

**Finance Monitoring Quarter 2 2018/19**

<b>Relevant Portfolio Holder</b>	Councillor Tom Baker-Price
<b>Relevant Head of Service</b>	Jayne Pickering
<b>Non Key Decision</b>	

**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 is asked to**

**RESOLVE that**

- 2.1 That Executive Committee note the current financial positions for the quarter April – September 2018 as detailed in the report.

**That Cabinet recommend to Council**

- 2.2 Approval that an increase in the 2018-19 Capital Programme of £16k s106 monies for use on improving the Batchley Play area.

**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 £9.352m includes transfers to/from reserves of £258k which is shown in appendix 2.

**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	Projected outturn 2018/19 £'000	Projected Variance 2018/19 £'000
Keep my place safe and looking good	3,829	4,133	1,961	1,979	18	4,091	-43
Help me run a successful business	3	3	-34	-43	-8	-18	-21
Help me be financially independent	358	273	18	27	8	282	9
Help me to live my life independently	156	156	-82	-124	-42	138	-18
Help me find somewhere to live in my locality	864	864	432	284	-148	740	-124
Provide Good things for me to see, do and visit	1,391	1,416	762	744	-18	1,408	-9
Enable others to work/do what they need to do (to meet their purpose)	2,494	2,507	2,477	2,889	411	3,351	843
<b>Totals</b>	<b>9,094</b>	<b>9,353</b>	<b>5,535</b>	<b>5,757</b>	<b>221</b>	<b>9,991</b>	<b>638</b>
<b>Corporate Financing</b>	<b>-9,094</b>	<b>-9,353</b>	<b>-13,695</b>	<b>-14,212</b>	<b>-517</b>	<b>-10,206</b>	<b>-853</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>-8,159</b>	<b>-8,455</b>	<b>-296</b>	<b>-215</b>	<b>-215</b>

**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, 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 :

- There is a variance within Planning Policy projected **£46k** due to salary savings.

**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 general supplies and services budgets along with utility budgets of **£21k**

**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.

- There are no significant variances this quarter 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 and Community Transport.

- There has been additional income received within the Lifeline service due a new contract that has been procured with Cannock Chase District Council. This will be reflected in 2019/20 budgets.

**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 this quarter to report.

**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 **£382k** to quarter 2. It is anticipated that these will be offset by service savings during the year as detailed with savings monitoring at point 4 below.
- Within Customer services support there are projected savings of **£75k** due to salary vacancies and additional income received.
- There are other salary vacancies within Equalities & Policy and Legal Services projected **£117k** by the end of 2018/19 however this is offset against some additional salary costs within PA's and Directorate support due to redundancy and pension costs following a restructure **£43k**.

**Corporate Financing**

The variance shown is due to section 31 grant the council has now received in 2018/19. The Council does not budget for section 31 grant as it is not announced until the start of the financial year and there is always a risk that it is reduced or withdrawn, similar to new homes bonus in the past. The grant is increasing to reflect Government decisions to reduce the rate burden on small businesses and it is intended to compensate the Council for its share of business rates that has been foregone. In view of the prominence of the grant it is planned to introduced it into the budget 2019/20 but contribute 50% to a NNDR reserve to cover the risk of it being reduced.

**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 2 £356k has been realised against the budgeted April to September savings of £360k. In addition there are £777k of unidentified savings for 2018/19 which sit within the corporate / enabling service as highlighted in the table above. To date a projection for year-end 2018/19 £219k has been identified against these unidentified savings. These savings will be offset against the unidentified savings for quarter 3.

**5. Cash Management**

5.1 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.

<b>Date</b>	<b>£m</b>	<b>Position</b>
As at 31 <sup>st</sup> March 2018 (Actual)	7.0	Borrowing
As at 30 <sup>th</sup> September 2018	nil	Borrowing

**Borrowing**

As at the 30<sup>th</sup> September 2018 there are no short term borrowings with associated borrowing costs within the quarter 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 30<sup>th</sup> September 2018 there were £2.5m investments held.

**6. Capital Budgets**

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

6.1

Please note figures have been rounded

<b>Strategic Purpose</b>	<b>Original Budget 2018/19</b>	<b>Revised budget 2018/19</b>	<b>Budget to date 2018/19</b>	<b>Actuals 2018/19</b>	<b>Variance 2018/19</b>	<b>Projected outturn 2018/19</b>	<b>Projected Variance 2018/19</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Keep my place safe and looking good</b>	2,913	2,913	1,457	1,287	-169	2,338	-576
<b>Help me run a successful business</b>	80	80	40	0	-40	0	-80
<b>Help me to live my life independently</b>	1,271	1,271	634	533	-103	629	-642
<b>Provide Good things for me to see, do and visit</b>	102	102	51	25	-25	44	-58
<b>Enable others to work/do what they need to do (to meet their purpose)</b>	150	150	75	5	-70	150	0
<b>Totals</b>	<b>4,876</b>	<b>4,876</b>	<b>2,438</b>	<b>2,029</b>	<b>-409</b>	<b>3,521</b>	<b>-1,355</b>

**Keep my place safe and looking good**

The variance for quarter 2 mainly relates to the Locality Capital budget. This is due to majority of the schemes dependant on approval from Worcestershire County Council and therefore causing delays due to slow responses. It is likely that a request will be made to continue the project into 2019/20.

**Help me run a successful business**

The variance relates to Improvements at the Business Centres and this is now likely to be delayed until April 2019/20 and therefore a request will be made to carry forward the capital budget to the New year.

**Help me to live my life independently**

The underspend projected relates to a number of projects firstly the Energy Efficiency installations. This fund has been unable to be spent this year due to the need to procure the energy advice service prior to restarting the Redditch Energy Efficiency Fund. The energy advice service will be procured with a 3 year contract April 2019 - March 2022. There is a underspend showing on discretionary home repairs assistance which is due to a Lack of applications being received despite advertising. There will be a request to carry forward an underspend on the disabled facilities grants due to delays in referrals from occupational therapists and reduced demand in private sector.

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

There is a small underspend projected at quarter 2 this is a s106 budget for the regrading of football pitches

at Terry's Field, Redditch . This is due to the project now requiring to take place post season and therefore will commence April 2019 and will require the budget carrying forward to the new financial year.

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

There is a variance in quarter 2 due to the project not yet commencing but it is expected to be completed by the end of 2018/19.

**7. Housing Revenue Account**

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April – September 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 31<sup>th</sup> 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

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