

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
18 SEPTEMBER 2013

EXECUTIVE
1 OCTOBER 2013

COUNCIL
15 OCTOBER 2013

OVERVIEW OF GENERAL FUND REVENUE BUDGET 2013/14

1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall projected financial position of the General Fund Revenue Budget and Housing Revenue Account after three months, for the 2013/14 financial year.

2. REVENUE POSITION – SUMMARY

2.1

FUND	Planned Transfer (to) / from Working Balance	Budget Variance June 2013 Over / (under)	Outturn Forecast Transfer 2013/14
	£	£	£
General Fund	253,200	245,939	499,139
HRA	(1,712,160)	1,128,922	(583,238)
Council own Build Houses	(34,070)	3,680	(30,390)

3. GENERAL FUND – Appendix A

- 3.1 The Service Committee budgets shows a forecast overspend of £378,990 (3.1%) against a revised Service Committee Net Expenditure budget of £12,223,520. The key issues are set out below:

3.2 Scrutiny Committee Community – (An overspend of £57,670)

MU Code	Management Unit	Over / (Underspend)	Detail
81A1	Environmental Protection	87,430	<ul style="list-style-type: none"> Impact of redundancies.
81A4	Public Safety	17,330	<ul style="list-style-type: none"> Impact of redundancies
81A7	Museums Service	45,500	<ul style="list-style-type: none"> Business Rates on the Royal Albert Memorial Museum are higher than budgeted. This is subject to an appeal, which may reduce or increase the overspend.

MU Code	Management Unit	Over / (Underspend)	Detail
81C2	SHS - Advisory Services	(24,250)	<ul style="list-style-type: none"> Additional staff time being charged to the HRA to reflect work on allocations of Council Housing
81C3	SHS - Housing Development	(58,250)	<ul style="list-style-type: none"> Additional staff time being charged to the HRA to reflect work on Council Own Build
81D4	Street Cleaning	(22,500)	<ul style="list-style-type: none"> Savings expected on agency costs and expenditure on litter bins

3.3 Scrutiny Committee Economy – (An overspend of £68,250)

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Property & Estates Services	(69,400)	<ul style="list-style-type: none"> Additional income from property portfolio - High Street & Sidwell Street
83A4	Economic Development	25,060	<ul style="list-style-type: none"> Additional salary costs - PA to Assistant Director offset by saving in Resources committee Christmas Lights core budget - approved by Executive
83B5	Planning Services	127,850	<ul style="list-style-type: none"> Planning fee income – projected to be significantly less than budget for year Salary savings – saving on salary budget due to non recruitment to a number of vacant posts Revenue contribution – Contribution to Cowick Street Environmental works capital scheme.
83B9	Markets & Halls	(22,930)	<ul style="list-style-type: none"> Additional income – Corn Exchange and Livestock Centre income expected to exceed budget. Additional Expenditure – Event promotion at Corn Exchange (offset by additional income) and additional expenditure on food and drink at venue.

3.4 Scrutiny Committee Resources – (An overspend of £153,070)

MU Code	Management Unit	Over / (Underspend)	Detail
86A1	Revenue Collection/Benefits	62,610	<ul style="list-style-type: none"> • Net additional cost of Housing Benefit payments to claimants based on current caseload. • Over payments of Housing Benefit caused by Local Authority error is close to the limit allowed by central Government. If the Council exceeds this, then the Government will reduce the amount of subsidy paid to the Council – specific targeted action is being taken to reduce this.
86A4	Civic Ceremonials	30,000	<ul style="list-style-type: none"> • Reduced income from commercial letting.
86A7	Unapportionable Overheads	106,410	<ul style="list-style-type: none"> • The approved cost of pension fund contributions following redundancies – the individual services pay the actual cost of redundancies to reflect where the subsequent savings will be made.
86A8 86B7	Chief Executive Services & Strategic Directors	41,750	<ul style="list-style-type: none"> • The senior management at officer level was reviewed from three positions to two from 1st June 2013, with savings being made from 2014-15 onwards.
86B1	Treasury Services	(42,010)	<ul style="list-style-type: none"> • Vacancies pending reorganisation.
86B5	Corporate Customer Services	(30,880)	<ul style="list-style-type: none"> • The installation of solar panels at the Civic Centre has reduced energy costs. • There have been vacancies in the Customer Service Centre and reduced IT maintenance costs.

4. OTHER GENERAL FUND FINANCIAL VARIATIONS

4.1

Other items	Over / (Underspend)	Detail
Net Interest Paid	(55,000)	<ul style="list-style-type: none"> Continued low rates of interest have lowered the cost of borrowing; Better than forecast cashflow position has increased the level of interest received.
Revenue Contribution to Capital	20,000	<ul style="list-style-type: none"> In order to minimise the level of borrowing required, it has been agreed that savings will be found in revenue to fund a projected overspend in a capital project;
Minimum Revenue Provision	(93,051)	<ul style="list-style-type: none"> The Council's underlying need to borrow is lower than anticipated resulting in a lower requirement to set aside funds for the repayment of this debt.

5. HOUSING REVENUE ACCOUNT (HRA) (APPENDIX B)

5.1 The main variations in the HRA are set out below:

MU Code	Management Unit	Over / (Underspend)	Detail
85A1	Management	52,424	<ul style="list-style-type: none"> Additional time charged to the HRA from Housing General Fund as set out in section 2.2
85A4	Repairs Fund Contribution	1,049,908	<ul style="list-style-type: none"> Approved expenditure to finance Phase 2 of the Council's Own Build Programme – on four sites. Approved purchase of flats at Dean Clarke House.

6. SUPPLEMENTARY BUDGETS

6.1 Since the budget was set, a number of additional budgets have been approved or requested for approval. These are set out in Appendix C and total £149,340 for the General Fund and £150,000 for the HRA.

7. AREAS OF BUDGETARY RISK

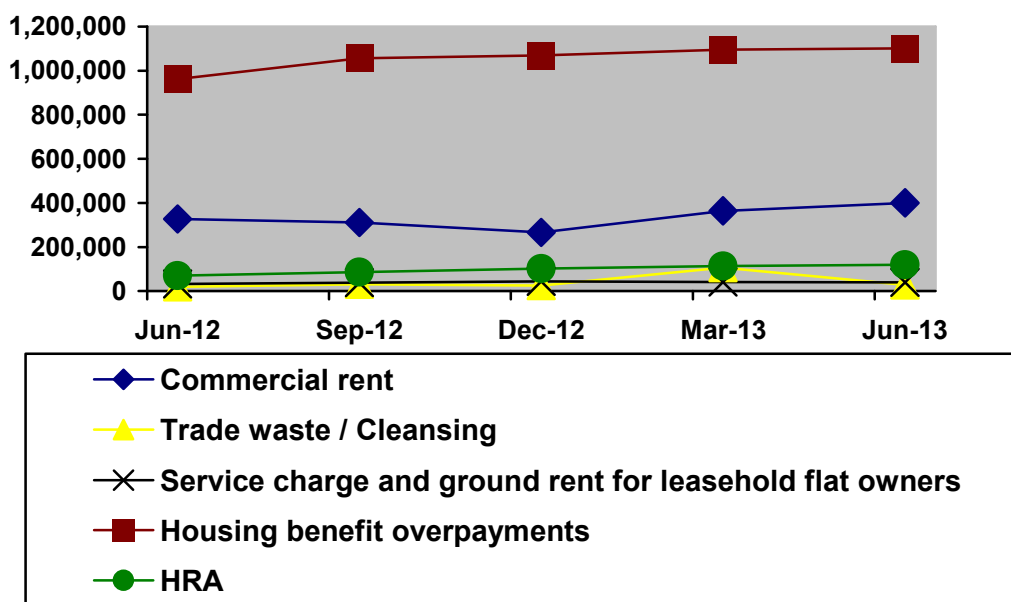
7.1 A number of areas have been identified as a budgetary risk within the budget. Although there has not necessarily been an issue identified yet, there is a risk that adverse conditions may impact of the Council's budget. A list of these key areas is set our in Appendix D.

8. OUTSTANDING SUNDRY DEBT

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

Age of Debt	June 2012	June 2013
Up to 29 days (current)	£814,034	£912,068
30 days – 1 Year	£814,945	£1,015,619
1 – 2 years	£331,782	£419,655
2 – 3 years	£216,004	£219,108
3 – 4 years	£101,240	£152,105
4 – 5 years	£82,711	£74,868
5 + years	£161,512	£189,966
Total	£2,522,228	£2,983,240

8.2 Of the outstanding debt, the graph below sets out the main services and debt trends for debt over 30 days old:



9. DEBT WRITE-OFFS

9.1 The following amounts have been written-off during the first three months of 2013/14:

• Council Tax	£ 68,367
• Business Rates*	£ 0
• Sundry Debt	£ 9,392
• Housing Rents	£ 35

* Business Rates write-offs are considered during March 2014.

10. CREDITOR PAYMENTS PERFORMANCE

10.1 During the first three months of 2013/14, the percentage of invoices paid within 30 days was 95.14%, which is marginally higher than the 2012/13 performance of 94.69%.

11. RECOMMENDATION

11.1 That Scrutiny Resources Committee notes and Executive recommend that the Council approve:

- The General Fund forecast financial position for the 2013/14 financial year
- The HRA forecast financial position for 2013/14 financial year
- The additional supplementary budgets listed in Appendix C
- The outstanding Sundry Debt position as at June 2013
- The creditors' payments performance

ACTING ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling the report:

None