

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
4 DECEMBER 2013

EXECUTIVE
10 DECEMBER 2013

COUNCIL
17 DECEMBER 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 six months, for the 2013/14 financial year.

2. REVENUE POSITION – SUMMARY

2.1

FUND	Planned Transfer (to) / from Working Balance	Budget Variance September 2013 Over / (under)	Outturn Forecast Transfer 2013/14
	£	£	£
General Fund	267,700	(57,161)	210,539
HRA	(1,562,160)	1,525,275	(36,885)
Council own Build Houses	(34,070)	680	(33,390)

3. GENERAL FUND – Appendix A

- 3.1 The Service Committee budgets shows a forecast overspend of £163,890 (1.3%) against a revised Service Committee Net Expenditure budget of £12,248,020. The key issues are set out below:

3.2 Scrutiny Committee Community – (An overspend of £126,890)

MU Code	Management Unit	Over / (Underspend)	Detail
81A1	Environmental Protection	87,430	<ul style="list-style-type: none"> • Redundancies
81A4	Public Safety	10,380	<ul style="list-style-type: none"> • Redundancy partially offset by additional income

MU Code	Management Unit	Over / (Underspend)	Detail
81A6	Grounds Maintenance	48,340	<ul style="list-style-type: none"> • Cost of dealing with illegal campers partially offset by additional income and cost savings. • Area of Budgetary Risk – see paragraph 4 below
81A7	Museums Service	20,250	<ul style="list-style-type: none"> • NNDR in respect of RAMM - appeal with Valuation Office. • Utilities at RAMM anticipated to exceed the budget. • Offset by backdated NNDR refund – RAMM Central Library and S106 funding transfer. • Area of Budgetary Risk – see paragraph 4 below
81C2	SHS - Advisory Services	19,910	<ul style="list-style-type: none"> • Void and reactive repairs costs expected to exceed budget, partially offset by recharge of costs. • Salary budgets – savings due to vacancies • Area of Budgetary Risk – see paragraph 4 below
81C3	SHS – Housing Development	21,140	<ul style="list-style-type: none"> • Additional consultants' fee expenditure offset by a transfer from earmarked reserves
81D4	Street Cleaning	(44,150)	<ul style="list-style-type: none"> • Savings expected on agency costs and expenditure on replacing litter bins
81D5	Public Conveniences	(13,750)	<ul style="list-style-type: none"> • Reduced water costs
81D4	Cleansing Rechargeable Services	(54,000)	<ul style="list-style-type: none"> • Reduced trade waste disposal costs
81D8	Recycling	17,500	<ul style="list-style-type: none"> • Reduced income offset by some savings on costs • Area of Budgetary Risk – see paragraph 4 below

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

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Property & Estates Services	(63,580)	<ul style="list-style-type: none"> • Additional income from property portfolio - High Street and the Guildhall offset by a shortfall at South Street and Paris Street. • Void allowance used to offset shortfall at Paris Street and South Street.
83A3	Car Parking	20,000	<ul style="list-style-type: none"> • Income from parking fees is currently below the profiled budget. The shortfall is partially offset by additional income from other charges.
83A4	Economic Development	36,430	<ul style="list-style-type: none"> • Additional salary costs – transfer of staff member, additional costs offset by saving in Resources committee. • Christmas Lights core budget - approved by Executive.
83A9	Building Control	(49,080)	<ul style="list-style-type: none"> • Additional income – from Building Control fees anticipated. • The surplus will be transferred to the earmarked reserve.
83B5	Planning Services	157,630	<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 vacant posts • Revenue contribution – Contribution to Cowick Street Environmental works capital scheme. • Additional expenditure – Habitats Assessments, Community Infrastructure Levy and Local Development Framework. • Reserve – transfer from earmarked reserve to cover additional expenditure.
83B8	Major Projects	(45,000)	<ul style="list-style-type: none"> • Budget saving - The bus and coach station project has not progressed as anticipated this year to date which has substantially reduced the need for consultancy advice.
83B9	Markets & Halls	(43,980)	<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 underspend of £49,620)

MU Code	Management Unit	Over / (Underspend)	Detail
86A1	Revenue Collection/Benefits	(58,330)	<ul style="list-style-type: none"> Net additional reduction in cost of Housing Benefit payments to claimants based on current caseload and performance up to the threshold limit to the year end.
86A4	Civic Ceremonials	30,000	<ul style="list-style-type: none"> Reduced income from commercial letting despite a short-term let.
86A7	Unapportionable Overheads	124,760	<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.
86B3	Human Resources	(22,620)	<ul style="list-style-type: none"> There is expected to be an underspend in the central training budget as a consequence of reorganisations throughout the Council. The Human Resources Job Evaluations have been completed following reorganisation and the revised grades have now been applied.
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.
86B6	IT Services	(55,900)	<ul style="list-style-type: none"> A vacancy within the team, savings in software and system maintenance and reduced print usage will result in an overall underspend.

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
85A4	Repairs Fund Contribution	1,447,401	<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. Further £200k forecast overspend in respect of repairs to empty properties. Options to mitigate this overspend are being investigated including a review of the void standard. £400k forecast overspend in respect of reactive repairs to council dwellings in order to meet current patterns of demand. This was highlighted as an area of budgetary risk in June.

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 £24,500 for the General Fund and £706,901 for the HRA.

7. AREAS OF BUDGETARY RISK

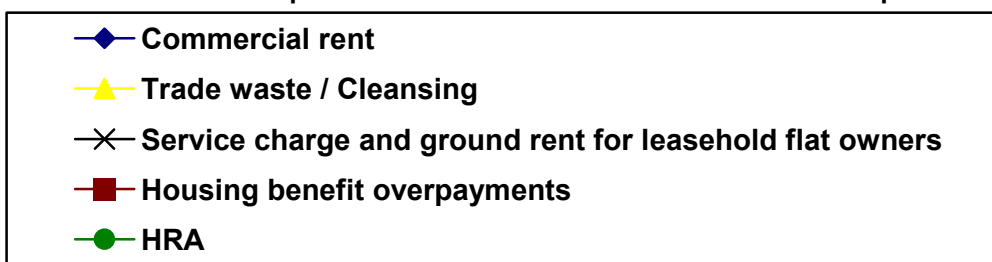
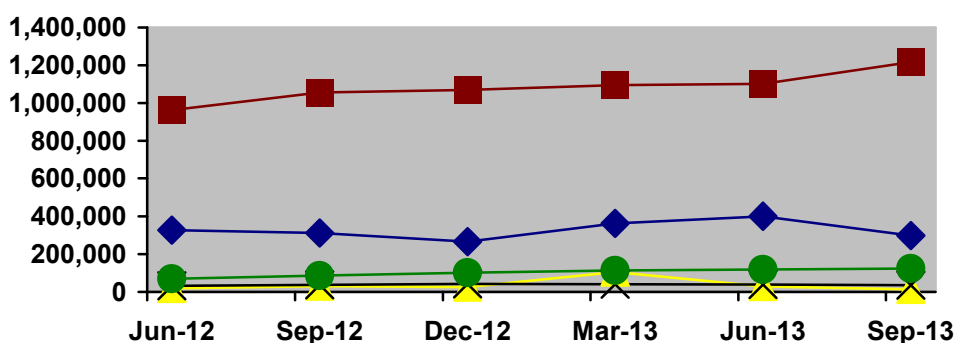
7.1 A number of areas have been identified as a budgetary risk within the budget. Although there has not necessarily been an issue identified yet, there is a risk that adverse conditions may impact of the Council's budget. A list of these key areas is set out in Appendix D.

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	September 2012	September 2013
Up to 29 days (current)	£731,756	£751,941
30 days – 1 Year	£855,102	£978,166
1 – 2 years	£314,153	£401,400
2 –3 years	£241,261	£217,795
3 – 4 years	£110,201	£163,504
4 – 5 years	£92,804	£68,099
5 + years	£155,276	£175,986
Total	£2,500,553	£2,756,891

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	£ 58,144
• Business Rates*	£ 0
• Sundry Debt	£ 13,705
• Housing Rents	£ 4,155

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

10. CREDITOR PAYMENTS PERFORMANCE

10.1 During the first six months of 2013/14, the percentage of invoices paid within 30 days was 95.54% , which is marginally higher than the 2012/13 performance of 94.69% and an improvement on the first three months of the year (95.14%).

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 September 2013
 - The creditors' payments performance

ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling the report:

None