

REPORT TO COUNCIL

Date of Meeting: 10 June 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: Overview of General Fund Revenue Budget 2024/25 – Quarter 4

Is this a Key Decision?

No

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 General Fund Revenue Budgets for the 2024/25 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 Council approves

- 1) The net transfer of £1,031,267 from Earmarked Reserves as detailed in paragraph 8.9 and set out in detail in Appendix 3;
- 2) The supplementary budgets of £4,500,520 and budget transfers as detailed in paragraph 8.11 and Appendix 4; and
- 3) The General Fund working balance at 31 March 2025 at £5,305,182.

It is recommended that Council notes

- 1) The Earmarked Reserves at 31 March 2025;
- 2) The Council Tax account and collection rate;
- 3) The outstanding sundry debt, aged debt analysis and debt write-off figures;
- 4) The creditors payments performance; and
- 5) The One Exeter programme update.

3. Reasons for the recommendation:

3.1 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 8.10.

5. Section 151 Officer comments:

5.1 Once requests for supplementary budgets are taken into account, the financial position is broadly in line with expectations in the medium-term financial plan. There

were concerted efforts by Officers in a number of teams to reduce the impact of additional costs over the year, which reduced some of the additional expenditure that was projected throughout the year.

6. What are the legal aspects?

6.1 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:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 Financial Summary

FUND	Planned Transfer To / (From) Working Balance £	Budget Variance (More) / Less £	Outturn Transfer 2024/25 £
General Fund	(2,862,201)	2,284,820	(577,381)

8.2 General Fund (Appendix 1 & Appendix 2)

During the year, a restructure of the Senior Leadership of the Council has taken place. The restructure was projected to reduce costs by £388,110, which would be used to strengthen areas of the Council requiring investment to meet members' priorities. In 2024/25, the actual reduction totals £350,946 as there were some interim arrangements in place to cover vacant posts.

Net services expenditure is lower than budget by £5,122,543 against a revised budget of £23,181,890. This includes supplementary budgets of £6,431,110. Variances of more than +/- £30,000 are detailed below:

8.3 Chief Executive

Budget Heading	Over / (Underspend)
Active & Healthy People	(£366,435)

Responsible Officer: Executive Office Manager

£292,920 of the lower than budgeted costs relates to unspent grant income, which will be transferred into Sport England reserves and requested as supplementary budgets in 2025/26. There is £56,939 of the approved £700,000 budget for the Wonford Health & Wellbeing Hub remaining, which will also be requested as a supplementary budget.

8.4 Operations

Budget Heading	Over / (Underspend)
Environmental Health & Licensing	(£266,156)
Responsible Officer: Head of Service – Environmental Health & Waste <p>As Vehicle Licensing is self-financing, £35,172 will be transferred out of the Vehicle Licencing earmarked reserve to cover the additional costs. A new earmarked reserve for unspent funds in Contaminated Land Surveys and Environmental health projects is being requested to enable the funds to be requested as a supplementary budget in 2025/26. A further supplementary budget of £53,860 has been requested in the Neighbourhood Team.</p> <p>After the movements proposed above, expenditure is £200,773 lower than budget. This is predominantly due to vacancies within the staffing establishment, which has led to many initiatives being put on hold due to lack of resources.</p>	
Parks & Green Spaces	(£127,481)
Responsible Officer: Head of Service – Operations <p>£56,970 has been requested as a supplementary budget in Children's play areas to enable strategic development work to take place. The balance relates to additional income arising from a 2023/24 invoice for urban grass cutting that wasn't accrued for at the end of the last financial year.</p>	
Domestic Refuse Collection	(£656,518)
Responsible Officer: Head of Service – Environmental Health & Waste <p>A new grant of £190,340 has been received from Government to support the transition to weekly food waste collections – this will be transferred into an earmarked reserve for use in 2025/26.</p> <p>A supplementary budget for £78,530 has been requested in 2025/26 to help provide temporary equipment storage, needed because of the demolition of several buildings.</p> <p>The balance relates to the food waste programme being delayed to ensure adequate resources were in place to deliver an efficient service (e.g. the construction of the food waste bay) therefore less was spent on roles not being filled and vehicles not being leased than was included in the budget. It is anticipated that the service will be in a position to continue to roll out to the remainder of the city in 2025/26. This lower expenditure has more than offset the income the service is unable to claim from DCC's Share Scheme saving fund, to which we have no eligibility until the scheme achieves 100% coverage.</p>	
Waste Chargeable Services	£178,128
Responsible Officer: Head of Service – Environmental Health & Waste	

The Service has failed to deliver its income targets in respect the green waste service.

Materials Reclamation Facility

£65,171

Responsible Officer: Head of Service – Environmental Health & Waste

There were a number of significant breakdowns due to the age of the MRF site, which meant that the use of secondary reclamation facilities were required in order to comply with the Council's operating permit issued by the Environment Agency.

The expenditure budget has been exceeded by £560,000 which is due to an increase in the use of agency staff to cover vacancies, an increase in fleet costs and the cost of using secondary reclamation facilities.

However, there has been an offsetting £497,000 surplus to the income budget for Materials & Goods for resale.

Engineering Services

(£373,088)

Responsible Officer: Head of Service – Operations

Active recruitment has continued however, there remains a number of vacancies which have been difficult to fill, resulting in a £154,987 underspend on pay. The budget for demolition costs for a footbridge (£134,180) has not been spent and is no longer required.

Waterways

(£131,561)

Responsible Officer: Head of Service – Operations

Despite active recruitment, the waterways engineer post remains vacant at year end resulting in £121,350 not being spent of the budget. Alternative recruitment opportunities and/ or consultancy will be pursued in 2025/26.

There remains a need for a contingency fund to be available for any inquiry that might follow the application for the Harbour Revision Order. Therefore an £80,000 budget is being requested as a supplementary budget for 2025/26.

Corporate Property – Assets

(£218,213)

Responsible Officer: Head of Service – Asset Maintenance

As Members are aware, the property maintenance budget was increased by £200k to allow for the additional costs of managing the Leisure property portfolio. However, the costs of maintaining Leisure properties has continued to be charge directly to Leisure, so this cost centre was expected to not use £200,000 of its budget.

There is £71k unspent owing to vacancies in the establishment budget, a planned restructure is expected to be in place by autumn 2025/26. This has offset additional expenditure on repairs and maintenance of the Council's operational properties owing to their age and condition.

Corporate Support

£237,438

Responsible Officer: Head of Service – Asset Maintenance

Increases in postage costs mean that £20k more than anticipated has been spent.

Civic Centre rental income is £217k lower than budget.

A supplementary budget of £100,000 was added during the year to facilitate the work around the Civic Centre office move but no costs have been incurred during 2024/25. This supplementary budget is being requested again for 2025/26.

8.5 Corporate Resources

Budget Heading	Over / (Underspend)
Commercial Assets - Parking Services	£432,124
Responsible Officer: Head of Service – Commercial Assets <p>The net income generated by Car Parks is lower than anticipated for the following reasons:</p> <ul style="list-style-type: none"> • The increase in debit and credit cards and use of the Ringgo App has increased the costs to the Council for using these methods of payment; • Re-zoning some of the Car Parks from Zone 1 to Central has increased their Business Rates bills; • Rental income from Devon County Council renting offices at John Lewis car park has been lost after their Parking team moved out; • The proposed increase in car parking tariffs for 2024/25 were not implemented; • Seasonal parking permit income is lower than expected. <p>There has however been a reduction in the costs of electricity, which were £182,000 lower than the budget.</p>	
Commercial Assets - Estates	(£1,087,387)
Responsible Officer: Head of Service – Commercial Assets <p>Additional backdated rent relating to the turnover from businesses occupying commercial properties has been accounted for, with 2 properties alone contributing £574k additional income.</p> <p>The Guildhall Shopping Centre continues to perform well with strong occupier demand with additional net income of £611k. This will be transferred to the earmarked reserve as it cannot be used for general expenditure. The income from the Centre has, in addition to covering its own direct costs and capital expenditure, funded the debt costs associated with the purchase and all the costs including compensation payments associated with the sale of Mary Arches.</p>	
Commercial Assets - Major Projects	(£42,670)
Responsible Officer: Head of Service – Commercial Assets <p>The costs associated with the Bus Station Demolition project were lower than projected. The cost of this project has been funded from the Guildhall Shopping Centre reserve.</p>	
Commercial Assets - Markets	(£47,031)

Responsible Officer: Head of Service – Commercial Assets Income from commercial contracts at the Matford Centre continue to outperform the budget. Additionally, there has been lower than budgeted expenditure on supplies and services. This has been offset by the income from the solar array being lower than budget as a result of lower prices for selling the electricity generated and maintenance being required for some of the panels. The Council is looking to rectify the maintenance issue in 2025/26 and a supplementary budget has been requested.	
Elections & Electoral Registration	(£224,110)
Responsible Officer: Head of Service – Legal and Democratic Services The Council received the funding from Devon County Council early and therefore this funding will be placed in an earmarked reserve and a supplementary budget requested in 2025/26 to match with the costs of running the election. Additionally, as part of the reductions agreed two years ago, the budget was smoothed to reflect the fact that the Council holds elections in three of every four years. Therefore, the balance will be added to an earmarked reserve.	
Democratic Representation	(£39,976)
Responsible Officer: Head of Service – Legal and Democratic Services There was lower expenditure than budgeted in respect of Members' special responsibility allowances (£26k) as a result of members sharing roles and no member champions claiming allowances. The balance reflect lower pay costs – due to short periods of vacancy.	
Unapportionable Overheads (Pension costs)	£982,687
Responsible Officer: Head of Service – Finance The Council does not budget for pension strain costs, and therefore these were higher than budget (albeit approved as part of the senior management restructure. The majority of these costs were funded from an earmarked reserve.	
Legal Services	(£31,505)
Responsible Officer: Head of Service – Legal Services A vacant post plus reductions in working contracts, a change in grades and hours worked have contributed to lower costs in respect of pay. This has been partially offset by lower than anticipated third party income generated and a reduction of S106 fees.	

8.6 People and Communities

Budget Heading	Over / (Underspend)
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Housing Needs and Homelessness	(£873,982)
<p>Responsible Officer: Head of Service - Housing</p> <p>The lower than anticipated net expenditure is caused by two significant amounts of funding which are being transferred to earmarked reserves with supplementary budgets requested in 2025/26. These are £760k for the Homes 4 Ukraine project and £220k Winter Pressures grant due to be spent in 2025/26.</p> <p>As per the explanation in quarter 3, continued demand on homelessness services and correlating expenditure in placing households in Temporary Accommodation continues resulting in a £157,161 being spent over budgeted levels. This was highlighted early in 2024/25 but due to management actions to mitigate these pressures the actual figure is significantly less than the £350k projected. Whilst remodelling of some units of temporary accommodation has taken place to reduce the costs the continued demand on the service has necessitated the ongoing use of contracted hotels which incurs an additional cost for providing security services to ensure the safety of all residents.</p> <p>Work continues at pace to bring in a number of temporary accommodation properties under the long lease model which will reduce the cost of providing temporary accommodation. In addition, we will be undertaking a review of the current operating model of the service to look for any efficiencies and corresponding savings.</p>	
GF Housing – Property	(£67,278)
<p>Responsible Officer – Head of Service - Housing</p> <p>As reported previously, over the past 12 months we have handed back all of the Private Sector Leased Properties under council management, whilst taking into account any mandatory reimbursement under the terms of the lease. This has now stopped the deficit of rental income against payments to landlords. The EXtralet tenancies have remained stable, meaning that we haven't needed to utilise the handback or voids budgets.</p> <p>However, there is a supplementary budget request for £43k in 2025/26 for remedial works and compensation towards lost revenue in respect of a PSL leased property which was handed back in 2024/25.</p>	
Transportation	(£48,429)
<p>Responsible Officer – Head of HR Workforce Planning & OD</p> <p>This net income in respect of the Council's Green Travel initiative will be transferred to earmarked reserves at year-end and will be used to facilitate initiatives under the new Sustainable Travel Policy.</p>	
Central Support	£47,482
<p>Responsible Officer – Head of Service - Digital & Data</p> <p>There are £86,860 of redundancy costs which will be covered by reserves. An unused budget of £18,950 funded by an historic Brexit grant has been transferred into an earmarked reserve and requested as a supplementary budget in 2025/26.</p>	
Human Resources	£46,025

Responsible Officer – Head of HR Workforce Planning & OD Additional costs relate to redundancy payments in respect of the Senior Management restructure. These will be covered by the earmarked reserve. A £45,000 supplementary budget for 2025/26 has been requested for staff training.	
IT Services	(£326,867)
Responsible Officer – Head of Service - Digital & Data Strata has not spent all of its funding in 2024/25 as efficiencies have been made in order to prepare for the transfer of Services to the Cloud. Strata have returned the funds to each Council but have requested they are returned in 2025/26. Therefore, they will be transferred into an earmarked reserve and requested as a supplementary budget for 2025/26. Additionally, lower mobile phone charges of £23,721 and an increase in internal income of £28,300 from support service recharges have contributed to the lower costs.	
Exeter Community Grants Programme	(£217,608)
Responsible Officer – Head of Customer and Communities £151,106 less than budgeted was spent on Wellbeing Exeter and will therefore be transferred into the Wellbeing Exeter earmarked reserve and requested as a supplementary budget in 2025/26. £66.6k is due to CIL-funded initiatives that were budgeted for but have not been started – these funds will remain in the CIL fund for future use.	
Customer Service Centre	£50,122
Responsible Officer – Head of Customer and Communities The continued use of agency staff within the customer contact centre in 2024/25 caused higher than budgeted expenditure. These contracts arose from demand increases, including the introduction of discretionary schemes such as the household support fund. These long-term agency arrangements ceased, as of October 2024. An additional supplementary budget of £51,800 has been requested for the Operations Team Leader post (Grade H, 1FTE); this post was removed from the establishment in error during the budget setting process and will be added to the 2026/27 MTFP as an additional pressure on the General Fund.	

8.7 Place

Budget Heading	Over / (Underspend)
Culture	(£222,092)

Responsible Officer: Head of Service – Culture

The supplementary budget for the Women's Rugby World Cup was not spent and will be requested in 2025/26.

The Corn Exchange has spent £131,660 less than anticipated as a result of lower utilities and other premises costs; and increased income from event sales and refreshments.

Building Control & Land Charges**£120,840****Responsible Officer: Head of City Development**

Building Control and Land Charges collectively under recovered their costs by £120,840, due to continuing market challenges restricting construction activity and low house sales. As these are self-financing the deficits will be offset against their respective earmarked reserves.

Planning**(£317,409)****Responsible Officer: Head of City Development**

The 2024/25 out-turn for City Development reflects a mixed financial position across key service areas. Within Planning, unused grant income of £230,380 is being transferred to earmarked reserves with supplementary budgets requested for 2025/26. £311,163 from the approved Local Plan evidence base budget is also being transferred to an earmarked reserve with a supplementary budget requested for 2025/26. Funding in respect of CIL admin amounts to £118,658 in 2024/25, leaving a shortfall of £53,208 against budget. Planning fee income was lower than budget by some £277k.

Museum Service**(£320,549)****Responsible Officer: Head of Service – Culture**

At the end of 2024/25, £127,092 of grant monies has been unused so this will be transferred into an earmarked reserve and requested as a supplementary budget for 2025/26. RAMM has continued to show savings against utilities, partly due to the on-going efficiencies review and implementation work of an external consultant. RAMM also over-achieved on income from events, venue hire, school visits and exhibition tickets. In particular, the Dartmoor exhibition, which opened in October and ran for four months, was very successful. This helped to mitigate some of the income lost due to the roof repairs that closed areas of the museum for several months during the year, and loss of café rental income.

In February, a trial in-house café was opened, using existing Council resources. A six-month supplementary budget was added to the 2024/25 budget and a further supplementary budget will be requested in 2025/26 to allow this facility to continue. An external consultant is conducting a review of the museum in early 2025/26, including exploring potential business models and income generating capability.

Leisure & Sport**(£874,025)**

Responsible Officer: Head of Service – Culture £646,557 of the additional income is in respect of the VAT refund from HMRC; this will be transferred to an earmarked reserve and held in the short term. Expenditure on salaries was £200,000 lower than expected because of difficulties in recruiting specialised roles such as lifeguards. Income has exceeded budget by £290,000. However, this has been offset by additional premises costs in respect of maintenance.	
St Sidwells Point	(£59,850)
Responsible Officer: Head of Service – Culture This budget is no longer required.	
Liveable Exeter Garden City	(£351,398)
Responsible Officer: Strategic Director for Place The unused grant income will remain in the earmarked reserve and a supplementary budget requested in 2025/26.	
CCTV & Home Call	£57,873
Responsible Officer: Head of Service – City Centre & Net Zero The Home Call alarm service had a drop in income compared to budget and higher costs of non-contractual overtime, needed to maintain required staffing levels. This resulted in an adverse budget variance of £97,630. Surplus income from CCTV monitoring contracts has helped mitigate this and the final out-turn is improved compared to the forecast at quarter three.	
Community Safety	(£48,396)
Responsible Officer: Head of Service – City Centre & Net Zero £49,043 will be transferred into reserves and requested as supplementary budgets in 2025/26 (this is for grants received as well as a small amount of fine income imposed for breaches of the city's Public Spaces Protection Order).	

8.8 Other Financial Variations

Budget Heading	Over / (Underspend)
Net interest	(£129,116)
<p>Interest payable was £58k higher than budgeted. During the year it was necessary to borrow £10m from PWLB for one year to support working balances so PWLB interest was £26k higher than budgeted. The interest element of finance leases was £32k higher than budgeted, largely due to new leases during the year.</p> <p>Interest rates on temporary investments and money market funds remained high and offset the reduction in cash balances. This resulted in a net £172k additional interest after paying over interest relating to the HRA and other funds held.</p> <p>The CCLA Property Fund yielded £28k higher than budgeted dividends.</p>	

8.9 Earmarked Reserves

During 2024/25 there has been an overall net transfer from Earmarked Reserves of £792,507. The details of all Earmarked Reserve movements are shown in Appendix 3.

Movement	2024/25
Opening Balance, as at 01/04/24	£13,569,370
Net transfer	(£1,031,267)
Balance, as at 31/03/25	£12,538,103

8.10 General Fund Balance

During 2024/25 there has been an overall deficit of £577,381. The minimum requirement for the General Fund working balance was approved by Council in February 2024 at £3.020 million.

Movement	2024/25
Opening Balance, as at 01/04/24	£5,882,563
Net	(£577,381)
Balance at Year End	£5,305,182

8.11 Supplementary Budgets

There is a requirement for some supplementary budgets in 2025/26 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 £4,500,520 identified in Appendix 4 are approved and added to the 2025/26 budget. The supplementary budgets will be financed from Earmarked Reserves (£3,660,480), and the General Fund working balance (£840,040), or be self-financing.

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

8.12 Outstanding Sundry Debt

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

Age of Debt	March 2024	March 2025
Up to 29 days (current)	£1,411,457	£1,264,074
30 days – 1 Year	£2,738,947	£1,689,790
1 – 2 years	£299,265	£1,005,233
2 – 3 years	£273,541	£224,732
3 – 4 years	£78,227	£202,422
4 – 5 years	£290,834	£58,784
5 + years	£340,009	£580,916
Total	£5,432,280	£5,025,951

8.13 Council Tax

As at 1 April 2025, arrears amounted to £9.840m, the movements during 2024/25 were as follows:

	£m	£m
Arrears as at 1 April 2024		8.600
Add:		
2024/25 debits raised net of discounts	£90.413	
Less:		
Payments received	(£90.381)	
Refunds and change in pre-payments	£1.489	
Write-offs	(£0.281)	
Arrears as at 31 March 2025		9.840

Against the arrears of £9.840m, a bad and doubtful debt provision of £4.580m has been provided, calculated in accordance with the appropriate accounting guidelines.

The 'in-year' council tax collection rate for 2024/25 was 96.09% compared with 96.20% in 2023/24.

8.14 Debt Write-Offs

The following amounts have been written off during 2024/25:

	2023/24 Total	2024/25
• Council Tax	£236,172	£280,588
• Business Rates	£38,096	£5,829
• Sundry Debt	£2,238	£0
• Housing Rents	£93,187	£51,381
• Non-HRA Rents	£63,376	£33,087
• HB Overpayments	£191,856	£76,146

8.15 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 95.24% for 2024/25 compared with 95.60% for 2023/24.

9. One Exeter Update

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

Appendix 5 sets out how the Council performed against the 2024/25 approved cost reductions. At the end of the financial year, of the overall £1.402 million proposed savings £1.108 million were achieved.

A detailed report is included at Appendix 6.

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

10.1 This is a statement of the 2024/25 financial position.

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

11.1 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)

12.1 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.

12.2 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.

12.3 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.

12.4 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:

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

14. Are there any other options?

14.1 Not applicable.

Strategic Director of Corporate Resources & s151 Officer, Dave Hodgson

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

Background papers used in compiling this report:
None

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