

EXECUTIVE COMMITTEE

11th September 2018

Finance Monitoring Quarter 1 2018/19

| | |
|----------------------------------|----------------------------|
| Relevant Portfolio Holder | Councillor Tom Baker-Price |
| Relevant Head of Service | Jayne Pickering |
| Non Key Decision | |

1. Purpose and summary

This report details the Council's final financial position for 2018/19 for both General Fund and Housing Revenue Account

2. Recommendations

The Executive Committee recommend to Council:

- 2.1 **Approval that an increase in the 2018-19 Capital Programme of £10k to be funded from reserves towards the existing capital scheme for the new Haven online booking system.**
- 2.2 **Approval that an increase in the 2018-19 Capital Programme of £25k s106 monies for various public realm improvements in vicinity of Elvington Close, Matchborough.**

3. Revenue budgets

- 3.1 This report provides details of the financial information across the Council. The aim is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across the Strategic Purposes to enable Members to be aware of the level of funding attributed to these areas and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for 2018/19
- 3.2 Financial reports are sent to budget holders on a monthly basis and a detailed review is undertaken with financial support to ensure that all issues are considered and significant savings or cost pressures addressed. This report aims to focus on the key variances to budgets to ensure a focus is undertaken during the year on areas where there are significant savings or additional costs.
- 3.3 The £9.094m original budget as included in the table below is made up of the budget approved in February 2018.

In addition the Latest Budget 2018/19 of £9.333m includes transfers to/from reserves of £239k which is shown in appendix 2.

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Revenue Budget Summary – Overall Council Financial Year 2018/19

Please note figures have been rounded

| Strategic Purpose | Original Budget 2018/19 £'000 | Revised budget 2018/19 £'000 | Budget to date 2018/19 £'000 | Actuals 2018/19 £'000 | Variance 2018/19 £'000 |
|---|--|---------------------------------------|---------------------------------------|-----------------------------|------------------------------|
| Keep my place safe and looking good | 3,829 | 4,200 | 1,284 | 1,192 | -92 |
| Help me run a successful business | 3 | 3 | -46 | -82 | -36 |
| Help me be financially independent | 358 | 300 | 66 | 81 | 15 |
| Help me to live my life independently | 156 | 156 | -144 | -147 | -3 |
| Help me find somewhere to live in my locality | 864 | 864 | 91 | -13 | -104 |
| Provide Good things for me to see, do and visit | 1,391 | 1,416 | 365 | 351 | -13 |
| Enable others to work/do what they need to do (to meet their purpose) | 2,494 | 2,494 | 2,128 | 2,297 | 169 |
| Totals | 9,094 | 9,333 | 3,743 | 3,680 | -63 |
| Corporate Financing | -9,094 | -9,333 | -2,510 | -2,620 | -110 |
| Grand Total | 0 | 0 | 1,233 | 1,060 | -173 |

Financial Commentary:

There are a number of significant 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 a safe and attractive place for the community.

The variances to report are :

- Additional income within Development Management **£65k** is due to a higher number of applications being received in the first quarter compared to last year. This is also due to now charging for commercial applications also compared with previous years.

- There are a number of small savings on general supplies and service budgets.

Help me run a successful business

The budgets within the strategic purpose include economic development, all licenses and costs associated with the town and other Properties within the Borough.

- There are a number of savings on business rates and utility budgets for leased buildings of **£18k**
- Within the business centres additional income has been received to profile. However it is expected to balance to the budget at the end of year.

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 Borough.

- The slight overspend is due agency staff being used to cover vacant posts within the first quarter that are proving difficult to recruit to.

Help me to live my life independently

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

- There are no significant variances this quarter to report.

Help me find somewhere to live in my locality

The costs associated with homeless prevention, housing strategy and land charges are all included in this strategic purpose. It is worth noting that these costs solely relate to those charged to the General Fund not the Housing Revenue Account

- The variance shown in this strategic purpose is due to salary savings as a consequence of posts not being filled. It is anticipated that this will be addressed in the full housing review.

Provide Good things for me to see, do and visit

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

- There are no significant variances to report within this first quarter.

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.

- There are a number of unallocated savings that sit within the corporate / enabling service of **£197k** to quarter 1. It is anticipated that these will be offset by service savings during the year as detailed with savings monitoring at point 4 below.
- There are a number of small savings on general supplies and service budgets

Corporate Financing

- The variance shown **£110k** is due to receiving a discount for making an advance payment on pensions.

4. Savings Monitoring

4.1 The medium term financial plan included £721k of savings identified to be delivered during 2018/19. The breakdown of these savings is attached at appendix 3. To quarter 1 £179k has been realised against the budgeted April to June savings of £180k. In addition there are £777k of unidentified savings for 2018/19 which sit within the corporate / enabling service as highlighted in the table above. Officers are reviewing the current financial position to enable any additional savings or increases in income that have been realised in the first quarter to be allocated against the unidentified savings

5. Cash Management

The cash position of this Council at the start of the financial year and the expected end of year cash positions for the coming financial years is shown in the table below.

| Date | £m | Position |
|---|-----------|-----------------|
| As at 31 st March 2018 (Actual) | 7.0 | Borrowing |
| As at 30 th June 2018 | 2.5 | Borrowing |

Borrowing

Outstanding as at the 30th June 2018 are £2.5m in short term borrowing with associated borrowing costs within the quarter of £7k and £103.929m in long term borrowing with associated costs in the quarter of £888k. All long term borrowing costs relate to the HRA.

An interest payable budget has been set of £34k for 2018/19 due to expenditure relating to current capital projects.

Investments

At 30th June 2018 there were £2m investments held.

6. Capital Budgets

**Capital Budget Summary – Overall Council
Financial Year 2018/19**

6.1

Please note figures have been rounded

| Strategic Purpose | Original Budget 2018/19 £'000 | Revised budget 2018/19 £'000 | Budget to date 2018/19 £'000 | Actuals 2018/19 £'000 | Variance 2018/19 £'000 |
|---|-------------------------------------|------------------------------------|---------------------------------|-----------------------------|------------------------------|
| Keep my place safe and looking good | 2,275 | 2,275 | 528 | 166 | -362 |
| Help me run a successful business | 80 | 80 | 20 | 0 | -20 |
| Help me to live my life independently | 948 | 948 | 217 | 210 | -7 |
| Provide Good things for me to see, do and visit | 6 | 6 | 2 | 2 | 0 |
| Enable others to work/do what they need to do (to meet their purpose) | 50 | 50 | 12 | 0 | -12 |
| Totals | 3,359 | 3,359 | 779 | 378 | -401 |

Keep my place safe and looking good

The variance for quarter 1 mainly relates to the fleet replacement budget. Discussions are now being made to agree specifications with a plan to place orders for the autumn.

Help me run a successful business

The procuring of the required works have begun and orders for payment will then follow in due course.

Help me to live my life independently

Projects have commenced in the first quarter and therefore there are no significant individual variances in the quarter 1 to report.

Provide Good things for me to see, do and visit

Projects have commenced in the first quarter and therefore there are no significant individual variances in the quarter 1 to report.

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

There is a variance in quarter 1 due to the project not yet commencing but it is expected to within the second quarter of 2018/19.

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7. Housing Revenue Account

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April – June 2018.

8. Earmarked Reserves

The position at the start and end of 2018/19 is shown in Appendix 2.

9. General Fund Balances

The General Fund Balance as at the 31st March 2018 is £1.790m. A balanced budget was approved in February 2018 to include identified savings which have been built into individual budget allocations. This also included a planned use of balances for 2018/19 of £89k.

10. Legal Implications

No Legal implications have been identified.

11. Service/Operational Implications

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. Customer / Equalities and Diversity Implications

No direct implications as a result of this report.

13. Risk Management

The financial monitoring is included in the corporate risk register for the authority.

APPENDICES

Appendix 1 – HRA Monitoring April – March 2018/19

Appendix 2 – Earmarked Reserves 2018/19

Appendix 3 – Savings Monitoring 2018/19

Appendix 4 – Strategic Purposes detail 2018/19

AUTHOR OF REPORT

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