (Appendix B)

- 8.3.1 The Service Committees show an overall underspend of £1,222,566 against a revised budget of £14,315,240. The main variances are:

### 8.3.2 Scrutiny Committee People

Management Unit	Over / (Underspend)	Detail
General Fund - Housing	2,905	<ul style="list-style-type: none"> <li>An underspend was previously reported, but a combination of former tenant rent arrear write-offs during March and a reduction in housing benefit income following the hand-back of Private Sector Leased properties have mitigated the underspend.</li> </ul>
Revenue Collection & Benefits	507,268	<ul style="list-style-type: none"> <li>As reported at quarter 3, income is lower than anticipated; Real time information updates received from the DWP over the past 2 years led to an increase in the recovery of overpayments of Housing Benefit. However, as the majority of historic cases have been dealt with the recovery has reduced. The Council does not set the amounts of overpayments that is considered recoverable.</li> <li>The amount of unsubsidised housing benefit expenditure is also higher than forecast due to a higher number of temporary and supported accommodation claims. The Council has a duty to accommodate and so these costs are not avoidable.</li> <li>£33k of expenditure has been financed from the Local Welfare Support Reserve</li> </ul>

### 8.3.3 Scrutiny Committee Place

Management Unit	Over / (Underspend)	Detail
Public Safety	(11,640)	<ul style="list-style-type: none"> <li>• Maintenance costs in the CCTV service were £16,000 less than the budget.</li> <li>• Expenditure on Homecall Alarm equipment was £14,000 less than the budget</li> <li>• Income from the Homecall Alarm Service was £10,000 less than the budget.</li> <li>• Pay costs in the CCTV control service exceeded the budget by £8,000 as a result of additional work supporting the Homecall Alarm service.</li> <li>• The overspend on the CCTV service utilities which was forecast in the Q3 report now falls in Management Unit 81FI (Public Realm Assets – see below)</li> <li>• The shortfall in internal income in the Homecall Alarm service was less than anticipated in the Q3 report.</li> </ul>
Parks and Green Spaces	126,842	<ul style="list-style-type: none"> <li>• There were overspends on pay (£55,000), fleet costs (£50,000) and maintenance costs (£40,000).</li> <li>• These overspends were partially offset by additional income from sale of assets (£10,000) and grants (£8,000)</li> <li>• The net overspend arose due to increasing service demands which prevented the unit from achieving the £100,000 saving target.</li> <li>• This service is managed in conjunction with the Street Cleaning service (81D4 below), which underspent its pay budgets by £50,000. It is likely that some agency costs allocated to the Parks service included work actually undertaken in the Street Cleaning service.</li> </ul>
Business and Commercial Opportunities	(399,323)	<ul style="list-style-type: none"> <li>• The transfer of the Countryside Recreation service to Devon Wildlife Trust has been delayed and the £425,000 contribution has therefore not yet been paid. The transfer is expected to happen in the current financial year, and a supplementary budget has therefore been requested for 2018/19.</li> <li>• Income from sports facilities was £17,000 less than the budget.</li> <li>• Income from burials was £11,000 less than the budget</li> </ul>



Management Unit	Over / (Underspend)	Detail
Street Cleaning	(38,354)	<ul style="list-style-type: none"> <li>• Pay costs were £55,000 less than the budgets. As noted for 81A6 (Parks and Green Spaces) above, the two services are managed together and it is likely that some agency costs allocated to the Parks service included work actually undertaken in the Street Cleaning service.</li> <li>• Expenditure on equipment and materials exceeded the budget by £23,000.</li> <li>• Fleet costs were £74,000 less than the budget. The main saving arose in reactive repairs (£40,000) and hired transport (£14,000)</li> <li>• Income from internal recharges was £49,000 less than the budget, while external income exceeded the budget by £11,000</li> </ul>
Public Conveniences	35,066	<ul style="list-style-type: none"> <li>• Pay costs exceeded the budget by £39,000. This arose in part due a target saving of £20,000 not being achieved.</li> </ul>
Waste Services	178,091	<p>This overspend is just under 4% of the gross expenditure budget of £4.5m. The overspend mainly relates to below target income of £139,000, although the service did achieve income of over £2.6m. Specifically, the main variances against budget are:</p> <ul style="list-style-type: none"> <li>• Trade Services were below target by £110,000 income;</li> <li>• Income from the sale of recycling materials was £96,000 below target, mainly relating to a drop in income for cardboard and paper, (steel and plastic did better than anticipated);</li> <li>• The Green Collection Service over achieved its target by £67,000;</li> <li>• Additional costs of £11,000 were incurred due to the snow;</li> <li>• Vehicle Costs were £66,000 overspent due to the increased costs of repairing and maintaining the waste fleet;</li> <li>• Supplies &amp; Services were underspent by £56,000. Of this £25,000 relates to a reduction in third party payments on charity recycling.</li> <li>• Pay was overspent by £24,000 including overtime for training.</li> </ul>

Management Unit	Over / (Underspend)	Detail
Public Realm Assets	(73,221)	<ul style="list-style-type: none"> <li>• National Non Domestic Rates (NNDR) costs in Car Parks were £73,000 less than estimated.</li> <li>• Maintenance costs in car parks were £20,000 less than the budget.</li> <li>• Maintenance costs in cemeteries were £17,000 less than budgeted.</li> <li>• The £30,000 budgeted saving in respect of the closure of Paris Street PCs was not achieved due to the delay in the redevelopment of the bus station.</li> </ul>
Parking Services	(160,788)	<ul style="list-style-type: none"> <li>• Income exceeded the budget by £326,000.</li> <li>• Additional pay costs of £86,000 reflect support provided by CCTV staff for enhanced enforcement and out-of-hours service. This has contributed to the increased income achieved. The 2018/19 budgets reflect this arrangement.</li> <li>• The cost of maintaining car park equipment exceeded the budget by £53,000; budgets have been increased in 2018/19.</li> <li>• Late invoices totalling £15,000 for transport costs were received resulting in the Cash Collection service exceeding its budget.</li> <li>• Internal income £10,000 less than budget.</li> </ul>
Growth & Enterprise	(79,574)	<ul style="list-style-type: none"> <li>• There is an underspend due to vacancies of £60,000 offset by temporary staff expenditure of £10,000, resulting in a £50,000 pay underspend. In addition, there is an £8,000 underspend on project work. The total of £58,000 is requested to be carried into 2018/19 to look at a programme of activity to deliver transformational and inclusive growth within Exeter.</li> <li>• Exeter Innovation Fund project work underspent by £15,700. This is requested to be carried forward towards funding an Apprentice to work on data analysis.</li> <li>• Exeter City Futures underspent by £5,100 and this is requested to be carried forward to be used towards the Exeter Data Mill project.</li> </ul>
Building Control	(33,126)	<ul style="list-style-type: none"> <li>• Land Charges income exceeded the budget by £22,000</li> <li>• Building Control costs exceeded income by £12,684; this will be transferred from the earmarked reserve</li> </ul>

Management Unit	Over / (Underspend)	Detail
Planning Services	(204,595)	<ul style="list-style-type: none"> <li>Income from planning application fees exceeded the target by £211,000, due to high levels of activity and the increase in fees which came into effect in January 2018.</li> <li>Pay costs in the Planning service were £112,000 less than the budget. Part of this is due to the budget for the Transport Policy Manager being held here but the costs being received in Corporate Services (reported also in Corporate Scrutiny)</li> <li>Additional grant received £50,000</li> <li>Grant expenditure in respect of Community Infrastructure Levy (CIL) exceeded budget by £148,000. In addition, pay costs for the CIL exceeded the budget by £13,000. These additional costs will be funded from the CIL income.</li> </ul>
Major Projects	106,742	<ul style="list-style-type: none"> <li>Additional net expenditure in respect of a compensation payment.</li> </ul>
Markets & Halls	(133,930)	<p>The underspend of £134,000 is because of increased income received at the Matford/Livestock Centre:</p> <ul style="list-style-type: none"> <li>Primarily an extra £90,000 from the livestock auctioneers who enjoyed a very successful year (their payment depends on business levels);</li> <li>£24,000 extra income received from rental of the centre's external areas.</li> <li>There was also an extra £9,000 earned from hire fees for events which took place in the centre's concourse.</li> </ul>
Museum Service	(54,220)	<p>After transfers from, and to, earmarked reserves, and a revenue contribution to capital projects, this underspend increases to £79,000. This is mainly due to:</p> <ul style="list-style-type: none"> <li>An employee underspend of £117,000 offset by the planned use of consultants of £71,000 thus producing an underspend of £46,000;</li> <li>Underspends within Premises on: utilities £22,800; planned maintenance £7,600 and alarm system costs £9,200.</li> </ul>

Management Unit	Over / (Underspend)	Detail
Contracted Sports Facilities	(115,013)	<p>After transfers to and from reserves the underspend reduces to £83,800. The two main elements that make up the majority of this are:</p> <ul style="list-style-type: none"> <li>• Delay on the revenue elements of the new leisure centre work resulting in an underspend of £30,600;</li> <li>• Budget setting is undertaken without previous years' figures being finalised for the Leisure Facilities contract due to different year ends and utility adjustments. Therefore, the estimated budgets are not always accurate. In 2017/18 this has resulted in contracted income being higher than budget on the leisure facilities sites of £49,300.</li> </ul>

#### 8.3.4 Scrutiny Committee Corporate

Management Unit	Over / (Underspend)	Detail
Corporate Property – Estates	(165,695)	<ul style="list-style-type: none"> <li>• Rental income and service recharges exceeded the budget by £99,500</li> <li>• The budget for consultancy costs regarding South Street was not fully spent in 2017/18; a supplementary budget for the remaining £46,000 will be requested for 2018/19</li> <li>• There was an underspend of £57,000 on property maintenance budgets.</li> <li>• Additional income of £10,000 arose from fees and solar panels</li> <li>• Compensation of £55,000 was paid for the termination of a lease.</li> </ul>
Corporate Property Assets	(£315,040)	<ul style="list-style-type: none"> <li>• A £348,000 underspend arose on Property Maintenance Fund Budgets. Supplementary budgets of £307,500 have been requested for 2018/19 to cover contractual commitments as at 31 March 2018 for which accruals could not be made as works had not been completed (£282,000), and also to fund the refurbishment of the Corn Exchange performers' changing and shower facilities (£25,000).</li> <li>• Payments amounting to £40,500 have been made in respect of an Employers' Liability claim</li> </ul>

Management Unit	Over / (Underspend)	Detail
Elections & Electoral Registration	(40,706)	<ul style="list-style-type: none"> <li>The income for the 2017 County Council and Parliamentary elections exceeded the direct costs by £45,000.</li> <li>A late settlement of £14,000 was received in respect of the 2016 Police &amp; Crime Commissioner election.</li> <li>This was offset by the cost of City Council by-elections which amounted to £20,000.</li> </ul>
Corporate	47,566	<ul style="list-style-type: none"> <li>Additional expenditure of £31,000 was incurred on Treasury Management fees – this is offset by additional interest earned which is reported to this committee elsewhere on this agenda;</li> <li>Other points in this area are: additional expenditure relating to legal fees of £10,000, and corporate subscriptions of £6,000.</li> </ul>
Grants/Cent Supp/Consultation	(98,798)	<p>This underspend is mainly a result of:</p> <ul style="list-style-type: none"> <li>the consolidation of Comms &amp; Marketing budgets during 2017/18. A temporary structure exists to support the new processes, and a full restructure reflective of corporate priority went to Executive in March, and will go again in June. A request to carry forward the underspend of £68,000 is now made, as a one-off supplement to support the permanent structure and new aligned priorities;</li> <li>an underspend on the grants budget of £43,000;</li> <li>a transfer from reserves of £34,500 to fund the Ward Grants – this transfer happens below the line and is not included in these figures – therefore the Ward Grants show as an “overspend” in these figures;</li> <li>an underspend of £22,200 within Executive Support Unit and Digital Services due to vacancies and staff transfers throughout the year.</li> </ul>
Unapportionable Overheads	(£228,314)	<ul style="list-style-type: none"> <li>Reflects savings in employer pension scheme costs and adjustments from year-end reconciliations.</li> </ul>

Management Unit	Over / (Underspend)	Detail
Human Resources	(48,440)	<ul style="list-style-type: none"> <li>• A £33,000 underspend arose on pay due to vacant posts across the service, and a reduction of hours. A request to carry forward the underspend relating to the Human Resources service (£20,000) has been made to support an interim structure pending a review of the service.</li> <li>• Spending on staff training was £19,000 less than the budget.</li> <li>• These underspends were partially offset by a £5,000 reduction in recharges to other services and various small overspends.</li> </ul>
IT Services		<ul style="list-style-type: none"> <li>• Savings from Strata for 2017/18 were £203,000, an increase of £113,000.</li> <li>• Additional costs relating to employer pension costs of £21,000 offset the additional savings.</li> </ul>
Strategic Management	60,982	<ul style="list-style-type: none"> <li>• An overspend on the Deputy Chief Executive's budget of £43,000 relating to Transport Policy costs is matched by an underspend in the Transportation and Planning budgets (in Place) where the budget was held for 2017/18;</li> <li>• An overspend due to Compensation for Loss of Office of £76,000;</li> <li>• An underspend of £17,000 due to a reduction in hours in the Deputy Chief Executive's budget area;</li> <li>• An underspend on employee costs within the Strategic Directors and Personal Assistants budget of £51,000;</li> <li>• Minor overspends totalling £10,000 relating to supplies and services.</li> </ul>

### 8.3.5 Other Financial Variations

Other items	Over / (Underspend)	Detail
Net interest	(67,968)	<ul style="list-style-type: none"> <li>The improvement in the interest position is partially due to the Council investing in a Property Fund which generates significantly higher returns than placing the money with banks.</li> </ul>
Revenue Contribution to Capital	916,994	<ul style="list-style-type: none"> <li>The funds set aside from New Homes Bonus to pay off debt have partially been used to pay for lower life assets and local infrastructure delivered in-year.</li> </ul>
Minimum / Voluntary Revenue Provision	(999,249)	<ul style="list-style-type: none"> <li>The Council has voluntarily set aside £0.117m to repay debt. The remainder of the proposed voluntary revenue provision has been used to fund the revenue contribution to capital set out above.</li> </ul>
Business Rates	(1,050,255)	<ul style="list-style-type: none"> <li>Business Rates income was lower than projected. This additional income will be recovered by the Collection Fund next year and these funds have been set aside in an earmarked reserve accordingly.</li> </ul>

### 8.3.6 Earmarked Reserves

Five new Earmarked reserves are being proposed for this financial year. Two reserves, which are no longer required, are being recommended for return to the General Fund Balance. A further two are being recommended to be transferred into the Capital Fund earmarked reserve and one is to be added to the newly proposed Transformation Fund.

The Five proposed reserves are :

- Transformation Fund – using unallocated New Homes Bonus to support the delivery of the savings required over the next two years - £1,500,000;
- 2018/19 Budget – setting aside the £400,000 from unallocated New Homes Bonus to support the 2018/19 budget as approved at Full Council in February. - £400,000;
- CCLA Property Fund – to protect the Council against fluctuations in value of the money invested in a Property Fund after a change in accounting treatment introduced this risk. The Government are considering a statutory override, which will protect Councils and if this is implemented, the fund will be returned to the General Fund Working Balance - £250,000;
- Local Community Grants – approved funding for local community grants from New Homes Bonus - £300,000;
- DevCo – to carry forward the unspent, approved funding for the Development Company business case - £105,000.

During 2017/18 there has been an overall net transfer to Earmarked Reserves of £2,419,076. The details of all Earmarked Reserve movements are shown in Appendix C.

<b>Movement</b>	<b>2017/18</b>
Opening Balance, as at 01/04/17	£5,111,051
Net transfer	£2,419,076
<b>Balance, as at 31/03/18</b>	<b>£7,530,127</b>

#### 8.3.7 General Fund Balance

During 2017/18 there has been an overall net contribution from the General Fund Balance of £572,437. The minimum requirement for the General Fund working balance was approved by Council in February 2018 at £3million.

<b>Movement</b>	<b>2017/18</b>
Opening Balance, as at 01/04/17	£5,264,841
Deficit	(£ 572,437)
<b>Balance, as at 31/03/18</b>	<b>£4,692,404</b>

#### 8.3.8 Supplementary Budgets

There is a requirement for significant supplementary budgets in 2018/19 as the Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £1,880,480 identified in Appendix D are approved and added to the 2018/19 budget. Of the total above, £335,000 relates to the HRA.



## 8.4 COUNCIL TAX

- 8.4.1 As at 1 April 2017, arrears amounted to £4.176m, the movements during 2017/18 were as follows:

	£m	£m
<b>Arrears at 1 April 2017</b>		<b>4.176</b>
<b>Add:</b>		
2017/18 debits raised net of discounts	61.941	
<b>Less:</b>		
Payments received	(62.410)	
Refunds and change in pre-payments	0.721	
Write-offs	<u>(0.316)</u>	
<b>Arrears at 31 March 2018</b>		<b><u>£4.112</u></b>

- 8.4.2 Against the arrears of £4.112m, a bad and doubtful debt provision of £1.540m has been provided, calculated in accordance with the appropriate accounting guidelines.
- 8.4.3 The 'In-Year' collection rate has increased in comparison with the previous year. The collection rate for 2017/18 was 95.6% compared with 96.8% in 2016/17.

## 8.5 OUTSTANDING SUNDRY DEBT

- 8.5.1 An aged debt analysis of the Council's sundry debts is shown in the table below.

Age of Debt	March 2017	March 2018
Up to 29 days (current)	£6,820,661	£1,639,749
30 days – 1 Year	£1,027,940	£1,238,393
1 – 2 years	£945,735	£787,163
2 – 3 years	£455,532	£661,047
3 – 4 years	£327,021	£368,184
4 – 5 years	£226,393	£259,997
5 + years	£325,762	£415,760
<b>Total</b>	<b>£10,129,044</b>	<b>£5,370,293</b>

- 8.5.2 The large increase total for March 2017 relates to the inclusion of one invoice for a capital receipt with a value of close to £5 million. The invoice was paid on 4 April 2017.

## 8.6 DEBT WRITE-OFFS

8.6.1 The following amounts have been written-off during 2017/18:

	2016/17	2017/18
• Council Tax	£341,926	£316,198
• Business Rates	£274,428	£216,909
• Sundry Debt	£44,459	£131,163
• Housing Rents	£48,478	£48,478

## 8.7 CREDITOR PAYMENTS PERFORMANCE

8.7.1 Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 91.76% for 2017/18 compared with 93.64% for 2016/17.

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

9.1 This is a statement of the financial position at the end of the 2017/18.

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

10.1 The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members.

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

11.1 Not applicable

## 12. Are there any other options?

12.1 Not applicable

**Chief Finance Officer**

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

Background papers used in compiling this report:-

None

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