

Overview & Scrutiny Board

16th December 2013

APRIL - SEPTEMBER (QUARTER 2) FINANCE MONITORING REPORT 2013 /14

Relevant Portfolio Holder	Cllr Roger Hollingworth
Relevant Head of Service	Jayne Pickering
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To report to Cabinet on the Council's financial position for the period April - September 2013 (Quarter 2 – 2013 /14).

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 A separate finance report for each department plus a council summary is shown on the following pages.

BROMSGROVE DISTRICT COUNCIL

Overview & Scrutiny Board

16th December 2013

Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Overall Council

Service Head	Revised Budget 2013 /14 £'000	Budget April - Sept £'000	Actual Spend April – Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Services	3,962	1,285	1,269	-16	3,926	-36
Community Services	2,482	618	629	11	2,505	23
Leisure & Cultural Services	2,064	1,006	999	-7	2,053	-11
Planning & Regeneration	1,273	232	242	10	1,268	-5
BDC Regulatory Client	712	84	75	-9	698	-14
Customer Services	10	180	179	-1	13	3
Finance & Resources	838	327	283	-44	826	-12
Legal, Equalities & Democratic Services	1,327	373	350	-23	1,286	-41
Business Transformation	68	712	662	-50	-8	-76
Corporate Services	1,665	943	982	39	1,892	227
SERVICE TOTAL	14,401	5,760	5,670	-90	14,459	58
Interest Payable	75	37	0	-37	0	-75
Interest on Investments	-67	-33	-35	-2	-67	0
COUNCIL SUMMARY	14,409	5,764	5,635	-129	14,392	-17

Financial Commentary:

- Corporate Services – this budget includes the impact of expected vacancy management and transformation savings not yet allocated to specific service areas. As savings are identified they will be offset against the corporate services provision reducing the year to date and projected overspend for this service.
- A saving of £17K is currently predicted at the end of year compared with the initial budget set by Members in February 2013. Therefore it is assumed the Council will realise all vacancy and unidentified savings.
- Any underspend will be returned to balances to support future year expenditure.

Overview & Scrutiny Board

16th December 2013

Capital Budget summary Quarter 2 (April - September) 2013 /14 – Overall Council

Department	Revised Budget 2013 /14 £'000	Budget April – Sept £'000	Actual spend April – Sept £'000	Variance to date April – Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Services	1,779	444	435	-9	1,779	0
Community Services	1,011	189	189	0	1,011	0
Leisure & Cultural Services	1,138	217	218	1	1,138	0
Planning and Regeneration	4,103	10	17	7	4,110	7
BDC Regulatory Client	56	3	3	0	56	0
Financial Services	25	25	25	0	25	0
Business Transformation	34	9	11	2	34	0
TOTAL	8,146	897	898	1	8,153	7

Financial Commentary:

- North Cemetery Phase 2 – discussions taking place with designers on this scheme. It is hoped that officers will be able to give timescales for work to commence at the 3rd quarter report.
- Within Business Transformation requirements for members and the Microsoft Office Project are currently under review.

Overview & Scrutiny Board

16th December 2013

Environmental Services	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Environmental Services

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sep £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Car Parks/Civil Parking Enforcement	-495	-316	-316	0	-484	11
Cemeteries/ Crematorium	89	19	18	-1	88	-1
Cesspools/ Sewers	-92	-56	-37	19	-54	38
CMT	0	25	25	0	0	0
Depot	21	360	334	-26	-36	-57
Grounds Maintenance	631	208	201	-7	619	-12
Highways	244	70	48	-22	205	-39
Refuse & Recycling	2,269	568	588	20	2,284	15
Street Cleansing	1,251	378	385	7	1,264	13
Transport	-48	-20	-18	2	-40	8
Waste Management Policy	-5	-2	-3	-1	-6	-1
Climate Change	48	24	18	-6	37	-11
Land Drainage	49	27	26	-1	49	0
TOTAL	3,962	1,285	1,269	-16	3,926	-36

Financial Commentary:

- The increase in Cesspools is mainly due to additional cesspool emptying at Frankley pumping station.
- A receipt of £17K for solar electricity payments and a vacant post within the Depot accounts for the majority of the £57k underspend.
- Route optimisation is now in place and savings have been identified to deliver the predicted savings for 2013/14.

Overview & Scrutiny Board

16th December 2013

Capital Budget summary Quarter 2 (April – September) 2013 /14 Environmental Services

Service	Revised Budget 2013 /14 £'000	Budget April - Sept £'000	Actual Spend April – Sept £'000	Variance to date April – Sept £'000	Projecte d Outturn 2013/14 £'000	Projecte d Variance 2013/14 £'000
Depot Site Security	46	22	22	0	46	0
Vehicle & Equipment replacement programme	785	347	350	3	1,303	0
Rollout Bins – Round Extension	150	50	38	-12	150	0
North Cemetery Phase 2	179	0	0	0	179	0
Cemetery Toilets	23	1	1	0	23	0
Bromsgrove Monument – Armed Forces Monument	20	20	19	-1	19	-1
CPE (Civil Parking Enforcement)	4	4	5	1	5	1
Flooding Mitigation Measures	54	0	0	0	54	0
TOTAL	1,261	444	435	-9	1,779	0

Financial Commentary:

- North Cemetery Phase 2 – this is due to start this year, meeting with designers to take place.
- In relation to the Cemetery toilets – the 3rd quarter report will include the financial implications resulting from the decision Members made.
- Flooding Mitigation Measures – essential grille replacement works to be carried out under the Wyre Forest hosted SLA. Wyre Forest awaiting quotations for the works to be carried out.

Overview & Scrutiny Board

16th December 2013

Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Community Services

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April – Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Housing Strategy	1,902	466	486	20	1,921	19
Community Safety & Transport	550	203	197	-6	556	6
Community Cohesion	30	-51	-54	-3	28	-2
TOTAL	2,482	618	629	11	2,505	23
Financial Commentary:						

Capital Budget summary Quarter 2 (April – September) 2013 /14 – Community Services

Service	Revised Budget 2013/14 £'000	Budget April – Sept £'000	Actual Spend April – Sept £'000	Variance to date April – Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Strategic Housing	1,002	180	180	0	1,002	0
New Start Van	9	9	9	0	9	0
TOTAL	1,011	189	189	0	1,011	0
Financial Commentary:						
<ul style="list-style-type: none"> Expenditure is expected within the forthcoming quarters. 						

Overview & Scrutiny Board

16th December 2013

Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Leisure and Cultural Services

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Business Develop	99	407	407	0	99	0
Cultural Services	337	143	142	-1	333	-4
Leisure & Cultural Manage.	-14	24	24	0	-14	0
Parks & Open Spaces	468	77	76	-1	466	-2
Sports Services	1,174	355	350	-5	1,169	-5
TOTAL	2,064	1,006	999	-7	2,053	-11

Financial Commentary:

- The underspend within Sports Services is due to the following reasons:
 - The budget for the Dolphin Centre payment to the Trust is higher than the agreed amount for 13/14.
 - There is a saving on casual staff within the Sports Development budget. Officers will be meeting in Quarter 3 to identify if/where the budget is required.

Overview & Scrutiny Board

16th December 2013

Capital Budget summary Quarter 2 (April – September) 2013 /14 – Leisure and Cultural Services

Service	Revised Budget 2013 /14 £'000	Budget April – Sept £'000	Actual Spend April – Sept £'000	Variance to date April – Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Sports Facilities	468	105	105	0	468	0
Play Areas	615	72	70	-2	614	-1
Other Schemes	55	40	43	3	56	1
TOTAL	1,138	217	218	1	1,138	0

Financial Commentary:

- Budgets have been profiled based on when expenditure is due to take place. Officers have advised that all schemes are scheduled to take place before the end of the financial year.

Overview & Scrutiny Board

16th December 2013

Planning and Regeneration	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Planning and Regeneration

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Building Control	-5	-64	-64	0	-18	-13
Development Control	518	28	44	16	530	12
Strategic Planning	470	172	163	-9	458	-11
Economic & Tourism Development	231	63	62	-1	226	-6
Emergency Planning	13	6	9	3	18	5
Town Centre Development	46	27	28	1	54	8
TOTAL	1,273	232	242	10	1,268	-5

Financial Commentary:

- Strategic Planning received reimbursement of underspent contribution to WCC for Community Infrastructure Levy work.
- Development Control had a number of vacancies which were covered by agency staff until new staff were appointed .
- There is an increase in consultant's fees due to the receipt of complex planning application.
- There is a half year salary saving for Building Control of a vacant post which is being recruited to.

Overview & Scrutiny Board

16th December 2013

Capital Budget summary Quarter 2(April – September) 2013 /14 – Planning and Regeneration

Service	Revised Budget 2013 /14 £'000	Budget April – Sept £'000	Actual Spend April – Sept £'000	Variance to date April – Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Town Centre Development - Project Management	54	0	0	0	54	0
Town Centre Development – Public Realm	419	10	10	0	419	0
Parkside School - New Offices	3,630	0	0	0	3,630	0
Sale of Council House	-	-	2	2	2	2
Market Hall Development	-	-	5	5	5	5
Recreation Road Disposal	-	-	0	-	-	-
TOTAL	4,103	10	17	7	4,110	7

Financial Commentary:

- Town Centre Development – Public Realm works to be carried out by WCC before our work can commence. Also there is a Cabinet report dated the 6 November 2013 requesting a revision to the capital programme however this has not been reflected in this report as it is not yet approved.
- Parkside redevelopment – awaiting final profile of spend.

Overview & Scrutiny Board

16th December 2013

Worcestershire Regulatory Services – BDC Client	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Regulatory Client

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Health	894	190	179	-11	878	-16
Licensing	-182	-106	-104	2	-180	2
TOTAL	712	84	75	-9	698	-14
Financial Commentary: <ul style="list-style-type: none">• Environmental Health transferred to Regulatory Services.						

Overview & Scrutiny Board

16th December 2013

Worcestershire Regulatory Services – BDC Client	Quarter 2 (April - September) 2013 /14
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Capital Budget summary Quarter 2 (April – September) 2013 /14 – Regulatory Services

Service	Revised Budget 2013 /14 £'000	Budget April – Sept £'000	Actual Spend April – Sept £'000	Variance to date April – Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Worcestershire Enhanced Two Tier Programme (WETT)	56	3	3	0	56	0
TOTAL	56	3	3	0	56	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% being £56k.

Customer Services	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Customer Services

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Customer Services	10	180	179	-1	13	3
TOTAL	10	180	179	-1	13	3

Financial Commentary:

There are no significant variances to report at this stage.

Overview & Scrutiny Board

16th December 2013

Finance and Resources	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Finance and Resources

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Accounts & Financial Mgmt	11	229	229	0	11	0
Central Overheads	0	30	30	0	0	0
CMT	0	25	25	0	0	0
Human Resources & Welfare	5	147	104	-43	-7	-12
Revenues & Benefits	822	-104	-105	-1	822	0
TOTAL	838	327	283	-44	826	-12

Financial Commentary:

- There is an under spend on Corporate Training in this quarter as Human Resources have been having meetings with departments to establish requirements. There is expenditure in other departments of £12k to offset this underspend.

Capital Budget summary Quarter 2 (April – September) 2013 /14 – Finance and Resources

Service	Revised Budget 2013 /14 £'000	Budget April – Sept £'000	Actual Spend April – Sept £'000	Variance to date April – Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Income Management PCI Compliance	25	25	25	0	25	0
TOTAL	25	25	25	0	25	0

Financial Commentary:

- No variances.

Overview & Scrutiny Board

16th December 2013

Legal, Equalities and Democratic Services	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Legal, Equalities and Democratic Services

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April – Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
CMT	0	23	23	0	0	0
Democratic Services & Member Support	1,166	231	200	-31	1,130	-36
Elections & Electoral Services	204	41	40	-1	207	3
Legal Advice & Services	7	121	123	2	-1	-8
Land Charges	-50	-43	-36	7	-50	0
TOTAL	1,327	373	350	-23	1,286	-41

Financial Commentary:

- Legal, Equalities & Democratic Services – £24k of savings are due to vacant posts in Democratic Services and also an underspend from the Members Services and their training budget.

Overview & Scrutiny Board

16th December 2013

Business Transformation	Quarter 2 (April - September) 2013 /14
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Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Business Transformation

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
IT Services	57	643	608	-35	10	-48
Business Transformation	0	15	14	-1	-22	-22
Policy & Performance	11	54	40	-14	5	-6
TOTAL	68	712	662	50	-7	-76

Financial Commentary:

- The underspend within IT Services is due to vacancies within the department and re-negotiation of software contracts. Further potential savings have been identified however, subject to approval, these will be utilised to finance the system upgrades necessary for the Council to attain PSN compliance.
- The underspend within Business Transformation is due to vacancies within the department.
- A virement of £32k from Salaries is requested to Other Local Authorities to pay for Transformation Academy from Stoke City Council. 50% of this will be recharged to Redditch Borough Council.

Overview & Scrutiny Board

16th December 2013

Capital Budget summary Quarter 2 (April – September) 2013 /14 Business Transformation

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Member ICT Facilities	9	0	0	0	9	0
Sunray Devices	9	9	11	2	9	0
ESX Services	16	0	0	0	16	0
TOTAL	34	9	11	2	34	0
Financial Commentary:						
<ul style="list-style-type: none"> • Member ICT Facilities are currently being reviewed. • ESX servers are part of the Office project which is currently under review. 						

Revenue Budget summary Quarter 2 (April – September) 2013 /14 – Corporate Services

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Sept £'000	Actual Spend April - Sept £'000	Variance to date April - Sept £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Corporate Resources	1,584	763	822	59	1,816	232
Corporate Admin / Central Post / Printing	81	180	160	-20	76	-5
TOTAL	1,665	943	982	39	1,892	227
Financial Commentary:						
<ul style="list-style-type: none"> • The underspend within Corporate Admin, Central Post and Printing is related to vacant posts within the department, these have now been filled. • The overspend within Corporate Resources is due to the corporate vacancy management provision and unidentified savings which is offset by vacancy underspends in other 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 September short term investments comprised:

	31st March 2013 £000	30th September 2013 £000
Deposits with Banks/Building Societies	10,800	15,000
Total	10,800	15,000

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 6 months to 30 September the Council received income from investments of £33k.

REVENUE BALANCES

4.7 Revenue Balances

The revenue balances brought forward at 1 April 2013 were £3.093m. 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.

5. RISK MANAGEMENT

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

6. APPENDICES

None.

7. BACKGROUND PAPERS

Available from Financial Services.

AUTHORS OF REPORT

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