



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 22ND JUNE 2011
AT 4.00 P.M.

COMMITTEE ROOM, THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

MEMBERS: Councillors R. Hollingworth (Chairman), Mrs. M. A. Sherrey JP (Vice-Chairman), Dr. D. W. P. Booth JP, M. A. Bullivant, C. B. Taylor and M. J. A. Webb

AGENDA

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the accuracy of the minutes of the meeting of the Cabinet held on 1st June 2011 (Pages 1 - 6)
4. Minutes of the meeting of the Overview and Scrutiny Board held on 13th June 2011 (to follow) (Pages 7 - 8)
 - (a) To receive and note the minutes
 - (b) To consider any recommendations contained within the minutes
5. Minutes of the meeting of the Audit Board held on 9th June 2011 (to follow) (Pages 9 - 10)
 - (a) To receive and note the minutes
 - (b) To consider any recommendations contained within the minutes
6. To receive verbal updates from the Leader and/or other Cabinet Members on any recent meetings attended in an ex-officio capacity (Pages 11 - 12)
7. Financial Outturn Report 2010/11 (Pages 13 - 24)

8. Financial Reserves Statement 2010/2011 (Pages 25 - 30)
 - Appendices For Item 7 - Financial Outturn 2010/2011 (Pages 31 - 40)
 - Appendices For Item 8 - Financial Reserves Statement 2010/2011 (Pages 41 - 46)
9. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

K. DICKS
Chief Executive

The Council House
Burcot Lane
BROMSGROVE
Worcestershire
B60 1AA

14th June 2011



INFORMATION FOR THE PUBLIC

Access to Information

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- Meeting Minutes
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Declaration of Interests - Explained

Definition of Interests

A Member has a **PERSONAL INTEREST** if the issue being discussed at a meeting affects the well-being or finances of the Member, the Member's family or a close associate more than most other people who live in the ward affected by the issue.

Personal interests are also things relating to an interest the Member must register, such as any outside bodies to which the Member has been appointed by the Council or membership of certain public bodies.

A personal interest is also a **PREJUDICIAL INTEREST** if it affects:

- The finances, or
- A regulatory function (such as licensing or planning)

Of the Member, the Member's family or a close associate **AND** which a reasonable member of the public with knowledge of the facts would believe likely to harm or impair the Member's ability to judge the public interest.

Declaring Interests

If a Member has an interest they must normally declare it at the start of the meeting or as soon as they realise they have the interest.

EXCEPTION:

If a Member has a **PERSONAL INTEREST** which arises because of membership of another public body the Member only needs to declare it if and when they speak on the matter.

If a Member has both a **PERSONAL AND PREJUDICIAL INTEREST** they must not debate or vote on the matter and must leave the room.

EXCEPTION:

If a Member has a prejudicial interest in a matter being discussed at a meeting at which members of the public are allowed to make representations, give evidence or answer questions about the matter, the Member has the same rights as the public and can also attend the meeting to make representations, give evidence or answer questions **BUT THE MEMBER MUST LEAVE THE ROOM ONCE THEY HAVE FINISHED AND CANNOT DEBATE OR VOTE.**

However, the Member must not use these rights to seek to improperly influence a decision in which they have a prejudicial interest.

For further information please contact Committee Services, Legal, Equalities and Democratic Services, Bromsgrove District Council, The Council House, Burcot Lane, Bromsgrove, B60 1AA

Tel: 01527 873232 Fax: 01527 881414

Web: www.bromsgrove.gov.uk email: committee@bromsgrove.gov.uk

Agenda Item 3

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 1ST JUNE 2011 AT 6.00 P.M.

PRESENT: Councillors R. Hollingworth (Chairman), Mrs. M. A. Sherrey JP (Vice-Chairman), Dr. D. W. P. Booth JP, M. A. Bullivant, C. B. Taylor and M. J. A. Webb

Officers: Mr. K. Dicks, Ms. S. Hanley, Mr. J. Staniland, Mrs. D. Randall, Mrs S. Sellers, Mr. M. Cox, Ms. A. Wardell-Hill, Ms. L. Williams, Ms. J. Carstairs and Ms. R. Cole.

1/11 **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

2/11 **WELCOME**

The Leader welcomed Councillors M. A. Bullivant and C. B. Taylor to their first meeting of the Cabinet. All those present introduced themselves.

3/11 **DECLARATIONS OF INTEREST**

No declarations of interest were received at this stage.

4/11 **MINUTES**

The minutes of the meeting held on 6th April 2011 were submitted.

RESOLVED that the minutes be approved as a correct record.

5/11 **OVERVIEW AND SCRUTINY BOARD**

The minutes of the meeting of the Overview and Scrutiny Board held on 5th April 2011 were submitted.

RESOLVED that the minutes be noted.

6/11 **AUDIT BOARD**

The minutes of the meeting of the Audit Board held on 11th April 2011 were submitted.

RESOLVED:

(a) that the minutes be noted;

- (b) that the recommendation contained at 52/10 relating to the provision of updates to the Audit Board on any “priority one” and “priority two” findings be approved.

7/11 **VERBAL UPDATES FROM THE LEADER AND/OR OTHER CABINET MEMBERS ON ANY RECENT MEETINGS ATTENDED IN AN EX-OFFICIO CAPACITY**

Councillor M. J. A. Webb reported on a very positive meeting which he had attended with Bromsgrove Sporting.

8/11 **ENFORCEMENT AND FIXED PENALTY NOTICES FOR ENVIRONMENTAL SERVICES**

The Cabinet considered a report on the improvement of environmental enforcement within the District.

Reference was made to a previous report on this issue which had been considered by Cabinet on 2nd February 2011. At that time the proposals had been agreed in principle and this report was setting out in more detail the steps necessary to enable nominated officers to deal with a range of environmental enforcement issues more effectively.

It was intended that a publicity and education campaign would be undertaken to ensure the public were aware of the new range of regulatory powers. It would be made clear that the issuing of Fixed Penalty Notices and any subsequent Court Proceedings would in most instances be a last resort and that there would be a staged process in place including advice and verbal and written warnings.

It was noted there was a typographical error in section 10 of Appendix B in relation to the Fixed Penalty Notice for offences under Dog Control Orders. It was intended the Fixed Penalty Notice level would be set at £75 reducing to £50 if paid within 10 days.

RESOLVED that in accordance with the decision made in principle by the Cabinet on 2nd February 2011, the savings previously identified within the Environmental Services budget be vired to fund the post of Environmental Services Officer.

RECOMMENDED:

- (a) that the Environmental Strategy set out in Appendix A to the report be approved in accordance with the powers for adoption as set out in Appendix A (i) to the report together with the statutory powers to enable Fixed Penalty Notices to be issued as set out in Appendix B to the report.
- (b) that the delegations to officers set out in Appendix C to the report be approved and that delegated authority be granted to the Head of Legal, Equalities and Democratic Services to make any consequential amendments to the Constitution;

- (c) that the recommended levels for Fixed Penalty Notices as set out in Appendix B to the report be approved on the basis that these amounts form part of the Council's fees and charges and will therefore be subject to future amendment by the Cabinet as part of the annual review of fees and charges.

9/11

AIR QUALITY MANAGEMENT AREA DECLARATION - WORCESTER ROAD, BROMSGROVE

The Cabinet considered a report on a proposal to designate Worcester Road, Bromsgrove as an Air Quality Management Area (AQMA).

It was noted that Authorities were required under the Environment Act 1995 to review and assess the current and likely future air quality within their areas against the objectives in the National Air Quality Strategy. The proposal was as a result of monitoring and assessment undertaken at the site which had concluded that the national air quality objective for nitrogen dioxide was being exceeded.

As part of the discussion on this item reference was made to three other areas within the District which had previously been designated as an AQMA. Members felt it would be helpful for the Portfolio Holder, Councillor C. B. Taylor to meet with officers in order to follow up the progress made in addressing the issue of air quality in those areas, including ascertaining whether there was any additional assistance which this Authority could provide, for example further discussions with the County Council or the Highways Agency.

It was noted that the proposed Action Plan in respect of the Worcester Road AQMA would set out the measures to ensure that the air quality objectives within the area covered by the AQMA were not exceeded. There was some concern however regarding the timescale envisaged of up to 18 months for the completion of the provisional Air Quality Action Plan. Officers confirmed that during this period work to address the issue would be on-going but also undertook to produce in advance of the formal Action Plan, an outline of actions in the form of a timeline.

RECOMMENDED:

- (a) that the area at Worcester Road, Bromsgrove shown in red on the plan attached as Appendix 1 to the report be formally designated as an Air Quality Management Area by the making of an Order under section 83(1) of the Environment Act 1995;
- (b) that authority be delegated to the Head of Regulatory Services and the Head of Legal, Equalities and Democratic Services to prepare and sign the Air Quality Management Area Order for Worcester Road, Bromsgrove;
- (c) that it be noted that in accordance with the relevant provisions of the Environment Act 1995, a provisional Air Quality Action Plan will be completed within 18 months of the making of the Order and that prior to the production of this Action Plan a timeline will be produced setting out in outline the actions to be taken.

10/11 **BROMSGROVE TOWN CONSERVATION AREA (AMENDMENT TO AREA BOUNDARY) AND DESIGNATION OF ST. JOHN'S CONSERVATION AREA**

Members considered a report on proposed amendments to the Bromsgrove Town Conservation Area together with the designation of a new St. John's Conservation Area.

During the discussion on this item Members paid tribute to the work undertaken by officers in securing funding from the Heritage Lottery Fund which would facilitate the accessing of further funds from the Townscape Heritage Initiative.

RESOLVED:

- (a) that the amendments to the boundary of the Bromsgrove Town Centre Conservation Area as described in the notice and schedule of properties attached as Appendix A to the report be approved;
- (b) that the designation of a new St. John's Conservation Area under the Planning (Listed Buildings and Conservation Areas) Act as described in the notice and schedule of properties attached as Appendix B to the report be approved.

11/11 **PERFORMANCE MONITORING QUARTER 4 2010/2011**

The Cabinet considered a report on the Council's performance at the year ending 31st March 2011.

It was reported that Performance Indicators would largely be replaced by measures which better reflected the concerns and needs of the customer. As part of the Transformation Programme work was on-going to develop these measures and it was intended that Members would also be involved in the process.

RESOLVED:

- (a) that it be noted that 55% of Performance Indicators were stable or improving ;
- (b) that it be noted that 59% of Performance Indicators met their target at the year end;
- (c) that the performance figures for March 2011 as set out in Appendix 2 and Appendix 3 to the report be noted;
- (d) that the comparisons to previous years as set out in section 4.1 of the report be noted;
- (e) that the proposed revised reporting format for 2011/2012 as set out in sections 4.2 and 4.3 of the report be approved.

12/11 **ARTRIX RIGHT OF WAY - UPDATE**

(The Leader agreed to the consideration of this item as a matter of urgency as a decision was required thereon prior to the next meeting of the Cabinet).

Councillors R. Hollingworth and Dr. D. W. P. Booth JP declared personal interests in this item as Members of the Bromsgrove Arts Centre Holding Trust.

Councillor Mrs M. A. Sherrey JP declared a personal interest in this item as a Member of the Bromsgrove Arts Centre Operating Trust.

Councillor C. B. Taylor declared a personal interest in this item as a Member of the Fire Authority.

A report was circulated updating Members in relation to the proposed development by the Police of land owned by NEW College at Slideslow Drive, Bromsgrove for the purposes of a new combined Police and Fire Station.

At its meeting on 8th September 2010 the Cabinet had agreed in their capacity as Bare Trustees to the request of the Bromsgrove Arts Development Trust (the Holding Trust) to grant an easement over land owned by the Holding Trust to enable the emergency services to have an additional egress route which it was proposed would pass over land forming part of the car park of the Artrix.

Since that meeting there had been changes to the proposals including the alteration of the proposed route of the egress way and the receipt of an offer from the Police to purchase the land required from the Holding Trust. The Holding Trust had considered the latest proposals and the Cabinet were now requested to consider and implement the recommendations made by the Holding Trust.

In their capacity as Bare Trustees (in respect of (a) and (b) below) in order to implement the request from the Holding Trust it was

RESOLVED:

(a) that the land shown red on the plan attached as Appendix 2 to the report be sold to West Mercia Police for the sum of £8250 subject to the following conditions:

1. The receipt of written confirmation from the Bromsgrove Arts Centre Operating Trust that its agreement to the revised egress;
2. That the egress is only used for emergency vehicles;
3. That emergency vehicles may exit onto School Drive for the egress but may not use the egress to re-enter the Police/Fire Station;
4. That signs be erected by the Police to warn members of the public and pedestrians of the egress;
5. That sirens are not to be used by emergency vehicles when exiting from the Police/Fire Station on the egress road;
6. That the matters referred to above be secured either as part of the legal documents for the transfer or by way of a separate legal agreement between the Holding Trust and West Mercia Police;

7. That West Mercia police agree to undertake to pay all the costs reasonably incurred in connection with the preparation, negotiation and completion of all legal documentation.
- (b) that NEW College and their successors in title be released from the covenant in the 2003 Transfer Deed under which the College is currently required to provide 20 overspill parking place.
- (c) that authority be delegated to the Head of Legal, Equalities and Democratic Services in consultation with the Portfolio Holder and the Executive Director (Finance and Corporate Resources) to:
1. Agree the terms of the sale of the land to the West Mercia Police incorporating the conditional elements detailed above;
 2. Approve and implement any associated legal documents relating to the sale of the land and variation of the lease between Bromsgrove District Council, the Holding Trust and the Operating Trust;
 3. Approve and implement any associated legal documents relating to the release of the covenant in the 2003 Transfer Deed in relation to overspill parking places

The meeting closed at 7.25 p.m.

Chairman

Agenda Item 4

ENCLOSURES FOR THIS ITEM WILL FOLLOW

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Agenda Item 5

ENCLOSURES FOR THIS ITEM WILL FOLLOW

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Agenda Item 6

THERE ARE NO ENCLOSURES FOR THIS AGENDA ITEM

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BROMSGROVE DISTRICT COUNCIL

CABINET

22nd JUNE 2011

FINANCIAL OUTTURN REPORT - 2010/11

Relevant Portfolio Holder	Councillor Roger Hollingworth
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Key Decision / Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To present members with the financial information for the year ended 31 March 2010. This includes:
- Financial Outturn Information 2010/11 for Revenue and Capital Spend
 - Annual Governance Statement 2010/11

2. RECOMMENDATIONS

- 2.1 That Cabinet note the outturn financial position on Revenue and Capital as detailed in this report.
- 2.2 That Cabinet recommend to Council:
- 2.2.1 the increase in the 2011/12 Capital Programme of £2.479m in relation to the carry forward requests as identified at Appendix 1
- 2.2.2 the release of £5,587 from balances following the abolition of Lickey End Parish Council
- 2.2.3 the approval of the Annual Governance Statement at Appendix 2

3. BACKGROUND

- 3.1 The Integrated Finance and Performance Report has been presented to Members on a quarterly basis during 2010/11. This report presents a summary of the final financial position for the financial year. This ensures members have a full financial position statement of the Councils activities prior to the formal Statement of Accounts document is approved.
- 3.2 In previous years the formal there has been a requirement for the Statement of Accounts to be approved by Members prior to the 30th June. There has been a change for the 2010/11 accounts which will result in the S151 officer approving the accounts by 30th June, with full Member approval after the

External Audit and by 30th September. This ensures that any Audit changes can be reflected in the accounts final approval.

- 3.3 The net revenue budget for the Council was approved in March 2010 of £15.203m. This included an estimated transfer to balances of £134k. Approved revisions during 2010/11 included additional grant income for services and an increase for recharge figures, and resulted in a revised net position of £16.204m. This is the position that has been used for this report and financial statements.

4. KEY ISSUES

FINANCIAL POSITION FOR THE YEAR

4.1 Revenue Budget

- 4.1.1 The Revenue Account produced a year end surplus of £792k compared to a revised budgeted surplus of £75k, an improvement of £717k. This is due to a number of factors detailed in this report. In addition in December 2010 officers were requested to ensure that any expenditure on general non-essential items were reviewed to ensure that the balances position for the Council was protected in light of the severity of the cuts anticipated. The significant underspend has enabled the Council to increase the amount transferred to balances to support future one off budget pressures.
- 4.1.2 .The increase to balances has resulted in a current position of £2.059m of available for one off items of expenditure (minimum approved level £850k).
- 4.1.3 Within the financial position statement the Council has set aside a number of reserves to ensure sufficient finances are available to fund future commitments including any transition costs associated with shared services and transformation which may be needed to ensure savings are delivered in the future.
- 4.1.4 The Council Revenue Summary is detailed below.

BROMSGROVE DISTRICT COUNCIL

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Revenue Budget summary – Overall Council 2010/11

Service Head	Revised Budget 2010/11 £'000	Actual spend 2010/11 £'000	Variance 2010/11 £'000
Environmental Services	4,716	4,463	-253
Community Services	3,505	3,354	-151
Regulatory Services (BDC Client)	1,079	1,032	-47
Leisure & Cultural Services	1,901	1,800	-101
Planning & Regeneration	1,184	1,216	32
Customer Services	66	26	-40
Finance & Resources	1,654	1,503	-151
Legal, Equalities & Democratic Services	1,316	1,248	-68
Policy, Performance & Partnerships	-36	-20	16
Business Transformation	192	0	-192
Corporate Services	658	733	75
SERVICE TOTAL	16,235	15,355	-880
Exceptional Income (Fleming VAT)	0	-154	-154
Capital Expenditure charged to Revenue	80	80	0
Other non-service income	0	-31	-31
Interest on Investments	-87	-122	-35
General Transfer to Earmarked Reserves	-24	359	383
COUNCIL SUMMARY	16,204	15,487	-717

4.1.5 Financial Commentary

- 4.1.6 The table shows an under spend of £717k against the revised budget of £16.204m.
- 4.1.7 As previously mentioned measures were instigated in December 2010 to reduce expenditure following the significant reduction in Government Grant income to the Council. This increased the anticipated underspend from £323k in December to £717k at the end of the financial year.
- 4.1.8 These actions included; a full review of all orders to ensure the essential nature of all procurement , to review any general non-essential spend and looked to maximise income opportunities.
- 4.1.9 Contributory factors to the overall under spend include:
- A refund (£49k) of national non-domestic rates in relation to the Dolphin Centre, following assessment by the Valuations office dating back several years. This forms part of the Leisure and Cultural Services reported under spend.
 - An increase in investment income from the anticipated £87k to £122k.
 - Net receipts arising from HMRC as a result of the Fleming VAT case amounting to £154k
 - Due to the VAT monies received and the overall position additional general amounts were transferred back to earmarked reserves, totalling £383k. These are reported for approval in a separate Agenda item to this meeting.
 - The underspend in Environmental is due a number of budgets which have been identified as surplus to service delivery. These have been taken as the “quick wins” part of the budget process 2011/12 and no longer for part of the base budget for these service areas.. Additional savings have also been made during this year while work processes are reviewed posts have remained vacant. There has also been an additional grant (£55k) received from the County Council for the collection of waste.
 - Community Services - the reduction in costs associated with the transfer of the Caravan site to an partner provider has resulted in a significant underspend for the service. This has been factored into the 2011/12 budget projections.
 - Finance and Resources – the refund of business rates for the Council House of £65k together with the review of non-essential spend on facilities maintenance has resulted in the savings position.
 - Transformation & IT – this underspend is due to renegotiation of contracts and a reduction in anticipated spend due to a review of general non-essential expenditure.

BROMSGROVE DISTRICT COUNCIL

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22nd JUNE 2011

4.2 Capital Budget

4.2.1 The Capital Budget relates to assets purchased or improvements to Council facilities.

4.2.2 Capital Summary 2010/11

Department	Revised Budget 2010/11 £'000	Actual spend 2010/11 £'000	Variance £'000
Resources	626	539	-87
Business Transformation	201	156	-45
Environmental Services	331	208	-123
Regulatory Services	493	49	-444
Planning & Regeneration	1,200	140	-1,060
Community Services	1,986	1,545	-441
Leisure & Cultural Services	958	376	-582
TOTAL	5,795	3,013	-2,782

Financial Commentary

- The Capital Programme is considered on a monthly basis by the Asset Management Group to ensure projects are on schedule and within budget. In addition Heads of Service

meet regularly with Service Accountants to identify the financial management issues within the programme.

The main areas where Capital Schemes are under spent are:

- The sum of £36k for Building alteration for DDA compliance and £50k for remedial works to Council buildings. It has been assessed that there are no concerns that are required to be resolved that may pose a risk to the Council or the community. It is therefore anticipated that these budgets will remain unspent until a decision is made on the future of the Council's buildings.
- The £95k funds allocated for the Cemetery expansion work is not due to commence until 2011/12 due to a delay in receiving survey results from external providers.
- The funds allocated for New Park Barnsley Hall of £195k have not yet been spent due to the extensive negotiations and planning discussions in relation to the access arrangements to the proposed development. It is anticipated that this budget will be spent within 2011/12.
- A large project commenced during the Financial Year for the District Wide Provision of Sports facilities. Some areas of this project remain outstanding due to final design requirements being confirmed These include the facilities at Braces Lane and Alvechurch. Works are under discussion and are due to commence in the first quarter of 2011/12. It is proposed that the budgets for these projects are carried forward into 2011/12.
- A scheme totalling £83k for the replacement and maintenance of bridges has not yet commenced due to the continued work of assessing the work to be undertaken. It has been proposed that the budget for this scheme is rolled into 2011/12, to allow the work to be carried out which is being commissioned at this time.

4.2.3 The underspend has resulted in £304K being transferred back to the general capital receipts reserve for future capital projects.

4.2.4 Appendix 1 details the requests to carry forward capital funding towards a number of projects to ensure that they can be delivered in 2011/12.

4.3 TREASURY MANAGEMENT

4.3.1 Investment Interest - updated

For the year to 31 March 2011 the Council received net investment income amounting to £116k against budgeted receipts of £87k. This income arises on interest earned on in-house managed funds (cash currently surplus to cash flow requirements that is placed on short-term deposit).

- 4.3.2 Due to advice received the Council is maintaining its stance of depositing in ultra low risk investments. In our recent Investment Updates we have been advised to use named UK incorporated institutions as investment counterparties whose long-term ratings are currently in the 'double-A' category.
- 4.3.3 All funds are now managed internally within the Finance department with support from our advisors Arlingclose.

4.4 REVENUE BALANCES AND EARMARKED RESERVES

4.4.1 Revenue Balances

The revenue balances brought forward at 1 April 2010 was £1.266m. The revised estimate assumed that £75k would be transferred to balances as part of 2010/11 final position. The increased level of savings as detailed in this report has meant that an increased addition to balances of £717k has been made. The new level of balances is £2.059m, which can be utilised to fund one off items to deliver the priorities of the Council.

- 4.4.2 Members are also asked to consider the transfer of the precept that was returned to the Council from the abolished parish of Lickey End. In December 2010 following the formal abolition of the parish £5,587 was returned to the Council from initial precepts that had been recovered by residents of the parish. These funds were transferred to General Fund balances. It was anticipated that these funds would be spent within the Lickey End area and a recent request has been received to transfer the funds to Lickey End First school to purchase additional books and learning aids for the children. It is recommended by officers that this is an appropriate use of the funds.

4.4.3 Earmarked Reserves

The Council maintains a number of reserves which have been set up to earmark resources for future spending plans. The balance on these reserves is shown in a separate report being presented to this meeting.

4.5 GOVERNANCE STATEMENT

- 4.5.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall duty, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.
- 4.5.2 The preparation of an Annual Governance Statement is a statutory requirement and its purpose is to provide and demonstrate that there is a continuous review of the effectiveness of the Council's internal control and risk management systems so as to give assurance on their effectiveness and to produce action plans to address identified weaknesses.
- 4.5.3 The Governance Statement is included in Appendix 2 to this report.

5. FINANCIAL IMPLICATIONS

- 5.1 None other than those covered in this report.

6. LEGAL IMPLICATIONS

- 6.1 None

7. POLICY IMPLICATIONS

- 7.1 The delivery of an effective accounts and financial management service is demonstrated by the Statement of Accounts being presented to the revised statutory deadline.

8. COUNCIL OBJECTIVES

- 8.1 The effective management of financial arrangements ensures the Council objectives can be met..

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 9.1 The Financial Services risk register includes the preparation of the accounts and the controls in place to ensure the accounts are closed within the deadline and are accurate and transparent.

10. CUSTOMER IMPLICATIONS

- 10.1 The effective use of our resources, as detailed in the statement ensures funds are appropriately utilised to meet customer demand.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

- 11.1 None as a direct result of this report.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

- 12.1 None as a direct result of this report.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

- 13.1 None as a direct result of this report.

14. HUMAN RESOURCES IMPLICATIONS

- 14.1 None as a direct result of this report

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

- 15.1 The Annual Governance Statement demonstrates the Council has sound arrangements in place.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

- 16.1 None as a direct result of this report.

17. HEALTH INEQUALITIES IMPLICATIONS

- 17.1 None as a direct result of this report.

18. LESSONS LEARNT

BROMSGROVE DISTRICT COUNCIL

CABINET

22nd JUNE 2011

18.1 Each year the finance service review best practice across the profession to ensure the Councils accounts show a complete and true view of the financial position.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 None as a direct result of this report .

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	Yes
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	Yes
Head of Service	Yes
Head of Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	N/A

21. WARDS AFFECTED

All wards

22. APPENDICES

- Appendix 1 Capital Carry Forward Requests 2010/11
- Appendix 2 Annual Governance Statement

BROMSGROVE DISTRICT COUNCIL

CABINET

22nd JUNE 2011

23. BACKGROUND PAPERS

None.

24. KEY

n/a

AUTHOR OF REPORT

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BROMSGROVE DISTRICT COUNCIL

CABINET

22nd JUNE 2011

FINANCIAL RESERVES STATEMENT – 2010/11

Relevant Portfolio Holder	Roger Hollingsworth
Relevant Head of Service	Jayne Pickering
Key Decision / Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To advise members on the earmarked reserves for the year ending 2010/11 and to seek members approval on the creation of new reserves where required to support future plans of the Authority.

2. RECOMMENDATIONS

2.1 That Cabinet recommend to Council:

- 2.1.1 approval of the establishment of the new reserves of £474k as detailed at Appendix 1.
- 2.1.2 approval of the release of reserves as included in Appendix 2 of £419k which reflects the approval required for January- March 2011.
- 2.1.3 approval of the addition to existing reserves of £289k as included in Appendix 2. This reflects the approval required for January- March 2011.

3. BACKGROUND

- 3.1 The Council currently sets aside specific amounts as reserves for future policy purposes or to cover contingencies. In addition the Council has specific provisions for liabilities or losses that result from past events.
- 3.2 In June 2009 Council approved a policy to ensure relevant approval was in place to create and release reserves to support and enhance the delivery of the priorities of the Council.
- 3.3 Within the integrated finance and performance report for the period April – December 2010 approval was received to release a number of funds against existing reserves together with additions to others currently in place.

4. KEY ISSUES

- 4.1 The accounts for 2010/11 are in the process of being prepared and as part of the closedown process a review of reserves and provisions has been undertaken.
- 4.2 A number of reserves have been utilised during January – March 2011 together with additional funds made available to existing reserves. The net position on the current reserves is shown in Appendix 2.
- 4.3 In discussion with Heads of Service and in considering the future plans of the Authority a number of new reserves have been proposed, together with the release of funds currently set aside.
- 4.3 The new reserves that are proposed are included at Appendix 1
- 4.4 If approval is granted to the proposed reserves as identified above the revised position will be £1.781m to fund future plans of the Authority. The full schedule including the new reserves is attached at Appendix 2.

5. FINANCIAL IMPLICATIONS

- 5.1 The reserves will be included in the Statement of Accounts and will be subject to Audit by the Audit Commission.

6. LEGAL IMPLICATIONS

- 6.1 Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 6.2 Section 25 of the Local Government Act 2003 places a specific personal duty on the Chief Financial Officer to report on the adequacy of reserves and the robustness of the budget.

7. POLICY IMPLICATIONS

- 7.1 The approval of reserves complies with policy established in June 2009.

8. COUNCIL OBJECTIVES

- 8.1 Approval of this policy contributes to the Council's objective of improvement to ensure the Council is following best practice in its financial practices.

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 9.1 The closedown of the accounts and the relevant accounting treatment of provisions and reserves is contained within the Financial Services Risk register and monitored on a quarterly basis

10. CUSTOMER IMPLICATIONS

- 10.1 The adequate provision of reserves will ensure the Council has appropriate funds in place to meet future demands of its customers.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

- 11.1 None as a direct result of this report.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

- 12.1 The implementation of policy will ensure the Council sets aside sufficient funds to cover future costs. In addition any expenditure on the services funded by reserves are subject to the Councils procurement and Value for Money considerations.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

- 13.1 None as a direct result of this report.

14. HUMAN RESOURCES IMPLICATIONS

- 14.1 None as a direct result of this report.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

- 15.1 The setting aside of reserves will ensure that the Council has appropriate funds in place to meet future plans and improve performance.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

- 16.1 None as a direct result of this report.

17. HEALTH INEQUALITIES IMPLICATIONS

17.1 None as a direct result of this report.

18. LESSONS LEARNT

18.1 The establishment of policy and the reporting to members of the approval and release of reserves is considered to be good practice in financial management and was recommended by the Audit Commission.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 None as a direct result of this report.

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	Yes
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	Yes
Head of Service	Yes
Head of Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	No

21. WARDS AFFECTED

None

22. APPENDICES

Appendix 1 – Statement of new Reserves 2010/11

Appendix 2 – Full schedule of reserves 2010/11

23. BACKGROUND PAPERS

Final Accounts working papers 2010/11

AUTHOR OF REPORT

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2010/11 Capital Schemes to be carried forward into 11/12

Scheme	Carry Forward	Comment
Business transformation		
Internet/Intranet Development (funded from IEG Grant)	3,000	Grant funding for internet/intranet development
Government connect scheme	1,000	On-going scheme, Bromsgrove DC are required to be compliant with Government Connect Scheme
Councillors remote access	4,000	Work to be carried out in 2011/12
Increase bandwidth for internet link	10,000	There are still reviews being made as to the required links needed and spend may occur after the outcome of this.
Environmental Services		
Depot Alarm Site System	10,466	Unfinished work to be completed in 11/12, c/f of budget required.
Street Scene Depot Vehicle Replacement Programme (street cleansing)	21,000	Budget required to add to current year to purchase the correct specification of vehicle
Street Scene Depot Vehicle Replacement Programme (grounds)	28,952	Budget required to add to current year to purchase the correct specification of vehicle
Replacement Vehicles 2009/10 (refuse)	14,000	Budget required to fund additional modifications in 11/12
North Cemetery Phase 2 Expansion	95,000	Surveys requested works to start in 11/12 dependant on survey results
Regulatory Services		
Worcestershire Enhanced Two Tier Programme (WETT)	441,187	Assets under construction project continuing therefore budget required to complete scheme
Planning and regeneration		
Town Centre Development - Project Management	53,256	Work continuing in 11/12 (7500 transferred to Environmental contribution to pay machine)
Town Centre Development - Resurfacing Works	1,000,000	Work to be carried out in 2011/12
Community Services		
Discretionary Home Repair Assistance & Housing Renewal Grants	37,304	The current year's budget has been reduced down to £63k and Government Kick Start Equity Release money has been withdrawn thus putting a greater burden on this budget. Therefore the uncommitted funding from 10/11 is required to meet the significant need for home repair assistance (max £5k per app) from cases requesting assistance that in total amounts to in excess of £200k.
Mandatory Disabled Facilities Grants (DFG's) (Private & BDHT Grants) - Budget Only	35,707	Committed spend but works not yet completed
Grants to RSL's - Low cost Housing/Shared ownership	10,000	This amount of grant is committed and has to be carried forward to pay the last tranche of grant to BDHT on the Forest Way Scheme upon completion.
Grants to owners of Houses in Multiple Occupation (regulatory standard in Fire Precautions and Energy Efficiency)	2,000	Request to carry forward to offer as an incentive to landlords to improve Houses in Multiple Operation and to complement the work of a part time Strategic Housing Officer appointment to encourage privately let accommodation for single homeless.
Grants to Principal Preferred Partners (BDHT/W Mercia) for the development of affordable housing in the district	140,000	Committed to the Perryfields Scheme as last tranche payments of grant to BDHT and West Mercia upon scheme completion.

Scheme	Carry Forward	Comment
Leisure and Cultural Services		
Barnsley Hall - Requisition of land & provision of new play area	7,000	Work to be completed in 11/12 - to be spent in line with new pitch enhancement works and changing rooms
Wythall Teenage sports facility	11,000	L&CS services reviewing local options/need based on upcoming 106 contributions with in Bromsgrove North East.
New Park at Barnsley Hall (funded from the government liveability fund & BDC) - Football pitches	208,547	Scheme delayed due to ongoing discussion with County Highways on access arrangements and easement agreements in order to mitigate additional spend on none essential items. Once completed the contractor will commence formal planning process.
Alvechurch Lions	69,350	Scheme is finalised but requires formal acceptance from the parish with regard to the grant & lease conditions BDC are implementing.
Braces Lane	91,669	Works has commenced on the playing pitches and the car park elements of the project, the build programme will start on 11/12 once formal design (fittings) requirements are agreed.
Briar Close Play Area Refurbishments/Enhancements	28,000	Awaiting developer input to conditions of adoption and their maintenance responsibilities
Laurel Grove - Sidemoor	51,000	Project completed May 2011
Charford Skatepark	2,684	Works completed - initial ground works in 2010/11 and final works on ramp 2011/12 (hence figure change in this year) we are now working with Arts development to instigate a graffitti project to blend ramps into existing site
Play area removals and upgrades	12,000	The scheme has been identified for this funding and order placed. However the scheme is not due to commence until April 2011 and as such 10K of the funds need to be rolled forward and joined with the section 106 scheme in Stoke Heath.
Pavilion roof and toilet enhancements (sanders park)	7,452	Work have commenced and will be completed in 11/12, in order to meet the staged payment plan funding will need to be rolled forward.
Repairs and Maintenance of Bridges	83,000	Final works to be carried in 11/12 working with WCC officers and any remaining funding returned to balances.
	2,478,574	

**Bromsgrove District Council
Annual Governance Statement
2010 – 2011**

1. Scope and responsibility

Bromsgrove District Council is responsible for ensuring that:

- its business is conducted in accordance with legal requirements and proper standards
- public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Bromsgrove District Council is also responsible for maintaining proper arrangements for the governance of its affairs, which facilitate the effective exercise of its functions, including arrangements for the management of risk.

The Council's Executive Director of Finance and Resources is the officer with statutory responsibility for the administration of the Council's financial affairs as set out in section 151 of the Local Government Act 1972.

2. The purpose of the governance framework

The governance framework comprises the cultural values, systems and processes used by the Council to direct and control its activities, enabling it to engage, lead and account to the community. The framework allows the Council to monitor the achievement of its strategic objectives and to consider whether appropriate, cost-effective services have been delivered.

A significant part of the framework is the Council's system of internal control which is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Bromsgrove District Council for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts.

3. The governance framework

The Chartered Institute of Public Finance and Accountancy (CIPFA) has identified six principles of corporate governance that underpin the effective governance of all local authorities. Bromsgrove District Council has used these principles when assessing the adequacy of its governance arrangements. The main elements that contribute to these arrangements are listed below:

Core Principle 1: focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area

- A clear statement of the Council's purpose, vision and priorities for the next three years is set out in the Council Plan 2011/14. This brings together the national, regional and local agenda, in terms of policy, performance and customer feedback, and sets out the recommended priorities and strategic key deliverables for the year ahead, so that they provide a strategic framework for setting the Council's budget.
- For each priority there are clear outcomes for residents and service users, together with identified actions that will deliver the vision.
- The vision is translated into more specific aims and objectives through the departmental service business plans and team action plans
- Progress against the Council Plan's targets and actions are monitored monthly at Corporate Management Team and Cabinet. In addition key projects are managed through the Project Management Board and the Transformational project Board.
- Posters are widely available to communicate priorities and goals
- The residents magazine "Together Bromsgrove" is sent to all households 3 times per year
- Regular staff forums are held by Senior Management Team to communicate aims and objectives of the Council
- The budget jury undertakes annual reviews of the priorities and the link to the budget considerations.
- The Bromsgrove Partnership provides a partnership review forum
- Use of Worcestershire Viewpoint to support the measurement of resident satisfaction
- Consultation informs our Community Strategy which is available to the public
- The Community Strategy and Annual Report articulate the Council's activities and achievements
- The medium term financial plan underpins corporate aims and links funding to the key priorities of the Council
- The Council's budget monitoring statements show financial plans at a detailed level for the financial year

- Effective budgetary monitoring takes place regularly and is reported on a quarterly basis as an integrated report with performance to Cabinet, Overview and Scrutiny and Full Council
- Savings have exceeded targets
- Service standards have been published and are available to the public
- Scrutiny task groups are supported by officers and have delivered tangible outcomes.

Core Principle 2: members and officers working together to achieve a common purpose with clearly defined functions and roles

- The Council's Constitution clearly sets out the roles and responsibilities of Councillors, and the procedural rules for Full Council, Cabinet and the other Boards operated by the Council
- Terms of reference for member working groups (eg Scrutiny Task Groups) are clearly defined
- Officers are appointed with clear job descriptions
- Adoption of statutory and professional standards
- Compliance with Financial Regulations and Contract Procedure Rules that are reviewed and approved by the Council
- Financial administration procedures are agreed by the Executive Director of Finance and Resources
- Appropriate segregation of duties and management supervision.
- A clear scheme of Councillor/officer delegation exists to provide clarity on the powers entrusted to those appointed to make decisions on behalf of the Council.
- The roles and responsibilities of Councillors are underpinned by an extensive Member Development Programme.
- Overarching legal agreement between Bromsgrove District Council and Redditch Borough Council clearly defines the roles and responsibilities and the support from officers to deliver the joint services

Core Principle 3: promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- The Council's priorities and aims clearly demonstrate its vision and values
- Posters communicating this vision and the values are widely available
- A Member/ Officer protocol is set out within the Constitution
- The behaviour of Councillors is regulated by the Member Code of Conduct and is supported by a number of protocols.
- There is an established and effective Standards Committee.

Core Principle 4: taking informed and transparent decisions which are subject to effective scrutiny and management of risk

- There is an established and effective Overview and Scrutiny Board

- There is an established and effective Audit Board to advise Council on the effectiveness of Internal Control arrangements
- Shared Service Board receives regular progress and benefit realisation updates
- A review of the constitution is undertaken on a regular basis to ensure it enables members to make informed and transparent decisions
- A formal Service level agreement is in place with Worcester City Council to ensure Internal Control arrangements are reviewed in a consistent and professional way
- Decisions taken are formally minuted and all formal member meetings are recorded
- A standard report template is in place which is subject to regular review by officers to ensure appropriate information is available to members in making informed decisions
- The Cabinet forward plan is rolled forward and reviewed weekly at Corporate Management Team.
- Overview and Scrutiny have an annual workplan supported by any considerations from the forward plan
- Regular Task Groups are established to review service areas and to make recommendations for their improvement
- Formal governance arrangements are in place for the shared services
- Active risk management, including
 - risk identification, registers and action plans
 - Risk Management Steering Group
 - guidance and training on risk management for members and staff;
 - involvement of members in monitoring departmental risks
 - consideration of risk implications in committee reports and the decision making process
- Active health and safety arrangements, including a robust policy, Member champion, regular consideration of issues at SMT and Joint Health and Safety Committee
- Regular Trade Union liaison meetings with Senior Management Team
- Clear and approved plan to deliver shared services over the next 2 years in consultation with unions and members. This will ensure the Council delivers the savings required and to improve resilience and capacity across the organisation
- Financial management arrangements, where managers are responsible for managing their services within available resources and in accordance with agreed policies and procedures. Elements include:
 - monthly review of budgetary control information by Officers and the appropriate Portfolio Holder, to compare expected and actual performance
 - formal quarterly budgetary monitoring reports to the Cabinet and Overview and Scrutiny Board
- Active performance management arrangements to Corporate Management Team , Cabinet and Overview and Scrutiny Board
- A revised and effective complaints/ compliments procedure is in place and is widely publicised

- A whistle blowing policy is in place and available on the Council's web site
- Freedom of Information requests are dealt with in accordance with established protocols
- All committee reports include reference where relevant to the potential impact on the Council's priorities and objectives, and address as appropriate any financial, staffing, risk, legal , procurement and customer implications.

Core Principle 5: developing the capacity and capability of members and officers to be effective

- The Council operates a Member Development Programme, overseen by a cross party Member Development Steering Group. The Programme is extensive and includes: induction, chairmanship training, performance training, portfolio holder training and mock Full Councils. The Council has been awarded primary status of the member development charter in recognition of this.
- Portfolio Holders meet on a monthly basis with Directors and Heads of Service to ensure they are aware of all issues within their service and to enable them to present reports at Cabinet in relation to their portfolio area
- The new single management team has been in place since April 2009 to deliver an effective joint arrangement across Bromsgrove District Council and Redditch Borough
- All staff has the opportunity to attend training courses, provided through the staff training directory. Individual's training needs are discussed formally at the annual Personal Development Review and at the 6 month review. Each member of staff also receives a monthly one to one with their manager, at which training is also discussed.
- An induction programme is in place for Officers and Members
- A managers conference takes place every 2 years to develop managers understanding of new initiatives (transformation)
- Deputy s151 and Monitoring Officers are in place
- Staff Leadership Training is available
- Development of roles and responsibilities for staff managing the transformation of services

Core Principle 6: engaging with local people and other stakeholders to ensure robust public accountability

- The Sustainable Community Strategy is positively used and developed in conjunction with the Bromsgrove Partnership
- The Council has an Inclusive Equalities Scheme, operates an Equalities and Diversity Forum and Disabled Users' Forum, holds an annual equalities conference and supports the community events that are funded via the forum budget considerations

- The Council is defined as “achieving” against the Equality Framework for Local Government
- The District Council has a service level agreement with the voluntary sector infrastructure organisation, Bromsgrove and Redditch Network (BARN) to support the Compact and enable BARN to attend Bromsgrove Partnership Board meetings
- The Council has service agreements with the Artrix and Community transport service delivery (WRS) to ensure joint decisions are made on service provision
- Surveys are conducted on the Council’s website, at the Customer Service Centre and resident feedback is obtained at Council events (eg summer events at local parks)
- Board, Cabinet and Council meetings are open to the public, with papers available on the internet
- Clear and colourful publications eg Annual Report, residents’ magazine.

4. Review of effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This responsibility is in practice carried out by Senior and 4th tier Managers, with the S151 officer informing the Cabinet of any significant matters warranting their attention.

During the year the following actions have been undertaken to improve arrangements:

- Approval of a climate change strategy
- Development of harmonised terms and conditions between Bromsgrove District Council and Redditch Borough Council
- Regular reporting to the Shared Service Board
- Financial and Legal Agreement developed and approved for Bromsgrove District Council hosting the Worcestershire Regulatory Services arrangement
- Service Level Agreement approved for Internal Audit services to be delivered by Worcester City
- Business Cases approved for a number of shared services between Bromsgrove District Council and Redditch Borough Council
- Adopted the Strong Leader model

The review of effectiveness of the system of internal control is informed by three main sources: the work of Internal Audit; by managers who have responsibility for the development and maintenance of the internal control environment; and also by comments made by external auditors and other review agencies/inspectorates.

Internal Audit

Bromsgrove's responsibility for maintaining an effective internal audit function is set out in Regulation 6 of the Accounts and Audit Regulations 2003. This responsibility is delegated to the Executive Director Finance and Resources.

The Worcester City Internal Audit Services Team has been in place since June 2010 and operates in accordance with best practice professional standards and guidelines. It independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic, efficient and effective use of resources. All audit reports go to the manager of the service, the appropriate Director and the Chief Executive. The Audit Board receives a quarterly report of internal audit activity and approve the annual audit plan for the forthcoming year.

The Audit Function is also responsible for co-ordinating the Council's risk management activity, which is monitored by a Risk Management Steering Group and reported to the Audit Board on a quarterly basis.

Managers

Individual managers are responsible for establishing and maintaining an adequate system of internal control within their own sections and for contributing to the control environment on a corporate basis. There are a number of significant internal control areas which are subject to review by internal audit. All managers acknowledge their responsibilities and confirm annually that they have implemented and continuously monitored various significant controls. This is done on a checklist covering the following areas: Council objectives and service plans, staffing issues, corporate procedure documents, service specific procedures, risk management, performance management and data quality, and action on independent recommendations. This checklist is reviewed by the Executive Director Finance and Resources.

External auditors and other review agencies/inspectories

Our external auditors have not identified any significant weaknesses in our internal control arrangements when working with us throughout the year and in their annual audit letter.

Other external reviews during the year included:

- Department of Work and Pension review of Revenues and Benefits.
- External Auditor work, for example subsidy claim audits and annual audit

5. Significant governance and internal control issues

During 2010/11 the number of complaints against elected members reduced. These were managed through the formal assessment process and where appropriate referred for investigation. Notwithstanding this, the process for managing complaints against elected members at Bromsgrove has been acknowledged by Standards for England as being an example of good practice.

The review of Bromsgrove's system of governance and internal control has not identified any significant weaknesses.

There are however a number of actions to be undertaken to improve the arrangements these include:

- Development of a revised risk management arrangement for departmental and corporate registers. This will focus the Management Team and Audit Board on the corporate risks associated with the delivery of services within the future financial constraints.
- Develop clear guidelines on control and financial arrangements within a shared service environment
- Develop a set of measures to manage the governance arrangements within the transformed services
- Review cost allocation within transformation of services to ensure accurate reflection of revised service cost

(signed)

ROGER HOLLINGWORTH
Leader of the Council

KEVIN DICKS
Chief Executive

(date)

Appendix

Appendix 1

Proposed New Reserves 2010/11

RESERVE PROPOSED	Amount to set aside 2010/11 £000	Brief Description of Reserve
Computer Equipment	30	Funding for ICT equipment ordered previously to ensure officers and members have appropriate resources to undertake their roles
Housing – General	77	Fund for various housing schemes including Spend to Save, Step Up, Young People
Land Charges	100	Search Fees reserve to cover both potential claims & loss of fees foregone in 10/11
Emergency Planning – Flood and Watercourse Management	10	Review on Flood and Watercourse management.
Sanders Park – Pavilion Roof	3	Funding for completion of works
Play Areas – Catshill	4	Budget for completion of works
Christmas Lights	2	Repair and maintenance works
Drinks Machines	3	Replacement of outdated equipment
Fire Risk Management System	4	Review of the Fire Risk Management system
Ballot Boxes and Booths	10	Replacement of Elections equipment
Democratic Services	11	Funding for future elections service
Regulatory Services – Partner Underspend	69	Ringfenced monies for use for service redundancy and severance costs for Regulatory Services
Sports Development – Community Projects	2	Grant Funding for the development of sporting community projects
Sports Development – Falls Prevention	1	Grant funding to assist in projects for older people
Health and Wellbeing	24	Contribution from the County Council to assist in the provision of Health and well being projects within the district
CCTV	15	Rollover of funding to complete maintenance project
ATLAS	27	Funding from DWP for systems changes within the Benefit Section
LHA Changes	3	Funding from DWP for systems changes within the Benefit Section
Incap Ben & Reassess	3	Funding from DWP for systems changes within the Benefit Section
Replacement Vehicles/ Plant	76	Build up funding to assist with the replacement of vehicles in future years.
DWP – Temporary Accommodation	1	Funding from DWP for systems changes within the Benefit Section
TOTAL	474	

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Bromsgrove District Council
Earmarked Reserves Final Accounts Schedule
2010/11

Appendix 2

Description	B/fwd 2010/11 £'000	Transfers to reserve 2010/11 £'000	Transfers from reserves 2010/11 £'000	New Reserves 2010/11 Transfers in - Q4 £'000	Projected balance 31 March 2011 £'000	Comments
Building Control Partnership Reserve	-22	-5	0		-27	Part of 11/12 budget savings
Unspent Plan. Del. Grant reserve	-27	0	27		0	
Liability Reserve	-16	0	0		-16	For draw down over 5 years - Barnsley Hall football pitches
LRPA Reserve	-5	-2	5		-2	Reward Grant for Sports Development
Legal Reserve	-50	0	0		-50	Potential liability arising from ongoing legal cases
Litigation Reserve	-19	0	0		-19	Funding post
Sports Partnerships Reserve	-21	0	0		-21	To be released in 2011/12
Area Committees	-243	0	31		-212	£170k part of 11/12 budget savings remainder for future planning enquiries
Local Plans Inquiry	-6	0	0		-6	Part of 11/12 budget savings
Housing - Nightstop	-2	0	0		-2	Money set aside for Housing needs survey
Housing needs assessments and surveys	-7	0	7		0	
Council Chamber equipment	-18	-43	18		-43	To support Town Centre Development
Town Centre Development	-146	0	144		-2	
Single Status/JE	-444	-248	92		-600	To fund costs associated with development of shared services and transformation of services to deliver future savings
Shared Services Agenda incl Joint CE						
Business Start up grants	-6	0	0		-6	Monies set aside for grants to new businesses
Youth Provision Reserve	-32	0	22		-10	To be released in 2011/12
Activity Referral Scheme	-4	-3	3		-4	Sports Development Schemes
Town centre Market Stalls	-4	0	0		-4	
Alcohol Abuse Reserve	-6	0	6		0	
Local Strategic Partnership	-25	-4	28		-1	

Description	B/fwd 2010/11 £'000	Transfers to reserve 2010/11 £'000	Transfers from reserves 2010/11 £'000	New Reserves 2010/11 Transfers in - Q4 £'000	Projected balance 31 March 2011 £'000	Comments
Recycling Extension	-129	0	55		-74	To fund the previously agreed reinstatement of the recycling schemes
Town Centre Conservation Grants	-5	0	5		0	To support equalities strategies across the Council
Equalities	-5	-1	0		-6	
Legal Monitoring Dept	-24	0	24		0	
Market Hall Demolition	-23	0	23		0	
Town Centre Electricity	-6	0	6		0	
Parks and Recreation	-2	0	2		0	
Housing - Education Initiative	-3	0	0		-3	
Community Safety - WCC & LNP Funding	-25	0	25		0	
Sports - H & W SP - Sports Unlimited Grant	-13	-4	5		-12	Grant for Sports Provision
V&A Subscriptions	0	-20	0		-20	
ICT refresh	0	-100	0		-100	ICT Repairs and renewals Fund
Housing - Mortgage Rescue	0	-25	0		-25	Funding for future provision of scheme
Housing - Homelessness	0	-64	50		-14	To support Homelessness Strategy
DWP - Rules - Temp Accommodation	0	-6	6	-1	-1	Funding received from DWP
DWP - In & Out work	0	-3	0		-3	
Computer Equipment				-30	-30	Equipment ordered within 10/11 but not delivered by 31st March
Housing - General			50	-77	-27	Funding for various housing schemes including Spend to Save, Step up, Young People
Land Charges				-100	-100	To fund potential restitutory claims & loss of fees foregone 10/11
Emergency Planning - Flood & W/Course mgmt				-10	-10	Review works on Flood and watercourse management
Sanders Park - Roof				-3	-3	Remaining budget for completion of works
Play Areas - Catshill / Pitches				-4	-4	Remianing budget for completion of works
Christmas Lights				-2	-2	Maintenance and replacement of equipment
Drinks Machines				-3	-3	Replacement of outdated equipment
Fire Risk Management System				-4	-4	Review of fire risk management system to be done within the HR shared service
Ballot box and Booths				-10	-10	Replacement of elections equipment

B/fwd 2010/11 £'000	Transfers to reserve 2010/11 £'000	Transfers from reserves 2010/11 £'000	New Reserves 2010/11 Transfers in - Q4 £'000	Projected balance 31 March 2011 £'000	Comments
			-11	-11	Funding for future elections/member support
			-69	-69	BDC Share of Ringfenced Regulatory Services underspend for redundancy and severance pay
			-2	-2	Grant funding for the development of sporting community projects
			-1	-1	Grant funding to assist with projects for older people
			-24	-24	Contribution from the County Council to assist in the provision of Health and well being projects within the District
			-15	-15	Repair and maintenance of equipment
			-27	-27	Funding from the DWP for system changes within the Benefit Section
			-3	-3	Funding from the DWP for system changes within the Benefit Section
			-3	-3	Funding from the DWP for system changes within the Benefit Section
			-76	-76	Monies set aside for the purchase of replacement fleet
	-5			-5	Closure of Lickey End PC
	-70			-70	Reward Grant for TRUNK
-1338	-603	634	-474	-1,781	

Description

Democratic Services (RBC)

Reg Services - Partner % Underspend

Sports Dev - Community Projects

Sports Dev - Falls Prevention

Health and Wellbeing (CM20)

CCV
CC

ATLAS
OT

LHA Changes

Incap Ben & IS Reassess

Replacement Vehicles/Plant

Lickey End

TRUNK/AOHN

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