

**APRIL - JUNE (QUARTER 1) FINANCE MONITORING REPORT 2013 /14**

Relevant Portfolio Holder	Cllr Roger Hollingworth
Relevant Head of Service	Teresa Kristunas Head of Finance and Resources
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

- 1.1 To report to Cabinet on the Council's financial position for the period April - June 2013 (Quarter 1 – 2013 /14)
- 1.2 At Council Tax Setting members approved a number of savings, these are detailed in Appendix 2 with an update on progress

**2. RECOMMENDATIONS**

- 2.1 That Cabinet note the current financial position on Revenue and Capital as detailed in the report and requests officers to consider actions to enable the predicted overspend to be as mitigated as possible.
- 2.2 Cabinet Members delegate Capital Carry forward to S151 Officer across Financial years if it is to be used for the purpose it was originally approved for.
- 2.3 Amendments to the capital program as detailed in appendix 3 be approved as follows; for 13/14 be reduced by £115K. For 14/15 be increased by £276K and 15/16 increase by £1,008K
- 2.4 That £28K be drawn down from earmarked reserves to finance the Civil Parking Enforcement set up costs as provided by the Wychavon District Council.

**3. KEY ISSUES**

- 3.1 This report provides details of the financial information across the Council. The aim is to ensure officers and members can make informed and considered judgement of the overall position of the Council.
- 3.2 During the budget process Heads of Service identified various savings that they would achieve during 2013/14. Details of these and there progress are included in Appendix 2.
- 3.3 A separate finance report for each department plus a council summary is shown on the following pages.

**BROMSGROVE DISTRICT COUNCIL**

**CABINET**

**5 SEPTEMBER 2013**

**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Overall Council**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April - June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Environmental Services</b>	4,036	191	253	62
<b>Community Services</b>	2,447	449	442	-7
<b>Leisure &amp; Cultural Services</b>	1,962	531	531	0
<b>Planning &amp; Regeneration</b>	1,193	98	91	-7
<b>Pre-Regulatory Services</b>	740	50	45	-5
<b>Customer Services</b>	1	91	89	-2
<b>Finance &amp; Resources</b>	773	26	5	-21
<b>Legal, Equalities &amp; Democratic Services</b>	1,377	203	162	-41
<b>Business Transformation</b>	40	484	449	-35
<b>Corporate Services</b>	1,695	518	526	8
<b>SERVICE TOTAL</b>	<b>14,264</b>	<b>2,641</b>	<b>2,593</b>	<b>-48</b>
<b>Interest Payable</b>	75	19	0	-19
<b>Interest on Investments</b>	-67	-17	-20	-3
<b>COUNCIL SUMMARY</b>	<b>14,272</b>	<b>2,643</b>	<b>2,573</b>	<b>-70</b>

**Financial Commentary:**

- Environmental Services – initial issues relating to Route optimisation of waste rounds teething problems which will delay anticipated savings. It is anticipated these will not be material.
- Legal, Equalities & Democratic Services – £28K of savings are predominantly due to vacant posts in all three areas, however a service review has taken place and the new structure came in to effect from 01/07/13. Budgets will be revised and reflected in the 2<sup>nd</sup> Qtr report. There are also savings within the Members services as not all of the posts were appointed to in the 1<sup>st</sup> Qtr, there is also an under spend from the Members training budget.
- Finance & Resources variance is due to the Corporate training budget as explained further below.

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**Capital Budget summary Quarter 1 (April - June) 2013 /14 – Overall Council**

<b>Department</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Environmental Services</b>	1,725	427	430	3
<b>Community Services</b>	993	86	89	3
<b>Leisure &amp; Cultural Services</b>	933	174	172	-2
<b>Planning and Regeneration</b>	4,473	9	9	0
<b>Pre-Regulatory Services</b>	56	3	3	0
<b>Financial Services</b>	25	25	17	-8
<b>Business Transformation</b>	34	34	11	-23
<b>TOTAL</b>	<b>8,239</b>	<b>758</b>	<b>731</b>	<b>-27</b>

**Financial Commentary:**

- North Cemetery Phase 2 – will begin this year, meeting with designers to take place
- Within Business Transformation requirements for members and the Microsoft Office Project are currently under review.

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<b>Environmental Services</b>	<b>Quarter 1 (April - June) 2013 /14</b>
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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Environmental Services**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Car Parks/Civil Parking Enforcement</b>	-495	-87	-43	44
<b>Cemeteries/ Crematorium</b>	89	10	7	-3
<b>Cesspools/ Sewers</b>	-82	-26	-10	16
<b>CMT</b>	0	13	13	0
<b>Depot</b>	21	222	202	-20
<b>Grounds Maintenance</b>	631	104	101	-3
<b>Highways</b>	255	38	26	-12
<b>Public Conveniences</b>	42	9	10	1
<b>Refuse &amp; Recycling</b>	2,241	-303	-266	37
<b>Street Cleansing</b>	1,290	192	191	-1
<b>Transport</b>	-48	-14	-10	4
<b>Waste Management Policy</b>	-5	9	9	0
<b>Climate Change</b>	48	12	6	-6
<b>Land Drainage</b>	49	12	17	5
<b>TOTAL</b>	<b>4,036</b>	<b>191</b>	<b>253</b>	<b>62</b>

**Financial Commentary:**

- Reduced income for car parks which officers are reviewing.
- Following the route optimisation of Waste rounds, there have been a few issues which have caused delay. This has meant that some of the anticipated savings will be delayed. Senior managers and financial officer will be meeting to go through the budgets and saving predictions before the half year.

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**Capital Budget summary Quarter 1 (April – June) 2013 /14 Environmental Services**

<b>Service</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April - June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Depot Site Security</b>	46	22	22	0
<b>Vehicle &amp; Equipment replacement programme</b>	1,303	346	350	4
<b>Rollout Bins – Round Extension</b>	150	38	38	0
<b>North Cemetery Phase 2</b>	179	0	0	0
<b>Cemetery Toilets</b>	23	1	1	0
<b>Bromsgrove Monument – Armed Forces Monument</b>	20	20	19	-1
<b>CPE (Civil Parking Enforcement)</b>	4	0	0	0
<b>TOTAL</b>	<b>1,725</b>	<b>427</b>	<b>430</b>	<b>3</b>
<b>Financial Commentary:</b> <ul style="list-style-type: none"><li>• North Cemetery Phase 2 – will begin this year, meeting with designers to take place</li><li>• A separate report will be coming to Members regarding the Cemetery toilets and the requirement for additional budget.</li></ul>				

<b>Community Services</b>	<b>Quarter 1 (April – June) 2013 /14</b>
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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Community Services**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Housing Strategy</b>	1,875	271	260	-11
<b>Community Safety &amp; Transport</b>	551	171	175	4
<b>Community Cohesion</b>	21	7	7	0
<b>TOTAL</b>	<b>2,447</b>	<b>449</b>	<b>442</b>	<b>-7</b>
<b>Financial Commentary:</b> <ul style="list-style-type: none"><li>• There are no significant variances to report at this stage</li></ul>				

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**Capital Budget summary Quarter 1 (April – June) 2013 /14 Community Services**

<b>Service</b>	<b>Revised Budget 2013/14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Strategic Housing</b>	993	89	89	0
<b>TOTAL</b>	<b>993</b>	<b>89</b>	<b>89</b>	<b>0</b>
<b>Financial Commentary:</b>				
<ul style="list-style-type: none"><li>• Expenditure is expected within the forth coming quarters</li></ul>				

**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Leisure and Cultural Services**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Business Development</b>	30	235	241	6
<b>Cultural Services</b>	337	72	72	0
<b>Leisure &amp; Cultural Management</b>	-12	14	14	0
<b>Parks &amp; Open Spaces</b>	468	43	36	-7
<b>Sports Services</b>	1,139	167	168	1
<b>TOTAL</b>	<b>1,962</b>	<b>531</b>	<b>531</b>	<b>0</b>
<b>Financial Commentary:</b>				
<ul style="list-style-type: none"><li>• The underspend within Parks &amp; Open Spaces is due to a vacant post. This has now been filled with effect from July.</li></ul>				

**BROMSGROVE DISTRICT COUNCIL****CABINET****5 SEPTEMBER 2013****Capital Budget summary Quarter 1 (April – June) 2013 /14 Leisure and Cultural Services**

<b>Service</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Sports Facilities</b>	468	103	103	0
<b>Play Areas</b>	370	71	69	-2
<b>Other Schemes</b>	95	0	0	0
<b>TOTAL</b>	<b>933</b>	<b>174</b>	<b>172</b>	<b>-2</b>

**Financial Commentary:**

- The Section 106 funded project at Wythall Community Park was included in the MTFP for 2013/14 as £152K. However, the total Section 106 receipt is £303K, so the Capital Programme needs to be increased by an additional £151K.

**Planning and Regeneration****Quarter 1 (April - June) 2013 /14****Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Planning and Regeneration**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Building Control</b>	-5	-34	-42	-8
<b>Development Control</b>	494	37	33	-4
<b>Strategic Planning</b>	470	75	65	-10
<b>Economic &amp; Tourism Development</b>	226	29	28	-1
<b>Emergency Planning</b>	13	3	3	0
<b>Land Charges</b>	-50	-22	-14	8
<b>Town Centre Development</b>	45	10	18	8
<b>TOTAL</b>	<b>1,193</b>	<b>98</b>	<b>91</b>	<b>-7</b>

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**Financial Commentary:**

- Strategic Planning received reimbursement of underspent contribution to WCC for Community Infrastructure Levy work.

**Capital Budget summary Quarter 1(April – June) 2013 /14 Planning and Regeneration**

<b>Service</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
Town Centre Development - Project Management	54	0	0	0
Town Centre Development – Public Realm	919	9	9	0
Parkside School - New Offices	3,500	0	0	0
<b>TOTAL</b>	<b>4,473</b>	<b>9</b>	<b>9</b>	<b>0</b>

**Financial Commentary:**

- Town Centre Development – Public Realm awaiting works to be carried out by WCC before our work can commence.

**Regulatory - Client**

**Quarter 1 (April - June) 2013 /14**

**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Regulatory Client**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
Environmental Health	922	91	86	-5
Licensing	-182	-41	-41	0
<b>TOTAL</b>	<b>740</b>	<b>50</b>	<b>45</b>	<b>-5</b>

**Financial Commentary:**

- Environmental Health transferred to Regulatory Services 1st June 2010



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<b>Worcestershire Regulatory Services</b>	<b>Quarter 1 (April - June) 2013 /14</b>
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**Capital Budget summary Quarter 1 (April – June) 2013 /14 Regulatory Services**

<b>Service</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Worcestershire Enhanced Two Tier Programme (WETT)</b>	56	0	0	0
<b>TOTAL</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Financial Commentary:**

- The expenditure is jointly funded by all partners in accordance with the business case. The budget for 13/14 is £503k, BDC share at 11.05% £56k.

<b>Customer Services</b>	<b>Quarter 1 (April - June) 2013 /14</b>
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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Customer Services**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Customer Services</b>	1	91	89	-2
<b>TOTAL</b>	<b>1</b>	<b>91</b>	<b>89</b>	<b>-2</b>

**Financial Commentary:**

- There are no significant variances to report at this stage

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<b>Finance and Resources</b>	<b>Quarter 1 (April - June) 2013 /14</b>
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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Finance and Resources**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>Accounts &amp; Financial Mgmt</b>	-16	117	117	0
<b>Human Resources &amp; Welfare</b>	0	68	48	-20
<b>Revenues &amp; Benefits</b>	789	-159	-160	-1
<b>TOTAL</b>	<b>773</b>	<b>26</b>	<b>5</b>	<b>-21</b>

**Financial Commentary:**

- There is an under spend on Corporate Training in this Qtr as Human Resources are currently visiting management teams to establish training requirements, to be reviewed for 2<sup>nd</sup> Qtr.

**Capital Budget summary Quarter 1 (April – June) 2013 /14 Financial & Resources**

<b>Service</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Income Management PCI Compliance</b>	25	25	17	-8
<b>TOTAL</b>	<b>25</b>	<b>25</b>	<b>17</b>	<b>-8</b>

**Financial Commentary:**

- The scheme is currently in progress and more costs are expected to be incurred

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<b>Legal, Equalities and Democratic Services</b>	<b>Quarter 1 (April - June) 2013 /14</b>
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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Legal, Equalities and Democratic Services**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April – June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>CMT</b>	0	12	12	0
<b>Democratic Services &amp; Member Support</b>	1,166	113	91	-22
<b>Elections &amp; Electoral Services</b>	204	12	11	-1
<b>Legal Advice &amp; Services</b>	7	66	48	-18
<b>TOTAL</b>	<b>1,377</b>	<b>203</b>	<b>162</b>	<b>-41</b>

**Financial Commentary:**

- Legal, Equalities & Democratic Services – £28K of savings are predominantly due to vacant posts in all three areas, however a service review has taken place and the new structure came in to effect from 01/07/13. Budgets will be revised and reflected in the 2<sup>nd</sup> Qtr report.
- There are also savings within the Members services as not all of the posts were appointed to in the 1<sup>st</sup> Qtr, there is also an under spend from the Members training budget.

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<b>Business Transformation</b>	<b>Quarter 1 (April - June) 2013 /14</b>
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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Business Transformation**

<b>Service Head</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Profiled Budget April - June £'000</b>	<b>Actual Spend April - June £'000</b>	<b>Variance to date April - June £'000</b>
<b>IT Services</b>	29	450	424	-26
<b>Business Transformation</b>	0	16	9	-7
<b>Policy &amp; Performance</b>	11	18	16	-2
<b>TOTAL</b>	<b>40</b>	<b>484</b>	<b>449</b>	<b>-35</b>

**Financial Commentary:**

- The underspend within IT Services is due to vacancies within the department and re-negotiation of software contracts
- The underspend within Business Transformation is due to vacancies within the department

**Capital Budget summary Quarter 1 (April – June) 2013 /14 Business Transformation**

<b>Service</b>	<b>Revised Budget 2013 /14 £'000</b>	<b>Budget April – June £'000</b>	<b>Actual Spend April – June £'000</b>	<b>Variance to date April – June £'000</b>
<b>Member ICT Facilities</b>	9	9	0	-9
<b>Sunray Devices</b>	9	9	11	2
<b>ESX Services</b>	16	16	0	-16
<b>TOTAL</b>	<b>34</b>	<b>34</b>	<b>11</b>	<b>-23</b>

**Financial Commentary:**

- Member ICT Facilities are currently being reviewed
- ESX servers are part of the Office project which is currently under review

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**Revenue Budget summary Quarter 1 (April – June) 2013 /14 – Corporate Services**

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - June £'000	Actual Spend April - June £'000	Variance to date April - June £'000
Corporate Resources	1,614	445	461	16
Corporate Admin / Central Post / Printing	81	73	65	-8
<b>TOTAL</b>	<b>1,695</b>	<b>518</b>	<b>526</b>	<b>8</b>

**Financial Commentary:**

- The underspend within Corporate Admin, Central Post and Printing is related to vacant posts within the department, these are due to be filled in August.
- The overspend within Corporate Resources is due to the vacancy management provision which is offset by underspends in departments within departments.

**4. TREASURY MANAGEMENT**

- 4.1 The Council's Treasury Management Strategy has been developed in accordance with the Prudential Code for Capital Finance prudential indicators and is used to manage risks arising from financial instruments. Additionally treasury management practices are followed on a day to day basis.
- 4.2 The Council receives credit rating details from its Treasury Management advisers on a daily basis and any counterparty falling below the criteria is removed from the list of approved institutions.
- 4.3 Due to market conditions the Council has reduced its credit risk for all new investments by only investing in the highest rated instruments and has shortened the allowable length of investments in order to reduce risk.
- 4.4 At 30<sup>th</sup> June short term investments comprised:

	31st March 2013 £000	30th June 2013 £000
Deposits with Banks/Building Societies	10,800	12,000
<b>Total</b>	<b>10,800</b>	<b>12,000</b>

**Income from investments and other interest**

- 4.5 An investment income target of £67k has been set for 2013 /14 using a projected return rate of 0.75% – 1.50 %. During the past financial year bank base rates have remained 0.5% and current indications are projecting minimal upward movement for the short term.
- 4.6 In the 3 months to 30 June the Council received income from investments of £20k.

**5. REVENUE BALANCES**

**5.1 Revenue Balances**

The revenue balances brought forward at 1 April 2013 were £3.093m (subject to audit). Excluding the impact of any projected over or under spends it is anticipated that £97k will be transferred from balances during 2013 /14 to fund revenue expenditure; giving a current projected balance at 31 March 2013 of £2.996m.

**Legal Implications**

None.

**Service/Operational Implications**

All included in financial implications.

**Customer / Equalities and Diversity Implications**

None as a direct result of this report

**7. RISK MANAGEMENT**

- 7.1 Risk considerations covered in the report. There are no Health & Safety considerations

**8. APPENDICES**

Appendix 1 Reserves Transfers to be approved  
Appendix 2 Review of savings identified in budget round  
Appendix 3 Capital Program to be approved

**9. BACKGROUND PAPERS**

Available from Financial Services

**10. KEY**

None

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