

Overview & Scrutiny Board

16 SEPTEMBER 2013

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 the Overview and Scrutiny Board note the current financial position on Revenue and Capital as detailed in the report.

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.

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

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

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 2nd Qtr report. There are also savings within the Members services as not all of the posts were appointed to in the 1st 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.

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

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

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

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

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.

BROMSGROVE DISTRICT COUNCIL

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

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

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

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

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

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

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

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

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

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

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

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

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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

Service	Revised Budget 2013 /14 £'000	Budget April – June £'000	Actual Spend April – June £'000	Variance to date April – June £'000
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
TOTAL	4,473	9	9	0

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

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

Financial Commentary:

- Environmental Health transferred to Regulatory Services 1st June 2010

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

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

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.

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

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

Financial Commentary:

- There are no significant variances to report at this stage

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

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

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 2nd Qtr.

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

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

Financial Commentary:

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

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

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

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 2nd Qtr report.
- There are also savings within the Members services as not all of the posts were appointed to in the 1st Qtr, there is also an under spend from the Members training budget.

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

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

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

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

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
TOTAL	1,695	518	526	8

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 30th June short term investments comprised:

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

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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