

**CABINET**

**3rd July 2013**

**FINANCIAL OUTTURN REPORT - 2012/13**

Relevant Portfolio Holder	Councillor Roger Hollingworth, Portfolio Holder for Finance, Partnerships and Economic Development
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

To present members with the financial information for the year ended 31st March 2013. This includes Financial Outturn Information 2012/13 for Revenue and Capital Spend.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet note the outturn financial position on Revenue and Capital as detailed in this report and the transfer to balances of £513k.**

**3. KEY ISSUES**

**Financial Implications**

Financial Position For The Year

- 3.1 The Finance Budget Monitoring Report has been presented to Members on a quarterly basis during 2012/13. This report presents a summary of the final financial position for the financial year. This ensures Members have a full financial position statement of the Council's activities before the formal Statement of Accounts document is approved.

Revenue Budget

- 3.2 The Revenue Account produced a year end surplus of £513k compared to a revised budgeted deficit of £103k, an improvement of £616k. This is due to a number of factors detailed in this report. In addition during 2012/13 officers were requested to ensure that any expenditure on general non-essential items was reviewed to ensure that the balances position for the Council was protected in light of the severity of the cuts anticipated. The significant underspend has enabled the Council to increase the amount transferred to balances to support future one off budget pressures and reductions in grant.

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3.3 The increase in balances has resulted in a current position of £3,093m of available for one off items of expenditure. The Section 151 Officer has increased the minimum level of balances from £850K to £1.5 million to fund future pressures on the authority.

3.4 The Council Revenue Summary is detailed below:-

<b>Service Head</b>	<b>Revised Budget 2012/13 £'000</b>	<b>Actual spend April - Mar £'000</b>	<b>Variance to date April - Mar £'000</b>
<b>Environmental Services</b>	3,884	3,968	84
<b>Community Services</b>	2,818	2,582	(236)
<b>Regulatory Services</b>	637	530	(107)
<b>Leisure &amp; Cultural Services</b>	1,979	1,812	(167)
<b>Planning &amp; Regeneration</b>	1,093	1,225	132
<b>Customer Services</b>	34	-	(34)
<b>Finance &amp; Resources</b>	1,003	920	(83)
<b>Legal &amp; Democratic Services</b>	1,280	1,170	(110)
<b>Business Transformation</b>	112	9	(103)
<b>Corporate Services</b>	1,627	1,599	(28)
<b>SERVICE TOTAL</b>	<b>14,467</b>	<b>13,815</b>	<b>(652)</b>
<b>Capital Expenditure charged to Revenue</b>	<b>209</b>	<b>211</b>	<b>2</b>
<b>Reversal of Capital Charges</b>	<b>(3,070)</b>	<b>(3,065)</b>	<b>5</b>
<b>Interest on Investments</b>	<b>(66)</b>	<b>(106)</b>	<b>(40)</b>
<b>General Transfer to earmarked reserves</b>	<b>(128)</b>	<b>(87)</b>	<b>41</b>
<b>Funding</b>	<b>(11,309)</b>	<b>(11,281)</b>	<b>28</b>
<b>Use of Balances</b>	<b>103</b>	<b>(513)</b>	<b>(616)</b>

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### Financial Commentary

3.5 The table shows an under spend of £506k against the revised budget of £14,390.

3.6 Contributory factors to the overall under spend include:

- a) Significant savings from vacancies across the Council. Posts were held to ensure that redeployment opportunities were available and that there was flexibility in place to support the transformation of the services.
- b) Additional income of £18k received at Cemetery
- c) Refund at Bromsgrove Depot on Business Rates £16k due to a revaluation of the building
- d) Cash Receipting System and Finance Systems delayed therefore funds moved to earmarked reserves £30k
- e) Benefit payments lower than anticipated. It is anticipated that this will increase due to the welfare reform changes.
- f) There was a reduction in the Business Rates at the Council House of £70k due to a revaluation of the building
- g) Planning income was lower than anticipated approx. £82k
- h) Reduction in income from local land charges service £50k

The shared electoral service has enabled greater efficiencies in printing and the procurement of ballot and other electoral papers 18K. the Legal Services Team has made salary savings due to extended maternity leave and a vacant post which has been identified as deleted in the new legal and democratic structure 37K Democratic Services carried a vacant post for a short time sure to a bereavement in the team 6K . There has also been a considerable saving this year in member's expenses. The budget for expenses has now been adjusted for future years

- i) Shared Audit Service costs were lower than expected £18k
- j) Savings on corporate training budget. £84k
- k) As previously reported there was a significant shortfall on car park income £144k due to a reduction in usage

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- l) There was a reduction in the maintenance costs and car parking charges at the Dolphin Centre £29k
- m) The CCTV/Lifeline Shared realised significant savings due to shared services and renegotiated contracts of £226k
- n) Regulatory Services made significant savings due to efficiencies that were refunded back to partner Authorities

Capital Budget

- 3.7 The Capital Budget relates to assets purchased or improvements to Council facilities.

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3.8 Capital Summary 2012/13

<b>Department</b>	<b>Approved Budget 2012/13 £'000</b>	<b>Actual spend 2012/13 £'000</b>	<b>Variance £'000</b>	<b>Carry Forward Requested 4th June £'000</b>
<b>Resources</b>	25	0	(25)	25
<b>Customer Services</b>	11	11	0	0
<b>Business Transformation</b>	173	154	(19)	24
<b>Environmental Services</b>	774	119	(655)	710
<b>Regulatory Services</b>	58	25	(33)	33
<b>Planning &amp; Regeneration</b>	215	192	(23)	23
<b>Community Services</b>	1,789	1,431	(358)	263
<b>Leisure &amp; Cultural Services</b>	668	173	(495)	530
<b>TOTAL</b>	<b>3,698</b>	<b>2,105</b>	<b>(1,608)</b>	<b>1,608</b>

3.9 The carried forwards were requested at Cabinet on 4th June 2013 and will be recommended to Council in July 2013.

Financial Commentary

3.10 The main variance areas on Capital Schemes are:-

- a) Within Environmental Services there was a delay in purchasing vehicle to ensure that they would deliver the requirements of the

shared services. Two vehicles that were on order have now been delivered costing £155k.

- b) Leisure & Cultural services underspends £468k due to revising the procurement route and contract specification that the Council was following to ensure the best value for the funds whilst also allow the pitches to be used as from September 2013. The agreed works at Crown Close that were approved in February were delayed in order to assist the installation of the Armed Forces memorial and to ensure the resurfacing works were carried out in such a way to minimise disruption to St John's Church and Churchyard.
- c) Community Services underspends on Discretionary Home Repairs, and Disabled Facilities Grants of £223k the majority has been committed to schemes awaiting works to commence. £17k energy efficiency grants and £23k a tranche payment to a preferred RSL both have been committed and awaiting conditions have been met before final payments can be made.

**Treasury Management**

- 3.11 For the year to 31st March 2013 the Council received net investment income amounting to £106K against budgeted receipts of £75K. This income arises on interest earned on in-house managed funds (cash currently surplus to cash flow requirements that is placed on short-term deposit).
- 3.12 Due to advice received the Council is maintaining its stance of depositing in ultra low risk investments. In our recent Investment Updates we have been advised to use named UK incorporated institutions as investment counterparties whose long-term ratings are currently in the 'double-A' category.
- 3.13 All funds are now managed internally within the Finance department with support from our advisors Arlingclose.

**Revenue Balances**

- 3.14 The revenue balances brought forward at 1st April 2013 was £2,580m. The level of savings as detailed in this report has meant that an increased addition to balances of £506k has been made. The new level of balances is £3.086m, which can be utilised to fund one off items to deliver the priorities of the Council.

**Legal Implications**

- 3.15 None.

**Service/Operational Implications**

- 3.16 The effective management of financial arrangements ensures the Council objectives can be met.

**Customer / Equalities and Diversity Implications**

- 3.17 The effective use of our resources, as detailed in the statement ensures funds are appropriately utilised to meet customer demand.

**4. RISK MANAGEMENT**

The Financial Services risk register includes the preparation of the accounts and the controls in place to ensure the accounts are closed within the deadline and are accurate and transparent.

**5. APPENDICES**

None

**6. BACKGROUND PAPERS**

None.

**AUTHOR OF REPORT**

Name: Sam Morgan  
Email: sam.morgan@bromsgroveandredditch.gov.uk  
Tel: (01527) 64252 ext. 3790.