

FINANCIAL UPDATE FOR THE THREE MONTHS TO 30 JUNE 2013

**Cabinet Member
Responsible Officer** Cllr Neal Davey
Head of Finance

Reason for Report: To present a financial update in respect of the three months to 30 June 2013

RECOMMENDATION(S): The PDG note the financial monitoring information for the three months to 30 June 2013

**Relationship to:
Corporate Plan** The financial resources of the Council impact directly on its ability to deliver the corporate plan; prioritising the use of available resources brought forward and any future spending will be closely linked to key Council pledges from the updated Corporate Plan.

Financial Implications: Good financial management and administration underpins the entire document.

Legal Implications: None.

Risk Assessment: Regular financial monitoring information mitigates the risk of over or underspends at year end and allows the Council to direct its resources to key corporate priorities.

1.0 Introduction

1.1 This report seeks to inform Cabinet of our current financial status and to highlight potential ramifications to the medium term financial plan, looking into the future. It embraces both revenue, in respect of the General Fund and Housing Revenue Account, and capital.

1.2 This report now only includes budget variances in excess of £10k as the purpose of the report is to focus on material issues that may require further investigation/action.

2.0 Executive Summary of 2013/14

2.1 The table below shows the opening position of key operational balances of the Council, the forecasted in year movements and final predicted position at 31 March 2014.

	31/3/13	Forecasted in year movement	31/3/14
Revenue			
General Fund – see note	(£2,623k)	£128k	(£2,495k)
Housing Revenue Account	(£1,968k)	(£222k)	(£2,190k)
Capital			
Major Repairs Reserve	(£47k)	£33k	(£14k)
Capital Receipts Reserve	(£477k)	£130k	(£347k)
Capital Earmarked Reserve	(£930k)	£794k	(£136k)

Note – the 2013/14 G Fund revenue budget required £150k from balances – however after Full Council formally approved the budget an extra £69k of Central Govt funding was confirmed. This would therefore still result in £81k being taken from balances if all other expenditure was in accord with approved budgets.

3.0 The General Fund Reserve

- 3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2,623k as at 31/3/13.
- 3.2 The forecast General fund deficit for the current year is £128k as shown at Appendix A. However, it is worth noting that this monitoring report only contains data for the first 3 months of the financial year, so a word of caution is appropriate as making year end forecasts at this early stage is difficult
- 3.3 Major variances and proposed corrective action, if applicable, are highlighted at Appendix B. The current incomes from our major funding streams are shown at Appendix C, whilst current employee costs are shown at Appendix D.

4.0 Capital Programme

- 4.1 The status of this year's capital programme, which includes slippage of £2,315k from 2012/13 is shown at Appendix E.
- 4.2 Committed and Actual expenditure is currently £2,961k against a budgeted Capital Programme of £10,166k.

5.0 Capital Earmarked Reserve

5.1 The Capital Earmarked Reserve has been set aside from Revenue to fund Capital Projects, the movement on this reserve is projected below:

	£k
Capital Earmarked Reserve at 1 April 2013	(930)
Funding Required to support 2013/14 Capital Programme	794
	<hr/>
Forecast Balance at 31 March 2014	(136)
	=====

6.0 Capital Receipts Reserve (Used to fund future capital programmes)

6.1 Unapplied useable capital receipts are used to part fund the capital programme, the movement on this account for the year to date is given below:

	£k
Unapplied Useable Capital Receipts at 1 April 2013	(477)
5 RTB's sold to date - MDDC proportion to be calculated as part of Pooling Return (approx. figure)	(86)
	<hr/>
Current Balance	(563)
Forecast further capital receipts in year	(241)
Forecast Capital Receipts to be applied in year	457
	<hr/>
Forecast Unapplied capital receipts c/fwd 31 March 2014	(347)
	=====

7.0 Treasury Management

7.1 The interest position so far this financial year can be summarised as follows:

Interest Received:

	Budget £k	Forecast £k	Variance £k
Interest from HRA funding	(110)	(81)	29
Investment Income Received	(65)	(60)	5
	<hr/>	<hr/>	<hr/>
Net Interest	(175)	(141)	34

8.0 Other Items of Interest

- 8.1 **Employee costs** – Salary costs included in Appendix D do not include any allowance for the national salary increase which has very recently been agreed at 1% which would amount to approx. £26k to the end of June.
- 8.2 **Additional Revenues & Benefits Admin Grant & New Burdens Council Tax Reform** – for the first 3 months of 2013/14 expenditure and income associated with the Council Tax Support Scheme, changes to property discounts and the localisation of business rates are all within estimated budgets. Therefore, the provision of £249k will not be required. Obviously this situation will be carefully monitored throughout the rest of the year.

9 Conclusion

- 9.1. Members are asked to note the revenue and capital forecasts for the financial year 2013/14 and to consider the potential impact going forward in terms of budget setting of revenue and capital budgets.
- 9.2. For information this year's budget savings meetings are now well under way. These are based on trying to secure on-going service savings of 10% per annum, which are already proving a significant challenge due to the substantial savings already delivered over the past 3/4 years.

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Management Team

**GENERAL FUND
FINANCIAL MONITORING INFORMATION
FOR THE PERIOD 01 APRIL TO 30 JUNE 2013**

Appendix A

	Note	2013/14 Budget £	Full Year Forecast Variation £	Variance %
General Fund Summary				
Cllr P H D Hare -Scott				
CM	Corporate Management	A 968,300	(28,000)	-2.9%
LD	Legal & Democratic Services	B 595,480	0	0.0%
Cllr C J Eginton				
CP	Car Parks	C (419,310)	0	0.0%
	Environmental Services	D (20,900)	0	0.0%
GM	Grounds Maintenance	E 519,340	0	0.0%
	Open Spaces	F 171,750	0	0.0%
PS	Property Services	G 825,300	0	0.0%
WS	Waste Services	H 2,147,760	95,000	4.4%
Cllr R M Deed				
CD	Community Development	I 448,020	0	0.0%
	Environmental Services	D 770,260	(50,000)	-6.5%
RS	Recreation And Sport	J 239,260	49,500	20.7%
Cllr N V Davey				
FP	Finance And Performance	K 605,070	32,000	5.3%
RB	Revenues And Benefits	L 570,440	(45,000)	-7.9%
Cllr R L Stanley				
HG	General Fund Housing	M 267,720	13,650	5.1%
	Environmental Services	D 127,740	0	0.0%
Cllr R J Chesterton				
PR	Planning And Regeneration	N 433,120	11,000	2.5%
	Community Development	I (18,300)	0	0.0%
Cllr B M Hull				
CS	Customer Services	O 718,890	400	0.1%
HR	Human Resources	P 437,320	30,000	6.9%
IT	I.T. Services	Q 943,350	(15,000)	-1.6%
	Legal & Democratic Services	B 189,600	0	0.0%
		10,520,210	93,550	0.9%
All Sections				
IE260	Interest Payable	8,110		0%
IE290	Interest Receivable	(175,000)	34,000	19%
	Contribution to Capital Programme	350,000		
IE930	Net transfers to / from Earmarked Reserves	(150,090)		
	Net recharge to HRA	(1,130,890)		
	Capital Charges	997,250		
	Statutory Annual Accounting Adjustments	(819,190)	0	
Net 2013/14 General Fund Budgeted Expenditure		9,600,400		
Forecast in year (Surplus) / Deficit			127,550	
General Fund Reserve 01/04/13			(2,623,371)	
Forecast General Fund Balance 31/03/14			(2,495,821)	

**GENERAL FUND
FINANCIAL MONITORING INFORMATION
FOR THE PERIOD 01 APRIL TO 30 JUNE 2013**

Appendix B

Note	Description of Major Movements	Comments	Full Year Forecast Variation £	PDG
A	<u>Corporate Management</u>			
	Salaries		(21,000)	Cabinet
	Other sundry movements	N/A	(7,000)	Cabinet
			(28,000)	
B	<u>Legal & Democratic Services</u>			
	Other sundry movements		0	
C	<u>Car Parks</u>			
			0	
D	<u>Environmental Services</u>			
	Salary saving within Business Support		(30,000)	MTE
	Flexible Retirement in Environmental Health		(20,000)	MTE
	Other sundry movements		(50,000)	
E	<u>Grounds Maintenance</u>			
	Other sundry movements		0	
F	<u>Open Spaces</u>			
	Other sundry movements		0	
G	<u>Property Services</u>			
	Other sundry movements		0	
H	<u>Waste Services</u>			
	Reduction in Trade Waste Income against budget.	Continue to pursue new customers	31,000	MTE
	Due to an ageing recycling vehicle fleet, overspent on repairs		24,000	MTE
	Spend on agency staff in Refuse to cover long term sick and holidays		25,000	MTE
	Overspend on agency staff and overtime in Recycling		15,000	MTE
	Other sundry movements		95,000	
I	<u>Community Development</u>			
	Other sundry movements		0	
J	<u>Recreation And Sport</u>			
	EVLC Income		(5,000)	CWB
	Maintenance works		15,000	CWB
	CVSC development (£10k works £26k equipment cost to be met from increased income)		36,000	
	Other sundry movements		3,500	CWB
			49,500	
K	<u>Finance And Performance</u>			
	O/Time, JE - partially offset 12/13 £26k saving		10,000	Cabinet
	New Procurement post - offset by savings elsewhere		28,000	Cabinet
	Reorganisation of Purchase Ledger staffing		(6,000)	Cabinet
			32,000	
L	<u>Revenues And Benefits</u>			
	HB Admin & Fraud salaries due to part time return from maternity leave and other vacant salary hours.		(24,000)	CWB
	Additional HB Admin Grant not anticipated to be required at this stage in year		(21,000)	CWB
			(45,000)	
M	<u>General Fund Housing</u>			
	DARS Bad Debt Provision		20150	DAAH
	Other sundry movements		(6,500)	DAAH
			13,650	
N	<u>Planning And Regeneration</u>			
	Development Mgt Income		(15,000)	CWB
	Town Hall Screen system		13,000	MTE
	Building Control Income		20,000	CWB
	Local Land Charge Income		(7,000)	CWB
	Other sundry movements		11,000	
O	<u>Customer Services</u>			
	Salary JE reviews		12000	CWB
	Computer software		(11,600)	CWB
			400	
P	<u>Human Resources</u>			
	Back filling of HR Officer during the implimentation of the new HR system		30,000	Cabinet
	Other sundry movements		30,000	
Q	<u>I.T. Services</u>			
	Budget for equipment lease not required as purchased end of 2012/13		(15,000)	Cabinet
	Other sundry movements		(15,000)	
	FORECAST (SURPLUS)/DEFICIT AS AT 31/03/14		93,550	
	Cabinet		19,000	
	CWB		2,900	
	DAAH		13,650	
	MTE		58,000	
			93,550	

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Appendix C

	2013/14 Annual Budget	2013/14 Profiled Budget	2013/14 Actual	2013/14 Variance	Full Year Forecast Variation	Variance %
	£	£	£	£	£	%
Building Control Fees	(289,030)	(72,258)	(62,565)	9,693	20,000	-7%
Planning Fees	(597,000)	(149,250)	(165,613)	(16,363)	(15,000)	3%
Land Searches	(105,210)	(26,303)	(34,393)	(8,090)	(7,000)	7%
Car Parking Fees - See Below	(666,700)	(149,788)	(148,481)	1,307	0	0%
Leisure Fees & Charges	(2,250,630)	(559,918)	(585,951)	(26,033)	(5,000)	0%
Trade Waste Income	(559,700)	(319,030)	(300,816)	18,214	31,000	-6%
Licensing	(110,440)	(16,434)	(22,376)	(5,942)		0%
	(4,578,710)	(1,292,981)	(1,320,195)	(27,214)	24,000	-0.5%
Pay and Display					Spaces	Bud Income pa per space
Beck Square, Tiverton	(80,500)	(20,125)	(18,694)	1,431	40	(2,013)
William Street, Tiverton	(41,300)	(10,325)	(8,366)	1,959	45	(918)
Westex South, Tiverton	(44,000)	(11,000)	(9,774)	1,226	51	(863)
Wellbrook Street, Tiverton	(13,900)	(3,475)	(3,385)	90	27	(515)
Market Street, Crediton	(37,600)	(9,400)	(9,088)	312	39	(964)
St Saviours Way, Crediton	(40,400)	(10,100)	(12,049)	(1,949)	190	(213)
Station Road, Cullompton	(23,000)	(5,750)	(5,814)	(64)	112	(205)
Multistorey, Tiverton	(90,800)	(22,700)	(23,031)	(331)	631	(144)
Market Car Park, Tiverton	(186,800)	(46,700)	(46,460)	240	122	(1,531)
Phoenix House, Tiverton	(5,000)	(1,250)	(972)	278	15	(333)
	(563,300)	(140,825)	(137,632)	3,193	1,272	(443)
Season Tickets	(31,500)	(1,607)	(1,607)	0		
Residents Parking	(9,110)	(642)	(642)	0		
Business parking	(9,000)	(147)	(147)	0		
Town Hall, Tiverton	(2,000)	(501)	(588)	(87)		
Other Income	(29,790)	(568)	(568)	(0)		
	(644,700)	(144,289)	(141,184)	3,105		
Standard Charge Notices (Off Street)	(22,000)	(5,499)	(7,297)	(1,798)		

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Appendix D

	2013/14 Annual Budget £	2013/14 Profiled Budget £	2013/14 Actual £	2013/14 Variance £
<u>Total Employee Costs</u>				
General Fund				
Community Development	233,680	58,420	55,081	(3,339)
Corporate Management	733,890	183,473	170,650	(12,823)
Car Parks	123,290	30,823	29,369	(1,454)
Customer Services	581,690	145,423	143,782	(1,641)
Environmental Services	1,016,000	254,000	232,771	(21,229)
Finance And Performance	572,140	143,035	146,898	3,863
General Fund Housing	401,820	100,455	96,808	(3,647)
Grounds Maintenance	185,050	46,263	46,018	(245)
Human Resources	277,960	69,490	70,932	1,442
I.T. Services	551,250	137,813	136,178	(1,635)
Legal & Democratic Services	411,620	102,905	104,149	1,244
Planning And Regeneration	1,399,540	349,885	338,897	(10,988)
Property Services	313,310	78,328	63,372	(14,956)
Recreation And Sport	704,730	176,183	163,368	(12,815)
Revenues And Benefits	1,539,910	384,978	341,363	(43,615)
Waste Services	1,599,260	399,815	401,867	2,052
	<u>10,645,140</u>	<u>2,661,289</u>	<u>2,541,503</u>	<u>(119,786)</u>
Housing Revenue Account				
BHO09 Repairs And Maintenance	1,090,490	272,623	255,446	(17,177)
BHO10 Supervision & Management	1,034,320	258,580	247,312	(11,268)
BHO11 Special Services	310,560	77,640	63,808	(13,832)
	<u>2,435,370</u>	<u>608,843</u>	<u>566,566</u>	<u>(42,277)</u>
Total	£ 13,080,510	£ 3,270,132	£ 3,108,069	£(162,063)

Actual Employee costs to date do not include allowance for the 1 % salary increase agreed, but not yet finalised , to be paid wef 1/4/2013.

	2013/14 Annual Budget £	2013/14 Profiled Budget £	2013/14 Actual £	2013/14 Variance £
<u>Agency Staff</u>				
General Fund				
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Car Parks	0	0	0	0
Customer Services	0	0	0	0
Environmental Services	0	0	0	0
Finance And Performance	0	0	0	0
General Fund Housing	0	0	0	0
Grounds Maintenance	11,500	2,875	2,721	(154)
Human Resources	0	0	0	0
I.T. Services	0	0	0	0
Legal & Democratic Services	0	0	0	0
Planning And Regeneration	0	0	0	0
Property Services	0	0	0	0
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	4,597	4,597
Waste Services	75,000	18,750	38,204	19,454
	<u>86,500</u>	<u>21,625</u>	<u>45,522</u>	<u>23,897</u>
Housing Revenue Account				
BHO09 Repairs And Maintenance	2,000	500	0	(500)
BHO10 Supervision & Management	0	0	0	0
BHO11 Special Services	0	0	0	0
	<u>2,000</u>	<u>500</u>	<u>0</u>	<u>(500)</u>
Total	£ 88,500	£ 22,125	£ 45,522	£ 23,397

**MID DEVON DISTRICT COUNCIL
MONITORING OF 2013/14 CAPITAL PROGRAMME**

Code	Scheme	Approved Capital Programme 2013/14	Total Slippage Bkwd & Adj to Approved Capital Programme 13/14	Budgeted Capital Programme 2013/14	Actual Expenditure	Committed Expenditure	Total	Variance to Adj Capital Programme	Forecast (Underspend) / Overspend	Forecast Slippage to 14/15	Notes
		£	£	£	£	£	£	£	£	£	
	General Capital Projects										
CA500	Cullompton Town Centre Enhancement & Regeneration		33,000	33,000	11,501	2,189	13,690	(19,310)			
CA502	Tiverton Enhancement Scheme		10,000	10,000			0	(10,000)			
	Leisure										
CA619	Lords Meadow Enhancement Project		61,000	61,000	(16,531)	174,920	158,389	97,389			Per Cabinet Report 28/03/13
CA622	Exe Valley Leisure Centre	85,000		85,000	545		545	(84,455)			
CA709	Additional Car parking provision	50,000	40,000	90,000	53		53	(89,947)			
	Other MDDC Buildings										
CA403	Town Hall Redevelopment Project		48,000	48,000	825		825	(47,175)			
CA811	Provision for associated works & enhancements at Silvertown Mill	50,000		50,000			0	(50,000)			
	Cemeteries										
CA407	Tiverton Cemetary Extension		18,000	18,000	2,220		2,220	(15,780)			
CA616	Tiverton skate park replacement - end of life		150,000	150,000	54,102	7,224	61,326	(150,000)			
CA621	Play Area refurbishment - Cotylands Tiverton		88,000	88,000	10,390	1,610	12,000	(26,674)			
CA608	Play area refurbishment	50,000		50,000				(38,000)			
	Other										
CA617	Padding Pool refurbishment in Tiverton & Crediton		20,000	20,000	1,685	4,483	6,178	(13,822)			
CA802	St. Andrews Street properties - Phase 1		50,000	50,000			0	(50,000)			
CA431	Public Convenience- Lowman Green, Tiverton remodel for kiosk subject to payback period	60,000		60,000				(60,000)			
CA420	Land drainage flood defence schemes	25,000	20,000	45,000			0	(45,000)			
CA430	Gypsy Site		122,000	122,000			0	(122,000)			
	ICT										
CA426	HR/Payroll system		9,000	9,000	(48,648)	53,770	5,122	(3,878)			
CA423	Continued replacement of WAN/LAN	30,000		30,000			0	(30,000)			
CA425	Continuation of Server replacement programme	40,000		40,000			0	(40,000)			
CA433	Unified comms implementation Customer First - business case required	75,000		75,000			0	(75,000)			
CA436	Web upgrade (local view) with Arc SDE upgrade & Extranet	40,000		40,000			0	(40,000)			
CA434	Devon Home Choice replacement going out to tender Devon wide project	50,000		50,000			0	(50,000)			
	Economic Development										
CA504	Schemes as yet to be identified	100,000	100,000	200,000			0	(200,000)			
CA505	Pannier Market (conversion of pig pens into units and walkway cover)	80,000		80,000			0	(80,000)			
		755,000	769,000	1,524,000	16,089	244,259	260,347	(1,263,653)	0	0	

