

EXECUTIVE COMMITTEE

10th March 2015

CONSOLIDATED REVENUE & CAPITAL MONITORING REPORT QTR 3 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 December 2014 (Outturn – 2014/15).

2. RECOMMENDATIONS

- 2.1 That Executive Committee note the current financial position on Revenue and Capital as detailed in the report.
- 2.2 That the amended Regulatory Services fees and charges as in attached appendix is approved.

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 2014 for the financial year 2014/15. Within the budget were included savings of £635K which 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 As can be seen from the summary below officers are anticipating the delivery of all unidentified savings and an additional £62k saving by the end of the financial year

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Revenue Budget Summary – Overall Council Quarter 3 (April - December) 2014 /15

3.5 Internal recharges have not been included in these figures to allow comparison for each service area. However Support costs have been included.

Service Head	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Environmental Services	2,490	1,953	1,737	-215	2,268	-222
Community Services	1,785	1,349	1,342	-7	1,770	-15
Regulatory Services	398	284	270	-14	382	-17
Leisure & Cultural Services	2,498	2,022	2,103	81	2,573	75
Planning & Regeneration	574	341	319	-22	524	-51
Customer Access & Financial Support	1,935	20,408	20,294	-114	1,722	-214
Finance & Resources	920	893	891	-2	906	-14
Legal, Equalities & Democratic Services	871	644	618	-26	833	-38
Business Transformation	1,775	1,339	1,319	-20	1,722	-54
Head of Housing Services (GF)	1,064	802	731	-71	971	-93
Corporate Services	1,176	887	851	-36	1,121	-55
Service TOTAL	15,487	30,921	30,475	-446	14,790	-697
Savings	-635	-318	0	318	0	635
TOTAL for Quarter & Projected	14,852	30,604	30,475	-128	14,790	-62

Financial Commentary:-

Officers have ensured that significant underspends have been delivered across Council whilst protecting the services to the community. The projected outturn shows that the £635k of unidentified savings will be delivered during 2014/15.

Environmental Services have achieved savings within the cleansing team and there has been a freeze on vacancies whilst the review of the structures needed to support the "place" working. Within Customer Access and Financial Support there are a number of savings within the Revenues and Benefits and fraud teams which are detailed in the department table below.

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**Capital Budget Summary – Overall Council
Quarter 3 (April - December) 2014 /15**

Department	Revised Budget 2014 /15	Actual spend April – Dec	Variance	Projected Out-turn 2014/15	Projected Variance 2014/15
	£'000	£'000	£'000	£'000	£'000
Environmental Services	332	255	-77	293	-39
Community Services	575	483	-92	575	0
Regulatory Services	56	0	-56	56	0
Leisure & Cultural Services	387	337	-50	387	0
Planning and Regeneration	11	11	0	11	0
Customer Access & Financial Support	190	137	-53	190	0
Business Transformation	140	71	-69	140	0
Housing	9,411	6,834	-2,577	9,197	-214
TOTAL	11,102	8,128	2,974	10,849	-253

Financial Commentary:

Due to the review of Environmental Services, there has been a delay in the procurement of vehicles and plant. With timescales involved, vehicles may not be received in this financial year.

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Environmental Services Quarter 3 (April - December) 2014 /15

Revenue Budget summary

Department	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Bereavement Services	-312	-224	-295	-71	-327	-15
Cleansing	628	470	396	-74	521	-107
Climate Change	13	10	9	-1	14	1
Environmental services Management	654	490	439	-51	661	7
Highways & Drainage (inc civil parking)	467	353	448	95	503	36
Landscape & Grounds Maintenance	112	158	150	-8	51	-61
Manager supplies & Transport	-10	-7	-81	-73	-26	-16
Waste Management - Refuse & Recycling	928	695	676	-19	860	-68
Waste Management Policy	10	8	-6	-14	10	0
Savings to be achieved						
TOTAL	2,490	1,953	1,737	-215	2,268	-222

Financial Commentary:-

Bereavement Services income is higher than budgeted but there is anticipation that £20k will be put towards a provision for future cremator maintenance.

Salary savings from vacant posts account for the majority of the savings in Cleansing and Landscape services, some of which have been covered by agency staff however a saving has still been achieved from employee oncosts. Environmental Services have held back on recruiting as they go through restructure.

Civil Parking Enforcement has seen a reduction in anticipated income due to increased compliance. Unidentified savings in Waste Management have now been found across the service.

Savings identified within the service have been used to support the financial budget for 2015/16 - 2017/18.

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Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
Crematorium Enhancement	9	9	0	9	0
Crematorium Extension	0	0	0	0	0
Crossgate Depot Imps 2010	0	0	0	0	0
Estate Enhancements	0	0	0	0	0
Footpath Improvements	0	0	0	0	0
Foxlydiate Crescent Lighting	25	25	0	25	0
Improved Parking Scheme	133	133	0	133	0
Land Drainage schemes	86	6	-80	46	-40
Landscape Improvement Programme	46	47	1	47	1
Recycling Project	7	7	0	7	0
Town Centre Landscape Scheme	4	4	0	4	0
Vehicle replacement programme	22	22	0	22	0
Woodland Schemes	0	0	0	0	0
TOTAL	332	253	-79	293	-39

Financial Commentary:

Officers are currently in the process of organising works for the crematorium extension, improved parking scheme, estate enhancements and woodland schemes and therefore the budget has been re-profiled into 2015/16 to reflect that expenditure will be in the next financial year. Procurement is taking place for the vehicle replacement programme but vehicles will not be received until the beginning of the new financial year 2015/16.

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Community Services Quarter 3 (April - December) 2014 /15

Revenue Budget summary

Department	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Community Services	1,453	1,108	1,061	-47	1,408	-55
CCTV / Lifeline	282	203	246	43	315	45
Care & Repair	50	38	35	-2	46	-4
TOTAL	1,785	1,349	1,342	-7	1,768	-15

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 Supporting People Income for Lifeline we are forecasting a loss of income. However the situation may change as more people agree to join the scheme.

Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
Disabled Facilities Grant	505	441	-64	505	0
Energy & Efficiency Installs	0	0	0	0	0
HMO Grants	5	0	-5	5	0
Home Repairs Assistance	61	42	-19	61	0
Housing Needs Assessment	4	0	-4	4	0
Strategic Housing Research & Development	0	0	0	0	0
Warmer Worcs Insulation Scheme	0	0	0	0	0
Small Area Improvements	0	0	0	0	0
TOTAL	575	483	-92	575	0

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 3 (April - December) 2014 /15
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Revenue Budget summary

Department	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Environmental Health	571	426	422	-4	566	-5
Licensing	-172	-142	-152	-10	-184	-12
TOTAL	398	284	270	-14	382	-17
Financial Commentary:- No significant variances						

Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
Worcestershire Regulatory Services – ICT system	56	0	-56	56	0
TOTAL	56	0	-56	56	0
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 3 (April - December) 2014 /15**

Revenue Budget summary

Department	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Business Development	119	98	97	-1	130	11
Cultural Services	796	586	592	6	792	-5
Leisure & Cultural Manage.	82	54	49	-4	79	-4
Parks & Open Spaces	837	650	668	18	840	3
Sports Services	664	634	696	62	733	69
TOTAL	2,498	2,022	2,103	81	2,573	75

Financial Commentary:

The projected overspend within Sports Services relates to higher Business Rates and utility bills than expected, these are under reviews and remedial action will be taken where appropriate.

There is a shortfall in fitness income at Abbey Stadium due to increased competition within the market place and a high turnover of members due who join for class programmes: due to essential maintenance the pool and squash courts at Kingsley Sports Centre have been closed for several weeks resulting in a loss of income. The Golf Course- due to a poor uptake on golf rounds the income at Pitcheroak is less than expected. Officers are reviewing the situation and working with a golf professional to improve revenue and participation.

Sports Development - there has been an overperformance in the team due to increased income, additional grant funding being achieved and the use of earmarked reserves to allow main stream budget to offset overspend elsewhere.

The uptake on sponsorship of advertising on roundabouts has been slower than expected resulting in reduced income within Business Development.

Cultural services has savings relating to increased usage of the community centres and the income generation at the Palace Theatre continues to be strong including changes to the Youth theatre delivery model.

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Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
Abbey Stadium	315	284	-31	315	0
Greenlands Pub Open Space	8	0	-8	8	0
Pitcheroak Golf	16	12	-4	16	0
Old Forge Car Park	48	41	-7	48	0
TOTAL	387	337	-50	387	0
Financial Commentary:					
The Abbey Stadium main contract is now completed with remedial works expected to be completed by year end.					
Old Forge car parks to be completed by Q4.					
All remaining projects are expected to be completed by year end.					

**Planning and Regeneration
Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Building Control	27	20	48	28	50	23
Development Management	152	113	118	5	163	11
Economic Development	158	75	58	-17	129	-29
Planning Policy	238	132	94	-38	182	-56
TOTAL	574	341	319	-22	524	-51
Financial commentary						
Within building control income has been lower than expected resulting in the projected variance shortfall.						
Planning Policy have a saving partly due to maternity leave this financial year and the legal budget not utilised as anticipated.						
The Business Centres have savings on their utilities.						

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Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
Town Centre Development	11	11	0	11	0
TOTAL	11	0	0	11	0
Financial Commentary:					
No significant variances to report as this quarter.					

**Customer Access & Financial Support
Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £,000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Asset & Property Management	1,018	778	817	39	1,066	48
Customer Services	539	391	391	-0	547	8
Revenues & Benefits	378	19,239	19,086	-153	109	-269
TOTAL	1,935	20,408	20,294	-114	1,722	-214

Financial Commentary:-

The Asset & Property Mgmt overspend is due to a number of factors, including £9k security costs for Crossgates Depot, £19k increased energy costs, and the cost of Concessionary Rents.

In Customer Services, the overspend is due to a reduction in funding from Worcestershire County Council.

The Revenues & Benefits underspend is made up of a number of elements, including savings of £60k achieved through service reviews, staff vacancies, and reduced agency costs. Further savings have come about due to reducing the number of managers in the service, shared management with Bromsgrove District Council and the deletion of vacant posts which our transformation activity has evidenced we will no longer need.

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Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
GF Asbestos	35	30	-5	35	0
Public Building	130	107	-23	130	0
Energy Management	25	0	-25	25	0
TOTAL	190	137	-53	190	0

Financial Commentary:

Due to other priorities it has not been possible to commence work on some of the capital projects planned for properties so far this year. There has also been an unavoidable delay on one major project. The works are still scheduled and therefore the budget will carry forward into next financial year.

**Financial Services
Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £,000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Financial Services & Procurement	645	805	803	-2	632	-13
Corporate Management & Audit	275	87	87	-0	274	-1
HOS	0	0	0	0	0	0
Grand Total	920	893	891	-2	906	-14

Financial Commentary:

The projected underspend is due to vacant posts following a service review. These posts have now been filled but are not due to start until the new financial year.

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**Legal, Equalities and Democratic Services
Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £,000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Democratic Services & Member Support	320	230	237	7	321	2
Elections & Electoral Services	231	173	172	-2	229	-2
Legal Advice & Services	320	240	210	-31	283	-37
TOTAL	871	644	618	-26	833	-38

Financial Commentary:

In Legal the officers have been working collaboratively with other Councils to reduce the need to use external lawyers and have therefore achieved a saving on the external legal budget. This will now be adjusted for future years. In addition to this the staffing structure has been reallocated resulting in a saving within the shared service for RBC. At the time of reporting the European Election accounts had not been finalised. Members are advised that there is a likelihood that this area will result in an underspend once the election accounts have been agreed - it is not however possible to identify the extent of this underspend at this stage.

**Business Transformation
Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £,000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Corporate Strategy	86	65	65	0	75	-12
Business Transformation	953	715	725	10	20	20
Human Resources	582	443	407	-36	508	-74
IT Services	154	116	122	7	166	12
Grand Total	1,775	1,339	1,319	-20	769	-54

Financial Commentary:

An £80k saving has been offered for this financial year from the training budget, however a programme is in place for future years.

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Capital Budget summary

Department	Revised Budget 2014 /15 £'000	Actual spend April – Dec £'000	Variance £'000	Projected Out-turn 2014/15 £'000	Projected Variance 2014/15 £'000
Members IT Facilities	10	0	-10	10	0
IT Replacement Programme	40	0	-40	40	0
PSN Project	90	71	-19	90	0
TOTAL	140	71	-69	140	0

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

**Housing Services (General Fund)
 Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £,000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Housing General Fund	1,064	802	731	-71	971	-93
Grand Total	1,064	802	731	-71	971	-93

Financial Commentary:
 £40k of expenditure has been identified as part of the ELF (Essential Living Fund) project and transferred accordingly, this is anticipated to be a saving £60k by the end of the end. This is a one year only saving. In addition savings within the dispered units and delivery of the service.

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Capital Budget summary - HRA

Department	Revised Budget 2014 /15	Actual spend April – Dec	Variance	Projected Out-turn 2014/15	Projected Variance 2014/15
	£'000	£'000	£'000	£'000	£'000
Catch up repairs- bath replacements	819	911	92	978	159
Catch up repairs- Kitchen Upgrades	120	160	40	160	40
Catch up repairs	366	247	-119	366	0
Asbestos General	518	102	-416	102	-416
Structural repairs	281	245	-36	281	0
General roofing	671	586	-85	671	0
Rewiring	1,006	1,001	-5	1,006	0
Upgrade of Ch systems	1,422	1,221	-201	1,422	0
Window replacements	101	97	-4	101	0
Disabled adaptations	726	469	-257	726	0
Security Door Entry Scheme	51	0	-51	51	0
Sheltered Scheme – Facility Upgrade	0	3	3	3	3
External Cladding & Wall hanging	315	282	-33	315	0
Insulation	1,656	899	-757	1,656	0
Repairs to Sheltered Hsg Stock	38	4	-34	38	0
Winslow Close Heating	34	7	-27	34	0
Drainage	50	16	-34	50	0
Water supply	99	53	-46	99	0
Environmental Enhancements	640	439	-201	640	0
Masonry works	398	92	-306	398	0
Housing Management IT System	100	0	-100	100	0
TOTAL	9,411	6,834	-2,577	9,197	-214

Financial Commentary:

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

Although the bathroom replacement is a planned contract, where bathrooms are being replaced in the void properties these costs can be charged to the capital budget. The value of these bathrooms is coded against the bathroom replacement budget resulting in an increase in the number of units and spend against the original budget.

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Asbestos

The asbestos budget was originally set following a large amount of work to remove asbestos from council properties. The budget was set for future years based on this demand, in the current year it has not been necessary to use the budget. The virements requested in Qtr 2 have been actioned, the remaining budget will be kept in case unforeseen asbestos works are required in the future.

Insulation – (External insulation)

The project was originally slow to get off the ground due to a number of reasons. We have also had a spell of inclement weather which has held up the finishing process. Under new guidelines by OFGEM, the utility companies cannot invoice for properties that have not been signed off and completed and therefore they are unable to submit the Carbon which then holds up the invoicing process.

Putting this aside, the EWI project is ongoing with EON and officers anticipate a large proportion of the monies to be spent by March 15th. The external insulation work is on a rolling programme and officers are currently looking at the next phase which will be around the town centre, any budget unspent will roll over to complete the works.

**Corporate Services
Quarter 3 (April - December) 2014 /15**

Revenue Budget summary

Service Head	Revised Budget 2014/15 £'000	Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date £'000	Projected Outturn 2014/15 £'000	Projected Variance 14/15 £'000
Corporate Admin / Central Post / Printing	844	638	601	-37	789	-55
Other op exp	332	249	250	1	332	0
TOTAL	1,176	887	851	-36	1,121	-55

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.
- It is unlikely to recruit to the vacant post of Executive Director PRRH - £30k saving

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Treasury Management

- 3.6 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

- 3.7 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.
- 3.8 At 30th December 2014, there were no short-term investments held by the Council.

Income from investments

- 3.9 An investment income target of £25k has been set for 2014/15 using a projected rate of return of 0.25%.

General Fund Balances

- 3.10 The General Fund Balance as at the 31st March 2014 is £1.2m.

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

- 3.11 No legal implications have been identified.

Service/Operational Implications

- 3.12 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

- 3.13 Performance Improvement is a Council objective.

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4. **RISK MANAGEMENT**

Risk considerations are covered within the report.

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None.

AUTHOR OF REPORT

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