

To: City Executive Board

Date: 12th September 2012

Report of: Head of Finance

Title of Report: BUDGET MONITORING AS AT 30TH JUNE 2012 (QUARTER 1)

Summary and Recommendations

Purpose of report: This report sets out the forecast outturn position for the Council's Capital and Revenue budgets as at 30th June 2012 compared to the approved 2012/13 budget. In addition it provides information on key financial indicators in order to provide an assessment of the overall financial health of the organisation.

Key Decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Budget

Recommendation(s): That the City Executive Board;

1. Note the forecast outturn for the General Fund Revenue Budget – Table 1
2. Note the movement of resources from the Redundancy Cost Contingency to service budgets as per Para 31.
3. Note the HRA budget virements as detailed in Table 3.
4. CEB recommends to Council the addition to the Capital Programme of the schemes detailed in Table 5.

APPENDICES TO REPORT:

Appendix A: June 2012 monitoring – General Fund Forecast Outturn

Appendix B: June 2012 monitoring – Capital Programme Forecast Outturn

Appendix C: June 2012 monitoring – Housing Revenue Account Forecast Outturn

Appendix D: June 2012 monitoring – General Fund year to date position

EXECUTIVE SUMMARY

1. This report sets out the Council's projected outturn position as at the 30th June 2012 and highlights major variances to the approved budget. In summary
 - The General Fund Revenue account indicates an adverse variance of £399k against latest budget
 - The HRA indicates a favourable variance of £729k
 - The capital programme indicates slippage of £8.8m and an adverse variance of £1.7m
2. The Approved Budgets have been re-aligned to reflect changes to the senior management re-structure plus virement requests approved by the Head of Finance in accordance with the Council's Financial Regulations and set out in Table 1 below.
3. As part of the monitoring process Finance staff have met and had budget monitoring discussions with Cost Centre Managers and Heads of Service to verify the current budgetary position. The following forecast variances have been identified and these are commented on and explained more fully within the body of the report:
4. The main projected General Fund outturn variances to the latest budgets are shown below:
 - Chief Executive Directorate – No projected outturn variance to the latest budget is identified as at the end of June for this Directorate.
 - City Regeneration Directorate – Similarly, no projected outturn variance is currently predicted as at the end of June.
 - Community Services Directorate – So far a £ (114k) favourable projected outturn variance is shown for this Directorate relating to projections within the Direct Services area.
 - Organisational and Development Directorate – As at the end of June the Directorate are projecting a £513k adverse variance, £226k within Customer Services, £207k associated with Human Resources and Facilities and £80k linked with Law and Governance. The Directorate are working to mitigate this position.
 - The pay inflation contingency of £624k is unlikely to be required during 2012/13. However, at this stage it is assumed that if it is not required it will be transferred to an earmarked reserve for consideration as part of the annual MTFP refresh.
5. **Appendix A** provides a General Fund revenue outturn position, broken down by Directorate and Service. Table 1 below also details the GF position as at the end of June 2012.

Table 1 – General Fund Forecast Outturn as at 30th June 2012

GF Outturn Report @ Q1 30th June, 2012	Approved Budget (per Budget book)	Latest Budget	Actual YTD	% Budget Spent to 30th June,2012	Projected Outturn @ 30th June,2012	Outturn Variance to Latest Budget	Outturn Variance to Previous Month
	£000's	£000's	£000's	%	£000's	£000's	£000's
Directorates							
Policy, Culture & Communication	1,525	1,377	137	10%	1,377		
Chief Executive	1,525	1,377	137	10%	1,377		
City Development	1,039	1,039	311	30%	1,039		
Housing	7,152	3,278	624	19%	3,278		
Corporate Property	(3,733)	(3,733)	(1,943)	52%	(3,733)		
City Regeneration	4,457	583	(1,008)	(173%)	583		
Environmental Development	1,638	1,619	295	18%	1,619		
Leisure & Parks	3,357	3,357	727	22%	3,357		
Direct Services	(1,113)	(1,128)	43	(4%)	(1,242)	(114)	(114)
Community Development Team		3,873	1,055	27%	3,873		
Community Services	3,882	7,722	2,120	27%	7,608	(114)	(114)
Business Improvement & Technology	3,909	3,940	916	23%	3,940		
Customer Services	2,536	2,613	716	27%	2,839	226	226
Finance	2,209	2,209	519	23%	2,209		
Human Resources & Facilities	1,078	1,219	600	49%	1,426	207	207
Law & Governance	2,448	2,448	713	29%	2,528	80	50
Organisational Dev & Corp Services	12,180	12,428	3,464	28%	12,941	513	483
Directorate Total Excl SLA's & Capital Charges	22,044	22,111	4,714	21%	22,510	399	369
SLA's & Capital Charges	(1,274)	(1,264)	77	(6%)	(1,264)		
Corporate Accounts	1,815	1,738	(4,049)	()	1,738		
Contingencies	3,151	3,151	(30)		3,151		
Total Corporate Accounts & Contingencies	4,966	4,889	(4,079)	()	4,889		
Net Expenditure Budget	25,736	25,736	712	()	26,135	399	369
Transfer to / (from) GF working balances	(1,622)	(1,622)		0%	(1,622)		
Net Budget Requirement	24,113	24,113	712	()	24,512	399	369
Funding							
External Funding	11,719	11,719	3,176	27%	11,719		
Council tax	12,587	12,587		0%	12,587		
Less Parish Precepts	(193)	(193)	(97)	50%	(193)		
Total Funding Available	24,113	24,113	3,080	13%	24,113		
(Surplus) / Defecit for year			(2,368)	()	399	399	369

6. There have been several virements approved during June as well as changes in budgets following management changes at Heads of Service level which are reflected in the above table.
7. Overall the HRA outturn position indicates that the projected in-year surplus for 2012/13 will be higher than the latest budget by £ (729k) primarily caused by reduction in interest payments of £ (955k) associated with procuring the £198.5m self-financing debt.
8. The Capital outturn for the year now suggests in-year spend to be approximately £7m less than the approved budget including £8.8m of slippage and £1.7m of new spend which is itemised in Table 5 that the City Executive Board will be requested to recommend to Council for inclusion in the Capital Programme.

GENERAL FUND OUTTURN

9. As at the end of June the forecast outturn position is £24,512k, some £399k higher than the approved budget.

Chief Executive Directorate - The directorate's projected outturn position is £1,377k in line with the approved latest budget.

10. City Regeneration Directorate - The directorate is currently estimated to have a projected outturn position of £583k, which is in line with the approved latest budget.

11. The City Development service is projecting a £43k adverse year to date variance which includes spend associated with the West End Redevelopment and Housing Development programme that will be funded from Earmarked Reserves. The income target in relation to Planning Fees will be difficult to achieve this financial year due to delays associated with the Government's review of locally set planning fees and the Northern Gateway development that will now not occur in 2012/13. However, income associated with pre-application fees is anticipated to exceed budgetary levels and will potentially mitigate the under-recovery of general planning fees and therefore no outturn variance is forecast.

12. Corporate Property continues to project a budgeted position of a favourable £ (3,733k) position as at year end. There are several year to date adverse variances associated with professional fees expenditure linked with the Barton project, however there is an Earmarked Reserve set aside to accommodate these costs and the necessary virements will be approved by the Head of Finance in the next quarter.

13. Community Services Directorate - The directorate is currently estimated to have a projected outturn position of £7,608k, which is a favourable variance of £ (114k) against the approved budget

14. Expenditure within Environmental Services associated with HMO's/SALIX/Taxi licensing services will be accommodated by both in-year budgetary provision and designated Earmarked Reserves.

15. There is no projected year end variance identified for Leisure and Parks although several year to date budgetary pressures are nonetheless evident as at the end of June. These relate to income streams that are currently lower than budgeted, however, income levels in other areas are expected to accommodate these shortfalls. Budgetary pressures relating to fuel costs and vehicle fleet recharges will be mitigated via increased housing tree maintenance works.

Direct Services

16. The year end projection for Direct Services as at the end of June is £ (114k) favourable due to additional rechargeable works. The year to date position is currently £ (494k).

17. Engineering £ (80k) favourable.

The team is continuing to win additional works which has given rise to an additional contribution of £80k year to date.

18. Other Income and Expenditure

Non membership of the pension scheme and vacancies, have resulted in an under spend on staffing budgets as at the end of June of £ (320k). Changes in legislation around pensions are likely to increase take up of staff in the pension fund resulting in increased cost. No outturn variance is currently shown

19. Local Overheads £ (40k) favourable

The additional car parking requirement at the Horspath Road depot has been relinquished therefore there will be an ongoing saving of £ (40k).

20. **Organisational Development and Corporate Services Directorate - The directorate is currently estimated to have a projected outturn position of £12,941k, which is £513k adverse to the latest budget. The key variances are:**
21. Customer Services - projected adverse outturn position of £226k as at the end of June. This is made up from £60k in the Contact Centre for temporary staff employed between April and June 2012 to back fill training of CSO staff. All temporary staffing within the Contact Centre will stop after July mitigating any further budgetary pressures. The Revenues area is predicting a £95k adverse variance at year end due to the outcome of the Rent and Revenues review not delivering the level of savings budgeted (£114k shortfall) offset by some additional court cost income of £ (19k). Housing Benefits are predicting a £71k overspend at year-end due to additional costs (£60k) associated with a 20% higher caseload and the need to make additional use of the resilience contract in place.
22. Human Resources and Facilities are estimated to show an adverse variance at year-end of £207k. This is due to a £37k pressure on Occupational Health activities, plus, a £160k shortfall in town hall income due to the Main Hall being closed during works being carried out to the balconies, this meant the hall was unable to be booked for 2 months, together with a 6 months delay in the Café re-opening, loss of long term bookings and the general impact of the economic climate. Additionally, a £15k budgetary pressure associated with the itrent payroll contract is predicted, offset by £ (5k) of salary savings.
23. Law and Governance is projecting an £80k overspend at year-end. This is due to a pressure within the democratic services budget of £28k, plus pressure within the salaries budget of £52k in part due to maternity cover costs.
24. The service areas concerned are currently looking at mitigating actions which will reduce these pressures.

Corporate Activities

25. Whilst there are some significant in-year variances associated with the Local Cost of Benefits caused by the volatility associated with collection rate, volume of overpayments, credits recovered from previous years and rates of DHP spend, it is still too early to recommend any variance from the budgeted position.
26. Pay inflation of 2% was budgeted for in 2012/13 of around £624k but with nil pay rise, this budget will therefore not be required

ACHIEVEMENT OF SAVINGS AND EFFICIENCIES

27. The Council's budget identifies £1,761k of efficiencies and £290k of service reductions for 2012/13. As at the end of June these are all anticipated to be delivered, save for the £114k associated with the Revenues and Rents team in Customer Services. No mitigating savings have been identified to date.
28. So far service areas have achieved £447k of efficiencies and savings as at the end of June.
29. Table 2 below details the financial position relating to efficiencies and service reductions so far this financial year.

Table 2 – Savings and Efficiencies as at 30th June 2012

	Efficiencies				Service Reductions			
	Approved Savings	Projected outturn	Var	Savings made to date	Approved Savings	Projected outturn	Var	Savings made to date
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Policy, Culture & Communications	(6)	(6)						
Chief Executive	(6)	(6)						
Finance	(225)	(225)			(72)	(72)		
Business Improvement & Technology	(130)	(130)						
Law & Governance	(33)	(33)		(33)	(53)	(53)		(53)
Human Resources & Facilities	(61)	(61)		(61)				
Customer Services	(247)	(133)	114	(68)				
Organisational Development and Corporate Services	(696)	(582)	114	(162)	(125)	(125)		(53)
Direct Services	(120)	(120)		(28)				
Leisure & Parks	(310)	(310)		(197)	(35)	(35)		(8)
Environmental Development	(12)	(12)			(98)	(98)		
Community Services	(442)	(442)		(225)	(133)	(133)		(8)
City Development	(5)	(5)			(16)	(16)		
Housing and Communities	(192)	(192)			(16)	(16)		
Corporate Property	(420)	(420)						
City Regeneration	(617)	(617)			(32)	(32)		
Total	(1,761)	(1,647)	114	(386)	(290)	(290)		(61)

CONTINGENCIES, RESERVES AND BALANCES

30. As previously mentioned it is unlikely that the Employee Inflation contingency of £624k will be used in 2012/13. This will generate a saving which will offset some of the pressures identified above. In addition, within the budget is provision for contributions to the reserve for unachieved savings in the order of £900k. Should all efficiencies be achieved then this reserve will be used to fund the Partnership Payment.

31. To deliver Service restructures and efficiencies over the longer term the Council has incurred redundancy costs of approximately £168k to date which are being funded from the Council's £750k Redundancy Cost Contingency.

HRA OUTTURN

32. The summary HRA position as at 30th June 2012 is set out in Table 3 and detailed in Appendix C attached. The table below exemplifies the major movements commented on in the following paragraphs.

Table 3 – Housing Revenue Account (HRA)

HRA Outturn Report @ Q1 30th June, 2012		Approved Budget (per Budget book)	Latest Budget	YTD Net Spend	Percentage budget spent %	Projected Outturn	Outturn Variance to Latest Budget
		£'000	£'000	£'000	%	£'000	£'000
Income							
	Dwelling Rent	(36,508)	(36,508)	(9,230)	25.28	(36,508)	
	Service Charges	(956)	(956)	(242)	25.28	(956)	
	Shops/Garages/Furn/Other Rent	(2,208)	(2,208)	(739)	33.46	(2,256)	(48)
	Interest On Balances	(35)	(35)	(9)	25.00	(35)	
	Fees/Other	(721)	(721)	(140)	19.45	(621)	100
	Net Income	(40,428)	(40,428)	(10,360)	25.62	(40,376)	52
Expenditure							
	Item 8 Interest Payable	8,055	8,055		0.00	7,100	(955)
	Rent/Income Collection	361	361	46	12.72	361	
	Tower Blocks and Flats	598	598	92	15.36	599	1
	Management/Infrastructure	1,839	1,839	453	24.65	1,825	(14)
	Depreciation	8,147	8,147	2,037	25.00	8,147	
	ICT services	281	281	70	25.00	281	
	Contact Centre	786	786	196	25.00	786	
	Rent Team	499	499	117	23.44	499	
	Tenant's Participation	208	208	44	20.97	208	
	Furnished Tenancies	473	473	112	23.64	543	70
	Local Housing Management	835	835	187	22.44	835	
	Major Projects/Policy/Technical	626	626	133	21.26	626	
	Bad Debt Provision	410	410	60	14.74	410	
	Decant Costs	201	201	11	5.68	200	(1)
	<i>Sub Total Tenancy Management</i>	<i>23,319</i>	<i>23,319</i>	<i>3,559</i>	<i>15.26</i>	<i>22,421</i>	<i>(899)</i>
	Caretaking Service	941	941	235	25.00	941	
	Garden Scheme	268	268	67	25.00	268	
	Void Property officers/Garage team	248	248	62	25.00	248	
	Day to Day Responsive	4,450	4,450	1,135	25.50	4,463	13
	Planned Maintenance	4,938	4,938	1,025	20.76	4,938	
	Capital	636	636	217	34.21	740	104
	<i>Sub Total Direct Services</i>	<i>11,481</i>	<i>11,481</i>	<i>2,742</i>	<i>23.88</i>	<i>11,599</i>	<i>117</i>
	Total Expenditure	34,801	34,801	6,301	18.11	34,019	(781)
Appropriations							
	CDC, Pensions & Retirement Costs	74	74	16	21.35	74	0
	Employers Pension FRS17 Adj	37	37	9	25.00	37	0
	Revenue Contribution to Capital	383	383	96	25.00	383	0
		494	494	121	24.45	494	0
Total HRA Surplus - Deficit		(5,133)	(5,133)	(3,938)	76.70	(5,863)	(729)

33. The projected outturn for the HRA as at the end of June 2012 is a surplus of £ (5,863k), which is higher than the latest budget by £ (729k).

Income

34. Dwelling rents are slightly higher than the profiled budget mainly due to no RTB's completions being processed by the end of June, (the HRA budget assumed a total of 78 RTB's would be completed during the financial year).
35. However, 32 applications have been received which is significantly up compared to previous financial years. It is anticipated that a high proportion of these will actually complete during the second quarter. To comply with the agreement signed with the Secretary of State that RTB receipts will be recycled into affordable housing provision, any resultant receipts will therefore be earmarked for this purpose.
36. The Furnished Tenancies scheme continues to grow and consequently it is anticipated that income levels for the year will increase by £48k. This is shown by an anticipated increase in the expenditure associated with the scheme of £70k within Tenancy Management activities.
37. Fees/Other Income relates to the recharges the Major Projects Team can allocate to HRA capital schemes. This was budgeted at £721k as per previous years. However, as there are vacancies within the team that are unlikely to be filled the ability to recharge at this level is now unlikely to occur. Thus, the projected outturn suggests a reduction of £100k down to £621k.

Expenditure on Tenancy Management

38. When the HRA BP was drafted last autumn the costs of borrowing the self-financing buy out was estimated at a slightly higher margin than prevailing rates in case the money markets took an adverse turn prior to the procurement date. Fortunately the authority was able to procure at very good rates effectively saving £955k p.a. against budget.
39. Direct Services undertakes several HRA capital schemes throughout the financial year. Part of the recharged costs Direct Services have always assigned to their recharges are the Direct Services Management overheads. The outturn forecast is shown to increase by £104k due to increased charges.

CAPITAL PROGRAMME

General Fund and HRA Capital Programme

40. The budget approved for the General Fund and HRA Capital Programme for 2012/13 is shown in summary in Table 4 below. Appendix B attached shows the Capital Programme on a scheme by scheme basis.
41. As at the 30th June the Capital Programme shows a net favourable variance of £7,053k against the latest budget. This is a net position made up of £1.720m of additional spend listed in Table 5, plus (£7.5m) in project slippage associated with the new Competition Swimming Pool which is currently subject to judicial review and unlikely to proceed until later in the year and slippage on other leisure schemes totalling £300k. Plus slippage of £950k on work relating to the Tower blocks which are not now expected to commence on site until 2013/14.

Table 4 – Capital Programme as at 30th June 2012

Capital Budget and Spend as at 30th June 2012

Capital Scheme	Approved Budget 2012/13	Projected Outturn at 30th June 2012	Outturn Variance to Approved budget	Outturn Variance due to Slippage	Outrun variance due to Over/ Under spend
	£	£	£	£	£
City Development	0	656,214	656,214	0	656,214
Environmental Development	800,000	800,000	0	0	0
Communities and Housing	252,302	252,302	0	0	0
Corporate Assets	5,409,565	5,259,287	(150,278)	(328,278)	178,000
Customer Services	126,958	126,958	0	0	0
City Leisure	9,682,589	2,182,589	(7,500,000)	(7,500,000)	0
Direct Services	2,564,051	2,569,051	5,000	5,000	0
ICT services	637,434	625,860	(11,574)	0	(11,574)
GF Total	19,472,898	12,472,261	(7,000,638)	(7,823,278)	822,640
Housing Revenue Account	8,395,000	8,342,500	(52,500)	(950,000)	897,500
Grand Total	27,867,898	20,814,761	(7,053,138)	(8,773,278)	1,720,140
Total General Fund Financing	19,472,898	12,472,261	(7,000,637)	(7,823,278)	822,640
Total HRA Financing	8,395,000	8,342,500	(52,500)	(950,000)	897,500
Total Financing	27,867,898	20,814,761	(7,053,137)	(8,773,278)	1,720,140

42. The following table summarises increases in the capital programme which although funded are required to be approved by Council under existing financial rules.

Table 5 – Proposed Capital Budget Adjustments

Activity	£'000
Purchase of Generators – Town Hall and St Aldates	160
City Dev – Bridge over Fiddlers Stream s106	201
Other Section 106 funded schemes	39
City Dev – West End Partnership s106	417
HRA – HCA New Build Phase 1 Bradlands	466
Other HRA related spend - net	437
	1,720

PERFORMANCE INFORMATION

43. There are a number of additional key performance indicators that need to be assessed along with the financial performance information to provide an overall financial health check position for the authority as at the end of June 2012. These additional indicators are detailed as follows:

The Level of Debtors

Table 6 – General Fund Debtors as at 30th June 2012

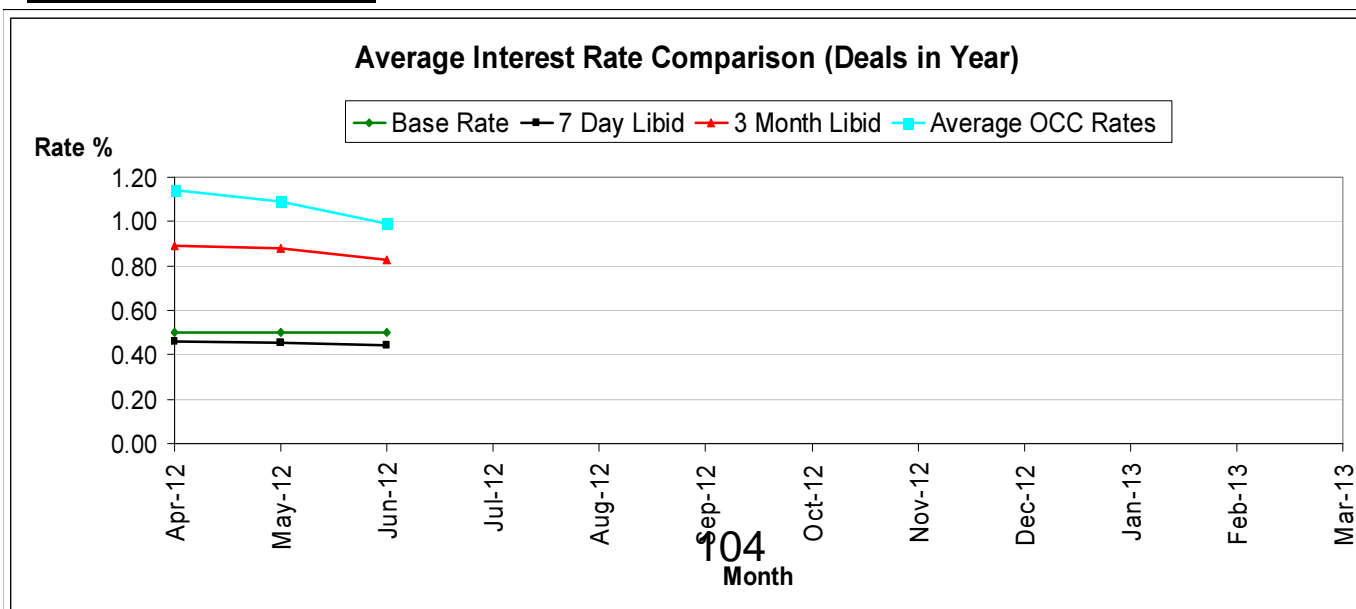
30 th June 2012	Sundry Debtors	Periodic Income & Service Charges	Housing Benefit Overpayments	City Works Parks and OCH Debtors	Grand Total
	£000's	£000's	£000's	£000's	£000's
31-90 Days	916	8	0	290	1,214
91-180 Days	39	97	0	19	155
< 1 Year	9	43	543	20	615
< 2 Years	7	49	1,370	13	1,439
< 3 Years	3	12	765	16	796
< 4 Years	2	(1)	532	10	543
< 5 Years	8	0	400	2	410
< 6 Years	5	0	243	0	248
Over 6 Years	8	3	856	16	883
Total	997	211	4,709	386	6,303

44. The Council's total General Fund debtors aged 31 days or more stands at £6.3m.

45. As at 30th June 2012 £2.9m or 46% of the debt is aged 3 years or over. Housing Benefit overpayments represent 97% of the debt aged over 3 years. The overall HB arrears increased over June from £4,494k at the start of the month to £4,552k at the end. The total of overpayments raised in the month was £320k, up on the May figure of £281k. Total overpayments recovered during the month, either by deductions/offsets of Housing Benefit or by payments received, totalled £211k.

46. The overall Housing Benefit overpayments balance outstanding at the end of June was 14.5% higher than that of 12 months earlier. This is a worrying trend and efforts will be put in place to determine the causes and reported back to Council in due course.

Investment Performance



47. The cumulative average rate of return on investments to 30th June 2012 was 1.07%. The cumulative return has decreased by approximately 4 basis points from May 2012. This is still above the treasury performance indicator target of 50 basis points above the Bank of England's Base Rate (currently 1.00%) and the Council's benchmark interest.

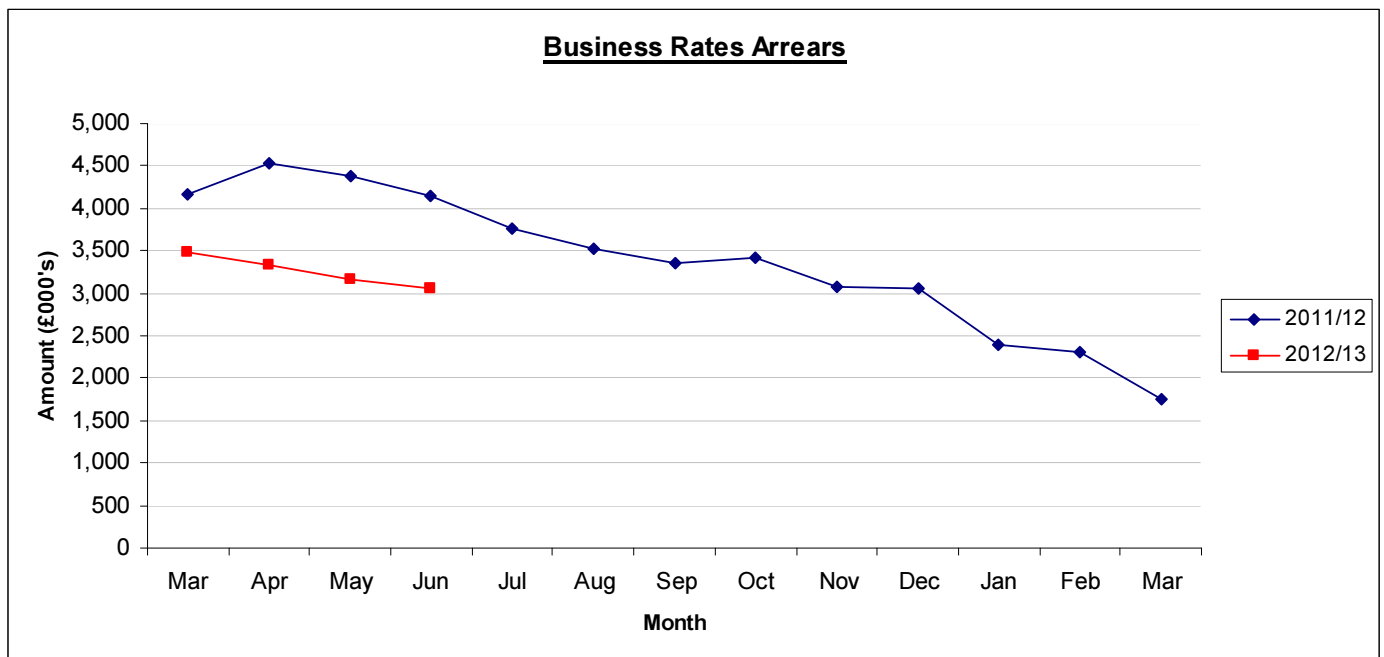
48. The reduction in monthly investment returns in recent months has been due to a downturn in external market conditions, which has led to a reduction in lending options and an increase in average investment balances. Officers are currently reviewing counterparty lists and it is anticipated that this will increased average investment returns

Business Rates

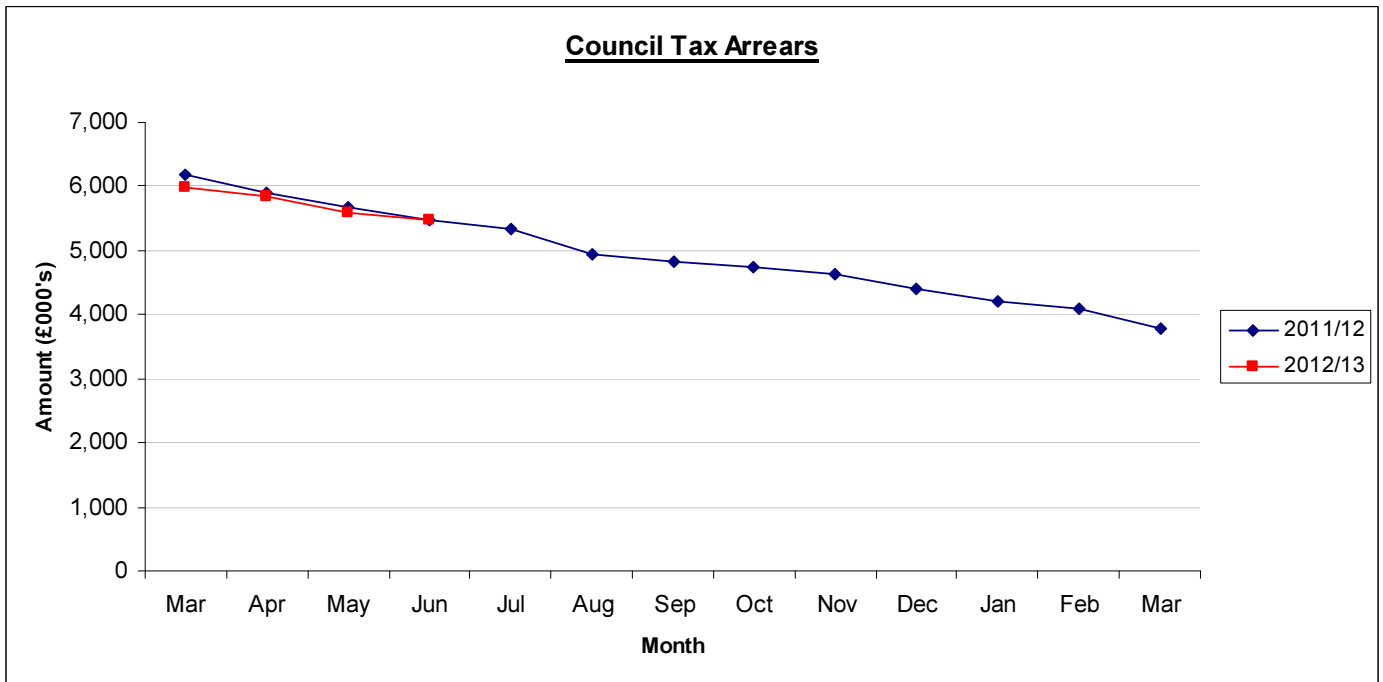
49. The arrears carried forward on April 1st 2012 of £3,490k had fallen to £3,051k as at the end of June, a reduction of 12.57%. This figure was a healthy 26.2% down on the arrears figure 12 months earlier.

50. During June payments received totalled £96k making cumulative arrears received so far during 2012/13 as £460k. Refunds relating to previous financial years totalled £5k during June whilst retrospective adjustments of £62k were made (RV reductions, backdated exemptions etc).

51. The 2011/12 collection rate of 97.75% had risen to 98.20% as at the end of June 2012. The June 2012/13 collection rate was 32.10%, slightly down on last year's equivalent of 32.26%. Collection rates as at the end of June were nonetheless £932k higher than our profiled target of 31%.



Council Tax Arrears Collection



52. The arrears carried forward on 1 April 2012 of £5,985k had dropped to £5,468k by the end of June. This represents an overall reduction in the year to date of 8.64%. The arrears figure on 30th June was 0.09%, slightly up on the equivalent figure last financial year.

53. During June the arrears fell by £132k. This was in the main due to payments being received totalling £106k. Backdated debit adjustments (granting of exemptions, discounts etc relating to previous periods) totalled £46k, whilst refunds made on previous periods totalled £10k.

54. Over 2012/13 we have received arrears cash to date of £549k. Last year's collection rate had moved on from 96.80% to 97.16%.

55. The current year's collection rate is 30.36% as at the end of June which is marginally down on last year's equivalent of 30.82%. It was however £239k up on the profiled collection target for June which was set at 30%.

Creditor Payment Times

56. During June 2012 the percentage of creditor invoices paid on time was 93.06%. and the years to date figure now showing 93.48%.

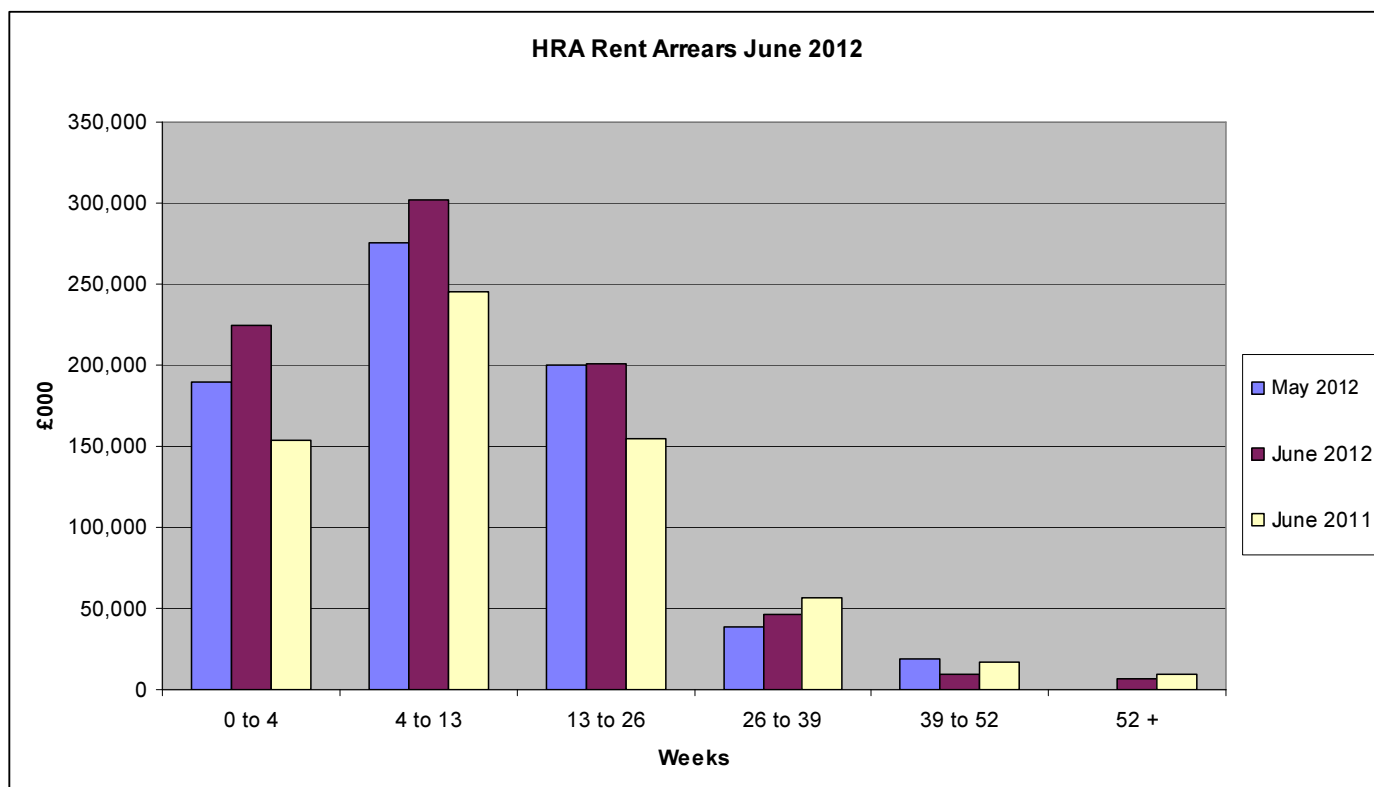
57. The table below sets out the June 2012 and year to date results by service area.

Table 7 – Creditor Payment Times as at 30th June 2012

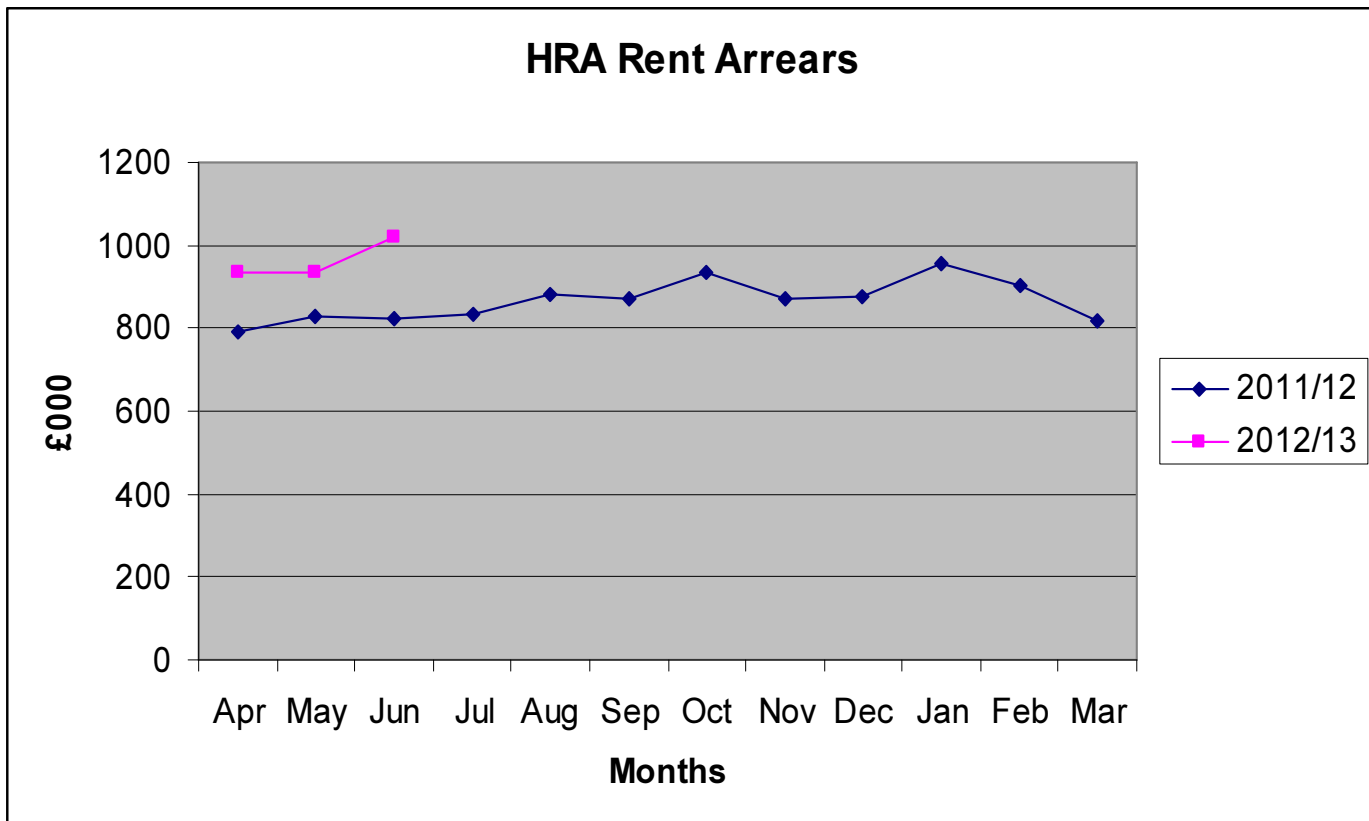
Service Area	June Total Invoices	Over 30 Days	June %Over	June On time	YTD Total Invoices	YTD Over 30 Days	YTD % Over	YTD % On time
S01 Policy, Culture & Communications	73	13	17.81%	82.19%	257	41	16.08%	83.92%
S02 Executive Support	7	4	57.14%	42.86%	25	6	24.00%	76.00%
S03 Business Development	10	1	10.00%	90.00%	58	5	8.77%	91.23%
S11 City Development	29	3	10.34%	89.66%	91	12	13.79%	86.21%
S12 Environmental Development	48	0	0.00%	100.00%	180	16	9.20%	90.80%
S13 Community Housing	160	12	7.50%	92.50%	566	48	8.63%	91.37%
S14 Corporate Assets	81	6	7.41%	92.59%	379	21	5.82%	94.18%
S21 Customer Services	11	4	36.36%	63.64%	54	14	26.42%	73.58%
S22 City Leisure	133	6	4.51%	95.49%	472	42	9.15%	90.85%
S23 Direct Services	1,284	50	3.89%	96.11%	4,241	164	3.90%	96.10%
S24 Housing Revenues Account	177	29	16.38%	83.62%	595	73	12.67%	87.33%
S31 City ICT	14	3	21.43%	78.57%	81	22	29.33%	70.67%
S32 Finance	7	0	0.00%	100.00%	46	2	4.65%	95.35%
S33 People & Equalities	30	13	43.33%	56.67%	101	22	22.45%	77.55%
S34 Law & Governance	37	2	5.41%	94.59%	548	14	2.56%	97.44%
Totals	2,101	146	6.94%	93.06%	7,694	502	6.52%	93.48%

HRA Rent Arrears (Current Tenants)

Aged Debt Analysis



Arrears Analysis 2012/13 compared to 2011-12



58. Overall arrears stand at £1.017k; this is £82k higher than that reported last June. It is fair to say that arrears performance has worsened due to much of the attention of the rent recovery team's time and efforts being concentrated on the Direct Payments pilot scheme. This required a selection process of our eligible tenants and a resource intensive communication exercise to ensure those selected tenants had bank accounts, direct debit mandates and other payment mechanisms in place when the scheme embarks in July. Furthermore, training and liaison with both DWP and other affordable housing providers in the City was also required to ensure a consistent and uniform service was made available to all affordable housing tenants in the City. The consequence of this exercise over recent months has been that collection of rents has suffered. Resources and attention will now be focused on collection of rents as normal from now on as the initial demands of the Direct Payments exercise have diminished.

59. Of the aged debt, £726k (92.12%) is less than 6 months old.

60. Former tenant arrears stood at £132k as at the end of June 2012, which is just over £20.6k more than that reported for June 2011 (this data is not aged and has not been included above).

61. The Council has estimated a bad debt provision of up to £410k against HRA dwelling debt.

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