

# EXECUTIVE COMMITTEE

17<sup>th</sup> September 2013

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

Relevant Portfolio Holder	Councillor John Fisher, Portfolio Holder for Corporate Management.
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non Key Decision	

### 1. SUMMARY OF PROPOSALS

This report details the Council's financial position for the period April to June 2013 (Quarter 1 – 2013/14).

### 2. RECOMMENDATIONS

The Executive Committee is asked **RESOLVE** that

- 1) the current financial position on Revenue be noted, as detailed in the report; and

**RECOMMEND** to Council that

- 2) **£48k of currently available S106 funds be included in the 2013/14 capital programme to fund the improvements to the play area at Glover Street.**

### 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.

#### Financial Implications

- 3.2 The Council set a balanced budget in February 2013 for the financial year 2013/14. Within the budget were included savings of £550K which were not fully identified. These included savings relating to Shared Services, Transformation, and general vacancies with the Council. The table at 3.5 shows that £107K of these savings has been identified in the 1<sup>st</sup> quarter of the financial year.

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

3.3 The current financial position for services delivered within the Borough is detailed in the table below.

3.4 Internal recharges have not been included in these figures to allow comparison for each service area.

3.5

<b>Service Head</b>	<b>Budget 2013/14 £'000 (a)</b>	<b>Budget April - June £'000 (b)</b>	<b>Actual Spend April – June £'000 (c)</b>	<b>Variance to date April - June £'000 (c-b=d)</b>	<b>Reference to financial comments</b>
<b>Environmental Services</b> Inc: Waste, Landscape & Bereavement services	3,312	1,097	1,076	-21	3.14
<b>Community Services</b> Inc: Strategic Housing, CCTV/ Lifeline & Community safety	1,640	371	371	0	-
<b>Regulatory Services</b>	568	139	137	-2	-
<b>Leisure &amp; Cultural Services</b>	2,786	698	689	-9	3.8
<b>Planning &amp; Regeneration</b>	1,753	344	352	8	3.9
<b>Customer Services</b>	537	134	122	-12	3.11
<b>Finance &amp; Resources</b> Inc: HR, & Revenues and Benefits	4,969	1,207	1,166	-41	3.12

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<b>Legal, Equalities &amp; Democratic Services</b>	848	211	186	-25	3.13
<b>Business Transformation</b> Inc: IT Services	940	356	350	-6	3.10
<b>Head of Housing Services (GF)</b>	883	223	216	-7	3.7
<b>Corporate Services</b> Inc: CMT & Communications	1,342	336	344	8	-
<b>SERVICE TOTAL</b>	<b>19,578</b>	<b>5,116</b>	<b>5,009</b>	<b>-107</b>	<b>3.6</b>
<b>Savings to be found</b>	<b>-550</b>	<b>-138</b>	<b>-</b>	<b>138</b>	<b>3.15</b>
<b>Total for Quarter</b>	<b>19,028</b>	<b>4,978</b>	<b>5,009</b>	<b>31</b>	

**Financial Commentary**

- 3.6 Savings of £107K have been found during the 1<sup>st</sup> quarter towards the unidentified savings of £550K.
- 3.7 The Housing (general fund) savings are due to savings with the dispersed units.
- 3.8 The savings within Leisure & Cultural Services are mostly due to vacancies within the Business Development Team in the first quarter of the year. The requirement to fill these vacancies is linked to the ongoing transformation process within the Service.
- 3.9 The share of the Building Control partnership income is not going to be paid as it is going to be reinvested into the Service.
- 3.10 The savings within Business Transformation are in relation to vacancies within the department.
- 3.11 The under spend within the Customer Services department is due to a number of new vacancies that exist.

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3.12 The variances with Finance & Resources are as follows:

Human Resources – The under spend to date is due to the Corporate Training budget is to be allocated to services in due course. HR is currently visiting DMT's to determine their needs. This will be reviewed in the 2<sup>nd</sup> quarter

Benefits – The underspend to date within the Benefits service is due to several staff on maternity leave and a vacant post, this will be reviewed for the 2<sup>nd</sup> quarter.

Revenues – Variance to date is due to a member of staff on long term sickness.

Asset & Property Management – The overspend for the quarter is made up of a shortfall of income on Investment Properties due to vacant units, which then impacts on increased NNDR costs.

3.13 The variances within Legal, Equalities & Democratic Services 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> quarter report. There are also small savings to date within the Members services from the Members training and expenses budgets.

3.14 An underspend of £21k within Environmental Services is due to vacant posts within Cleansing and Bereavement Services, and reduced working hours for a store-person.

3.15 A number of savings were identified at the budget setting process by Heads of Service; these have not affected the service delivered, Heads of Service have been able to apply these savings using a Transformation Methodology. The progress of these savings is being monitored by Finance and the Heads of Service, the total is £755K across the whole authority and are included in the table at 3.15. There is an additional risk that if these savings are not achieved then this will increase the amount of unidentified savings.

**Treasury Management**

3.16 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.

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**Credit Risk**

- 3.17 Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Credit risk is minimised by use of a specified list of investment counterparty criteria and by limiting the amount invested with each institution. 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.
- 3.18 At 30th June 2013, short-term investments comprise:

	30 <sup>th</sup> June 2013 £000
Deposits with Banks/Building Societies	6,000

**Income from investments**

- 3.19 An investment income target of £25k has been set for 2013/14 using a projected rate of return of 0.75% - 1.50%. During the past financial year, bank base rates have remained at 0.50% and current indications are projecting minimal upward movement for the short-term.
- 3.20 In the 3 months to 30 June, the Council earned income from investments of £6k. The Council is on track to achieve the budget on investments for 2013.

**General Fund Balances**

- 3.21 The General Fund Balance as at the 31st March 2013 is £1m; a balanced budget was set in February 2013, should the unidentified savings not be achieved during the year or any unexpected expenditure occur this would be funded from Balances.

**Legal Implications**

- 3.22 No Legal implications have been identified.

**Service/Operational Implications**

- 3.23 Sound performance management and data quality are keys to achieving improved scores in the use of resources judgement. This performance report supports that aim.

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Customer / Equalities and Diversity Implications

3.24 Performance Improvement is a Council objective.

4. **RISK MANAGEMENT**

Risk considerations are covered within the report.

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None.

**AUTHOR OF REPORT**

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