

**EXECUTIVE
COMMITTEE**

21st August 2012

APRIL – JUNE (QUARTER 1) - FINANCE MONITORING REPORT 2012/13

Relevant Portfolio Holder	Councillor Phil Mould, Portfolio Holder for Corporate Management.
Portfolio Holder Consulted	
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	
Non Key Decision	

1. SUMMARY OF PROPOSALS

This report details the Council's financial position for the period April to June 2012 (Quarter 1 – 2012/13).

2. RECOMMENDATIONS

The Executive Committee is asked to RESOLVE that

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

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 2012 for the financial year 2012/13. Within the budget were included savings of £654K which were not fully identified. These included savings relating to Shared Services, Transformation, and general vacancies with the Council.

Revenue Budget summary Quarter 1 (April – June) 2012/13 – 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.

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Service Head	Budget 2012/13 £'000	Budget April - June £'000	Actual spend April - June £'000	Variance to date April - June £'000
Environmental Services	3,395	957	931	(26)
Community Services	1,720	460	451	(9)
Regulatory Services	572	143	143	-
Leisure & Cultural Services	3,435	874	855	(19)
Planning & Regeneration	1,851	462	419	(43)
Customer Services	847	244	233	(11)
Finance & Resources	5,408	1,352	1,307	(45)
Legal, Equalities & Democratic Services	1,257	302	281	(21)
Business Transformation	980	318	309	(9)
Head of Housing Services	1,006	252	230	(22)
Corporate Services	89	(8)	151	159
SERVICE TOTAL	20,560	5,356	5,310	(46)

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Financial Commentary

- 3.5 At the end of the first quarter there are savings of £46K, the £654K unidentified savings have been included in the Corporate Services line.
- 3.6 The savings are due to staff vacancies and savings in contracts.

Capital Budget summary Quarter 1 (April - June) 2012/13 – Overall Council

Department	Budget 2012/13 £'000	Actual spend April – June £'000	Remaining Balance 2012/13 £'000
Business Transformation	55	5	50
Environmental Services	3,190	22	3168
Planning & Regeneration	22	17	5
Regulatory Services	104	-	104
Community Services	943	-	943
Leisure & Cultural Services	199	5	194
Finance & Resources	573	-	573
Head of Policy, Performance & Partnerships	180	-	180
Housing Services (inc HRA)	9,277	968	8309
Total	14,543	1,017	13,526

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Financial Commentary:

- There is limited expenditure on capital projects at the end of the first quarter due to contracts being established and development plans agreed. It is anticipated that this will increase during the period July – September.

Treasury Management

- 3.7 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

- 3.8 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.
- 3.9 At 30th June 2012, short-term investments comprise:

	30th June 2012 £000
Deposits with Banks/Building Societies	9,200

Income from investments

- 3.10 An investment income target of £79k has been set for 2012/13 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.
- 3.11 In the 3 months to 30 June, the Council earned income from investments of £54k. The Council is on track to achieve the budget on investments for 2012.

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- 3.12 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.

General Fund Balances

- 3.13 The General Fund Balance as at the 31st March 2012 is £1,289K; the budget set in February 2012, amended on 23rd July 2012 included an estimated use of balance of £192K.

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.

5. APPENDICES

None.

6. BACKGROUND PAPERS

None.

AUTHOR OF REPORT

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