



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 2ND MARCH 2016 AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors M. A. Sherrey (Leader), C. B. Taylor (Deputy Leader), G. N. Denaro, R. L. Dent, R. J. Laight and P. J. Whittaker

AGENDA

1. To receive apologies for absence
2. Declarations of Interest

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. To consider any recommendations from the Overview and Scrutiny Board Meeting on 29th February 2016 (to follow if any)
4. Local Council Tax Support Scheme 2017/18 (Pages 1 - 14)
5. Homelessness Grant Funding Approval For Homelessness Prevention and to Support Homeless Families for 2016/17 (Pages 15 - 20)
6. Finance Monitoring Report - Quarter 3 2015/16 (Pages 21 - 34)
7. 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

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

23rd February 2016

LOCAL COUNCIL TAX SUPPORT SCHEME 2017/18

Relevant Portfolio Holder	Cllr Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda Singleton
Ward(s) Affected	All
Ward Councillor(s) Consulted	None Specific
Key Decision / Non-Key Decision	Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 In April 2013 council tax benefit, the means of helping people on low incomes pay their council tax, was replaced by a new local council tax support scheme (CTSS).
- 1.2 Local councils are required to design their own CTSS and must carry out consultation on the options being considered for inclusion in the scheme.
- 1.3 This report sets out a broad range of options for consultation in order to inform the development of a draft scheme for 2017/18.

2. RECOMMENDATIONS

Cabinet is asked to RESOLVE that:

- 2.1 **The options as set out in Appendix 1 be put to public consultation in order to inform potential changes to the Council's Council Tax Support Scheme for 2017/18 and/or later years.**
- 2.2 **The Head of Customer Access and Financial Support be authorised to consult on the options, set out in Appendix 1.**
- 2.3 **The Head of Customer Access and Financial report back to Cabinet on the outcome of that consultation and any proposals for changes to the scheme, for further consideration and resolution by Cabinet, to consult on a draft scheme.**
- 2.4 **Further to the outcome of Cabinet's decision on the draft regulations, the Head of Customer Access and Financial Support be authorised to carry out the statutory consultation required on the draft scheme.**
- 2.5 **The final Scheme be presented to Cabinet to make recommendations to Council to allow for the necessary regulations to be published by 31st January 2017.**

3. KEY ISSUES

Financial Implications

- 3.1 As Members are aware, changes were made to the Council's CTSS with affect from April 2015, which resulted in support being capped at 80% of Council Tax liability for all working age claimants.
- 3.2 The Council also agreed to implement a Hardship Fund, in order to support the most vulnerable and provide transitional support where exception hardship as a result of the changes, could be evidenced. As at 31st January 2016 £12,141 of this fund has been awarded and 345 customers provided with additional support through our Hardship assessment scheme.
- 3.3 Changes to the support scheme in April 2015 offset an estimated funding gap in 2015/16 of £45k for Bromsgrove District Council.
- 3.4 It is no longer possible to know how much funding is received towards the CTSS via the RSG, and we know that from 2017/18 there will be no government funding for this scheme. The total cost of the CTSS in Bromsgrove District is in the region of £4.5 million.
- 3.5 The District Council will continue to carry the full costs of the administration of the Council Tax support scheme. The incentives for Bromsgrove District Council are therefore to lower the administration costs of the scheme.
- 3.6 The proposals being considered for consultation are not intended to reduce the overall cost of support provided to residents but to reduce the administrative burden where ever possible, and bring the scheme in line with national changes to welfare support.
- 3.7 As previously agreed the various allowances that are taken into account when assessing support will be uprated in line with the Secretary of State's annual announcement. This will ensure that the assessment of income in relation to claims remain in line with other benefits.
- 3.8 The cost of consultation will be contained within existing budgets.

Legal Implications

- 3.9 On 1 April 2013 Council Tax Benefit was abolished and replaced by a new scheme of Council Tax support called "Council Tax Support Schemes". Under s13A and Schedule 1A of the Local Government Finance Act 1992 (inserted by s10 Local Government Act 2012), each local authority was required to make and adopt a Council Tax Support Scheme specifying the reductions which are to apply to the amounts of council tax payable within their districts
- 3.10 Statutory Instrument 2012/2885, "The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012" ensured that certain

requirements prescribed by the Government were included in each Scheme (subsequently amended by S.I. 2012/3085)

- 3.11 As the billing authority the Council is required by the Local Government Finance Act 2012 to consider whether to revise its scheme or to replace it with another scheme, for each financial year.
- 3.12 The Authority must adopt its scheme, and make any revisions, no later than 31 January in the financial year preceeding the one when it will take effect, so that it will be necessary for the Council's 2017/18 scheme to be in place by 31st January 2017.
- 3.13 Paragraph 3 to Schedule 1A into The Local Government Finance Act 1992 set out the preparation that must be undertaken prior to the adoption or revision of a scheme, including prescribed consultation requirements.
- 3.14 Instruction is received from the Department of Work and Pensions on an annual basis, of changes to benefits rates and personal allowances. These must be taken into account for housing benefit calculations and it is good practice to apply them to the Local Council Tax Support Scheme

Service / Operational Implications

- 3.15 Each local authority is required to carry out a consultation exercise on their draft scheme.
- 3.16 There are two stages of consultation. The first sets out the possible options for change, that could be included in the draft scheme. The feedback informs the decision making in respect of the draft scheme, which is then presented to Cabinet.
- 3.17 The second phase of consultation is on the draft scheme, as agreed by Cabinet. Any feedback from this is used to inform any changes to the draft scheme before a final scheme is presented to Cabinet, and then the Council before the end of November.
- 3.18 Neither the draft, nor the final, scheme can include any changes that have not been previously consulted upon. For this reason it is advised that a broad range of possible changes be included in the initial consultation. No decisions need to be made at this stage as to what may or may not be included in the draft scheme.
- 3.19 The proposals for consultation are set out at Appendix 1.
- 3.20 The timetable for the process of agreeing any changes to the 2017/18 scheme is attached at Appendix 2.

CABINET

2nd March 2016

- 3.21 The method of consultation is set out in Appendix 3. This is in accordance with guidance and legal precedent.
- 3.22 To achieve an appropriately designed CTS local authorities must consider how it will work alongside Universal Credit, which will ultimately replace all means-tested benefits and tax credits for those of working age.
- 3.23 It is preferable to ensure that the CTS aligns as much as possible with UC to make it easier for claimants in the future.
- 3.24 At present two thirds of LCTS claimants are passported from other benefits; this means that they avoid local means testing and consequently administration costs are lower. As people move to Universal Credit the administration costs for local authorities will increase. This is because claims for CTS must be made separately to national benefits once a claimant is on UC.
- 3.25 The implementation of Risk Based Verification later this year will help to reduce and simplify the administration process in respect of claims for support. This will be beneficial for both the authority and for claimants as it reduces the need for evidence in low risk claims.

Customer / Equalities and Diversity Implications

- 3.26 The 'uprating' of the benefits rates and personal allowances to be taken into account, in line with the Secretary of States announcement on those that must be taken into account for other benefits, will potentially result in small changes to the amounts of support provided. These will vary according to circumstances.
- 3.27 The local CTSS only affects those of working age. People who have reached the age for state pension credit are assessed under a national scheme which maintains 100% support.
- 3.28 The Hardship Fund provides an opportunity to ensure that vulnerable people, who have been financially disadvantaged by the changes to the CTSS, can be provided with transitional support.

4. RISK MANAGEMENT

- 4.1 Any changes to council tax support whilst increasing council tax income to the Council and our major preceptors has financial implications for our residents and therefore officers ensure that support on managing finances and advice on other potential benefits is made available.

5. APPENDICES

Appendix 1 - Proposals for consultation

Appendix 2 – Consultation timetable

Appendix 3 – Consultation Methodology

6. BACKGROUND PAPERS

Held in Revenues Service

AUTHOR OF REPORT

Name: Amanda Singleton, Head of Customer Access and Financial Support

email: a.singleton@bromsgroveandredditch.gov.uk

Tel.: 01527 881241

This page is intentionally left blank

Council Tax Support Scheme: Proposals for consultation

Align backdating with HB regulations

Details of Change

To reduce the period of backdated support to a maximum of four weeks.

Periods of backdating for Housing Benefit have been reduced to four weeks. The proposed change will align the local CTSS with Housing Benefit regulations.

This option will ensure that administration of the CTSS remains comparable with the HB scheme, thus reducing the need for two different processes

This will have minimal impact on claimants as very few claimants currently receive backdated awards.

Minimum Income Floor for self-employed cases

Details of Change

To introduce a 'Minimum Income Floor' (MIF) for self-employed claimants in line with Universal Credit.

The MIF is an assumed level of earnings. This is based on what it is expected an employed person to receive in similar circumstances. It's calculated using the National Minimum Wage for the claimants age group, multiplied by the number of hours they are expected to look for and be available for work. It also includes a notional deduction for tax and National Insurance. The minimum income floor would increase as the national minimum wage increases.

Universal Credit includes a 'Minimum Income Floor' (MIF) if a claimant is gainfully self-employed, and their business has been running for more than 12 months.

This option will bring the local CTSS in line with universal credit and significantly simplify and streamline the administration process.

It also provides an incentive to ensure that self-employment is a sustainable alternative to work.

This will affect a relatively low number of self-employed claimants.

Standard Non-Dependant Deduction

Details of Change

To introduce a standard assumed financial value of contribution from non-dependents living in a property for which a claim for local CTS is being made.

A non-dependent contribution is taken into account when assessing the income of the claimant. The current deduction where the non-dependant is not working is £3.70 per week, but where the non-dependent is working evidence is required of the income for all non-dependents in the household.

The deduction applied in Universal Credit is £15.96 per week.

The introduction of a standard level of Non-Dependant deduction would remove some of the administrative burden and simplify the claim process, as the requirement to obtain evidence of income for all non-dependents would be removed.

Increasing the level of this deduction would reduce the amount of support paid to the claimant in line with Universal Credit.

This option would incentive work for non-dependents, but not impact on the main Council Tax payer's support as the income of non-dependents increases.

The consultation would suggest the introduction of two levels of non-dependant deductions - £4 per week for non-workers or where income is under £189 gross income per week and £12 per week for those who have gross income above £189 per week;

Simplified applications process – DWP entitlement notifications accepted as claim.

Details of Changes

This option would enable us to process claims based on information provided by the DWP without the need for further information.

The DWP provides information to Local Authorities where a customer becomes entitled to some national benefits. In some cases there will be sufficient information contained within the notification to allow the calculation of Council Tax support to be made.

At present in order to claim Local Council Tax support a customer will be required to complete a lengthy application form.

Adjusting the method of making a claim to allow the Local Authority Input Documents or Universal Credit entitlement notifications to be accepted methods of claim can simplify the claim process for the Council Tax payer and speed up notification of entitlement, reduce the administrative burden and simplify the claim process.

Removal of family premium for LCTS

Details of Change

To remove the family premium in line with changes to the Housing Benefit scheme.

The family premium is an amount of additional income that families can receive before their benefit will be affected. The Government announced in the summer budget that the family premium would be removed for Housing Benefit claimants from April 2017.

LCTS regulations have been amended at a national level to ensure that pensioners continue to receive the premium; no changes have been made to working age claimants as these claimants fall under the local scheme rules and therefore must be actioned through our consultation and consideration of the local scheme.

Removing the premium from the LCTS scheme will ensure that a degree of alignment remains between the HB and local CTSS and thus not increase the administrative burden of the CTSS.

Removing the family premium will mean that more of a claimant's income will be included when we determine how much benefit someone receives. Family Premium is normally given when a claimant has at least one dependant child or young person. Removing the Family Premium will mean that when we assess a claimant's 'Applicable Amount' it would not include the Family Premium and would be reduced by £17.45 per week.

Child Maintenance Disregards

Details of Change

To cap the amount of income from child maintenance over and above which the income would be considered in the assessment of a claim

Currently the amount of income that a working age claimant receives in the form of Child Maintenance is disregarded in full in the assessment of CTS.

Setting a cap would ensure that those in low income brackets remain protected whilst ensure that those receiving high amounts of income from Child Maintenance cannot then also claim full CTS.

Prior to April 2010 £20.00 per week of any child maintenance was disregarded, whereas the current rules allow for any level of child maintenance to be disregarded in full. The consultation would suggest possible caps at £20, £30 or £55 per week along with an option to indicate that this proposal was not favoured.

We have a duty to mitigate against child poverty and this option would continue to protect those in lower income brackets and ensures support is targeted towards the most vulnerable households, whilst ensuring those with high income from Child maintenance have this taken into account when assessing the amount of CTS payable.

Align Taper Rates for LCTS with Universal Credit

Details of Change

The rate at which a claimant's support is reduced when their income increases is referred to as the taper rate. This is currently set at 20% for LCTS, this means for every extra pound a claimant earns they lose 20p benefit.

The rate of withdrawal for universal credit is 65%; consideration could be made to aligning the taper rates between LCTS and UC, or moving the LCTS taper close to the UC rate.

The consultation would suggest a range of taper rates between 65% and 30% or remaining the same.

This will impact on people as their earnings increase but does ensure that the CTS is aligned with national welfare support.

APPENDIX 2**COUNCIL TAX SUPPORT SCHEME 2017/18 - CONSULTATION AND DECISION MAKING TIMETABLE**

Date	Event	Reason
2nd March 2016	Cabinet	Agree proposals for consultation
April/May	1st stage consultation	Gain customer feedback on proposals
6th July 2016	Cabinet	Present and agree draft scheme
August/September	2nd stage consultation	Gain customer feedback on proposed scheme
2nd November 2016	Cabinet	To make recommendations to Council on Regulations
23rd November 2016	Council	Agree final scheme
31st Jan 17	REGULATIONS MUST BE PUBLISHED NO LATER THAN THIS DATE TO BE EFFECTIVE FROM 1ST APRIL 17	

This page is intentionally left blank

Council Tax Support Scheme Consultation

1. The Local Government Finance Act 2012 inserted a new schedule, schedule 1A into The Local Government Finance Act 1992.
2. The schedule provides certain matters that must be included in a Local Council Tax Reduction Scheme and the preparation that must be undertaken prior to the adoption or revision of a scheme.
3. Paragraph 3 of Schedule 1A provides that before making a scheme [or before revising a scheme] the authority must (in the following order):
 - a) consult any major precepting authority which has power to issue a precept to it;
 - b) publish a draft scheme in such manner as it thinks fit; and
 - c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.
4. In accordance with legislation and guidance it is intended that two phases of consultation will take place.
5. Phase 1 will set out possible options for change. The consultation will consist of:
 - a mailshot to all current working age Council Tax Support Scheme claimants.
 - an online survey;
 - mailshot directly to preceptors and other major stakeholders such as registered social landlords;
 - copies of survey to be handed out at the BDC Customer Service Centre and BDHT offices.
 - a copy of the survey insert in random mailings to council tax customers during the consultation period.

residents and others would be advised via press releases and social media that the consultation is taking place and inviting responses.
6. Phase 1 will take place over 4 weeks in late April and early May.
7. A further period of statutory consultation must take place on the Draft Scheme ahead of final decision making by the Cabinet and Council in November.
8. Phase 2 consultation on the proposed draft scheme will take place over 6 weeks in August and September.
9. This will ask for comments on the draft scheme and again will consist of a mailshot to all current working age Council Tax Support Scheme claimants and to preceptors and other major stakeholders such as registered social landlords, asking for comments to be made via email or in writing. In addition all residents will be made aware via press releases and social media that a draft scheme had been published and inviting comment.

This page is intentionally left blank

CABINET

2 March 2016

HOMELESSNESS GRANT FUNDING APPROVAL FOR HOMELESSNESS PREVENTION AND TO SUPPORT HOMELESS FAMILIES FOR 2016/17

Relevant Portfolio Holder	Cllr Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis – Head of Community Services
Wards Affected	All
Ward Councillor Consulted	No
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 Since the Homelessness Act 2002, the Government has allocated homelessness grant funding to local authorities to prevent and tackle homelessness.

- 1.2 The annual homelessness grant to BDC, allocated through Communities and Local Government (DCLG) has been used each year since 2002 to fund a range of homelessness support services and schemes that focus upon the prevention of homelessness and repeat homelessness. These schemes play a role in meeting the Council's Strategic Purposes:
 - Help me live my life independently
 - Help me find somewhere to live in my locality
 - Help me to be financially independent

- 1.3 BDC has made £112k homelessness grant available for the 2016/17 financial year. However, the funding reductions made by the County Council to housing-related support are now being felt in the current financial position of local service providers. As a result, there is a need to adjust funding arrangements accordingly for this financial year and to begin to plan ahead for future demand coming out of the local housing market.

- 1.4 In order to do this we propose to reduce the amount of grant provided to the majority of the agencies delivering homeless services in Bromsgrove, and to increase funding allocated to the remainder listed in para 3.5. Individual partners have been consulted about these proposed changes and they have confirmed they can continue to provide a service after the proposed reduction in grant. It is further proposed to earmark the remaining grant with a view to potentially creating a new tenancy sustainment approach in Bromsgrove, pending the outcome of any recommendations following analysis of the current position by the Council's Overview and Scrutiny Board 'Homelessness in Bromsgrove Task Group'.

CABINET

2 March 2016

- 1.5 This report seeks Members approval to award Homelessness Grant to specific schemes recommended by the Strategic Housing Manager and delegate authority to the Portfolio Holder and Head of Service to allocate any underspend of Homelessness Grant during 2016/17.

2. RECOMMENDATIONS

- 2.1 That the grant funded initiatives of £108,742 in Table 1 para. 3.5 recommended by the Strategic Housing Manager be approved to receive funding from the Homelessness Grant for 2016/17.
- 2.2 That delegated authority be granted to the Head of Community Services following consultation with the Portfolio Holder for Strategic Housing to use £16,258 unallocated Homelessness Grant during the year or make further adjustments as necessary to ensure full utilisation of the homelessness Grant for 2016/17 in support of existing or new schemes.

3. KEY ISSUES

Financial Implications

- 3.1 The Council has agreed a budget of £112k for the 2016/17 Homelessness Grant allocation.
- 3.2 Worcestershire County Council has confirmed an allocation of £11,200 to the Council to part fund the Young Persons Pathway Worker post and £1,800 for homelessness prevention from the Housing Related Support service budget administered by Worcester City Council.
- 3.3 The Council therefore has a total £125k for Homelessness Prevention Services in 2016/17. We have also received confirmation of homelessness grant for the following three years:

2017/18	2018/19	2019/20
£111,132	£111,347	£111,720

Legal Implications

- 3.4 Prevention of homelessness through the initiatives and schemes developed and funded through DCLG Grant assists the Council in meeting its statutory duties to those threatened with homelessness and homeless applicants under the Homeless provisions of the Housing Act 1996, and the requirements of the Homelessness Act 2002.

CABINET

2 March 2016

Service / Operational Implications

- 3.5 Having reviewed services provided in 2015/16 officers propose that all the services continue to receive funding in 2016/17 except CAB Money Confidence - following discussion with CAB it has been agreed between both organisations to discontinue this funding and to provide the service in a different way.

Table 1- Current services and Service Continuation Funding for 2016/17

Homelessness Grant	2015/16 £	2016/17 £
BDHT Housing Options Service – home visits	15,000	12,000
Worcs Strategic Partnership Co-ordinator (Previously Homelessness Co-ordinator)	3,500	6,300
Night Assessment Centre	3,000	1,500
Step Up BDC Private Sector Scheme	14,074	15,798
CAB Money Confidence	17,600	0
Basement Drop In service	25,000	20,000
NewStarts Furniture Project	10,000	8,000
Fry Housing Related Support	25,000	20,000
St Basils Emergency Young Person's 'crash pad' specifically for Bromsgrove residents	6,800	7,900
St Basils Young Persons Pathway Worker (previous match-funding provided by St Basils no longer available)	4,000	17,244
Unallocated funds	0	16,258
Total committed expenditure	123,974	125,000

- 3.6 Although this year the focus is on reducing and realigning the funding available via the Homelessness Grant, data also shows there has been an increase in Housing Options interviews undertaken by BDHT over the last twelve months.

Year	Housing Options Interview
2015	742
2014	623
2013	818
2012	624
2011	806

CABINET

2 March 2016

- 3.7 Officers have concerns that continued welfare reforms, combined with the reduction in housing-related support available to tenants across all tenure types could mean that the number of customers requiring help to sustain their accommodation and avoid becoming homeless may well continue to increase over time. It should also be noted that county funding for emergency assistance via the Essential Living Fund will also cease at the end of March 2016 and the £30k of District allocation will be the only financial support available for emergency funding which may limit the opportunities available. As a result, pending further detailed analysis of any newly emerging trends, there may be a need to provide additional resources or services to enable customers of all tenures to avoid homelessness.
- 3.8 It is also noted that the Council's Overview and Scrutiny Board recently created a 'Homelessness in Bromsgrove Task Group'. Retaining the unallocated funds of £16,258 in the Homelessness Grant at this stage will therefore also enable the Council to have some financial capacity to respond to any homelessness-related recommendations that may come out of this Task Group.

Customer / Equalities and Diversity Implications

- 3.9 This grant will benefit the Council's customers, by offering household's more options to prevent their homelessness and where possible to enable them to remain in their own homes. These schemes play a role in meeting the Council's Strategic Purposes:
- Help me live my life independently
 - Help me find somewhere to live in my locality
 - Help me to be financially independent
- 3.10 The grant will also benefit the larger community as opportunities to prevent homelessness will be maximised.

4. RISK MANAGEMENT

- 4.1 If the recommended schemes are not approved there is a risk that more households who are threatened with homelessness, or who are in housing need, will have limited alternative options. There is also therefore the risk that they may have to make a homeless approach and this could consequently lead to the following negative outcomes:
- Increased B&B costs
 - Increased rough sleeping in the District
 - Impacts on physical and mental health, educational achievement, ability to work and similar through increased homelessness

CABINET

2 March 2016

- 4.2 All recipients of Homelessness Grant will enter into a grant agreement and have regular monitoring with officers on the delivery of the service

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None

7. **KEY**

AUTHOR OF REPORT

Name: Amanda Glennie
E Mail: a.glennie@bromsgroveandredditch.gov.uk
Tel: 01527 881278

This page is intentionally left blank

FINANCE MONITORING REPORT 2015/16

Relevant Portfolio Holder	Councillor Geoff Denaro, Portfolio Holder for Finance and Enabling Services
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To report to Cabinet on the Council’s financial position for Revenue and Capital for the period April –December 2015 (Quarter 3 – 2015/16).

2. RECOMMENDATIONS

2.1 That Cabinet note the current financial position on Revenue and Capital as detailed in the Report.

3. KEY ISSUES

3.1 This report provides details of the financial information across the Council. The aim is to ensure officers and members can make informed and considered judgement of the overall position of the Council. The report reflects the financial position across the Strategic Purposes to enable Members to be aware of the level of funding attributed to these areas.

3.2 This report includes both a summary for revenue and capital expenditure followed by the departmental analysis of expenditure detailed in appendices showing the areas that link to Strategic Purposes

<p>Revenue Budget summary Financial Year 2015/16 – Overall Council</p>

3.3 Internal recharges have not been included in these figures to allow comparison for each service area. However Support costs have been included

Strategic Purpose	Annual budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projection £'000	Projected Variance £'000
Keep my place safe and looking good	4,980	3,532	3,519	-13	4,918	-62
Help me run a successful business	-511	-431	-281	150	-493	19
Help me be financially independent	68	1,362	1,359	-3	51	-17
Help me to live my life independently	626	432	340	-92	544	-82
Help me find somewhere to live in my locality	1,159	907	855	-53	1,077	-80
Provide Good things for me to see, do and visit	1,566	1,162	1,072	-90	1,505	-61
Enable others to work/do what they need to do (to meet their purpose)	6,725	4,942	4,985	42	6,767	44
Totals	14,613	11,906	11,848	-57	14,371	-239

Financial Commentary:

In the Third quarter of the financial year 2015/16, there is an overall underspend with a significant increase in this projected to the end of the financial year. This is due to a number of reasons including additional income generated, vacancy savings and a planned reduction in non essential spend to support the financial pressures facing the Council. The savings are partially offset by shortfalls in income from services including building control together with additional staffing costs to deliver services across the District.

Capital Budget summary
Financial Year 2015/16 – Overall Council

Strategic Purpose	Annual budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projection £'000	Projected Variance £'000
Keep my place safe and looking good	3,468	2,601	1,902	-699	2,340	-1,128
Help me run a successful business	110	83	78	-5	88	-22
Help me be financially independent	17	13	0	-13	0	-17
Help me to live my life independently	770	578	517	-61	677	-93
Help me find somewhere to live in my locality	293	220	243	23	293	0
Provide Good things for me to see, do and visit	7,876	5,907	2,956	-2951	4,166	-3710
Enable others to work/do what they need to do (to meet their purpose)	110	82	76	-6	105	-5
Totals	12,644	9,484	5,772	-3,712	7,669	-4,975

Financial Commentary:

The significant projected underspend is due mainly to the vehicle replacement programme and the funding of the redevelopment of the Dolphin Centre which was originally anticipated to be undertaken in 2015/16. In relation to the vehicle replacement programme, officers deferred purchase until the place team implementation was stabilised. It is proposed that the underspend will be carried forward to 2016/17.

There will be a reprofiling of the budget within 'keep my place safe and looking good' due to the project for the North Cemetery Extension not commencing until May 2016 due to works not being able to take place in the winter months.

All other capital projects are currently in progress.

4. TREASURY MANAGEMENT

- 4.1 The Council's Treasury Management Strategy has been developed in accordance with the Prudential and is used to manage risks arising from financial instruments. Additionally, treasury management practices are followed on a day to day basis.
- 4.2 The Council receives credit rating details from its Treasury Management advisers on a daily basis and any counterparty falling below the criteria is removed from the list of approved institutions.
- 4.3 Due to market conditions the Council has reduced its credit risk for all new investments by only investing in the highest rated instruments and has shortened the allowable length of investments in order to reduce risk.
- 4.4 At 31st December 2015 short term investments comprised:

	31st March 2015 £'000	30th June 2015 £'000	30th Sept 2015 £'000	31st Dec 2015 £'000
Deposits	6,400	7,000	4,600	11,500
Total	6,400	7,000	4,600	11,500

Income from investments and other interest

- 4.5 An investment income target of £36k has been set for 2015/16 using a projected return rate of 0.5%. During the past financial year bank base rates have remained 0.5% and current indications are projecting minimal upward movement for the short term.

5. REVENUE BALANCES

5.1 Revenue Balances

The revenue balances brought forward at 1st April 2015 were £4.274m

Legal Implications

None.

All included in financial implications.

Customer / Equalities and Diversity Implications

None as a direct result of this report

7. RISK MANAGEMENT

7.1 Risk considerations are covered in the report. There are no Health & Safety considerations

8. APPENDICES

Appendix 1 – Strategic Purposes Revenue

9. BACKGROUND PAPERS

Available from Financial Services

AUTHORS OF REPORT

Name: Kate Goldey – Business Support Senior Accountancy Technician
Email: k.goldey@bromsgroveandredditch.gov.uk
Tel: (01527) 881208

This page is intentionally left blank

Please note figures have been rounded.

Keep my place safe and looking good.

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
BDC Reg Client	Exp	571	382	382	0	571	0
	Inc	-113	-84	-84	0	-113	0
	Net	458	297	297	0	458	0
Bereavement Services	Exp	141	106	98	-9	132	-9
	Inc	-132	-99	-89	10	-131	1
	Net	9	8	8	1	1	-8
Building Control	Exp	460	345	328	-17	444	-16
	Inc	-514	-385	-317	69	-422	92
	Net	-54	-40	12	52	22	76
Cesspools/Sewers	Exp	96	72	143	71	179	83
	Inc	-208	-156	-118	38	-170	37
	Net	-111	-84	25	109	9	120
Climate Change	Exp	8	7	11	4	12	4
	Inc	0	0	0	0	0	0
	Net	8	7	11	4	12	4
Community Safety	Exp	558	418	438	20	587	30
	Inc	-50	-38	-33	4	-61	-11
	Net	508	381	405	24	527	19
Depot	Exp	1,177	883	860	-23	1,149	-28
	Inc	-458	-344	-354	-10	-465	-6
	Net	719	539	506	-33	685	-34
Development Control	Exp	603	452	536	84	685	82
	Inc	-446	-334	-463	-129	-617	-171
	Net	157	118	73	-45	68	-89
Environmental Health / Protection / Enforcement	Exp	0	0	0	0	0	0
	Inc	-11	-8	-7	1	-8	3
	Net	-11	-8	-7	1	-8	3
Grounds Maintenance	Exp	575	431	357	-74	520	-55
	Inc	-95	-71	-38	34	-94	1
	Net	480	360	319	-40	426	-54
Highways	Exp	331	248	228	-20	305	-26
	Inc	-138	-104	-98	6	-129	9
	Net	193	145	130	-15	175	-17
Land Drainage	Exp	61	45	42	-3	56	-4
	Inc	0	0	0	0	0	0
	Net	61	45	42	-3	56	-4
LSP/P'ships	Exp	102	81	91	10	112	10
	Inc	-50	-37	-48	-11	-60	-11
	Net	53	44	43	-1	52	-1

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Pest & Dog control	Exp	0	0	0	0	0	0
	Inc	0	0	-2	-2	-3	-3
	Net	0	0	-2	-2	-3	-3
Refuse & Recycling	Exp	2,178	1,634	1,704	70	2,248	70
	Inc	-1,093	-995	-1,018	-23	-1,113	-20
	Net	1,085	639	686	47	1,135	51
Strategic Housing	Exp	18	18	18	0	7	-11
	Inc	-11	-8	-8	0	0	11
	Net	7	10	10	0	7	0
Strategic Planning	Exp	336	252	196	-56	263	-73
	Inc	0	0	0	0	0	0
	Net	336	252	196	-56	263	-73
Street Cleansing	Exp	950	713	667	-45	896	-54
	Inc	-35	-26	-27	-1	-37	-2
	Net	915	686	640	-46	859	-56
Town Centre Development	Exp	153	123	95	-28	131	-22
	Inc	-67	-50	-47	3	-67	-1
	Net	87	73	48	-25	64	-23
Waste Management, policy, promotion, management	Exp	38	28	12	-17	15	-23
	Inc	-43	-32	-9	24	-9	34
	Net	-5	-4	3	7	6	11
Public Conveniences	Exp	87	65	75	9	103	16
	Inc	-0	-0	-0	0	-0	0
	Net	87	65	74	9	103	16
Totals:		4,980	3,532	3,519	-13	4,918	-62

Financial commentary:

Within building control there is a variance mainly due to the income being underachieved and there has also been some vacancies within the department.

Development Control has an overspend due to additional staffing required however the income on planning applications has increased and has been reflected in 16/17 budget round.

In Strategic Planning there is a saving due to vacancies.

Cesspools variance is as a result of the responsibility of emptying the pumping stations. We are currently in dispute which has impacted on the resources available to service existing customers and incurred additional water charges.

Help me run a successful business

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Business Development - Business	Exp	82	66	75	9	106	23
	Inc	-1	-1	-5	-4	-36	-35
	Net	81	65	70	5	70	-11
Car Parks/Civil Enforcement Parking	Exp	752	564	584	20	677	-75
	Inc	-1,275	-1,001	-884	117	-1,185	90
	Net	-523	-437	-299	138	-508	15
Economic & Tourism Development	Exp	227	170	164	-6	218	-9
	Inc	-106	-80	-63	16	-84	22
	Net	121	91	101	10	134	13
Licenses (all)	Exp	0	0	0	0	0	0
	Inc	-191	-150	-153	-3	-189	2
	Net	-191	-150	-153	-3	-189	2
Totals:		-511	-431	-281	150	-493	19

Financial commentary:

There is a slight shortfall in income received in Markets within Economic and Tourism Development.

Car Parks/Civil Parking Enforcement - there is an underachievement on the income for Car parks and Civil parking Enforcement which has been partially offset by savings in the contact with Wychavon District Council. The projected variance includes a reduction in the income budget of £60k for 15/16 due to the trial on free evening parking which will be required in future years also if the trial is to be made permanent.

Help me to be financially independent

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Revenues & Benefits	Exp	16,716	13,212	13,176	-36	16,699	-17
	Inc	-16,647	-11,850	-11,817	33	-16,647	0
	Net	68	1,362	1,359	-3	51	-17
Totals:		68	1,362	1,359	-3	51	-17

Financial commentary:

There is a shared management arrangement across Customer Services, Revenues & Benefits which have realised further savings which have been reflected in the 16/17 budgets.

Help me to live my life independently

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Community Safety - lifeline	Exp	213	159	147	-12	202	-11
	Inc	-177	-170	-234	-64	-250	-73
	Net	36	-11	-87	-76	-48	-84
Community Transport / Dial a ride	Exp	28	21	6	-15	30	2
	Inc	0	0	0	0	0	0
	Net	28	21	6	-15	30	2
Disabled Facilities grants	Exp	563	422	421	-1	563	0
	Inc	0	0	0	0	0	0
	Net	563	422	421	-1	563	0
Totals:		626	432	340	-92	544	-82

Financial commentary:

Lifeline income has increased compared to budget due to supporting people funding being withdrawn from BDHT last year. (We now provide the full service). This has been included in the 2016/17 budget.

Help me to find somewhere to live in my locality

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Housing Strategy & Enabling	Exp	1,186	928	852	-76	1,100	-85
	Inc	-227	-171	-147	23	-223	4
	Net	959	757	705	-53	877	-80
Private Sector Housing	Exp	200	150	150	-0	200	0
	Inc	0	0	0	0	0	0
	Net	200	150	150	-0	200	0
Totals:		1,159	907	855	-53	1,077	-80

Financial commentary:

Housing have a saving on salary costs due to vacancies and in addition, there is extra income on Burcot Hostel and savings on BDHT contract payments.

Provide things for me to do, see and visit

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Business Development - Cultural	Exp	12	9	12	4	22	11
	Inc	0	0	-1	-1	-1	-1
	Net	12	9	12	3	22	10
Community Cohesion (older and young people) social inclusion	Exp	29	22	10	-12	29	-0
	Inc	0	0	0	0	0	0
	Net	29	22	10	-12	29	-0
Cultural Services	Exp	242	182	179	-2	238	-4
	Inc	-23	-17	-27	-10	-27	-4
	Net	219	164	152	-12	211	-8
Grants & Donations	Exp	108	81	81	-0	108	0
	Inc	0	0	0	0	0	0
	Net	108	81	81	-0	108	0
Highways - Seasonal	Exp	36	27	26	-1	31	-5
	Inc	-31	-23	-14	9	-16	15
	Net	6	4	12	8	15	9
Parks & Green Space	Exp	400	300	254	-46	349	-50
	Inc	-89	-77	-41	36	-41	48
	Net	310	223	213	-10	308	-2
Shopmobility	Exp	8	6	4	-2	9	1
	Inc	0	0	0	-0	0	-0
	Net	8	6	4	-2	9	1
Sports Services	Exp	918	689	609	-80	811	-107
	Inc	-44	-36	-20	16	-8	36
	Net	875	653	589	-64	804	-71
Totals:		1,566	1,162	1,072	-90	1,505	-61

Financial commentary:

There are projected savings within sports services due to two vacant posts (which have now been filled) and a saving on the core budget due to the use of external funding for projects

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

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Accounts & Financial Management	Exp	473	325	339	14	489	16
	Inc	0	0	0	0	0	0
	Net	473	325	339	14	489	16
Business Development	Exp	658	415	448	33	673	15
	Inc	-43	-32	-13	19	-16	27
	Net	615	382	435	53	658	43
Central Overheads	Exp	1,198	972	976	4	1,200	2
	Inc	-2	-1	-2	-0	-2	0
	Net	1,197	971	974	3	1,199	2
CMT	Exp	366	274	269	-5	362	-4
	Inc	-146	-110	-109	0	-146	0
	Net	220	165	159	-5	216	-4
Communications	Exp	148	103	100	-3	144	-4
	Inc	-64	-48	-42	6	-57	7
	Net	85	56	58	3	88	3
Corporate	Exp	78	51	130	79	180	102
	Inc	-0	-0	0	0	0	0
	Net	77	51	130	79	180	102
Corporate Administration / Central Post Opening	Exp	226	170	172	2	229	2
	Inc	-21	-16	-14	2	-16	5
	Net	205	154	157	3	213	7
Customer service centre	Exp	332	243	243	0	332	-0
	Inc	-42	-31	-32	-0	-42	-0
	Net	291	212	212	-0	290	-1
Democratic Services & Member Support	Exp	647	453	409	-44	608	-39
	Inc	-181	-136	-133	3	-172	9
	Net	466	317	276	-41	436	-30
Election & Electoral Services	Exp	731	548	580	33	708	-22
	Inc	-470	-353	-387	-34	-446	26
	Net	260	195	194	-2	262	4
Emergency Planning / Business Continuity	Exp	14	11	9	-1	12	-2
	Inc	0	0	0	0	0	0
	Net	14	11	9	-1	12	-2
Equalities	Exp	56	42	20	-22	26	-30
	Inc	-23	-17	-9	9	-10	13
	Net	33	25	11	-13	16	-17
Human Resources & Welfare	Exp	264	198	193	-6	249	-15
	Inc	0	0	0	0	0	0
	Net	264	198	193	-6	249	-15
ICT	Exp	2,556	1,917	2,055	138	2,559	3
	Inc	-695	-521	-646	-125	-695	-0
	Net	1,862	1,396	1,410	14	1,864	3

Page 32

Agenda Item 6

Department		Annual budget £'000	To date budget £'000	Actuals to date £'000	Variance to date £'000	Projected Outturn £'000	Projected Variance £'000
Land Charges	Exp	90	67	67	-0	90	0
	Inc	-184	-132	-131	0	-184	0
	Net	-94	-65	-65	-0	-94	0
Leisure & Cultural Mgt	Exp	98	73	75	2	100	2
	Inc	-48	-36	-36	0	-48	-0
	Net	50	37	40	2	51	2
Policy	Exp	146	110	62	-48	84	-63
	Inc	-67	-50	-32	18	-50	17
	Net	79	59	30	-30	34	-46
Printing & Reprographics	Exp	180	135	116	-19	156	-25
	Inc	-66	-49	-52	-3	-69	-3
	Net	114	86	64	-21	86	-28
Professional Legal Advice & Services	Exp	518	369	367	-2	530	12
	Inc	-266	-199	-201	-2	-270	-4
	Net	252	170	165	-4	259	8
PMT	Exp	351	263	257	-6	344	-7
	Inc	-142	-107	-104	3	-139	3
	Net	209	156	153	-3	205	-4
Transport	Exp	231	173	230	57	252	22
	Inc	-244	-183	-241	-58	-265	-22
	Net	-13	-10	-11	-1	-13	0
Transformation	Exp	134	101	100	-0	132	-2
	Inc	-68	-51	-50	0	-65	2
	Net	67	50	50	0	67	0
Totals:		6,725	4,942	4,985	42	6,767	44

Financial commentary:

Equalities/Policy has an underspend which was due to a vacant post which has now been recruited to.

The overspend in Corporate services is due to corporate vacancy savings to be met for financial year 15/16 - £78k which are being met across the services and also bank charges will be overspent by £20k.

There is a projected overspend in business development due to the delay in moving to Parkside which has resulted in the savings built into the budget not being achieved. These are being offset by an earmarked reserve.

Democratic Services savings have been achieved through operational changes and member reductions and this has been reflected in 2016/17 budget.

The elections budget whilst currently projecting on target may result in savings when the current work on analysing any external funding is complete.

This page is intentionally left blank