

EXECUTIVE COMMITTEE

9 September 2014

CONSOLIDATED REVENUE & CAPITAL MONITORING REPORT QTR1 14/15

Relevant Portfolio Holder	Councillor John Fisher, Portfolio Holder for Corporate Management.
Portfolio Holder Consulted	
Relevant Head of Service	Jayne Pickering
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 2014 (Outturn – 2014/15).

2. RECOMMENDATIONS

The Executive Committee is asked **RESOLVE** to

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

The Executive Committee is asked to **RECOMMEND** that

- 1) the 2014/15 Capital Programme is increased by £48k to include a Section 106 funded project to extend the car park at Old Forge / Pathways Playing Fields in Matchborough
- 2) To Vire (transfer) £50k of capital allocation in 2014/15 from Home Repairs Assistance to Homes Multiple Occupation (HMO) Grants. Due to increase demand for HMO accommodation following the introduction of the Local Housing Allowance System.

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. This report now includes additional information in relation to the current position for each department to enable members to have a more detailed consideration of the financial projections for the Council.

Financial Implications

- 3.2 The Council set a balanced budget in February 2013 for the financial year 2014/15. Within the budget were included savings of £635K which

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were not fully identified. These included savings relating to Shared Services, Transformation, and general vacancies with the Council.

- 3.3 A review of last year's outturn has been undertaken and the unallocated savings have been allocated based on the savings achieved in 2013/14.
- 3.4 This has been done at a Head of Service level at this stage, more work will be carried out to allocate the savings to the relevant budget head.
- 3.5 A Balance of £157K is still unallocated, this relates to savings achieved by vacancy management and will be achieved during the financial year.

**Revenue Budget summary Quarter 1 (April – June) 2014/15 –
Overall Council**

- 3.6 The current financial position for services delivered within the Borough is detailed in the table below.
- 3.7 Internal recharges have not been included in these figures to allow comparison for each service area. However Support costs have been included.

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Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014/15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Environmental Services	3,318	878	863	- 15	3,258	- 60
Community Services	2,286	642	590	- 52	2,235	- 51
Regulatory Services	552	139	135	- 3	516	- 36
Leisure & Cultural Services	3,161	756	754	- 2	3,122	- 38
Planning & Regeneration	1,724	345	435	92	1,677	- 47
Customer Access & Financial Support	3,472	3,904	3,928	25	3,501	29
Finance & Resources	2,028	571	572	0	1,996	- 32
Legal, Equalities & Democratic Services	959	245	243	- 2	913	- 45
Business Transformation	1,791	629	614	- 15	1,731	- 60
Head of Housing Services (GF)	1,055	263	260	- 3	1,019	- 36
Corporate Services	1,266	252	225	- 27	1,235	- 31
SERVICE TOTAL	21,611	8,625	8,620	- 3	21,203	- 407
Savings to be found	- 635				- 228	407
Total for Quarter & Projected	20,976	8,625	8,620	- 3	20,975	- 0

Financial Commentary:-

There are a number of underspends projected to be achieved in 2014/15 to deliver the £635k of unidentified savings. These are based on the reductions to budget as achieved in 2013/14 to ensure that the budget will be met during this financial year.

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Capital Budget summary Quarter 1 (April - June) 2014/15 – Overall Council

Department	Revised Budget 2014 /15 £'000	Actual spend £'000	Variance £'000
Environmental Services	2,933	177	-2,756
Community Services	907	198	-709
Regulatory Services	56	0	-56
Leisure & Cultural Services	323	284	-39
Planning and Regeneration	44	0	-44
Housing	7,552	2,427	-5,125
Property Services	89	45	-44
Business Transformation	140	12	-128
TOTAL	12,044	3,143	-8,901

There are a number of capital schemes that have not commenced during the first quarter of the year. This is due to contractual arrangements being put in place together with procurement of vehicles and plant that is currently being undertaken.

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Environmental Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Bereavement Services	-304	-46	-45	1	-306	-2
Cleansing	958	243	228	-14	937	-21
Climate Change	13	5	6	1	12	-1
Environmental services Management	654	163	165	1	659	5
Highways & Drainage (inc civil parking)	593	156	168	12	638	46
Landscape & Grounds Maintenance	112	29	16	-13	78	-34
Manager supplies & Transport	-10	-2	-4	-2	-19	-9
Waste Management - Refuse & Recycling	1,292	327	330	2	1,293	1
Waste Management Policy	10	2	-1	-3	-4	-14
Savings to be achieved	0	0	0	0	-31	-31
TOTAL	3,318	878	863	-15	3,258	-60

Financial Commentary:-

There have been salary savings from vacant posts in the first quarter for Cleansing and Landscape services, some of which have been covered by agency staff.
Civil Parking enforcement has seen a reduction in anticipated income and Wychavon District Council who provide the service under an SLA agreement are investigating the variances and will report back to Officers.

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Capital Budget summary

Service	Revised Budget 2014 /15 £'000	Actual Spend April – Mar £'000	Variance to date April – Mar £'000
Crematorium Enhancement	138	10	-129
Crematorium Extension	11	0	-11
Crossgate Depot Imps 2010	20	0	-20
Estate Enhancements	228	0	-228
Footpath Improvements	2	0	-2
Foxlydiat Crescent Lighting	25	0	-25
Improved Parking Scheme	263	86	-177
Land Drainage schemes	114	5	-109
Landscape Improvement Programme	46	46	0
Recycling Project	42	5	-37
Town Centre Landscape Scheme	429	3	-426
Vehicle replacement programme	1,590	22	-1,568
Woodland Schemes	25	0	-25
TOTAL	2,933	177	-2,756

Financial Commentary:

Officers are currently in the process of organising works for the improved parking scheme, and estate enhancements.

Procurement is taking place for the vehicle replacement programme and crematorium works are anticipated the budget will be fully utilised in 2014/15.

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Community Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Community Services	1,954	419	392	-27	1,898	-56
CCTV / Lifeline	282	222	198	-24	313	31
Care & Repair	50	0	0	0	46	-4
Savings to be achieved	0	0	0	0	-22	-22
TOTAL	2,286	642	590	-52	2,235	-51

Financial Commentary:-

Within Community Services a receipt of £40k for Early Help Pension is anticipated which was not known when the budget was set.

Due to WCC withdrawing the Local Area Agreement Income for Lifeline we are forecasting a loss of income. However the situation may change as more people agree to join the scheme.

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Capital Budget summary

Service	Revised Budget 2014/15 £'000	Actual Spend £'000	Variance £'000
Disabled Facilities Grant	575	157	-418
Energy & Efficiency Installs	94	0	-94
Hmo Grants	10	0	-10
Home Repairs Assistance	150	37	-113
Housing Needs Assessment	4	0	-4
Strat Hsg Research & Dev	10	0	-10
Warmer Worcs Insul Scheme	17	4	-13
Small Area Improvements	47	0	-47
TOTAL	907	198	-709

Financial Commentary:

There has been a reduction in new applications for disabled Facilities Grants and Home Repairs Assistance however the Council continues to meet demand in this area.

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Regulatory Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Environmental Health	566	137	136	-1	561	-6
Licensing	-172	-38	-40	-2	-176	-3
Support Charges	158	39	39	0	158	0
Savings to be achieved	0	0	0	0	-27	-27
TOTAL	552	139	135	-3	516	-36
Financial Commentary:- No significant variances						

Capital Budget summary

Service	Revised Budget 2014 /15 £'000	Actual Spend £'000	Variance £'000
Worcestershire Regulatory Services – ICT system	56	0	-56
TOTAL	56	0	-56

Financial Commentary:

The funding is in place to support the share of the cost associated with the ICT system in Regulatory Services. The system is currently being implemented.

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Leisure and Cultural Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Business Development	123	27	27	0	122	-1
Cultural Services	864	158	142	-16	854	-11
Leisure & Cultural Manage.	154	41	40	-1	150	-3
Parks & Open Spaces	1,084	275	274	-1	1,081	-4
Sports Services	936	256	272	15	992	56
Savings to be achieved	0	0	0	0	-76	-76
TOTAL	3,161	756	754	-2	3,122	-38

Financial Commentary:

The projected overspend within Sports Services relates to a shortfall in fitness income at Abbey Stadium. A new sales and retention campaign has been launched and we are hoping to recruit new members which will help to address the decline in membership numbers largely. Officers are monitoring member figures on a monthly basis and it is anticipated that a more robust projection will be made for quarter 2 (September)

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Capital Budget summary

Service	Revised Budget 2014 /15 £'000	Actual Spend April – Mar £'000	Variance to date April – Mar £'000
Abbey Stadium	315	284	-31
Greenlands Pub Open Space	8	0	-8
TOTAL	323	284	-39

Financial Commentary:

Officers request that the 2014/15 Capital Programme is increased by £48k to include a Section 106 funded project to extend the car park at Old Forge / Pathways Playing Fields in Matchborough. Due to the insufficient parking on site during Sunday mornings cars are having to park in residential areas or on the main road which is causing complaints from residents. Local Ward Councillors and the Leisure Portfolio Holder have been consulted, as have all 69 households directly affected. The feedback has been very positive and supportive of the scheme. The car park extension was also identified as a major recommendation in the Redditch Playing Pitch Strategy 2010-13.

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Planning and Regeneration	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Building Control	191	48	57	9	187	-3
Development Management	152	37	78	42	170	18
Economic Development	258	7	-24	-31	275	18
Planning Policy	1,124	253	326	73	1,096	-27
Savings to be achieved	0	0	0	0	-52	-52
TOTAL	1,724	345	437	92	1,677	-47

Financial commentary:

Development management overspend partly due to maternity cover.

Planning Policy saving partly due to maternity leave and legal budget not utilised as anticipated

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Capital Budget summary

Service	Revised Budget 2014 /15 £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000
Town Centre Development	44	0	-44
TOTAL	44	0	-44

Financial Commentary:

This scheme is due to commence in the second quarter.

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Customer Access & Financial Support	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Asset & Property Management	1,025	486	502	16	1,054	29
Customer Services	532	145	149	4	550	19
Revenues & Benefits	1,915	3,273	3,277	5	1,917	2
Savings to be achieved	0	0	0	0	-20	-20
TOTAL	3,472	3,904	3,928	25	3,501	29

Financial Commentary:-

The projected overspend for Asset & Property Management is due to Concessionary Rents given to Voluntary Bodies within our buildings. The Policy is to be reviewed in the next few months and will update in a later report.

The projected overspend for Customer Services is pending a review within Housing, this will potentially be reduced.

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Capital Budget summary

Service	Revised Budget 2014 /15 £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000
GF Asbestos	14	0	-14
Public Building	50	45	-5
Energy Management	25	0	-25
TOTAL	89	45	-44

Financial Commentary:

Expenditure as per schedule for the year.

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Financial Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Financial Services and Procurement	888	252	252	0	888	0
Corporate Management and Audit	1,140	320	320	0	1,140	0
Savings to be achieved	0	0	0	0	-32	-32
TOTAL	2,028	572	572	0	1,996	-32

Financial Commentary:

No significant variances

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Legal, Equalities and Democratic Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Democratic Services & Member Support	336	70	70	-1	336	0
Elections & Electoral Services	302	98	98	0	312	10
Legal Advice & Services	320	76	75	-2	317	-3
Savings to be achieved	0	0	0	0	-52	-52
TOTAL	959	245	243	-2	913	-45

Financial Commentary:

The projected overspend within Elections services is due to the Bi-election taking place in July.

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Business Transformation	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Strategy	86	22	15	-7	85	-1
Business Transformation	949	325	359	34	949	0
Human Resources	602	156	113	-43	568	-34
IT Services	154	127	127	0	166	12
Savings to be achieved	0	0	0	0	-37	-37
TOTAL	1,791	629	614	-15	1,731	-60

Financial Commentary:-

It is projected that ICT will be overspent by £12k due to cost increases of corporate software licences.

The projected underspend in HR is due to current vacancies within the department. However, these vacancies are scheduled to be filled within the next month.

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Capital Budget summary

Service Head	Revised Budget 2014 /15 £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000
Members IT Facilities	10	0	-10
IT Replacement Programme	40	0	-40
PSN Project	90	12	-78
TOTAL	140	12	-128

Financial Commentary:

ICT replacement programme is currently being reviewed as part of the PSN project.

The PSN project is currently underway, reviews are being made as to the specific requirement to meet the Public Service Network regulations.

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Housing Services (General Fund)	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Housing general fund	1,055	263	260	-3	1,056	1
Savings to be achieved	0	0	0	0	-37	-37
TOTAL	1,055	263	260	-3	1,019	-36

Financial Commentary:

No significant variances to report.

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Capital Budget summary

Service	Revised Budget 2014 /15 £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000
Catch up repairs- bath replacements	923	223	-700
Catch up repairs- Kitchen Upgrades	100	38	-62
Catch up repairs	367	120	-247
Asbestos General	525	34	-491
Structural repairs	220	150	-70
General roofing	630	244	-386
Rewiring	945	536	-409
Upgrade of Ch systems	1,470	695	-775
Window replacements	53	29	-24
Disabled adaptions	700	47	-653
Solid wall insulation	704	0	-704
External Cladding & Wall hanging	168	194	26
Insulation	53	2	-51
Drainage	32	11	-21
Water supply	84	23	-61
Environmental Enhancements	368	50	-318
Masonry works	210	31	-179
TOTAL	7,552	2,427	-5,125

Financial Commentary:

Officers are working to deliver the capital works as per the HRA business plan.

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Corporate Services	Quarter 1 (April - June) 2014 /15
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Revenue Budget summary

Service Head	Revised Budget	Profiled Budget	Actual Spend	Variance to date	Projected Outturn	Projected Variance
	2014 /15	April - June	April - June	April - June	2014/15	2014/15
	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Admin / Central Post / Printing	839	204	193	-11	824	-15
Other op exp	427	49	32	-16	411	-16
Savings to be achieved	0	0	0	0	0	0
TOTAL	1,266	252	225	-27	1,235	-31

Financial Commentary:-

There is a projected saving within the post room due to the changes in the structure
A £5k saving on communications due to reduction of expenditure on promotion /advertising.

An additional grant (new burdens) has been received of £16k

Treasury Management

- 3.8 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.

Credit Risk

- 3.9 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

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a daily basis and any counterparty falling below the criteria is removed from the list.

3.10 At 30 June 2014, short-term investments comprise:

	30 th June 2014 £000
Deposits with Banks/Building Societies	2,500

Income from investments

3.11 An investment income target of £25k has been set for 2014/15 using a projected rate of return of 0.75% - 1.50%.

General Fund Balances

3.12 The General Fund Balance as at the 31st March 2014 is £1.1m; a balanced budget was set in February 2014, should the unidentified savings not be achieved during the year or any unexpected expenditure occur this would be funded from Balances.

General Fund Balance		
	£'000	£'000
Balance as at 1 st April 2014	1,166	
Contribution from balances		-22
Estimated Balances 31 st March 2015		1,144

Legal Implications

3.14 No Legal implications have been identified.

Service/Operational Implications

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

Customer / Equalities and Diversity Implications

3.16 Performance Improvement is a Council objective.

4. RISK MANAGEMENT

Risk considerations are covered within the report.

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5. APPENDICES

None

6. BACKGROUND PAPERS

None.

AUTHOR OF REPORT

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