

Quarterly Business Report (QBR)

Training

December 2019
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Foundations

Strategic Plan 2016-2020

- Member led
- Five year plan for goals and outcomes
- Current Strategic plan has four goals

Goal 1 - Prosperous & Sustainable Economy

Goal 2 – Stronger, Safer, Healthier Communities

Goal 3 - Protecting & Enhancing our Quality Environment

Goal 4 – An Effective and Customer Focused Council

- Several Levels
Goals – Outcomes - Actions

Goal 1 - Prosperous & Sustainable Economy



	Outcomes	Actions
TDC1	Improved Infrastructure	<ul style="list-style-type: none"> 1.1 Ensure that Partners and Government recognise the need for road, rail and broadband improvements in Torrige. 1.2 Work with infrastructure providers to ensure improvements in the District and links beyond the District 1.3 Actively promote greater use of use of the Bideford Port and Harbour, the sea and shoreline.
TDC2	Increased opportunities for economic growth and inward investment	<ul style="list-style-type: none"> 2.1 Implement our Local Plan and Economic Strategy to help grow new and existing businesses by ensuring the right conditions are in place to attract employment and development. 2.2 Facilitate the development of key sites 2.3 Encourage business start ups and make it as easy as possible to locate and grow a business in Torrige. 2.4 Provide a Planning Service that embraces opportunity to provide sustainable economic growth.
TDC3	Promotion of the Torrige area locally, regionally and nationally	<ul style="list-style-type: none"> 3.1 Promote Torrige as a unique destination offering both an outstanding natural environment and economic opportunity. A great place to live, work and visit. 3.2 Ensure that the needs and aspirations of Torrige are recognised regionally as part of the Devolution agenda.
TDC4	Skills and education	<ul style="list-style-type: none"> 4.1 Work with schools, colleges and employers to ensure that everyone can access the skills and education required to be prosperous and develop the local economy. 4.2 Encourage and facilitate apprenticeships

Next - Building Blocks

Annual Business Planning Process:

- Annual planning by Services and Lead Members
- Action plans and Budget Setting
- Key Performance Measures linked to Actions / Outcomes
- Supplemented by Capital Programme, Financial Strategy etc

Key Actions and Measures:

- Key Actions and Measures - Extracted to QBR Reporting
- Remainder are monitored and highlighted where necessary
- Key Income figures / Salaries Monitoring

The QBR

4 - Sections

- Highlights
- Income & Salaries Monitoring
- Revenue & Capital
- Actions and Measures under Goals

Goal 1 - Prosperous & Sustainable Economy

Goal 2 – Stronger, Safer, Healthier Communities

Goal 3 - Protecting & Enhancing our Quality Environment

Goal 4 – An Effective and Customer Focused Council



Income / Salary Monitoring

	Positive variance to Budget
	Neutral variance to Budget
	Negative variance to Budget

Description	Service Managers	Total Year to Date	Total same time last year	YTD Budgeted	ANNUAL FIGURES			
					2019/2020 Budget	2018/19 Actual	2017/18 Actual	2016/17 Actual
Pay & Display	Sean Kearney	£655,767	£621,463	£635,655	£1,097,850	£1,076,219	£1,069,011	£1,060,874
Development Management	Sean Kearney	£287,266	£314,843	£320,000	£640,000	£548,212	£705,557	£621,993
Rental Income (Corporate Property & Caddsdwn)	Adrian Redwood	£400,978	£380,044	£363,438	£595,497	£597,609	£537,026	£477,152
Building Control	Sean Kearney	£132,041	£124,450	£133,337	£247,924	£226,852	£209,525	£240,631
Harbour	Sean Kearney	£48,258	£26,869	£44,295	£69,871	£44,419	£90,793	£81,407
Land Charges	Staci Dorey	£57,760	£62,161	£58,500	£117,000	£111,432	£112,049	£128,580
Licensing	Janet Williams	£84,376	£80,170	£69,168	£120,436	£128,252	£118,670	£115,532
Northam Burrows	Sean Kearney	£130,711	£127,248	£111,747	£111,747	£128,679	£101,276	£108,913
Car Parking Penalty Charge Notices	Sean Kearney	£30,588	£41,169	£37,290	£74,580	£72,933	£71,408	£63,599
Totals Receipts from above		£1,827,743	£1,778,417	£1,773,430	£3,074,905	£2,934,607	£3,015,315	£2,898,681
		Total Year to Date	Total Same Time Last Year	YTD Budgeted	2019/2020 Budget	2018/19 Actual	2017/18 Actual	2016/17 Actual
Net Salaries (salaries + overtime, NI, superannuation, vacancy savings, agency costs)		£4,350,537	£4,719,611	£4,503,484	£8,945,495	£8,371,538	£7,605,678	£7,605,678

Quarterly Budget Reporting (QBR) - Finance

- Revenue and Capital Budgets approved by Full Council in February
- QBR reports on performance against the agreed budgets
- QBR Highlights key revenue variances
- It projects the Council financial position for the year end – 31st March
- In addition it details
 - Capital Expenditure
 - Monies taken from or put to reserve
 - Details the funds allocated to temporary investments with Financial Institutions

QBR – Training continued

Service responsibility centre	Full year Budget £	Projection to Year end £	Worse than budget £	Better than budget £	Net Variance £
Solicitor	908,593	1,004,543	95,950		
Strategic Manager (Resources)	5,407,305	5,224,898		(182,407)	
Strategic Manager (Services)	3,329,934	3,017,184		(312,750)	
Planning and Development	350,221	385,227	35,006		
Funding	(9,996,053)	(10,056,327)		(60,274)	
Head of Paid Services		(424,474)	130,956	(555,430)	(424,474)

- Full Year Budget – This is approved by Full Council in the preceding February
- The Full Year Budget balances to zero, i.e. a balanced budget is required by statute, any differences between income and expenditure being balanced by the utilisation of reserves
- Projection to year end – generally based upon the judgement of both Accountants **and** the relevant Operational Manager
- Performance against budget broken down by Directorate
- Net Variance – shows the projected overall (surplus) or over spend for the whole Council

QBR – Training continued

- Solicitor
 - Legal
 - Elections & Democracy
 - Land Charges

- Strategic Manager (Resources)
 - ICT
 - Finance
 - Pensions
 - HR
 - Council Tax/Business Rates
 - Customer Services
 - Transfer to Reserves
 - Property
 - Parks & Open Spaces



QBR – Training continued

- Strategic Manager (Services)
 - Environmental Health
 - Economic Regeneration
 - Building Control
 - Harbour
 - Burton Museum
 - Leisure
 - Car Parks / Burrows
 - Refuse
 - Recycling



- Planning & Development
 - Processing Planning Applications
 - Planning Policy

Funding

Council Tax Income



Because of the rules governing the Council Tax Collection Fund, there are **NO** variances to Council Tax reported in year. Any surplus or deficit arising from the Collection of Council Tax is realised in the **next financial year**.

For Torridge this means that the level of Council Tax income projected when agreeing the Council's budget in February will be credited against revenue budgets in the subsequent year....**regardless** of the actual value of Council Tax collected.

Central Government Grant Income

- Generally pre-determined prior to the financial year – Revenue Support Grant & Rural Sparisty
- Not unknown for Central Government to release additional grant funding towards financial year end with minimal prior notice
- Some Government Grants are credited to services; e.g. Housing Benefit Admin Grant, Preventing Homelessness



Revenue – Projected Variances

Summary of variances identified				£'000	£'000
				(under) / over	(under) /
				spend	over spend
				Revenue	Funding
Staff Related Savings (over and above the £100k Vacancy Target)				(163)	
Homeless related under spends				(87)	
Professional Fees - Legal Fees				57	
Professional Fees - Analyse Local (uncovering additional Business Rates Income)				50	
Insurance retender				(50)	
Crematorium Income distribution				(39)	
Planning & Building Control Income				13	
Refuse - Cost Share Income (arising from increased recycling rates)				(188)	
Refuse - Transport related costs (Fuel, repairs etc)				(75)	
Car Parking Income				(35)	
Interest Receivable & Bank Charges				(39)	
Pension contributions				(12)	
Devon Audit Partnership slippage from prior year				12	
Rental & Other Income				(54)	
Premises related costs				48	
Supplies & Services (including Postage)				46	
Software related				37	
Land Charges Income				6	
Payment to third parties				8	
Other variances less than £5k				12	
Transfer to Reserve - upgrade of Caddsdwn Telephony				55	
Brexit grant transferred to dedicated reserve				34	(34)
Projected additional contribution from membership of Devon Business Rate Pool					64
Additional S31 Grant for Business Rates					(118)
Renewable energy deficit from prior year					28
<i>Proposed Revenue Contribution to Capital - Refuse Depot</i>				263	
<i>Proposed Revenue Contribution to Capital - Provision of Homelessness Accomodation</i>				90	
<i>Proposed Revenue Contribution to Capital - Economic Regeneration</i>				71	
Revenue - Funding variance totals				60	(60)
Net variance					(0)

Revenue – Projected Variances

Why can projected surplus /(over) spends move significantly?

- Torrige Council does not always have all the available information;
 - **Cost Share Income** from Devon County Council.....whilst Torrige knows the recycling tonnage its collects, it is not party to the on-going disposal costs of DCC. There is a significant time lag before DCC provide the final income figures – (12 – 18 months)
 - **Payment to /(from) Devon Business Rate Pool** - Whilst Torrige can reasonably accurately project its' Business Rate income, and hence its contribution **into** the Pool. The amount it **get backs** from the Pool is determined by the performance of the other members
 - **Vat Shelter** – The income received by Torrige is dependant upon the value of renovation works undertaken by Westward Housing.



Revenue – Projected Variances

Not all variances are as they seem – context is important.

- Professional Fees – Analyse Local - £50k over spend
 - Actually is a positive, since payment is only made when additional business rate income is identified and accepted by the Valuation Office
- Planning salaries under spends in 2017/18 & 2018/19, the vacancies required backfilling from Agency / Consultancy at much higher costs than the vacancies savings.
- Homelessness Related Surplus - £87k under spend – The projected spend on temporary accommodation (B&B) is below budget, but it should be borne in mind that the budget was increased significantly in 2019/20. Expenditure on temporary accommodation remains a significant financial burden for the Council.
- Salary Related Savings – Torridge sets a vacancy target of £100k, only saving in excess of this £100k target are reported. The salary savings may reflect difficulties in recruitment which can impact on the performance of Council.

Capital

Programme Area	Net Capital Programme budget	Spent to 30 Sep	Net Capital Programme budget	Gross Capital Programme budget
	2019/20		cfwd	2019/20
	£	£	£	£
ICT Related	797,000	267,354	529,646	797,000
Vehicles	436,000	230,058	205,942	436,000
Property/Infrastructure	2,367,000	82,881	2,284,119	2,367,000
Regeneration	1,835,000	544,503	1,290,497	2,010,000
Culture & Sport	141,000	203,689	(62,689)	228,000
Community	1,155,000	680,267	474,733	2,267,000
Environment	58,000		58,000	58,000
Capital programme progress	6,789,000	2,008,752	4,780,248	8,163,000

- Net Capital Budget – Cost to the Council **after** third party contributions (e.g. Government Grants)
- Net Capital Budget **only shows** the projects due for completion in the current financial year, it **doesn't represent the whole** capital program. Some projects being scheduled for future years, such as the vehicle replacement program.
- Spend to date – includes both expenditure and contributions received
- Gross Capital Program – Is the full Capital cost excluding external contributions; e.g. for the Burrows Visitor Centre this would be the total cost to build; the actual cost to the Council being less because of the contribution from the Coastal Communities Fund.

Reserves

	Balance 01 April	Receipts to Date	Spend to Date	Transfers	Balance
	1	+2	-3	+/- 4	5
	£	£	£	£	£
Earmarked Revenue reserves	3,661,546	205,967	212,771		3,654,742
Earmarked Capital Reserves	7,006,562	871,975			7,878,537
Section 106 Reserves & Receipts	351,461		1,622		349,839
Grand Total	11,019,570	1,077,942	214,394		11,883,118
Commitments:					
Revenue Approved					762,469
Revenue Proposed					1,538,270
Capital Approved					7,588,707
S106 allocated					349,839
Balance carried forward (Revenue Commitments yet to be updated)					1,643,833

- Majority of reserves earmarked to fund Capital
- The Council budgets to set aside monies from Revenue to Reserves
 - Contribution to Vehicles Replacement
 - Backlog Maintenance
 - ICT Replacement
 - Future Elections
- Reserves are utilised in year to fund a variety of commitments, e.g. the Council funds its Apprentices from reserves. The utilisation of **capital reserves** are actioned at the year end with the closure of the financial accounts

Temporary Investments

Current Investments	Average rate of return	1.07%				Amount £
	Current investments					11,000,000
	Deposit A/c					3,198,000
	Total on deposit					14,198,000

- The Council invests surplus cash with Financial Institutions in line with its treasury management Policy – Security, Liquidity, Return
- Investments are generally placed for up to a maximum of one year. The interest received varies depending upon the value of the deposit and the length of time they are placed for. The monies held in temporary investments broadly match the value of the Council’s earmarked reserves.
- The investments currently placed are generating interest returns of between 0.79% & 1.25%. The Council currently receives 0.65% on its current account balances
- The Council tends to enjoy positive cash flow from April to January, after which the amounts held on deposit decline. Primarily this is due to collecting Council Tax income in 10ths whilst paying its staff and suppliers evenly through out the year.



Questions

