

APRIL - DECEMBER (QUARTER 3) FINANCE MONITORING REPORT 2013 /14

Relevant Portfolio Holder	Cllr Roger Hollingworth
Relevant Director 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 -December 2013 (Quarter 3 – 2013 /14).

2. RECOMMENDATIONS

2.1 That Cabinet note the current financial position on Revenue and Capital as detailed in the report and service underspends be used to offset the savings requirements in Corporate Services.

2.2 That Cabinet recommend to Council:

Approval be given to delegate the authority to Heads of Service and Directors to enable them to vire funding from salary budget to other expenditure within their service. This will provide greater flexibility in managing the demand and financial position of the 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 A separate finance report for each department plus a council summary is shown on the following pages

BROMSGROVE DISTRICT COUNCIL

CABINET

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Revenue Budget summary Quarter 3 (April – December) 2013 /14 – Overall Council

Service Head	Revised Budget 2013 /14	Budget April - Dec	Actual Spend April – Dec	Variance to date April - Dec	Projected Outturn 2013/14	Projected Variance 2013/14
	£'000	£'000	£'000	£'000	£'000	£'000
Environmental Services	3,967	1,532	1,537	5	3,977	11
Community Services	2,478	948	921	-27	2,453	-25
Leisure & Cultural Services	2,039	1,423	1,349	-74	1,962	-77
Planning & Regeneration	1,302	468	450	-18	1,294	-8
BDC Regulatory Client	673	137	129	-8	674	1
Customer Access & Financial Support	936	439	411	-28	963	28
Finance & Resources	-121	371	385	14	0	122
Legal & Democratic Services	1,288	534	511	-23	1,282	-6
Business Transformation	65	1,175	1,000	-175	30	-35
Corporate Services	1,776	1,399	1,427	28	1,787	12
SERVICE TOTAL	14,401	8,428	8,119	-309	14,424	23
Interest Payable	75	56	0	-56	0	-75
Interest on Investments	-67	-50	-56	-6	-67	0
COUNCIL SUMMARY	14,409	8,434	8,063	-371	14,357	-52

Financial Commentary

- The corporate savings required due to vacancy management and transformation have now been offset against savings found in the following service areas:
 - BDC Reg Client – £14k
 - Business Transformation – £40k
 - Environmental - £37k

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- Legal & Democratic Services – £41k
- Leisure & Cultural Services – £11k

- The variance on Finance and Resources is due to additional expenditure resulting from the Head of Service restructure. This is offset by future years savings within the service from the restructure
- A saving of £52k 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.

Capital Budget summary Quarter 3 (April - December) 2013 /14 – Overall Council

Department	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Services	730	567	563	-4	730	0
Community Services	1,011	1,011	802	-209	1,011	0
Leisure & Cultural Services	832	208	210	2	834	2
Planning and Regeneration	973	532	450	-81	980	7
BDC Regulatory Client	56	8	8	0	56	0
Financial Services	25	25	19	-5	25	0
Business Transformation	34	6	7	1	34	0
COUNCIL SUMMARY	3,661	2,357	2,059	-296	3,671	10

Financial Commentary:

- The revised budget has been re profiled by £940k as this expenditure is planned to be spent in 2014/15.

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- Within Business Transformation requirements for members and the Microsoft Office Project are currently under review.

Environmental Services

Quarter 3 (April - December) 2013 /14

Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Sep £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Car Parks/Civil Parking Enforcement	-436	-491	-483	8	-425	11
Cemeteries/ Crematorium	89	28	19	-9	78	-11
Cesspools/ Sewers	-54	-55	-37	18	-29	25
CMT	0	37	37	0	10	10
Depot	-45	480	459	-21	-68	-23
Grounds Maintenance	619	279	263	-16	596	-23
Highways	186	58	55	-3	182	-4
Refuse & Recycling	2,296	605	643	38	2,332	36
Street Cleansing	1,272	573	567	-6	1,268	-4
Transport	-40	-42	-42	0	-39	1
Waste Management Policy	-6	-5	-9	-4	-11	-5
Climate Change	37	28	25	-3	31	-6
Land Drainage	49	36	39	3	53	4
TOTAL	3,967	1,532	1,537	5	3,977	11

Financial Commentary:

- There has been a shortfall in income generated from use of the car parks. In addition, Enforcement income is also down but has been offset by reduced contracted payments to Wychavon District Council due to staff vacancies.
- Cemeteries actual income is higher than budgeted for and accounts for the underspend at quarter 3.

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- Cesspools – disposal costs have been higher than budgeted for but mitigation works carried out during the year should reduce the charges.
- Depot – expenditure on external repairs, cleaning materials and energy costs has been less than anticipated and accounts for the saving of £21k
- Grounds Maintenance savings are due to vacant posts within the service and reduced fuel expenditure
- Refuse and Recycling is showing an overspend mainly due to increased vehicle maintenance costs during quarter 3. There have been a number of issues with the fleet from packer plates and hopper rebuilds to city lifts across most of the fleet needing constant repair. Officers are working to reduce other costs within the service to try and mitigate the overspend during the 4th quarter.

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April - Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Depot Site Security	46	34	35	1	46	0
Vehicle & Equipment replacement programme	492	353	353	0	492	0
Rollout Bins – Round Extension	145	132	132	0	145	0
North Cemetery Phase 2	0	0	0	0	0	0
Cemetery Toilets	5	5	0	-5	5	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	18	18	18	0	18	0
TOTAL	730	567	563	-4	730	0

Financial Commentary:

- Vehicle replacement has been taking place during the year. Due to lead times on the delivery of a number of committed vehicles, £203k is to be spent in 2014-15
- Rollout of bins for round extensions – most of the bins have now been purchased and £5k is to be spent in 2014-15 for the final batch of bins
- North Cemetery Phase 2 – Work is now programmed to commence at the beginning of 2014-15
- Members approved the demolition of the Cemetery toilets at a cost of £5k. The remaining £18k is to be moved into 2014-15 to be used for improvements of toilets at Sanders Park
- The Flooding Mitigation works involves replacing culvert grilles at various locations within Bromsgrove, 5 of which will be installed this financial year. The North Worcestershire Water Management team are managing the scheme and £36k will be re-profiled into 2014-15 for the remaining 8 grilles.

Community Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April – Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Housing Strategy	1,906	705	731	26	1,902	-4
Community Safety & Transport	551	262	209	-53	524	-27
Community Cohesion	21	-19	-19	0	28	7
TOTAL	2,478	948	921	-27	2,453	-25

Financial Commentary

- There is a reduction in the Community Transport costs of £15k due to reduced maintenance and associated costs.

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- It is projected that lifeline income will show a £15k increase over budget due to additional usage.

Capital Budget summary

Service	Revised Budget 2013/14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Strategic Housing	1,002	1,002	793	-209	1,002	0
New Start Van	9	9	9	0	9	0
TOTAL	1,011	1,011	802	-209	1,011	0

Financial Commentary:

- No significant variances

Leisure and Cultural Services

Quarter 3 (April - December) 2013 /14

Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Business Development	84	517	490	-27	57	-27
Cultural Services	333	226	222	-4	331	-2
Leisure & Cultural Management	-14	35	36	1	-15	0
Parks & Open Spaces	468	122	123	1	469	1

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Sports Services	1,168	523	478	-45	1,109	-59
TOTAL	2,039	1,423	1,349	-74	1,962	-77

Financial Commentary:

- The underspend within Business Development is due to the following reasons:
 - The maintenance costs of the Council House have reduced due to the lower occupancy levels and a reduction in preventive maintenance as we prepare to move to Parkside. This is also supported by an increasing amount of work that is now done by our own staff rather than external contractors.
 - The Christmas Lights have been procured at a lower price and installed by existing staff rather than contractors.

- The underspend within Sports Services is due to the following reasons:
 - Car parking charges for the Dolphin Centre are lower than anticipated.
 - The casual staff budget for Sports Development is no longer required at the same level, as the current delivery model is designed to increase community provision and create sustainable exit routes outside of BDC direct control.

Capital Budget summary

Service	Revised Budget 2013 /14	Budget April – Dec	Actual Spend April – Dec	Variance to date April – Dec	Projected Outturn 2013/14	Projected Variance 2013/14
	£'000	£'000	£'000	£'000	£'000	£'000
Sports Facilities	468	96	96	0	468	0
Play Areas	311	71	69	-2	309	-2
Other Schemes	53	41	45	4	57	4
TOTAL	832	208	210	2	834	2

Financial Commentary:

- Officers request that the 2013/14 Capital Programme is increased by £34k to include a Section 106 funded scheme at Sanders Park Tennis Courts.

- Officers have advised that all schemes are scheduled to take place before the end of the financial year, so the budgets have been re-profiled to reflect the fact that expenditure will be in Quarter 4 (January – March 2014).

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Planning and Regeneration	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Building Control	-4	-60	-73	-13	-16	-12
Development Control	542	140	150	10	558	16
Strategic Planning	469	247	231	-16	460	-9
Economic & Tourism Development	236	100	100	0	234	-2
Emergency Planning	13	10	10	0	13	0
Town Centre Development	46	31	32	1	45	-1
TOTAL	1,302	468	450	-18	1,294	-8

Financial Commentary:

- Strategic Planning received reimbursement of underspent contribution to WCC for Community Infrastructure Levy work paid in previous year. Also salary saving however new appointment has now made.
- Development Control incurred an increase in consultant's fees due to the receipt of complex planning applications.
- Building Control salary saving due to redundancy.

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Town Centre Development - Project Management	54	54	34	-20	54	0
Town Centre Development – Public Realm	569	128	128	0	569	0
Parkside School - New Offices	350	350	281	-69	350	0
Sale of Council House	0	0	2	2	2	2
Market Hall Development	0	0	5	5	5	5
TOTAL	973	532	450	-82	980	7

Financial Commentary:

- Public Realm – The final costs from the contractor have been received and are being reviewed.

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Worcestershire Regulatory Services – BDC Client	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Health	852	281	276	-5	855	3
Licensing	-179	-145	-147	-2	-182	-3
TOTAL	673	137	129	-7	674	1
Financial Commentary: <ul style="list-style-type: none">• No significant variances						

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Worcestershire Enhanced Two Tier Programme (WETT)	56	8	8	0	56	0
TOTAL	56	8	8	0	56	0
Financial Commentary: <ul style="list-style-type: none">• 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.						

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Customer Access & Financial Support	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
CMT	-16	30	31	1	-14	2
Customer Access & Financial Support	9	211	202	-9	13	4
Financial Support	67	38	38	0	67	0
Revenues & Benefits	822	139	134	-5	851	29
Valuation Services	54	21	6	-15	45	-9
TOTAL	936	439	411	-28	963	28

Financial Commentary:

- There is a reduction in the SLA agreement with Valuation Services
- The increase in Benefits is due to additional staffing required to carry out the service due higher customer demands.

Finance and Resources	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14	Profiled Budget April - Dec	Actual Spend April - Dec	Variance to date April - Dec	Projected Outturn 2013/14	Projected Variance 2013/14
	£'000	£'000	£'000	£'000	£'000	£'000
Accounts & Financial Mgmt	-56	312	312	0	-56	0
Central Overheads	-54	30	36	6	-48	6
CMT	-11	29	37	8	105	116
TOTAL	-121	371	385	14	0	122

Financial Commentary:

- The overspend on central overheads is due to increased insurance costs
- The variance on CMT is due to additional expenditure resulting from the Head of Service restructure. This is offset by future years savings within the service from the restructure.

Capital Budget summary

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

Financial Commentary:

- No variances

Legal and Democratic Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April – Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
CMT	0	35	35	0	10	10
Democratic Services & Member Support	1,131	307	297	-10	1,130	-1
Elections & Electoral Services	209	87	80	-7	204	-5
Legal Advice & Services	-2	159	149	-10	-10	-8
Land Charges	-50	-54	-50	-4	-54	-4
TOTAL	1,288	534	511	-23	1,282	-6

Financial Commentary:

- The additional saving on Legal Services is due to a one off reduction in the cost of the external legal budget.

Business Transformation	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14	Profiled Budget April - Dec	Actual Spend April - Dec	Variance to date April - Dec	Projected Outturn 2013/14	Projected Variance 2013/14
	£'000	£'000	£'000	£'000	£'000	£'000
IT Services	60	858	767	-91	49	-11
Human Resources & Welfare	0	217	166	-51	0	0
Business Transformation	0	48	34	-14	-23	-23
Policy & Performance	5	51	33	-18	5	0
TOTAL	65	1,175	1,000	-175	30	-35

Financial Commentary:

- The underspend within IT Services is due to vacancies with the department earlier in the financial year.
- The underspend within Business Transformation is due to vacancies within the department

DEB – I think Members will ask why we are going from £175k underspend to only £35k in 3 months

Capital Budget summary

Service Head	Revised Budget 2013 /14	Profiled Budget April - Dec	Actual Spend April - Dec	Variance to date April - Dec	Projected Outturn 2013/14	Projected Variance 2013/14
	£'000	£'000	£'000	£'000	£'000	£'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

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Financial Commentary:

- No variances

Corporate Services

Quarter 3 (April - December) 2013 /14

Revenue Budget summary

Service Head	Revised Budget 2013 /14	Profiled Budget April - Dec	Actual Spend April - Dec	Variance to date April - Dec	Projected Outturn 2013/14	Projected Variance 2013/14
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Resources	1,696	1,132	1,161	29	1,707	13
Corporate Admin / Central Post / Printing	81	267	266	-1	80	-1
TOTAL	1,776	1,412	1,427	28	1,787	12

Financial Commentary:

- The underspend within Corporate Admin, Central Post and Printing is related to vacant posts within the department, these have now been filled.

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 December short term investments comprised:

	31st March 2013 £'000	30th December 2013 £'000
Deposits with Banks/Building Societies	10,800	16,500
Total	10,800	16,500

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 9 months to 31st December 2014 the Council received income from investments of £56k.

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 2014 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

Name: Sam Morgan – Financial Services Manager
Email: sam.morgan@bromsgroveandredditch.gov.uk
Tel: (01527) 549130 ext 3790

Name: Siobhan Moss – Principal Accountant
Email: s.moss@bromsgroveandredditch.gov.uk
Tel: (01527) 881467

Name: Kate Goldey – Senior Accountancy Technician
Email: k.goldey@bromsgroveandredditch.gov.uk
Tel: (01527) 881208