

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - RESOURCES
19 SEPTEMBER 2008**

**EXECUTIVE
2 OCTOBER 2008**

OVERVIEW OF GENERAL FUND REVENUE BUDGET 2008-2009

1 PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall projected financial position of the General Fund Revenue Budget after three months, for the 2008-2009 financial year.

2 GENERAL FUND – Appendix A

- 2.1 The Service Committee budgets shows a forecast under spend of £19,880 (0.1%) against a revised budget of £19,533,140.

- 2.2 Details of the variances are being disclosed in stewardship reports to individual Scrutiny Committees during the current cycle of meetings. However the main variances are as follows:

2.3 Scrutiny Committee Community – (An under spend of £152,780).

- 2.3.1 In Cleansing Services, a Local Public Service Agreement in respect of Street Cleansing will result in the receipt of a Performance Reward Grant.

Savings are anticipated on staffing costs in the Street Cleansing and Refuse Collection services.

There are vacant posts in Licensing, Food, Health and Safety, Recycling and Community Outreach

This has been partly offset by additional expenditure for Agency cover of long term sickness in Waterways and Countryside together with additional costs towards the new harbour authority.

There is also estimated to be additional expenditure in respect of the use of bed and breakfast accommodation and services temporary accommodation to meet the homelessness demand.

2.3.2 Scrutiny Committee Economy – (An over spend of £61,290)

There is a reduction in Car Park income and Planning fees due to the general downturn in the economy.

2.3.3 Scrutiny Committee Resources – (An over spend of £71,610)

It is estimated at the end of the first quarter that there will be a net reduction in Housing Benefits subsidy partly due to a recovery of a 2006/07 subsidy overpayment and partly due to a reduction in net subsidy for 2008/09. The total is £82,190 which is 0.26% of the total Housing Benefits Subsidy (£31,791,400)

This has been partly offset by small savings in other service units

3 OTHER FINANCIAL VARIATIONS

3.1 There is a net transfer from Earmarked Reserves of £454,930: £5,000 from Transport Initiative reserve, £135,000 from the Local Development Framework reserve, £55,000 from the Princesshay reserve and £176,840 from the Planning Delivery Grant reserve, £75,090 from the Tree Management reserve and £8,000 from the Vehicle Licensing reserve.

3.2 There is a reduction of £100,000 in respect of investment interest as a result of volatile interest rates and a decision to defer borrowing to finance the capital programme. This money would have been invested at a higher interest rate until it was required.

3.3 There is £600,730 from the Repairs Fund in respect of AIM works carried forward from 2007-08 to be undertaken in 2008-09.

3.4 The overall net deficit is estimated to be £1,042,427 at 31st March 2009 after accounting for July approved supplementary budgets of £1,131,310; this will be transferred from the General Fund Working Balance.

4 OUTSTANDING SUNDRY DEBT

4.1 The Council issues debtor invoices for a range of services that it provides, including:

Commercial rent;
Trade waste;
Service charge and ground rent for leasehold flat owners;
Home call alarms;
Housing benefit overpayments;
and a range of other services such as room rental.

In future quarterly reports, comparisons will be made to inform members of progress in recouping this debt. This does not include housing rent, council tax or business rate debt.

4.2 Outstanding debt at the 31 March 2008 was £4.097m and at 30 June 2008, it stood at £3.468m. An aged debt analysis is shown below, which demonstrates that of the £3.468m debt, £1.430m is less than 30 days old.

Age of Debt	Total £	Number of Invoices
Up to 29 days	1,429,868.39	1668
30 - 59 days	359,147.96	318
60 - 89 days	54,572.67	174
90 - 119 days	192,404.62	535
120 - 365 days	402,326.90	1049
1 - 2 years	282,308.62	940
2 - 3 years	247,419.31	463
3 - 4 years	99,451.02	273
4 - 5 years	158,408.82	213
5 + years	241,854.25	294
Total	£3,467,762.56	5927

5 CONCLUSION

5.1 The forecast decrease in Service Committee net expenditure for 2008-09 totals £19,880 including the supplementary budgets of £1,131,310. This together with transfers from Earmarked Reserves, the reduction of £100,000 from investment income and the transfer from the Repairs Fund for AIM carried forward (£600,730) will result in a transfer of £1,042,427 from the Working Balance.

5.1 The forecast General Fund Working Balance at 31st March 2009 is £7,063,110 and equates to 43.6% of the General Fund net expenditure.

6 RECOMMENDATION

It is recommended that:

- The forecast financial position for the 2008-2009 financial year is noted.
- The outstanding Sundry Debt position for the first quarter of 2008-09 is noted

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

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

Background papers used in compiling the report:

None