

**Finance Monitoring Outturn 2017/18**

<b>Relevant Portfolio Holder</b>	Councillor Brian Cooper, Portfolio Holder for Finance and Enabling Services
<b>Relevant Head of Service</b>	Jayne Pickering, Executive Director Finance and Corporate Resources
<b>Non-Key Decision</b>	

**1. Purpose and Summary**

To report to Cabinet on the Council's financial position for Revenue and Capital for the financial year April 2017 – March 2018.

**2. Recommendations**

**That Cabinet recommend to Council:**

2.1 That a transfer to balances of £303k is actioned as a result of revenue outturn savings 2017/18.

2.2 approval of the movements of £257k in existing reserves as included in Appendix 1 which reflects the approval required for 2017/18

2.3 approval of the addition of new reserves of £55k as included in Appendix 1. This reflects the approval required for 2017/18.

2.4 Approval of an increase in the 2018-19 Capital Programme of £66k for the Disabled facilities Grants is approved. This is due to the budget allocations now being announced by the Ministry of Housing, Communities and Local Government. This will increase the available budget to £846k.

2.5 Approve the carry forward to 2018/19 capital programme £1.215m as detailed at Appendix 3.

**3. Revenue budgets**

3.1 This report provides details of the financial performance of the Council. The purpose of this report is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across all of the Strategic Purposes to enable Members to be aware of the level of funding attributed to each area and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for the year April – March 2018.

3.2 Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed. This report aims to focus on the key variances from budgets to ensure that these are addressed appropriately during the year.

3.3 As Members are aware officers have recognised that there were savings of £357k in 2016/17 that had not been forecast in previous reports and £659k has been reallocated in 2017/18 to meet the efficiency plan savings. As part of the monitoring during 2017/18, budget holders and Heads of Service are working with the finance team and portfolio holders to improve the quality of the future forecasting.

3.4 The £13.511m original budget as included in the table below is made up of the budget approved in February 2017 of £11.112m which is then adjusted to reflect capital charges and interest of £2.332m together with transfers of reserves of £67k.

In addition the Latest Budget 2017/18 of £13.016m includes transfers to/from reserves of £133k along with an additional planned budget use of reserves of £69k (total £202k). It also includes £627k of with budget realignment with corporate financing to services. Appendix 1 shows the movement in reserves of £202k.

**Revenue Budget summary  
Financial Year 2017/18 – Overall Council**

Please note figures have been rounded

Strategic Purpose	Original Budget 2017/18	Revised budget 2017/18	Actuals 2017/18	Variance 2017/18
	£'000	£'000	£'000	£'000
Keep my place safe and looking good	4,242	4,154	4,354	200
Help me run a successful business	-636	-681	-707	-26
Help me be financially independent	245	120	135	15
Help me to live my life independently	572	-1	-45	-44
Help me find somewhere to live in my locality	977	614	557	-58
Provide Good things for me to see, do and visit	824	897	964	67
Enable others to work/do what they need to do (to meet their purpose)	5,539	6,165	5,699	-465
Capital	1,748	1,748	1,331	-417
<b>Total</b>	<b>13,511</b>	<b>13,016</b>	<b>12,288</b>	<b>-728</b>
Capital (Corporate)	-1,748	-1,748	-1,331	417
Corporate Financing	-11,763	-11,268	-11,261	7
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>-303</b>	<b>-303</b>

**Financial Commentary:**

There are a number of variances across the strategic purposes. The summary above shows the overall position for the Council and the main variations are as a result of:

**Keep my place safe and looking good**

These budgets include those relating mainly to environmental services, planning, lifeline, CCTV and other activities to deliver against the purpose to ensuring an area is both safe and attractive for the community.

Having reviewed the variance position, the below explains variances over £25k:

- Shortfall in income from Building control of **£51k**. Building control operates in an increasingly competitive marketplace and whilst all opportunities are explored it is clear that the number of competitors is rising. Unlike its competitors, Local Authority Building control is required by law to operate solely on a cost neutral basis and its performance and charging regimes are publically accountable. The application-specific fees charged in the face of strong competition, and therefore the income received, accords with this requirement. In addition complications have arisen, with regard to undertaking consultancy work for other authorities and offering additional services in being unable to obtain requisite levels of professional indemnity insurance. This is currently curtailing some of these activities but it is hoped the situation can be resolved in due course. This is mainly due to lower fee generating applications being received.
- Shortfall in planning application income of **£259k**. There have been a low number of applications approved.
- There are additional costs amounting to **£75k** which are made up of additional costs in relation to agency staff required in the Waste collection team covering long term sickness and additional resources needed over the winter months due to the extreme weather.
- These shortfalls are offset by savings made within CCTV due to efficiencies on telephones and accommodation charges **£29k**.
- In addition there are savings within strategic planning due to salary vacancies **£83k** which have partially mitigated the shortfall in income.
- Further savings on Repairs and Maintenance of vehicles and other general supplies have resulted in an overall saving to the budget of **£57k**.
- In addition there are a number of other savings totalling **£16k** under £25k.

**Help me run a successful business**

The budgets within the strategic purpose include economic development, car parking, all licenses and costs associated with the town and other centres within the District.

- There are no individual variances over £25k in the final outturn to report.

**Help me be financially independent**

The strategic purpose includes all costs relating to the support of benefits and the administration and delivery of Council Tax services in the District.

- There are no variances over £25k in the final outturn to report.

**Help me to live my life independently**

There are a number of budgets relating to the delivery of the strategic purpose including; Lifeline, Community Transport and Disabled facilities grants.

- There has been additional income generated on Lifeline services along with savings being made on telephones and accommodation **£42k**.

**Help me find somewhere to live in my locality**

The costs associated with homeless prevention, housing strategy and land charges are all included in the strategic purpose.

- There have been savings made within Housing Strategy due to staff vacancies and also some savings made on supplies and services budgets to Bromsgrove District Housing Trust **£37k**.

**Provide Good things for me to see, do and visit**

The majority of budgets within this purpose relate to Leisure and Culture services.

- The variance mainly relates to additional costs required on maintaining the sports hall at the Dolphin Centre. These costs will be reduced in 2018-19 along with savings made on NNDR.

**Enable others to work/do what they need to do (to meet their purpose)**

All support services and corporate overheads are held within the enabling purpose. These include; IT, HR, Finance, Management team and other support costs.

- Heads of Services have worked throughout the financial year to identify savings and additional income from 2016/17 that can be delivered in 2017/18 along with additional unallocated savings that sit within Corporate / enabling services. This has been achieved along with further savings found of **£233k**.
- There is an underspend of **£150k** within ICT in relation to savings on IT related costs following a full review of all expenditure.
- Due to a review of heads of service time relating to a specific issue in Redditch, there has been a reduction of **£98k** in the recharge to Bromsgrove in 2017/18.

In addition, within services, there has been in year redundancy and pension costs and these have been funded from revenue budgets.

**Corporate Financing**

- There are no variances over £25k in the final outturn to report.

**4. Efficiency Plan**

4.1 The efficiency plan was presented to Council in October 2016. Appendix 2 reflects the efficiency plan compared with the current delivery of savings as identified in the Medium Term Financial Plan along with the additional savings that have been projected to be delivered in 2017/18. This now shows an additional saving of £566k against the initially estimated savings plan of £726k.

**5. Cash Management / Borrowing**

5.1 The financial position in relation to borrowing at the start of the financial year and the end of year positions is shown in the table below.

<b>Date</b>	<b>£m</b>	<b>Position</b>
As at 31 <sup>st</sup> March 2017 (Actual)	3.1	Borrowing
As at 31 <sup>st</sup> March 2018	13.0	Borrowing

**6. Interest and Investments**

6.1 An interest payable budget has been set of £54k for 2017/18 due to expenditure relating to current borrowing.

6.2 At 30th March 2018 there were no short term investments held.

**7. Capital Budgets**

<p><b>Capital Budget summary Financial Year 2017/18 – Overall Council</b></p>
---

**7.1**

Please note figures have been rounded

Strategic Purpose	Revised Budget 2017/18  £'000	Actuals 2017/18  £'000	Variance 2017/18  £'000
<b>Keep my place safe and looking good</b>	2,283	1,495	<b>-788</b>
<b>Help me be financially independent</b>	6	0	<b>-6</b>
<b>Help me to live my life independently</b>	1,019	899	<b>-120</b>
<b>Provide Good things for me to see, do and visit</b>	5,607	5,090	<b>-517</b>
<b>Enable others to work/do what they need to do (to meet their purpose)</b>	135	49	<b>-86</b>
<b>Totals</b>	<b>9,050</b>	<b>7,533</b>	<b>-1,517</b>

**Finance commentary:**

**Keep my place safe and looking good**

The variance for outturn mainly relates to the fleet replacement budget. An amount requested to be moved into future years, this is due to the timescales for ordering and receiving the vehicles. An amount will be offered up as it will not be required based on a saving made between actual costs and estimated costs.

**Help me be financially independent**

A request will be made to carry the small budget forward to new financial year 2018-19.

**Help me to live my life independently**

The variance will be requested to be carry forward to the new financial year however there will be small amount to be released due to a project now complete. The main variance relates to the Home repairs assistance project and the CCTV project. There has been a low uptake on the Home Repairs assistance project and the CCTV project is currently under review.

**Provide Good things for me to see, do and visit**

There are a number of S106 projects that have been delayed due to consultations having to take place with residents and parishes. It will therefore be requested to roll forward the budgets into 2018-19. There is also an amount left on the New Leisure Centre which will also be requested to move into 2018-19 to go towards future demolition costs.

**Enable others to work/do what they need to do (to meet their purpose)**

The IT projects included in enabling which have commenced in the third quarter of the year are expected to continue into the new financial year. It will therefore be requested to roll into the new financial year, 2018-19, to enable the projects completion.

**8. Earmarked Reserves**

8.1 The position at the start and end of 2017/18 is shown in Appendix 1.

**9. General Fund Balances**

9.1 The addition of the 2017/18 saving will increase the balances to £4.789m with the level of retained balances of £1.1m

**10. Legal Implications**

10.1 No Legal implications have been identified.

**11. Service/Operational Implications**

11.1 Managers meet with finance officers on a monthly basis to consider the current financial position and to ensure actions are in place to mitigate any overspends.

**12. Risk Management**

12.1 The report includes the risks associated with the delivery of the savings within the efficiency plan

**APPENDICES**

Appendix 1 - Earmarked Reserves

Appendix 2 - Savings and Efficiency Plan

Appendix 3 - Capital Carry forwards requests

Appendix 4 - Capital Programme 2018-19

**AUTHOR OF REPORT**

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