

**EXCERPT FROM THE MINUTES OF THE
RESOURCES OVERVIEW AND SCRUTINY PANEL
HELD ON 20 FEBRUARY 2014**

**ROSP.14/14 REVENUE BUDGET OVERVIEW AND MONITORING REPORT –
APRIL TO DECEMBER 2013**

The Director of Resources submitted the Revenue Budget Overview and Monitoring Report for April to December 2013 (RD.83/13) which had been considered by the Executive at their meeting on 10 February 2014. He outlined the overall budgetary position and the monitoring and control of expenditure against budget allocations, together with the exercise of virement. He further provided an explanation of balance sheet management issues; a number of high risk budgets; external factors (including the general effect of the economic climate on the Council's income streams; fuel prices, energy costs and other inflationary issues; and the effects of the housing market and property prices, especially with regard to income from land charges, rents and building and development control); Section 106 Commuted Sums and action taken to write off bad debts. The Council's overall position would be closely monitored as the year progressed.

The Director highlighted that of the £424,796 in Business Rates write-offs, £213,196.07 were in respect of The Public Safety Charitable Trust (PSCT). The PCST engaged in taking leases on empty properties to relieve the liability on the landlords. This was known as Empty Rate avoidance. They were charged a nominal rent of £1.00. Such action was deemed illegal by the High Court resulting in the significant write off. Nationally 150 Councils wrote off £15.3million.

The Director reported on a number of key issues together with their budgetary implications, including the corporate Salary Turnover Savings Budget; the Savings Strategy (which would focus on three areas to deliver savings, including the Asset Review, Service Delivery Models and, as part of the transformation programme, a review of those services that were neither core priorities nor statutory requirements). Details of the main variances in the Directorates' budgets were also set out in the report.

Members' attention was, in particular, drawn to the fact that additional savings were required in order to bring reserves up to minimum levels, and the requirement for 2014/15 had been identified on a non-recurring basis from the first call on 2013/14 underspends, first call on any business rate growth in 2013/14 and first call on the 2014/15 allocation of New Homes Bonus and the Executive had been asked to recommend to Council the funding of the £1m non-recurring savings as detailed at Section 4.3 of the report.

The Director advised that the main area of concern was around car parking although there had been a slight improvement since the second quarter of the year.

In considering the report Members raised the following comments and questions:

- *Income from car parking had always been an issue. Would the County Council intention to introduce on-street parking help the City Council income? The County Council would be a major competitor for parking in the City.*

The Director stated that it would have a positive impact in the medium term but the initiative was being phased in by the County Council and was subject to detailed consultation.

- *How reliant was the Council on money from the transformation programme? The issues raised in the report reflect the general decline of City Centres.*

The Director advised that the Council could only mitigate for any changes and carry out risk assessments where necessary.

The Finance, Governance and Resources Portfolio Holder stated that recovery and growth was slow but the Council would do all it could to mitigate the issues.

RESOLVED: 1) That Report RD.83/13 – Revenue Budget Overview and Monitoring Report: April to December 2013 – be noted.