

REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

REPORT TO COUNCIL

Date of Meeting: 16 July 2024

Report of: Director Finance

Title: Overview of General Fund Revenue Budget 2023/24 – Quarter 4

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Members of the overall financial position of the General Fund Revenue Budgets for the 2023/24 financial year and to seek approval for the General Fund working balance, a number of supplementary budgets and the creation of new earmarked reserves.

2. Recommendations:

It is recommended that Members of the Executive note the report and Council notes and approves (where applicable):

- 1) That the net transfer of £173,188 to Earmarked Reserves as detailed in paragraph 8.11 is approved;
- 2) That the supplementary budgets of £6,235,860 and budget transfers as detailed in paragraph 8.13 are approved;
- 3) That the Earmarked Reserves at 31 March 2024 be noted
- 4) That the Council Tax account and collection rate be noted
- 5) That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted
- 6) The creditors payments performance be noted
- 7) By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2024 be approved at £5,882,563.
- 8) The One Exeter programme update

3. Reasons for the recommendation:

To formally note 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?

The impact on the General Fund working balance is set out in section 8.12.

5. Section 151 Officer comments:

Whilst the current General Fund Working Balance remains high, the supplementary budget requests plus the approved use of reserves for the 2024/25 budget will bring the Balance down to its minimum level. This means there will be little scope for overspends and to move future reductions into the future. Therefore, budget monitoring will be extremely important next year as we ensure that spending remains within budget.

6. What are the legal aspects?

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This might include, for example, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

Overview of General Fund Revenue Budget 2023/24

8.1 Financial Summary

FUND	Planned Transfer To/ (From) Working Balance	Budget Variance Over/(Under)	Outturn Transfer 2023/24
	£	£	£
General Fund	(3,225,320)	2,956,589	(268,731)

8.2 General Fund (Appendix 1 & Appendix 2)

The services show an overall underspend of £5,937,550 against a revised budget of £21,713,220. This includes supplementary budgets of £7,386,800. Variances of more than +/- £30,000 are detailed below:

8.3 Chief Executive

Budget Heading	Over / (Underspend)
Affordable Housing Development	£334,995

Responsible Officer: Chief Executive

This overspend reflects the impact of winding down Exeter City Living; no recharges were made to ECL from quarter three onwards.

8.4 Transformation

Budget Heading	Over / (Underspend)
IT Services	(£136,506)
<p>Responsible Officer: Director, IT & Transformation</p> <p>This figure represents ECC's share of Strata's overall savings apportioned across the three Councils. £74,000 was included at year-end as an additional saving from 22/23 (this saving will be requested as a supplementary budget in 24/25). Internal recharges also exceeded budget by almost £25,000.</p> <p>From 24/25, the contract with Strata will be for costs only and will not include any savings, to reflect a new model of working with member councils.</p>	
Organisational Change Programme	(£254,218)
<p>Responsible Officer: Organisational Transformation Programme Lead</p> <p>The budget is funded from an earmarked reserve and has been re-profiled to reflect the on-going future programme, the underspend has been requested as a supplementary budget in 2024/25.</p>	

8.5 City Development

Budget Heading	Over / (Underspend)
Housing Needs & Homelessness	(£217,705)
<p>Responsible Officer: Service Lead, Housing Needs & Homelessness</p> <p>The underspend is predominantly due to an unexpected £236k in-year Homelessness Prevention Grant top-up, expenditure that was originally budgeted from reserves was able to be funded from the grant instead.</p> <p>This reserve, along with a smaller homelessness grant reserve of £16k in respect of rough sleeping health initiatives, is expected to be fully expended in 2024/25 (supplementary budgets requested). The remaining variance balance of £6.5k is underspend on the Devon Home Choice management budget as a result of efficiency savings and higher than budgeted re-charge income.</p>	
Building Control & Land Charges	£55,784

Responsible Officer: Service Lead, City Development

In the 2023-2024 fiscal year, there has been a 10% shortfall in the Building Control and Land Charges budgets due to decreased demand reflecting the impact of higher borrowing costs due to inflation. Nationally house sales have been 10% lower than pre-pandemic levels with those involving mortgages are even more (c20%). Moreover, construction activity continues to be curtailed by labour and material shortages which resulted from the pandemic's disruption of supply chains, this has been exacerbated by the conflict in Ukraine, which has affected supply chains (10% of all construction timber comes from Ukraine). Additionally, high fuel costs have contributed to increased material expenses and therefore building costs, thereby reducing people's purchasing power. These services are financed by their own ring-fenced reserves and are expected to break even over a rolling 3 year period.

Planning

(£414,740)

Responsible Officer: Service Lead, City Development

Consultants fees have been higher than expected due to an appeal.

An underspend of £427,000 is being reported for the Exeter Plan. This is as a result of a revised timetable in terms of evidence production. Significant evidence is currently being commissioned to underpin the key elements of the Exeter Plan regarding brownfield development. This expenditure will show during 2024/25 when the plan runs towards publication and submission. A supplementary budget has been requested.

Liveable Exeter Garden City

(£671,954)

Responsible Officer: Director

Grant funding has been provided from DLUCH to progress Liveable Exeter, the money can be spent in any given financial year so the flexibility remains to apportion the money as projects are developed. Therefore, the unspent grant money has been transferred into an earmarked reserve and a supplementary budget requested in 2024/25.

8.6 Communications, Culture and Leisure Facilities

Budget Heading	Over / (Underspend)
Culture	(£109,641)

Responsible Officer: Service Lead – Communications, Tourism & Culture

This underspend is predominantly due to the supplementary budget for the Women's Rugby World Cup not being fully utilised. This has been requested again for 24/25 and will be used in full.

Overall, the Arts, Culture & Communications team have had an impressive year, exceeding their revenue budget by over £100,000; this has been offset by unbudgeted

<p>costs, including a subscription to Panacea and the loss of internal income due to the wind-down of ECL.</p> <p>This strong performance is expected to continue and with Exeter being a host city for the Women's Rugby World Cup, next financial year will be both challenging and rewarding.</p>	
Markets & Halls	(£293,532)
<p>Responsible Officer: Facilities & Markets Manager</p> <p>Markets & Halls have achieved a £62,314 improvement in savings from the quarter three forecast. This is predominantly due to the Corn Exchange improving their net event revenue by almost £45,000; however, the Matford Centre has also contributed due to net savings across premises and supplies & services costs.</p>	
Museum Services	(£295,686)
<p>Responsible Officer: Service Co-Leadership Team</p> <p>The year-end position shows a saving of £295,686, an improvement of £43,186 from quarter three forecast. This improvement is due to two factors – an overly cautious utilities forecast (an additional £29,000 saving was achieved as a direct result of a sustainability project the team at RAMM are leading to manage and reduce RAMM's energy use) and the shop improved on their quarter three position by £14,000. The energy management work is an ongoing project and ongoing savings are expected in future years.</p> <p>The situation in 2024/25 remains challenging for RAMM. The café operator did not wish to renew their lease at the end of 23/24 and the resulting period with no café (and therefore no rental income for the period) also has a knock-on impact for shop sales. In addition, the ongoing delays in roof repair works continues to have a direct impact on RAMM's ability to generate income from corporate hire and events.</p> <p>The year-end saving includes £71,000 of redundancy costs, which will be covered by reserves.</p>	
Leisure & Sport	(£1,086,985)
<p>Responsible Officer: Director - Communications, Culture & Leisure</p> <p>At quarter three, a saving of £687,650 was reported; however, this included an assumption that VAT owing to HMRC would have been removed by year-end which unfortunately didn't occur. The actual forecast saving was £805,293 so an additional saving of £281,692 was achieved in the fourth quarter. The majority of this additional saving was in premises costs and supplies & services (£172,000). This was always going to be difficult to forecast as 23/24 is the first year that all the centres have been open all year and operating at capacity; it should also be recognised that Leisure has been bearing maintenance costs while the Estates team go through their restructure. There was also an additional £64,000 of income from what was forecast at quarter three.</p>	

St Sidwells Point	(£59,850)
<p>Responsible Officer: Director - Communications, Culture & Leisure</p> <p>This supplementary budget has not been utilised this year. It has been requested again in 2024/25.</p>	
Active & Healthy People	(£1,549,028)
<p>Responsible Officer: Active & Healthy People Programme Lead</p> <p>The Wonford Health & Wellbeing Hub project has been delayed during 2023/24 particularly whilst awaiting the appointment of the new Trustees. This has moved the remaining design works and planning submission matters into 2024/25. A supplementary budget has been requested.</p> <p>£1.137 million grant funding paid in advance by Sport England has been transferred to an earmarked reserve, supplementary budgets have been requested to spend this in 2024/25.</p>	
Exeter Community Grants Programme	(£823,067)
<p>Responsible Officer: Active & Healthy People Programme Lead</p> <p>£797,000 grant income in respect of the Homes 4 Ukraine scheme has been received in advance, this income has been transferred to an earmarked reserve and a supplementary budget requested for 2024/25.</p> <p>There have been a small underspends within the Exeter Community Grants Programme, the programme is funded by Neighbourhood CIL and so the underspend will be available to re-allocate in future years.</p>	

8.7 Net Zero Exeter and City Management

Budget Heading	Over / (Underspend)
Environmental Protection	(£272,821)
<p>Responsible Officer: Service Lead – Environmental Health & Community Safety</p> <p>Vacancies within the Neighbourhood and Environmental Quality Teams have more than compensated for the extra cost of the pay offer across the service unit (£90,000). The increased funding for Disabled Facilities Grants has also increased the income from the administrative burden rechargeable to the grant allocation above expectation (£81,000). One-off funds, allocated from Homes4Ukraine income, to support the work of these teams will not be spent in year due to current staffing shortages in this area (£94,000). An Air Quality grant from DEFRA provides funding through to February 2025 with the £178,000 unspent balance rolled forward to 2024/25.</p>	
Licensing, Food, Health & Safety	£196,497

Responsible Officer: Service Lead – Environmental Health & Community Safety

The CCTV Control Room & Home Call Alarm Service budgets were set on 21/22 pay scales rather than those of 22/23 which only came to light after this year's pay settlement was actioned in November – this in conjunction with the flat rate pay award caused pay to overspend by £6,000 despite the management unit having a number of vacancies. Home Call income remained the largest contributor to the overspend at year end, falling short of the income target by £140,000, despite the marketing campaigns that have taken place since March 2023. Additional sources of income, in particular making use of the Council's expertise in the field of CCTV monitoring, are being developed to help offset this issue with contracts due on stream during the coming year.

Parking Services

£782,593

Responsible Officer: Service Lead – Net Zero and Business

The introduction in mid-May of car park re-zoning was expected to generate additional income, but Car Park charges did not reach budgeted levels (£481,000). The switchover from cash to cashless payment has impacted on costs with the fees charged by 3rd parties some £275,000 higher than budget. This follows an audit of bank charges that identified a significant proportion of these charges had been miscoded over the last 2 years, increasing costs by some £110,000 within year and by some £60,000 going forward to 2024/25.

Season ticket income continued to be affected by changes in demand, as a result of commuters working from home. Changes to the discounts offered have not had the impact that had been expected with receipts only at 48.7% of budgeted levels giving a shortfall of £339,000. Parking permits will be reviewed next financial year to address new trends.

A temporary reduction to Business Rates has offset £97,000 of the overspend; reduced Electricity charges have offset a further £99,000, whilst less maintenance than predicted has also offset some £49,000. Parking Charge Notice income has been above expected levels to offset a further £47,000.

The £700,000 income budget realignment will help to bring this Management Unit back into balance in 2024/25.

Waterways

£21,326

Responsible Officer: Service Lead – Harbour Master

Whilst not technically required, this commentary on the Management Unit's position provides supporting information to the supplementary budget requests that appear in Appendix 4 of the report as the variance masks significant issues within the budget.

The application for a Harbour Revision Order, a potential 2-year process was funded on a one-off basis at £150,000. The contingent element of £80,000 which has not been required this year and the legal and other fees element will carry forward £27,060 into 2024/25; both have been requested as supplementary budgets for 2024/25. Funding for dredging work has been smoothed between years with a notional £25,000 included in the budget each year. Work occurs on a biennial basis with nothing planned for 2023/24 – a supplementary budget request to move these funds to 2024/25 has also been included which would allow for such work to be carried out during the year.

The Exeter Port Authority operates a mooring repairs service, purchased by the Council some years ago. The intention was for this to be self-financing, but costs increased significantly whilst workload and income did not. The outturn was an overspend of £49,000 when the budget proposed a surplus of £23,000 – a variance of £72,000.

There has been no change on Canal licences, which represent the other area of concern – despite the significant uplift in rates charged. The outturn position was that income remained some £52,500 below budgeted level, slightly better than forecasts during the year.

Engineering Services

(£392,965)

Responsible Officer: Service Lead – Public and Green Space

One-off funding for a Waterways Engineer post was agreed in 2022/23 and will provide support for this to operate for at least three years, with the available funding rolled forward but reducing each year unless funds from other vacancies in the team are able to be used to sustain it – supplementary budgets have been requested for 2024/25 to move unspent funds to the new year and to top the fund back up to the previous level. Funding relating to the proposed demolition of an over-bridge has not been required in-year, although some work has been undertaken to ensure there is no access to the bridge before any work might be carried out in the current year. The unspent balance (£134,180) is also the subject of a supplementary budget request.

Parks & Green Spaces

(£129,824)

Responsible Officer: Service Lead – Public and Green Space

Children's play areas received one-off additional support (£98,050) for sub-contractor work in 2022/23. This was carried forward to the current financial year, but due to limited sub-contractor availability, it has remained unspent. The service is looking to engage a contractor via a tender process early in the new financial year. There is a supplementary budget request for this to be rolled forward into 2024/25. Sub-contractor spend on Arboriculture has also been below budget, particularly over the middle part of the year (Q2 & Q3).

Bereavement Services

(£73,955)

Responsible Officer: Service Lead – Public and Green Space

Lower premises, services and transport maintenance costs alongside income budgets almost being achieved this year have left the service with an underspend.

Street Cleaning

(£130,667)

Responsible Officer: Service Lead – Public and Green Space

The redesign of the service proposed last year has reduced the pay bill for both permanent and agency staff this year.

Public Conveniences

(£46,479)

Responsible Officer: Service Lead – Public and Green Space

Premises related budget underspends have continued to increase throughout the year, particularly for utility charges. Workforce costs have stabilised from last year and have come in under budget.

Domestic Waste Collection

(£497,261)

Responsible Officer: Service Lead – Waste, Recycling & Fleet

The service has suffered continuing operational difficulties as it struggles to recruit. Agency spend has been reviewed and charges correctly apportioned over the two main services – Domestic & Trade Waste. The continuing delay to further roll out of the doorstep food waste programme, on-going until the construction of the food waste bay, has generated savings in the year due to vacancies and vehicles not yet being leased. These savings more than offset being unable to claim from DCC's Share Scheme saving fund, to which we have no eligibility until the scheme achieves 100% coverage.

Waste Chargeable Services

£581,329

Responsible Officer: Service Lead – Waste, Recycling & Fleet

As reported in previous years there is a shortfall (£466,000) in the trade waste income budget which, whilst new contracts have come online, has not meet the income target set for the service. The £400,000 realignment of this income budget in 2024/25 will help to make significant progress on achieving financial balance in this Management Unit next year. Trade Waste generated an operating surplus (£78,000) against the costs associated with delivery, with performance from last quarter having improved since the Q3 report. Other income aspects of the service have recovered well since the pandemic and are more than covering the costs associated with operational delivery of the Unit in total (£140,000 surplus). On-going recruitment issues and the higher than budgeted flat rate pay award mean that the pay element of service costs has overspent (£180,000).

Waste and Fleet Overheads

£135,138

Responsible Officer: Service Lead – Waste, Recycling & Fleet

Unallocated fleet costs of £30,000 have added to the steep increase in Property related Insurance Premium charges, that had occurred earlier in the year, which generated an overspend (£77,000). This has added to the previously reported Clothing, Laundry and Uniform issues – specifically gloves, where there is an overspend of £34,000 after adjusting for stock levels.

Recycling	£256,235
<p>Responsible Officer: Service Lead – Waste, Recycling & Fleet</p> <p>Use of secondary Materials Reclamation Facilities (MRF) and the transportation costs associated therewith have pushed costs up by some £323,000. Further pressures within staffing have caused an increase in expected spend (£161,000), both through the payment of the 2023/24 flat rate pay award, referred to elsewhere earlier, and agency spend. Recyclates materials saw market fluctuations during the year reducing income, but there is still a £212,000 benefit from sales partially offsetting costs identified above.</p>	
Net Zero and Business	(£175,204)
<p>Responsible Officer: Service Lead – Net Zero and Business</p> <p>The coming on stream of Water Lane Solar Farm has generated significant income in year that had not been anticipated at the time of the budget (£72,000). This is augmented by no further spend having taken place against the one-off funding for Exeter Net Zero Projects work (£49,000) in year, which will roll forward to 2024/25 and an underspend against the Net Zero Admin Project work (£33,000) for which supplementary funding has been requested for next year.</p>	

8.8 Finance

Budget Heading	Over / (Underspend)
Major Projects	(£1,601,656)
<p>Responsible Officer: City Surveyor</p> <p>This underspend is entirely due to supplementary budgets for various projects not being fully used in 23/24. The remaining amounts have been requested again for 24/25, apart from ECL property support, which has been discontinued due to the wind-down of the company.</p>	
Corporate Property – Estates	£715,925
<p>Responsible Officer: City Surveyor</p> <p>This adverse out-turn to budget is predominantly due to The Guildhall underperforming against budget, resulting in a £582,000 deficit. Forecasting proved problematic throughout the year which is why the final position varies considerably to what was forecast at quarter 3. The primary cause was the impact in year of the Wilkinson's administration and the subsequent lease restructuring that this necessitated.</p>	

Corporate Property – Assets	(£134,312)
<p>Responsible Officer: City Surveyor</p> <p>In M015, we'd been forecasting a £200k underspend throughout the year, as this is the budget for the maintenance of the Leisure estate, which your team hasn't taken management of yet. The actual out-turn for M015 is "only" £127,325, which means that it would have been overspent by at least £73k if this additional budget hadn't been there. This suggests that in future years, this budget won't be sufficient for both Leisure and non-Leisure maintenance work, especially if we assume that £200k won't cover the work needed for Leisure. I'm sure you're aware of all this already but thought it was worth pointing it out as it may be something that will need to be addressed in coming years.</p>	
Unapportionable Overheads	£161,393
<p>Responsible Officer: Chief Financial Officer</p> <p>This overspend is due to pension strain payments offset by an underspend against additional pension allowances paid to Devon County Council. The pension strain payments will be covered by reserves.</p>	
Financial Services	£48,621
<p>Responsible Officer: Service Lead, Finance Services</p> <p>The overspend is predominantly due to a reduction in recharge income from Exeter City Living Ltd for financial support services along with the cost of seeking specialist tax advice to inform the asset transfer agreement. Commission in respect of leasehold flat insurance also ceased during the year in accordance with insurance renewal terms.</p>	

8.9 Corporate Services

Budget Heading	Over / (Underspend)
Legal Services	£51,128
<p>Responsible Officer: Service Lead – Legal Services</p> <p>At quarter three, the forecast overspend was £5,630. The adverse increase in the overspend is due to the support service internal recharge being less than anticipated; the internal recharge is calculated after quarter three forecast is reported.</p>	
Elections & Electoral Registration	£42,312
<p>Responsible Officer: Director, Corporate Services</p> <p>The year-end position has improved from the quarter three forecast by £13,569. The overspend is due to the budget reduction that was included in the 2023/24 estimates. These reductions - which continue in future years - will be smoothed in the MTFP as there will be savings in those years when there are no elections being held.</p>	

Corporate Support	£179,481
<p>Responsible Officer: Director, Corporate Services</p> <p>At quarter three, the adverse variance to budget was reported as £123,470. The reason for the worsening position is predominantly due to a reduction in the internal recharge, which was calculated after quarter three finished.</p>	
Transportation	(£53,129)
<p>Responsible Officer: Director, Corporate Services</p> <p>This net surplus to budget will be transferred to reserves for future Green Travel initiatives.</p>	

8.10 Other Financial Variations

Budget Heading	Over / (Underspend)
Net interest	(£782,814)
<p>The budgeted interest payable on PWLB loans for 2023/24 anticipated that the Council would take out additional borrowings in the year to finance capital projects and a loan to Exeter City Living. However the loan to ECL is no longer planned and no external borrowing was taken out due to prohibitively high interest rates. This resulted in a saving in interest paid of £744k.</p> <p>ECL loans were written off during the year resulting in a reduction of £732k of anticipated interest. Continued high interest rates on temporary investments offset this and lead to a net £3k additional interest after paying over interest relating to the HRA and other funds held, and £36k higher than budgeted dividends on the CCLA Property Fund.</p>	

8.11 Earmarked Reserves

During 2023/24 there has been an overall net transfer to Earmarked Reserves of £137,314. The details of all Earmarked Reserve movements are shown in Appendix 3. Going forward, the redundancy Reserve and Transformation reserve will be merged to allow a single pot to cover Council Transformation.

Movement	2023/24
Opening Balance, as at 01/04/23	£13,396,181
Net transfer	(£173,188)
Balance, as at 31/03/24	£13,569,370

8.12 General Fund Balance

During 2023/24 there has been an overall surplus of £628,716. The minimum requirement for the General Fund working balance was approved by Council in February 2024 at £3 million.

Movement	2023/24
Opening Balance, as at 01/04/23	£6,151,294
Net	(£268,731)
Balance at Year End	£5,882,563

Supplementary Budgets

There is a requirement for some supplementary budgets in 2024/25 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 £6,235,860 identified in Appendix 4 are approved and added to the 2024/25 budget. The supplementary budgets will be financed from Earmarked Reserves (£4,658,410), CIL (£125,940) and the General Fund working balance (£1,511,510).

Appendix 4 also lists proposed budget transfers which have been identified where budgets need to be transferred from one service area to another.

8.14 Outstanding Sundry Debt

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

Age of Debt	March 2022	March 2023	March 2024
Up to 29 days (current)	£1,154,547	£1,436,904	£1,411,457
30 days – 1 Year	£2,129,058	£1,697,735	£2,738,947
1 – 2 years	£387,330	£1,645,793	£299,265
2 – 3 years	£623,164	£199,426	£273,541
3 – 4 years	£280,899	£539,002	£78,227
4 – 5 years	£180,759	£254,721	£290,834
5 + years	£1,136,701	£1,186,130	£340,009
Total	£5,892,458	£6,959,711	£5,432,280

In November 2023 aged debt totalling £1.7m in respect of overpaid Housing Benefits was transferred from the ASH Sundry Debtors system to the IMAN system, a new system specifically to manage the recovery of overpaid Housing Benefits. The aged debt analysis in the above table therefore reflects outstanding sundry debtors.

8.15 Council Tax

As at 1 April 2024, arrears amounted to £8.600m, the movements during 2023/24 were as follows:

	£m	£m
Arrears as at 1 April 2023		7.768
Add:		
2023/24 debits raised net of discounts	£85.233	
Less:		
Payments received	(£84.561)	
Refunds and change in pre-payments	£0.396	
Write-offs	(£0.236)	
Arrears as at 31 March 2024		8.600

Against the arrears of £8.600m, a bad and doubtful debt provision of £3.990m has been provided, calculated in accordance with the appropriate accounting guidelines.

The 'in-year' council tax collection rate for 2023/24 was 96.20% compared with 95.89% in 2022/23.

8.16 Debt Write-Offs

The following amounts have been written-off during 2023/24:

	2022/23 Total	2023/24
• Council Tax	£160,603	£236,172
• Business Rates	£487,464	£38,096
• Sundry Debt	£2,320	£2,238
• Housing Rents	£70,467	£93,187
• Non-HRA Rents	£76,325	£63,376
• HB Overpayments	£54,507	£191,856

8.17 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 95.60% for 2023/24 compared with 94.79% for 2022/23.

9. One Exeter Update

As Members will be aware, One Exeter is the Council's transformation programme and is a critical priority for the council.

A progress report was presented to Executive in February 2024. The report provided an annual summary of progress against the One Exeter Programme and set out a series of proposed outcomes for the following 12 months. Alongside this, work will start shortly on identifying cost reduction proposals for 2025/26.

Appendix 5 sets out how the Council has performed against the 2023/24 cost reductions. Savings of £2.441m were achieved against the budgeted reductions of £3.049m, resulting in a £0.608m shortfall, of which £0.488m relates to car park income.

The Council's medium term financial plan anticipates reserves being reduced to the minimum required by the end of 2024/25 and further budget reductions of £3.5m are required in 2025/26. Work has now started on identifying cost reduction proposals, which includes the cost reductions identified through the service reviews undertaken in December 2022.

Since the last update, a key piece of work has been undertaken to understand the council's performance. This work has been broken down into three strands; a review of how well the council manages its data, a review of how the council captures and uses business intelligence and customer insight and a review of how the council manages, measures and reports on progress with corporate strategies. As a result of this work a number of actions will be taken over the next year including the development of a Data Strategy, a review of the Corporate Plan priorities (in conjunction with Members) and the development of a corporate performance management framework.

The LGA will be working with the council in June to undertake a review of how the council complies with its responsibilities under the Equalities legislation and whether there are opportunities to improve.

In February 2024, Council agreed the initial business case for a revised senior leadership structure as a draft for consultation. Following consultation with affected colleagues, the recommendations for the final structure were put to Full Council in April and unanimously agreed by councillors.

Work has now started on implementation of the restructure by holding individual consultations with affected colleagues. This will continue until mid-May. Subsequent appointments of the new Directors will commence in June. The anticipated start dates for Service Leads will be August 2024.

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

This is a statement of the 2023/24 financial position.

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

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members. Members have a legal responsibility to take action where balances are projected to reach an unsustainable level and the Strategic Management Board are working to address the current projected shortfall in reserves.

12. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because there are no significant equality and diversity impacts associated with this decision.

13. Carbon Footprint (Environmental) Implications:

There are no direct carbon/environmental impacts arising from the recommendations.

14. Are there any other options?

Not applicable.

Director Finance & S151 Officer, Dave Hodgson

Authors: Nicola Morley, Bridget Kendrick, Mark Neville-Smith and Michelle White

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

Background papers used in compiling this report:
None

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275