



BROMSGROVE DISTRICT COUNCIL

CABINET

WEDNESDAY, 27TH JUNE, 2007 AT 5.00 PM

COMMITTEE ROOM, THE COUNCIL HOUSE, BURCOT LANE, BROMSGROVE

AGENDA

MEMBERS: Councillors R. Hollingworth (Executive Leader),
Mrs. J. M. L. A. Griffiths (Deputy Executive Leader), A. N. Blagg,
Dr. D. W. P. Booth JP, G. N. Denaro, Mrs. J. Dyer M.B.E.,
Mrs. M. A. Sherrey JP, M. J. A. Webb and P. J. Whittaker

1. To receive apologies for absence
2. Declarations of Interest
3. To confirm the Minutes of the Meeting of the Executive Cabinet held on 13th June 2007 (Pages 1 - 6)
4. Integrated Performance and Financial Outturn Report 2006/07 (Pages 7 - 36)
5. Annual Report 2006-07 Parts 1 To 4 (Pages 37 - 162)
6. To consider any other business, details of which have been notified to the Head of Legal 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

18th June 2007

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY, 13TH JUNE 2007 AT 6.00 P.M.

PRESENT: R. Hollingworth (Executive Leader), Mrs. J. M. L. A. Griffiths (Deputy Executive Leader), A. N. Blagg, Dr. D. W. P. Booth JP, G. N. Denaro, Mrs. J. Dyer M.B.E., Mrs. M. A. Sherrey JP, M. J. A. Webb and P. J. Whittaker.

Observer: Councillor S. R. Peters.

Officers: Mr. K. Dicks, Mr. M. Bell, Mrs. C. Felton, Ms. J. Pickering, Ms. J. Pitman, Ms. D. Poole, Mr. A. Coel, Mr. J. Godwin, Ms. R. Cole and Ms. D. Parker-Jones.

1/07 MINUTES

The Minutes of the Executive Cabinet held on 24th April 2007 were submitted.

RESOLVED: that the Minutes of the Meeting be approved and confirmed as a correct record.

2/07 SCRUTINY STEERING BOARD

The Minutes of the Scrutiny Steering Board held on 3rd April 2007 were submitted. The Chairman of the Scrutiny Steering Board also referred to the three Task Groups which had been agreed at the Meeting of the Board on 12th June 2007 relating to aspects of the Refuse and Recycling Service, Air Quality and Transport (Buses).

RESOLVED:

- (a) that the Minutes of the Meeting be noted and the recommendation in relation to High Hedges be approved; and
- (b) that the Task Groups be noted.

3/07 PERFORMANCE MANAGEMENT BOARD

The Minutes of the Performance Management Board held on 22nd May 2007 were submitted.

RESOLVED: that the Minutes of the Meeting be noted.

4/07 ANNUAL AUDIT AND INSPECTION LETTER

The Chairman welcomed the Council's Relationship Manager Sandy McMillan from the Audit Commission to the Meeting. Mr. McMillan reported briefly on

the Annual Audit and Inspection Letter and explained that the letter was less detailed than usual due to the recent Comprehensive Performance Assessment. The two main issues arising from the report were the Council's use of resources in particular demonstrating value for money and the need for sustained progress in strategic housing. Mr. McMillan then answered questions from Members. The Chairman thanked Mr. McMillan for his attendance.

RESOLVED: that the Annual Audit and Inspection Letter be accepted.

5/07 **BENEFIT FRAUD PROSECUTION POLICY**

The Cabinet considered a report on a revised Benefit Fraud Prosecution Policy.

RESOLVED: that the revised Benefit Fraud Prosecution Policy as set out in Appendix A to the report be approved and adopted.

6/07 **TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2007-08 TO 2009-10**

Consideration was given to the report on the Treasury Management Strategy Statement and Investment Strategy 2007/08 to 2009/10. The Head of Financial Services also gave a brief presentation on the Strategies which were required to comply with the Local Government Act 2003 and to ensure that the Council demonstrates accountability and effectiveness in the management of its funds. Following consideration it was

RECOMMENDED:

- (a) that the Strategy attached as Appendix A to the report be approved and adopted;
- (b) that the Authorised Limit for borrowing be set at £6,000,000 as required by CIPFA ;
- (c) that the maximum level of investment to be held within each organisation be set at £3,000,000.

7/07 **CHOICE BASED LETTINGS - BANDING MODEL AND ALLOCATIONS SCHEME**

Consideration was given to a report on the banding model and eligibility criteria to be used in the operation of the new Sub Regional Choice Based Lettings Scheme. The principle of implementing the Choice Based Lettings Scheme in place of the current allocations policy in respect of social housing had previously been approved. It was

RESOLVED:

- (a) that the proposed Sub Regional Choice Based Lettings Banding Model and Eligibility Criteria as set out in Appendix A to the report be approved as the basis of the allocations policy for the operation of the new Sub Regional Choice Based Lettings Scheme;

- (b) that delegated Authority be granted to the Head of Planning and Environment Services in consultation with the Portfolio Holder for Strategic Housing to agree the final alignment of bandings within the new scheme with the levels of housing need identified by the existing points scheme; and
- (c) that the remainder of the report be noted.

8/07 **EXPENDITURE OF HOMELESSNESS GRANT FUNDING**

The Cabinet considered a report regarding expenditure on schemes relating to the prevention of homelessness and repeat homelessness within the District. The report detailed the progress of schemes funded by grants during 2006/07, the level of grant allocated for 2007/08 and schemes put forward by the Homelessness Strategy Steering Group for grant funding in 2007/08.

It was reported that an additional £60,000 had recently been awarded for a countywide mediation service, such funding to be accessible by all six District Councils in Worcestershire. It was also reported that there had been a reduction in the number of people presenting as homeless and the number of people whom the Council had been required to house during the past year.

RESOLVED:

- (a) that the progress of the homelessness preventative and support schemes funded through the homelessness grant from the Department of Communities and Local Government be noted;
- (b) that the level of homelessness grant funding for 2007/08 be noted;
- (c) that the submissions for the funding of schemes recommended by the Bromsgrove Homelessness Steering Group from the 2007/08 homelessness grant be approved;
- (d) that delegated authority be granted to the Head of Planning and Environment Services in consultation with the Portfolio Holder for Strategic Housing to re-allocate any underspend or make further adjustments necessary to ensure full utilisation of the grant allocation for 2007/08 in support of existing or new schemes.

(NOTE: Councillor Mrs J. Dyer M.B.E. declared a personal interest in this item as a Trustee of the Bromsgrove Youth Homelessness Forum.)

9/07 **REFUSE AND RECYCLING - WINTER AND CHRISTMAS WORKING ARRANGEMENTS**

The Cabinet considered a report on alternative arrangements for publicising the details of refuse and recycling collections, including the green waste service, during the winter months. The proposals included the delivery of a calendar covering the period 1st December 2007 to 30th November 2008 to every household in the District by 1st November 2007. In addition publicity would be given by way of "Together Bromsgrove", advertisements in local newspapers, notifications would be sent to Parish Councils and full use would be made of the Customer Service Centre and the Council's web site.

It was also reported that consideration was being given to the amendment of the period of suspension of the green waste collection and that a further report would be submitted shortly on the options available.

As part of the discussion on this item the Chairman allowed a member of the public to ask a question on the green waste collection arrangements, to which the Head of Street Scene and Waste Management gave a response.

RESOLVED: that the proposals as detailed in the report for publicising the arrangements for refuse and recycling collections during the winter period be approved.

10/07 **LOCAL GOVERNMENT ACT 1972**

RESOLVED: that, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the Meeting during the consideration of the items of business the subject of the following minutes on the grounds that they involve the likely disclosure of "Exempt Information" as defined in Part 1 of Schedule 12A to the Act, the relevant paragraphs of that part being as set out below:-

<u>Minute No.</u>	<u>Paragraph</u>
11/07	1
12/07	12
13/07	12

11/07 **RESTRUCTURE OF STREET SCENE AND WASTE MANAGEMENT DEPARTMENT**

Consideration was given to the report on a limited restructure of the Street Scene and Waste Management Department. The restructure involved the combination of two management posts into one post with greater responsibility.

RECOMMENDED: that the proposed changes to the structure be approved and that the cost of £95,478 be met from Council balances and refunded to balances over a period of approximately two years.

12/07 **FRAUD STRATEGY**

Following consideration of the report it was

RESOLVED: that the Fraud Strategy attached as Appendix A to the report be approved and adopted.

13/07 **VERIFICATION FRAMEWORK HOUSING BENEFIT/COUNCIL TAX BENEFIT ANTI FRAUD POLICY**

Following consideration of the report, it was

Cabinet
Wednesday, 13th June, 2007

RESOLVED: that the Verification Framework for Housing Benefit/Council Tax Benefit Anti-Fraud Policy be approved and adopted.

The meeting closed at 6.58 pm

Chairman

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

27th JUNE 2007

INTEGRATED PERFORMANCE AND FINANCIAL OUTTURN REPORT 2006/07

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Hugh Bennett -Assistant Chief Executive Jayne Pickering - Head of Financial Services

1. SUMMARY

- 1.1 This report aims to link the Council's strategic objectives with service delivery and to report the outturn results across a range of performance indicators that relate to service delivery and corporate priorities, to enable Members to easily identify how different areas of performance contribute to our overall strategy. In addition the report demonstrates the interrelationship between our financial position in relation to both revenue and capital expenditure and operational performance and any associated action/improvement plans that may be required.

2 RECOMMENDATIONS

- 2.1 It is recommended that:
- 2.2 Members note the considerable improvement in the Council's performance, in particular, that 38% of the Council's indicators are now above the local authority average (see Chart 4), compared to 21% in 2005/06.
- 2.3 the net revenue outturn position of £11.092 million against the Budget of £11.564 million giving an underspend of £472k be noted
- 2.4 Cabinet request that Full Council approve the list of carry forward revenue items
- 2.5 Cabinet request that Full Council approve the use of General Fund Revenue Balances and earmarked reserves
- 2.6 The capital underspend of £2.597m against the total Profiled Capital Budget be noted together with the progress made on capital schemes
- 2.7 Cabinet request that Full Council approve the additional Capital budget carry forwards totalling £345k

2.8 the financing of capital expenditure totalling £4.077m for year 2006/07 be noted.

3 **BACKGROUND**

3.1 The key priorities for 2006/07 were used as the focus for the business and financial planning for this year. The current performance indicators and financial resources have been aligned to the delivery of these priorities. The monitoring of the improvements and achievements of the performance and finances contained within this report link with the priorities of:





- Healthy, caring and socially aware communities
- Clean, safe and attractive environment
- Protect and improve our environment and promote sustainable communities
- Foster and sustain a strong and expanding economy
- Provide sustainable culture and leisure opportunities
- To be an efficient and effective Council

3.2 Members should note that these priorities have subsequently been replaced by 10 Council priorities, as set out in the Council Plan 2007/2010.

4. **PERFORMANCE SUMMARY**

4.1 The summary of performance is shown at **Appendix 1**. The full list of performance indicators (there are currently 106 reported) is set out in **Appendix 2**.

Where:-

	On Target
	Less than 10% from target
	More than 10% from target
	No target set

I	Performance is Improving
S	Performance is Stable
W	Performance is Worsening
N/a	No target set

4.3 Most of the annually reported Best Value Performance Indicators (BVPI) figures are now included; there are three which are not yet available, these will be submitted through the Performance Indicator certification process in readiness for inclusion in the Annual Report.

4.4 Pie charts of the quartile position are shown overleaf, these are

- Chart 1 – the outturn position (all BVPI's) at the end of 2005/06
- Chart 2– the position using estimated outturn figures at the end of quarter 3
- Chart 3 – quartile position using performance for the month of December only
- Chart 4 – the position using outturns for 2006/07

The first three of these pie charts were used in the report to Angela Smith, Parliamentary Under Secretary of State, Department of Communities and Local Government in January to demonstrate progress on performance

- 4.5 Comparing the outturn position at the end of 2006/07 to that at the end of 2005/06 it can be seen that there has been a considerable improvement. There are now 38% of PI's above the median, compared to 21% last year. Also the proportion in the bottom quartile has improved considerably – from 43% in 2005/06 to 26% in 2006/07.
- 4.6 Comparing the outturn position at the year end to the estimated outturn position at December the message is more mixed. While the proportion of PI's in the bottom quartile and top quartile has improved there has at the same time been a move from the second quartile to the third quartile. However some of this change can be explained by the inclusion of some PI's which are only calculated at the year end in the pie chart.
- 4.7 The fact that the spread of actual outturns is not as favourable as those calculated in the December snapshot (Chart 3) is entirely predictable as the latter is not dragged down by poorer performance at the beginning of the 2006/07 year, so no conclusions should be drawn from this.
- 4.8 It should be borne in mind that eventually our performance for 2006/07 will be judged against more up to date quartile figures, which does not become available until later in the year. There is the possibility that the spread of PI's across the quartiles will not be as good as the pie charts below, because quartile positions tend to rise each year.

Chart 1

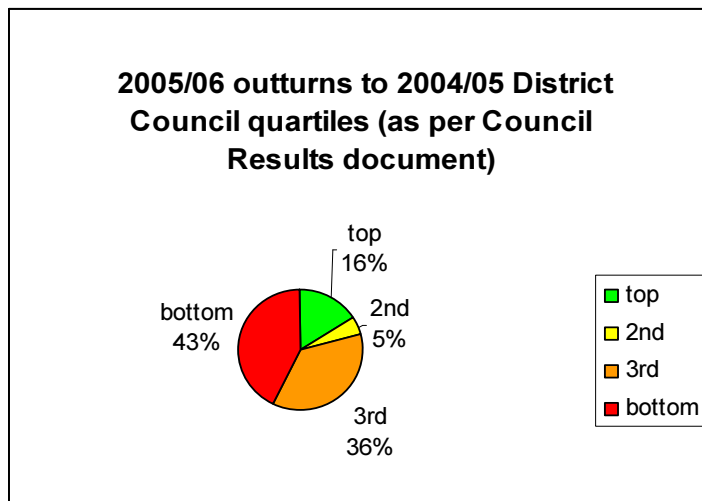


Chart 2

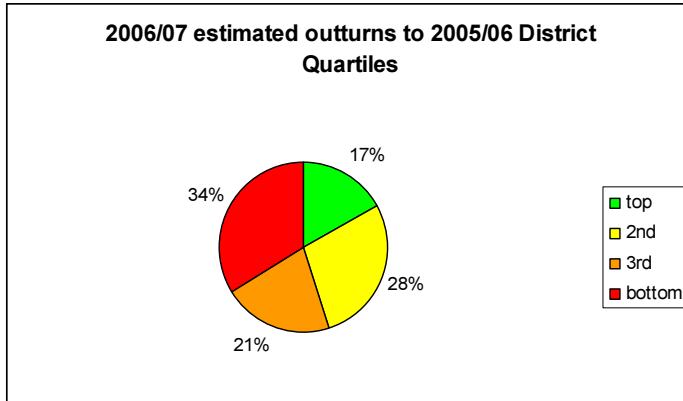


Chart 3

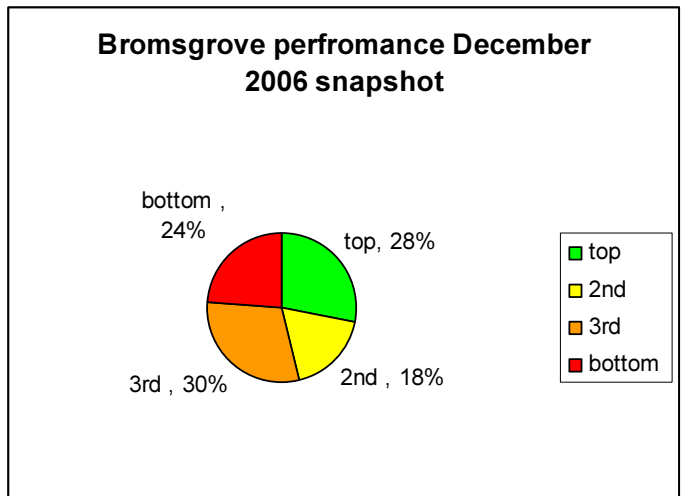
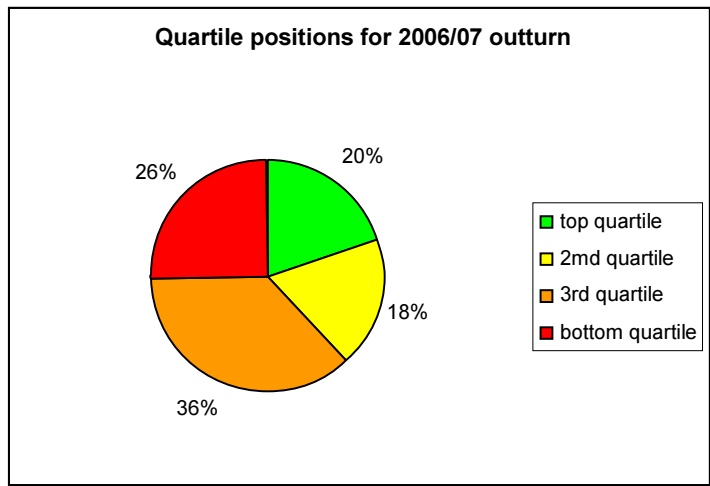
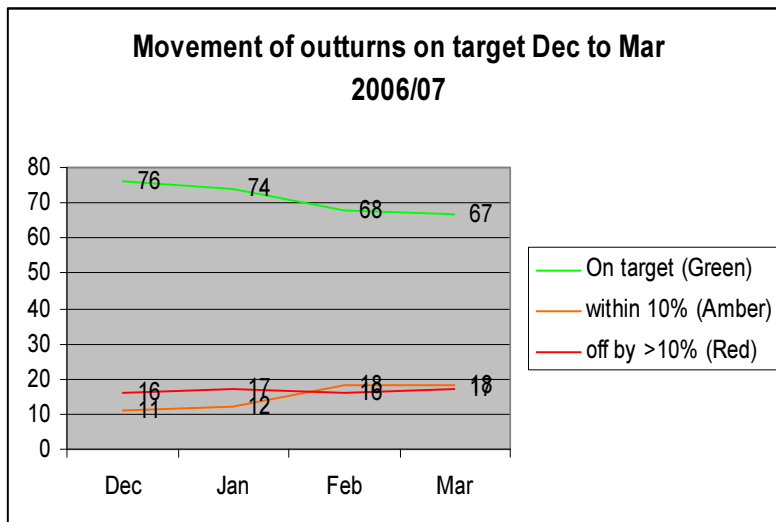


Chart 4



4.9 An analysis of predictions of estimated outturns shows that there has been a gradual decline of outturns predicted to hit target over the last four months (see chart below).



The conclusions that could be drawn from this are:

- Some targets were not realistically achievable and this became increasingly clear and was reflected in predicted outturns as the year drew to a close.
- Performance in some areas slipped back during the last few months of the year
- Efforts to turn round performance where outturn was predicted to be below target were not successful.

4.10 OVERALL CONCLUSIONS ON PERFORMANCE

4.10.1 From the above analyses it is clear that performance improvement has been achieved throughout 2006/07, however there has been a degree of falling back in achievement of performance improvement in the last quarter and there are indications that management of performance is still not robust.

4.10.2 Authorities ranked 'Fair' in the Comprehensive Performance Assessment process are expected to have more than 50 % of their BVPI's above the median. This is a key measure on which authorities are judged and is not optional. The medians tend to continue to rise therefore for performance to exceed the median the Council must not only improve performance but also ensure that the rate of performance improvement is better than others. Failure to ensure that more than half our BVPI's are above the median is likely to invalidate all/any other improvements made in terms of lifting our rating to Fair and beyond.

5 FINANCIAL PERFORMANCE - REVENUE

5.1.1 The Council approved a revenue service budget of £15.938m on 1st March 2006 including contributions to earmarked reserves. Further approvals for

transfer from balances in respect of the Improvement Plan and Members expenses have been included in the revised budget as detailed at Table 1.

5.1.2 The financial position for the revenue services for the financial year 2006/07 shows an underspend of £202k this is a change from the projected outturn overspend of £65k reported in the 3rd quarter monitoring report. This underspend together with additional investment income of £232k and additional charges to capital of £54k gives a net underspend of £488k.

5.1.3 The summary by Service Area is shown at **Table 1** below with further detail at **Appendices 1 to 8**. The actual outturn includes all cost attributable to the Services as required under proper accounting practice. This includes recharges and capital charges over which the Heads of Services receiving the charge do not have direct control. The variance has been therefore been analysed between Direct income and expenditure for which Heads of Service are directly responsible and variances on capital charges and recharges.

TABLE 1

Service Area	Revised Budget 2006/07 £'000	Actual Outturn 2006/07 £'000	Variance 2006/07 £'000	Capital/ Recharge Variances £'000	Direct Income and Expenditure Variance 2006/07 £'000
Corporate Services	1,231	833	-398	-280	-118
Culture & Community	2,689	2,662	-27	-103	76
E-Government & Customer Services	-6	40	46	115	-69
Financial Service	1,836	1,469	-367	-237	-130
Legal & Democratic Services	786	898	112	135	-23
Organisational Development & Human Resources	33	0	-33	93	-126
Planning & Environment Services	4,504	2,859	-1,645	-1,402	-243
Street Scene & Waste Management	4,616	4,805	189	-242	431
TOTAL SERVICES	15,689	13,566	-2,123	-1,921	-202
Less:					
Asset Management	-3,287	-1,420	1,867	1,867	0
Investment Income	-838	-1,070	-236	0	-232
Amount to be met from Government Grants & Local Taxpayers	11,564	11,076	-488	-54	-434
Prior Year surplus on Collection Fund	-190	-190	0		
Contribution to/from Balances	-919	-406	513		
Revenue Support Grant	-746	-784	-38		
Distribution from Non Domestic Rate Pool	-3,862	-3,849	13		
BDC Precept on Collection Fund	-5,847	-5,847	0		

- 5.2 Appendices 1-8 show the details of the services with the performance and the financial outturn position 2006/07. Due to roundings the figures in the Appendices may not match exactly to Table1 above.
- 5.3 Throughout 2006/07, Budget Holders met on a monthly basis with their accountants to discuss financial performance and to highlight areas of concern and where relevant prepare action plans to bring expenditure in line with the approved budget.
- 5.4 In summary the major variances for 2006/07 are due to;
- 5.4.1 Corporate Services underspend of £118k is mainly due to an underspend of £100k on the corporate projects of the Town centre and Longbridge site developments. Officer time has been invested in preliminary work on these project but due to the complex nature and number of stakeholders involved in both projects it has not yet been necessary to use additional resources. This budget has been requested to be carried forward into 2007/08.
- 5.4.2 Culture and Communities overspend £76k is mainly due to £100k shortfall in income generated from the leisure centre due to poor attendance for health and fitness activities and additional expenditure within Community safety offset with saving due to staff vacancies. The shortfall in leisure centre income was highlighted within the first quarter and has been monitored throughout the year and action taken to mitigate the effects such as increased marketing and promotion activity across the service, programme revision at sports centre's, increased delivery with in sport development and ensuring expenditure is minimized.
- 5.4.2 An overspend of £91k in respect of gas and electric charges at the Council Offices, Dolphin Centre and Depot. The utility budget was increased by 10% however the actual charges are significantly higher than that estimated.
- 5.4.3 Planning and Environment underspend of £243k is mainly due to staff vacancies and underspending on consultants fees in respect of Local Planning enquiry. This was offset by a shortfall of £198k on budgeted income for building regulation fees, planning applications and land charges. This is due to the planning moratorium and the slight decrease in the housing market during 2006/07. It is anticipated that this trend will continue during 2007/08.
- 5.4.4 Street Scene and Waste Management overspend of £431k. A shortfall of £110k in the income generated from car parking charges in the district. The budget was set using an average increase per ticket however due to the profile of actual ticket sales the budgeted increase has not been achieved. The outturn is however better than expected as a shortfall of £140k was projected in the Quarter 3 monitoring report.
- 5.4.5 Refuse collection has a overspend for the year of £366k. This is due to overspendings on fuel (£120k), hire costs of trade waste and recycling vehicles and increased running costs of the fleet (£126k). The extra tipping

costs of £35k associated with the Faun vehicles are still being negotiated but are unlikely to be refunded against the revenue cost.

- 5.5 Further details on the financial position and commentary for each service can be found in Appendices 1-8
- 5.6 Where services have underspent in a financial year there is no automatic right for the underspend to be carried forward. Financial Regulations state that “*Executive Cabinet may approve the carry forward of underspends carried forward for one off items of required funding. These decisions will be taken in the context of the Council’s overall net expenditure outturn position, the existing policies and priorities of the Council and Medium Term Financial Plan.*” Following discussions with Heads of Service a total of £363k is requested to be carried forward into 2007/08 and is detailed in Appendix 9. Of this £274k is in respect of one off items which have previously been approved to be funded from balances but not spent in 2006/07. This expenditure has been taken in to account when calculating the level of balance for budget purposes.

6 FINANCIAL PERFORMANCE – CAPITAL

- 6.1 Council approved the original Capital Programme for 2006/07 of £5.726 million.
- 6.2 After adding the approved budget carry forwards and the approved changes to the original Capital Programme the Revised Capital Budget for 2006/07 at the year end totalled £6.674 million. The actual expenditure for 2006/07 totals £4.077m, an underspend of £2.597m.
- 6.3 Executive Cabinet has previously approved budget carry forwards of £2.466 based on estimated figures. Following the closure of the accounts for 2006/07 a net additional budget carry forward of £344k is also requested. This is detailed in Appendix 10.
- 6.4 Table 2 shows the summary position on the Capital Programme for the Council.

TABLE 2

CAPITAL PROGRAMME	Original Budget 2006/07	Revised Budget 2006/07	Outturn 2006/07	Variance 2006/07	Share of Support Service Recharges	Direct Variance 2006/07
Service Area	£'000	£'000	£'000	£'000	£'000	£'000
Culture & Community	2,277	1,552	1,127	-425	35	-460
E-Government & Customer Services	537	1,517	942	-575	30	-605
Financial Service	197	197	152	-45	4	-49
Legal & Democratic Services	86	97	107	10	3	7
Organisational Development & Human Resources	30	30	0	-30	0	-30
Planning & Environment Services	1,572	1,935	878	-1,057	27	-1,084
Street Scene & Waste Management	1,027	1,346	871	-475	26	-500
TOTAL SERVICES	5,726	6,674	4,077	-2,597	125	-2,722

Further details of capital programme position for each Service Area can be found at appendices 1 – 8.

The main reasons for the underspend to budget are:

- 6.4.1 An underspend of £193k on play area schemes (to be funded by S106 resources) is due to the award of the Play Framework contract, which fall under European procurement regulations, taking longer than originally anticipated.
- 6.4.3 The Spatial IT project has commenced, however because of the late start in the financial year a proportion of the funding will not be spent by the end of 2006/07 (£388k).
- 6.4.4 The scheme to replace the Academy Revenues & Benefits IT System (£400k) will not proceed because of the developments related to Shared Services for Revenues within Worcestershire. The contract has been extended for a further year to enable alternative methods of service delivery to be assessed.
- 6.4.5 There has been no expenditure on new affordable housing schemes during the year (underspend of £485k) as the schemes were being developed during the year.
- 6.4.6 An underspend of £429k on the purchasing new vehicles and equipment is due to the timescale required to order and obtain delivery of

custom/specially items which has impacted on the ability to spend the capital funds within 2006/07. A number of items have been ordered but will not be delivered until 2007/08.

6.5 Financing of Capital Outturn

6.5.1 The financing arrangements in respect of the actual payments in 2006/07 are summarised below in **Table 3**:

TABLE 3 – CAPITAL FINANCING

Financing 2006/07	Available Capital Resources 01/04/06 £'000	Resources Received in 2006/07 £'000	Used for Financing in 2006/07 £'000	S106 Paid Over to WCC in 2006/07 £'000	Balance Available as at 31/03/07 £'000
Section 106 Agreements	1,799	300	615	**43	1,441
Government Grants	379	160	272	0	267
Capital Receipts	17,495	440	2,935	0	15,000
External Contributions	1	57	17	0	41
Direct Revenue Financing	0	7	7	0	0
*Specified Capital Grant (SCG)	0	231	231	0	0
Total	19,674	1,195	4,077	43	16,749

* Specified Capital Grant is the 60% grant provided by Central Government towards the cost of Mandatory Disabled Facilities Grants.

** Section 106 monies received for highways and education purposes are sent on to Worcestershire County Council for the financing of suitable schemes.

7.0 TREASURY MANAGEMENT

7.1 Investment Interest

7.1.1 For the year to 31st March 2007 the Council received net investment income amounting to £1,074k against a revised budget of £838k. This income is a combination of interest earned on in-house managed funds (cash currently surplus to cash flow requirements that is placed on short-term deposit) and the investment income arising on the externally managed funds (Invesco and HSBC fund managers). The increased interest has arisen due to slippage on the capital programme which made additional surplus cash available for deposit in the first half of the year.

7.1.2 The outturn is a slight reduction on the projected figure of £1,097k reported to Performance Management Board on 16th February 2007. This change is due to a higher than anticipated cash requirement for monies expended on the capital programme in the latter part of the year. However

the reduced cash available benefited from higher returns following the base rate increases.

7.1.3 Details on the individual fund managers' performance are detailed below.

7.2 INVESCO

7.2.1 Investment Objectives

To optimise returns commensurate with the containment of risk and to achieve a target return of 110% of the benchmark, net of fees, over a 3 year rolling period.

7.2.2 Portfolio Performance

At 1 April 2006 the Council's investment was valued at £14.38 million. In the year to 31 March 2007 the investment earned income amounting to £603k and the Council withdrew funds totalling £4.0million. Management fees applied to the portfolio for the period totalled £27k excluding VAT. Capital decline in the period amounted to £72k and this has been charged against the revenue account in line with proper accounting practices. The market value of the funds invested with Invesco was £10.89million as at 31 March 2007.

7.3 HSBC

7.3.1 Investment Objectives/Level of Risk

The investment objective is set out in the Client Agreement with HSBC with a portfolio mandate of short maturity with a medium level of risk.

7.3.2 Portfolio Performance

At 1 April 2006 the Council's investment was valued at £10.17 million. In the year to 31 March 2007 the investment earned income amounting to £477k. Management fees applied to the portfolio for the period totalled £48k excluding VAT. Capital decline in the period amounted to £164k and this has been charged against the revenue account in line with proper accounting practices. The market value of the funds invested with HSBC was £10.42 million as at 31 March 2007.

8 USE OF GENERAL FUND BALANCES AND EARMARKED RESERVES

8.1 The Council had Revenue balances of £2.282m as at 31st March 2006. Within the Medium Term Financial Plan 2006/07-2008/09 it has already been approved that £334k and £500k of balances will be used in 2006/07 and 2007/08 respectively. Further uses of balances of £350k in respect of the Improvement Plan and £38k for member's expenses were approved during 2006/07. This gave estimated balance of £1.560m at 31st March 2007.

8.2 The actual balance as at 31st March 2007 is £1.874m which is £314k higher than anticipated. This is due to a net overall underspend on

services in 2006/07 of £127k and an underspend of £384k on items originally budgeted to be funded from balances offset by funding of projects carried forward from 2005/06 of £197k.

- 8.3 It is requested that the approval be given for £274k of the £384k underspend be carried forward into 2007/08 and these are shown in Appendix 9. If the all the requests for carry forward items are granted this would equate to an additional call on balances in 2007/08 of £89k. The estimated level of balances as at 31st March 2008 would be £1.203m. The Medium Term Financial Plan estimated the balance to be £1.126m as at 31st March 2008. The following table shows the position on balances if the carry forwards are agreed:

TABLE 4

	Balances £000
Original Balance as at 31 st March 2007	-1,560
Net Impact of underspends 2006/07	-314
Balance as at 31st March 2007	-1,874
Use in 2007/08 as per MTFP approved March 2006	308
Release of balances to fund items approved in prior years	274
Release to fund c/fwd requests	89
Balance as at 31st March 2008	-1,203
Use in 2008/09 as per MTFP approved March 2006	463
Balance as at 31st March 2009	-740
Use in 2009/10 as per MTFP approved March 2006	-416
Balance as at 31st March 2010	-1,156

- 8.4 The balance of the Planning Delivery Grant was £276k at 31st March 2006. It is anticipated that £149k will be utilised during 2006/07 to fund approved posts within the department. To date £121k has been received. The balance to carry forward will therefore equate to £248k.

9 FINANCIAL IMPLICATIONS

- 9.1 None other than those included in the report.

10. LEGAL IMPLICATIONS

- 10.1 No legal implications to the report

11. CORPORATE OBJECTIVES

- 11.1 The integration of financial and performance management is a key area within the improvement of the Council and the focus on the delivery of quality services to the customer.

7. Risk Management

- 7.1 The main risks associated with the details included in this report are:

- 7.1.1 Poor Financial Management

7.1.2 Ineffective Performance Management

7.2 These risks are being managed as follows:

7.2.1 Poor Financial Management

Risk Register: Financial Services
Key Objective Ref.: 6
Key Objective: Effective and Efficient Accountancy Service

7.2.2 Ineffective Performance Management

Risk Register: Corporate
Key Objective Ref.: 19
Key Objective: Effective Business and Performance Management

7.3 Key actions and controls to manage these risks include:

- Detailed timetable in place to monitor actions for final accounts closedown
- Allocation of qualified and professional staff to focus on closure of accounts
- Action plan in place to address Use of Resources issues
- Financial Training for budget holders to ensure awareness of financial regulations and management
- Regular monitoring of BVPIs at Departmental and Corporate Management Team meetings
- Regular review of BVPIs by Members.

13. CUSTOMER IMPLICATIONS

13.1 The improvements to performance have a direct impact on the customer as they demonstrate that the Council is achieving the targets set.

14. OTHER IMPLICATIONS

Procurement Issues N/A
Personnel Implications N/A
Governance/Performance Management See section 4 of report
Community Safety including Section 17 of Crime and Disorder Act 1998 N/A
Policy See Section 3 of report
Environmental

N/A
Equalities and Diversity
N/A

15. OTHERS CONSULTED ON THE REPORT

Please include the following table and indicate 'Yes' or 'No' as appropriate. Delete the words in italics.

Portfolio Holder	
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	

16. APPENDICES

Appendix 1 - 8 Performance Indicators and Financial Outturn 2006/07 - Service Areas.

Appendix 9 – Revenue Budget Carry Forward Requests

Appendix 10 – Capital Budgets Carry Forward Requests

17. BACKGROUND PAPERS

Monitoring statements April- March
Performance Management information

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E-Government & Customer Services

APPENDIX 3

Performance Indicators and Financial Outturn 2006/07

Ref	Description	HoS	2005/06		Quartile Data	
			Actuals	Quartile	Higher or lower	Median
LPI IT Services	% of helpdesk call closed within timescales	DP	84.95	n/a	n/a	n/a
CSC	Monthly Call Volumes Customer Contact Centre	DP	n/a	n/a	n/a	n/a
CSC	Monthly Call Volume Council Switchboard	DP	n/a	n/a	n/a	n/a
CSC	Resolution at First Point of Contact all services	DP	n/a	n/a	n/a	n/a
CSC	Resolution at First Point of Contact Telephone	DP	n/a	n/a	n/a	n/a
CSC	Resolution at First Point of Contact Face to Face	DP	n/a	n/a	n/a	n/a
CSC	Customer Satisfaction Rating	DP	n/a	n/a	n/a	n/a
CSC	Telephone Service Factor (monthly target)	DP	n/a	n/a	n/a	n/a
CSC	Telephone Service Level (% of days in month TSF met)	DP	n/a	n/a	n/a	n/a
CSC	Average Speed of Answer	DP	n/a	n/a	n/a	n/a
CSC	% of Calls Answered	DP	n/a	n/a	n/a	n/a

Feb Target	Feb Actual	Target & trend	Mar Target	Mar Actual	Target & trend
82.50	97.52	I	82.50	83.99	W
activity measure no target set	6,153	n/a	activity measure no target set	9,894	n/a
activity measure no target set	6,932	n/a	activity measure no target set	7,840	n/a
80.00	81.00	W	80.00	83.00	I
80.00	80.00	W	80.00	82.00	I
80.00	85.00	S	80.00	88.00	I
n/a	n/a	n/a	85.00	87.00	n/a
80.00	50.00	W	80.00	50.00	W
90.00	10.00	W	90.00	10.00	I
15.00	46.00	I	15.00	48.00	W
95.00	78.00	W	95.00	76.00	W

2006/07 Target	2006/07 Actual Outturn	2006/07 Outturn Quartile	Comments
82.50	83.99	n/a	
activity measure no target set	n/a	n/a	
activity measure no target set	n/a	n/a	
80.00	83.00	n/a	Performance improved with CSA team have strived to log more calls onto system
80.00	82.00	n/a	Performance improved with CSA team have strived to log more calls onto system
80.00	88.00	n/a	Performance improved with CSA team have strived to log more calls onto system
85.00	87.00	n/a	
80.00	50.00	n/a	Telephone performance hit by dramatic increase of 60% in call volume due to Council Tax billing effective from 15th March . From this day call volumes peaked in such volumes that hit performance
90.00	10.00	n/a	Although performance has fallen overall due to volume of calls received. Prior to Council Tax Bills hitting in the first half the month performance against this target had been good
15 secs	48.00	n/a	Volume of calls received outstrip resource available to handle them
95.00	76.00	n/a	Although performance has fallen overall due to volume of calls received. Prior to Council Tax Bills hitting in the first half the month performance against this target had been good

E-Government & Customer Services

APPENDIX 3

Revenue Budget	Approved Budget	Profiled Budget	Actual	Variance
		April-March	April-March	April-March
E-Government & Customer Services	2006/07 £'000	2006/07 £'000	2006/07 £'000	2006/07 £'000
Customer Service Centre	27	27	40	13
E-Government	-33	-33	0	33
TOTAL SERVICE	-6	-6	40	45

Capital/ Recharge Variances Included	Other Variances
April-March	April-March
2006/07 £'000	2006/07 £'000
35	-22
80	-47
115	-70

Notes on Revenue Financial Performance

The underspend of £70k reflects a combination of

- the income from Worcestershire County Council for the Customer Service Centre was £33k higher than budgeted.
- an underspending of £5k on training fees at the Customer service centre following a decision to freeze training. Training need have now been identified from the PDR process and it is requested that this underspend is carried forward to supplement the training budget for 2007/08.
- Underspend of £28k on the revenue elements of the Infrastructure Project as a result of not implementing the secure tokens scheme. This underspend has been requested as a carry forward to 2007/08.
- Underspend of £4k on the Internet/Intranet was due to the funding in the budget for a post at WCC was not required as the post was vacant for part of the year.

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Capital Budget	Revised Capital Budget	Outturn - Direct Expenditure	Support Service charges	Variance - Direct expenditure
E-Government & Customer Services	2006/07 £'000	2006/07 £'000	2006/07 £'000	2006/07 £'000
ICT Infrastructure Scheme	441	498	17	57
Internet/Intranet Development	23	19	0	-4
Corporate Budget for IT Upgrades (2006/07)	38	40	1	2
Corporate Budget for IT Upgrades - Increased Resources (2006/07)	14	10	0	-4
Government Connect Scheme	30	0	0	-30
Upgrading to Radius Cash Receipting System (2006/07)	50	54	2	4
Upgrading of Leisure Booking & Receipts/Income Flex-on-Line System (2006/07)	21	21	1	0
Replacement of Academy Revenues & Benefits IT System	400	0	0	-400
Spatial Project	500	112	4	-388
Customer Service Centre	0	158	5	158
Total	1,517	912	30	-605

Notes on Capital Financial Performance

The underspend of £605k is mainly due to

Replacement of Academy Revenues & Benefits IT System underspend of £400k. Due to the developments during the year in relation to the Revenues and Benefits shared services project in Worcestershire, this project has not commenced and a one year extension of the contract had been negotiated. It is now anticipated that this budget will be required in 2008/09.

Spatial Project underspend of £388k which is due to delays in signing the contract leading to a delay in starting the project. The expenditure is to be phased over the life of the project. £325k has already been approved to be carried forward and approval is now requested for the remaining budget.

Customer Service Centre overspend £158k. Although this scheme was completed in 2005/06 the final account has only recently been received. The figures are being disputed and it is hoped that that it may be reduced.

Financial Services

Performance Indicators and Financial Outturn 2006/07

APPENDIX 4

Ref	Description	HoS	2005/06		Quartile Data		Feb Target	Feb Actual	Target & trend	Mar Target	Mar Actual	Target & trend	2006/07	2006/07	2006/07	Comments
			Actuals	Quartile	Higher or lower	Median							Target	Actual Outturn	Outturn Quartile	
BV76a	Number of claimants visited, per 1,000 caseload	JLP	215	n/a	n/a	222	180.00	199.00	I	196.00	228.00	I	196	228.00	n/a	Above revised target for 2006/07
BV76b	Number of fraud investigators, per 1,000 caseload	JLP	0.45	n/a	n/a	n/a	0.56	0.42	S	0.56	0.42	S	0.56	0.42	n/a	Officer appointed to post awaiting start date following references etc (vacant post currently being filled by Temp Officer working 3 days a week)
BV76c	Number of fraud investigations, per 1,000 caseload	JLP	47.50	n/a	n/a	41.20	45.83	47.44	I	50.00	53.00	I	50.00	53.00	n/a	above target
BV76d	Number of prosecutions and sanctions, per 1,000 caseload	JLP	10.00	n/a	n/a	4.00	7.79	7.87	S	8.50	8.90	I	8.50	8.90	n/a	above target and top quartile.
BV78a	The average number of days taken for processing new claims.	JLP	37.81	4	L	31.00	35.78	30.29	W	35.78	32.05	W	35.78	32.05	3	This month's figures reflect the impact of the system problems in February when 47% of the productive time was lost due to the failure of the Academy system and the priority for system time to be utilised by Council Tax billing. In March we again lost another days work (05.03.07) which has effected performance. However we have improved by 3.5 days the target originally set for 2006/07
BV78b	The average number of days taken for processing changes in circumstances	JLP	11.88	2	L	11.90	10.80	8.08	I	10.80	8.30	W	10.80	8.30	1	The decline in the March performance is as a result of the system problems reported above. Despite this the team has achieved top quartile for the year.
BV79a	The percentage of cases for which the amount of benefit due was calculated correctly.	JLP	96	4	H	98.20	99.00	93.60	I	99.00	94.20	I	99.00	94.20	4	The accuracy report will be available for Jan- March at end April. The current accuracy levels are disappointing and the team are working towards improvements over the new quarter. The value of the errors was £48 per week for Oct - Dec
BV79bi	The percentage of recoverable Housing Benefit (in-year) overpayments that have been recovered.	JLP	68.05	3	H	70.35	55.00	66.06	I	55.00	65.96	W	55.00	65.96	3	
BV79bii	The percentage of recoverable HB (all-years outstanding) overpayments recovered.	JLP	47.39	1	H	34.11	25.00	29.38	I	25.00	30.99	W	25.00	30.99	3	
BV79biii	The percentage of recoverable HB (all-years outstanding) overpayments written-off.	JLP	10.20	n/a	n/a	n/a	<6%	2.31	S	<6	4.92	W	6.00	4.92	n/a	
BV226c	The total amount spent on advice and guidance on housing, welfare benefits and consumer matters provided by the Council	JLP	32,521	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20,631		32,521	20,631	n/a	This relates to the time spent by strategic housing officers and benefit officers in giving advice in relation to housing matters.
BV8	Percentage of invoices paid on time	JLP	0.93	4	H	95.00	100.00	94.58	W	100.00	94.74	W	100.00	94.74	3	The last nine month of the year had an average performance of over 96% however poor performance in the first quarter of the year of 88% has lowered the average for the year as a whole. A total of 7409 invoice were paid during the year of which 390 were late. The target for 2007/08 is 97% which would need mean a reduction of the number late invoices by 50%
BV9	Percentage of Council Tax collected	JLP	98.30	2	H	98.11	98.60	97.90	W	98.80	98.40	W	98.80	98.40	2	0.10% improvement on last year's collection figure. No recovery work was carried from mid February due to down time on software system and time it took to re input lost data and cash postings.
BV10	Percentage of Non-Domestic Rates collected.	JLP	98.70	3	H	99.00	97.50	96.50	W	98.80	98.20	W	98.80	98.20	4	0.5% drop in performance compared to 2005/06. However as per council tax no recovery action was taken from mid February due to loss of software system and delays in bringing cash posting up to date. Despite this drop in performance the collection rate remained above 98%, this is the first time since 1999/2000 that the ndr collection rate has been maintained at a level above 98% for two consecutive years.
LPI Financial Services	Financial monitoring reports sent to members	JLP	100.00	n/a	n/a	n/a	100.00	100.00	S	100.00	100.00	S	100.00	100.00	n/a	On Target
LPI Financial Services	Number of days to do systems and account reconciliations	JLP	4.74	n/a	n/a	n/a	5.00	2.00	I	5.00	3.33	W	4.00	3.33	n/a	On Target
LPI Financial Services	Number of weeks to do NDR & CTax reconciliations	JLP	3.75	n/a	n/a	n/a	2.00	not completed	W	4.00	3.54	I	4.00	3.54	n/a	Target for March is four weeks so the deadline is late April. It is anticipated that the target of 4 weeks will be achieved. The Feb reconciliations were late due to the system problems on Academy.
LPI Financial Services	% of audit assignments completed in timescale	JLP	79.00	n/a	n/a	n/a	85.00	94.00	I	85.00	93.00	W	85.00	93.00	n/a	Improvement to target
LPI Financial Services	% of the scheduled audit plan delivered	JLP	73.00	n/a	n/a	n/a	54.00	57.00	I	85.00	90.00	I	85.00	90.00	n/a	Exceeded target

Revenue Budget	Approved Budget	Profiled Budget	Actual	Variance
Financial Services	2006/07 £'000	April-March 2006/07 £'000	April-March 2006/07 £'000	April-March 2006/07 £'000
Benefit Administration	321	321	236	-85
Benefit Payments	-2	-2	-69	-66
Central Overheads	120	120	133	13
Financial Services - Accountancy & Admin	42	42	85	43
Financial Services - Internal Audit	-5	-5	0	5
Grants & Donations	171	171	128	-42
Local Taxation	1,174	1,174	935	-239
Recovery Plan - Financial Services	21	21	0	-21
Revenues & Benefits System Control	-6	-6	20	26
TOTAL SERVICE	1,836	1,836	1,469	-367

Capital/ Recharge Variances Included	Other Variances
April-March 2006/07 £'000	April-March 2006/07 £'000
-12	-73
0	-66
0	13
-36	79
-4	9
0	-42
-194	-45
-21	0
30	-4
-237	-130

Notes on Revenue Financial Performance

The underspend of £130k is mainly due to

Additional grant income in Benefits administration of £98k

The charge to the revenue account in respect of Housing Benefits and Council tax benefit being less than budget. The amount charged to revenue is the residual after claiming all allowable expenditure from the DWP. It is a year end calculation and as such it is not possible to estimate during the year.

The overspend on Accountancy and Audit is due to the corporate target saving of £74k on procurement which is shown in this budget. Savings have been achieved throughout the year and are embedded within financial performance of all service areas of the Council.

The underspend on Local Taxation is due to a savings on general running cost such as printing and stationery (£19k) and income from courts cost being £22k higher than budgeted.

Capital Budget	Revised Capital Budget	Outturn - Direct Expenditure	Support Service charges	Variance - Direct expenditure
Financial Services	2006/07 £'000	2006/07 £'000	2006/07 £'000	2006/07 £'000
Purchase Order Processing System	197	148	4	-49
Total	197	148	4	-49

Notes on Capital Financial Performance

The Purchase Order Processing System project was slightly delayed in starting. The POP system has been introduced as a pilot in two service areas and issued raised at this stage need to be resolved before rollout to the rest of the Council.

Legal & Democratic Services

Performance Indicators and Financial Outturn 2006/07

Ref	Description	HoS	2005/06		Quartile Data	
			Actuals	Quartile	Higher or lower	Median
BV174	The number of racial incidents reported to the Council per 100,000 population	CF	0	n/a	n/a	n/a
BV175	The percentage of those racial incidents that have resulted in further action	CF	n/a	1	H	100
BV2a	The level (if any) of the Equality Standard for Local Government to which the Authority conforms.	CF	1	n/a	n/a	n/a
BV2b	The duty to promote race equality, as a % of a scorecard.	CF	71	2	H	58
BV156	The percentage of Authority buildings' public areas that are suitable and accessible to the disabled.	CF	75.00	2	H	72.87
LPI Legal Services	% draft S106 sent out within 10 days.	CF	n/a	n/a	n/a	n/a

Feb Target	Feb Actual	Target & trend	Mar Target	Mar Actual	Target & trend
n/a	0.00	n/a	n/a		n/a
n/a	n/a	n/a	n/a	n/a	n/a
1	1	S	1	2	I
77.00	80.00	I	77.00	80.00	S
85.00	Not known	n/a	85.00	87.50	n/a
90.00	100.00	S	90.00	100.00	S

2006/07 Target	2006/07 Actual Outturn	2006/07 Outturn Quartile	Comments
0	0	n/a	
100.00	n/a	n/a	
2	2	n/a	On target. Inclusive Equalities Scheme - implementation in progress
80	80	1	On target
85.00	87.50	1	The Facilities Management Group has been charged with developing action plans to address all the issues identified in the SCOPE reports. SCOPE are working with the Facilities Management Team to ensure that the targets set accurately reflect the work programme and legislative requirements
90.00	100.00	n/a	All within timescale

Revenue Budget	Approved Budget	Profiled Budget	Actual	Variance
	2006/07 £'000	April-March 2006/07 £'000	April-March 2006/07 £'000	April-March 2006/07 £'000
Legal & Democratic Services				
Administration & Registration	914	914	860	-55
Committee Services	3	3	0	-3
Corporate Facilities	4	4	-0	-4
Elections	46	46	65	18
Facilities Management	-205	-205	-29	176
Legal Services	26	26	4	-23
Recovery Plan - Legal	0	0	0	0
Valuation Services	-3	-3	0	3
TOTAL SERVICE	786	786	899	113

Capital/ Recharge Variances Included	Other Variances
April-March 2006/07 £'000	April-March 2006/07 £'000
-30	-25
-14	11
-9	5
-4	22
162	14
-12	-11
14	-14
28	-25
135	-22

Notes on Revenue Financial Performance

Legal and Democratic Services – £22k underspend

- An overspend of £47k in respect of gas and electric charges at the Council Offices. The utility budget was increased by 10% however the actual charges are significantly higher than that estimated. The increased charges were highlighted in earlier monitoring reports and an overspend of £50k was predicted in the Quarter 3 report.
- There have been underspending within supplies and services on Misc expenses, General insurances and consultants fees totalling £22k.
- A net under spend of £11 k on staff within Legal services and Registration services is a result of saving due to vacant posts offset by the use of agency staff.
- Additional Income for 06/07 has been generated by SLA to BDHT for legal services and other misc sales and fees.

Legal & Democratic Services

Capital Budget	Revised Capital Budget	Outturn - Direct Expenditure	Support Service charges	Variance - Direct expenditure
Legal & Democratic Services	2006/07 £'000	2006/07 £'000	2006/07 £'000	2006/07 £'000
Replacement Electoral Software	15	0	0	-15
Committee Minutes System	18	24	1	6
Disabled Discrimination Act improvements (05/06)	14	6	0	-8
Conversion of Council House Reception Area to Office Accommodation	50	74	2	24
Total	97	104	3	7

Notes on Capital Financial Performance

The variance of £7k is mainly due to :

. an overspend of £23k in respect of the conversion of the Council House reception area to office accommodation. This was the subject of a report to Executive Cabinet on 4th October 2006.

. Replacement Electoral Software underspend £15k. This scheme was delayed due to the effects of an organisational restructure and approval to carry forward the budget into 2007/08 is requested.

Organisational Development & Human Resources

Performance Indicators and Financial Outturn 2006/07

Ref	Description	HoS	2005/06		Quartile Data	
			Actuals	Quartile	Higher or lower	Median
BV11a	The percentage of top 5% of earners: who are women	JP	16.88	4	H	25.00
BV11b	The percentage of top 5% of earners: from minority ethnic communities	JP	0.00	4	H	0.00
BV11c	The percentage of top 5% of earners: with a disability	JP	0.00	4	H	2.09
BV12	The average number of working days lost due to sickness.	JP	10.27	3	L	9.54
BV14	The percentage of employees retiring early (excluding ill-health)	JP	1.50	4	L	0.40
BV15	The percentage of employees retiring on grounds of ill-health	JP	0.60	4	L	0.25
BV16a	The percentage of employees with a disability	JP	0.00	4	H	3.11
BV16b	The percentage of the population with a disability (Census 2001)	JP	11.73	n/a	n/a	n/a
BV17a	The percentage of employees from minority ethnic communities	JP	0.70	4	H	1.40
BV17b	The percentage of population from minority ethnic communities (Census 2001)	JP	2.18	n/a	n/a	n/a
Human Resources	% of staff appraisals undertaken	JP	74.48	n/a	n/a	n/a
Human Resources	% of staff turnover	JP	18.80	n/a	n/a	n/a

Feb Target	Feb Actual	Target & trend	Mar Target	Mar Actual	Target & trend
24.00	22.70	S	22.00	22.70	S
1.50	0.00	S	1.50	0.00	S
1.50	4.55	S	1.50	4.55	S
9.16	9.63	I	0.86	10.66	I
1.00	0.00	S	1.00	0.90	W
0.30	0.30	S	0.30	0.30	S
1.20	1.96	S	1.20	1.97	S
n/a	n/a	n/a	n/a	n/a	n/a
1.00	1.22	S	1.00	1.23	S
n/a	n/a	n/a	n/a	2.20	n/a
?	?	?			
12.17	11.31	I	13.28	12.05	S

2006/07 Target	2006/07 Actual Outturn	2006/07 Outturn Quartile	Comments
24.00	22.70	3	This indicator is not cumulative - it is a snap shot at the end of each month. During March there were 5 female employees within the top 5% of earners
1.50	0.00	2	The Council is working with TMP on its branding for recruitment to improve contact with all potential applicants
1.50	4.55	2	The Council is working with TMP on its branding for recruitment to improve contact with all potential applicants - March 1 staff within top 5% of earners
9.50	10.63	3	Performance improved in March, continuing the improving trend since the summer of last year. Disappointingly this was not quite sufficient to offset the high levels of sickness at the beginning of the performance year to bring this indicator out of "red" status. Sickness levels in March were nearly 40% lower than at the peak in May 2006
1.00	0.90	4	This is actual numbers of staff retiring early within the pension scheme (1 person in March)
0.30	0.30	3	
1.20	1.97	4	This is a snap shot at the end of each month - March relates to 8 employees who have identified as themselves having a disability
context measure no target set	11.73	n/a	Information provided by Census - not controllable
1.00	1.23	3	This is a snap shot at the end of each month - March figures are based on 5 employees
context measure no target set	2.18	n/a	Information provided by Census - not controllable
100.00	99.00	n/a	PDRs are currently being undertaken - figures will be reported in April.
13.30	12.05	n/a	Cumulative figure using number of leavers - 3 staff in March

Revenue Budget	Approved Budget	Profiled Budget	Actual	Variance
	2006/07	April-March 2006/07	April-March 2006/07	April-March 2006/07
	£'000	£'000	£'000	£'000
Organisational Development & Human Resources	33	33	-0	-33
TOTAL SERVICE	33	33	-0	-33

Capital/ Recharge Variances Included	Other Variances
April-March 2006/07	April-March 2006/07
£'000	£'000
93	-126
93	-126

Notes on Revenue Financial Performance

The underspend of £126k reflects a combination of

- The underspend of £86k on the training budget is due to a general reduction in expenditure in order to offset the predicted overspending of the Council as a whole and also lower than anticipated expenditure in the final three months of the year. It is requested that £47k of this underspend be carried forward into 2007/08.

There is an underspend of £34k in relation to single status exercise starting later than anticipated. Job evaluation interviews are now taking place and so it is requested that this underspend be carried forward.

Capital Budget	Revised Capital Budget	Outturn - Direct Expenditure	Support Service charges	Variance - Direct expenditure
	2006/07	2006/07	2006/07	2006/07
	£'000	£'000	£'000	£'000
New HR Information & Management system	30	0	0	-30
Total	30	0	0	-30

Notes on Capital Financial Performance

The commencement of the new HR Information and Management System was delayed by the effects of an organisational restructure and approval to carry forward the budget into 2007/08 is requested.

Planning & Environment Services

Performance Indicators and Financial Outturn 2006/07

APPENDIX 7

Ref	Description	HoS	2005/06		Quartile Data	
			Actuals	Quartile	Higher or lower	Median
BV106	The percentage of new homes built on previously developed land	DH	92	1	H	75.00
BV109a	The percentage of major planning applications determined within 13 weeks	DH	35	4	H	66.67
BV109b	The percentage of minor planning applications determined within 8 weeks	DH	57	4	H	74.01
BV109c	The percentage of other planning applications determined within 8 weeks	DH	67	4	H	88.23
BV200a	Was a Local Development Scheme submitted by 28/03/05 and a 3 year rolling programme maintained	DH	Yes	n/a	n/a	n/a
BV200b	Have the milestones in the LDS been met	DH	No	n/a	n/a	n/a
BV200c	Has an annual monitoring report been published by December of the previous year	DH	Yes	n/a	n/a	n/a
BV204	The percentage of planning appeal decisions allowed	DH	32	n/a	n/a	n/a
BV205	The percentage score against the quality of planning services checklist	DH	78	4	H	94
BV214	The percentage of homeless household who suffer homelessness within 2 years	DH	2.86	3	L	1.82
BV166a	The percentage score against the Environmental Health best practice checklist	DH	70.00	4	H	90.00
BV216a	The number of sites of potential concern with respect to land contamination	DH	1,812	4	L	697
BV216b	The percentage of identified sites for which sufficient details are available for decisions	DH	0.61	4	H	3.00
BV217	The percentage of pollution control improvements to existing installations completed on time.	DH	100.00	2	H	94.00
BV219a	The total number of conservation areas	DH	10	n/a	n/a	n/a
BV219b	The percentage of conservation areas with an up-to-date character appraisal	DH	10	2	H	8
BV219c	The percentage of conservation areas with published management proposals	DH	0	4	H	0
LPI Planning	Score on Building Control performance matrix	DH	76.0	n/a	n/a	n/a
LPI CEO	Number of small business start ups	DH	40	n/a	n/a	n/a
LPI CEO	% of business survival rate	DH	n/a	n/a	n/a	n/a

Feb Target	Feb Actual	Target & trend	Mar Target	Mar Actual	Target & trend
n/a	n/a	n/a	n/a	n/a	n/a
55.00	61.00	I	55.00	73.00	I
77.00	81.00	I	77.00	72.00	W
89.00	88.00	W	89.00	84.00	S
n/a	n/a	n/a	yes	yes	I
n/a	n/a	n/a	yes	no	W
n/a	n/a	n/a	yes	yes	S
40.00	33.00	I	40.00	27.80	W
89.00	83.00	S	89.00	83.00	S
n/a	n/a	n/a	3.00	4.92	I
n/a	n/a	n/a	70.00	78.00	I
n/a	n/a	n/a	n/a	1850.00	
n/a	n/a	n/a	2.00	1.33	
n/a	n/a	n/a	90.00	100.00	
n/a	n/a	n/a	n/a	10	
n/a	n/a	n/a	n/a	20.00	
n/a	n/a	n/a	n/a	10.00	
60.00	74.50	S	60.00	74.50	S
23	35	I	25	38	I
			75.00	75.00	

2006/07 Target	2006/07 Actual Outturn	2006/07 Outturn Quartile	Comments
67.00	67	n/a	As the monitoring year has just ended work is now underway on the housing land availability report which will give us the percentage of new homes on PDL
60.00	73.00	2	This related to 5 out of six applications being determined in time and was a 3% improvement over Feb. A significant improvement on 05/06 which was 35%. 22/30 applications were determined in time.
75.00	72.00	3	This was a 6% drop in performance in relation to February as a result of determining one less application in time. A significant improvement on 05/06 which was 57%. 200/276 applications determined in time.
87.00	84.00	3	This was the same as February in relation to performance with an additional eight applications being determined. A significant improvement on 05/06 which was 67%. 863/977 applications determined in time.
Yes	Yes	n/a	A revised LDS was submitted to GOWM on 29 March
Yes	No	n/a	As above staffing problems has meant the milestones have not been met although improved staffing will allow us to meet the targets in the revised LDS
Yes	Yes	n/a	The AMR was produced and submitted on time, feedback has just been received from GOWM on the AMR identifying areas for improvements although we were also complimented on number of points
40.00	27.80	n/a	This related to 1 appeal being dismissed - informal hearing into agricultural workers dwelling. A total of 36 appeals have been determined during the year. The Council has successfully defended 26 of these decisions, which are well in below the maximum 40% BVPI 204.
89.00	83.00	4	Continue to require completion of the spatial project to improve.
3.00	4.92	4	One of these 2 cases is someone with a severe mental health issue who has been in & out of hospital & supported housing. HB will not pay on both supporting housing & an RSL tenancy. An arrangement is often made for a tenancy to be surrendered & a new one offered on recovery. This is good management but will show up in these figures. This is also appears high as the number of homeless acceptances is down 34% on the 3rd quarter. The other case is a 16/17 yr old who was made homeless due to parental exclusion & to whom a duty was accepted. She was reconciled with her family prior to being offered permanent accommodation & therefore duty was discharged. She returned home only to be made homeless again when she became pregnant. We are hoping that early intervention by the new prevention service will intervene in cases such as this.
70.00	78.00	4	Exceeded target
1,815	1,850	4	This figure has increased from 1806 to 1850 following prioritisation work which has resulted in the identification of additional 'sites of potential concern'. Prioritisation work has now been completed and 'cleansing' of that prioritised data has been started. This work will continue alongside work to gather 'significantly detailed information' as required for 216b.
2.00	1.33	3	Target set was 2%. Achieved 1.33% This is due to technical failure earlier in 2006/2007 and capacity issues. Now that prioritisation is complete the collection of 'sufficient detailed information' can begin and run in tandem with data cleansing work.
90.00	100.00	1	Target reached.
10	10	n/a	Currently 10 conservation areas no firm plans to designate any more although potential new ones may be investigated
20.00	20.00	2	Target has been met conservation area appraisals for both Hagley and Dodford are now complete
10.00	10.00	n/a	Target has been met Hagley conservation area management plan has been produced
60.00	74.5	n/a	Although March has been a hectic month we have been able to maintain a reasonably high standard giving decisions to all applications within the statutory 5 and 8 week periods.
25	38	n/a	Annual target fulfilled, budget already used up.
75.00	75.00	n/a	Target fulfilled for year

Planning & Environment Services

APPENDIX 7

Revenue Budget	Approved Budget	Profilled Budget	Actual	Variance
Planning & Environment Services	2006/07	April-March 2006/07	April-March 2006/07	April-March 2006/07
	£'000	£'000	£'000	£'000
Development & Building Control	599	599	576	-23
Environmental Health	1,000	1,000	908	-93
Licensing	6	6	-33	-39
Planning Administration	-184	-184	-9	175
Strategic Housing	2,323	2,323	1,035	-1,288
Strategic Planning	658	658	284	-374
Economic Development	93	93	77	-16
Retail Market	8	8	20	11
TOTAL SERVICE	4,504	4,504	2,859	-1,645

Capital/ Recharge Variances Included	Other Variances
April-March 2006/07	April-March 2006/07
£'000	£'000
-12	-11
-13	-80
-1	-38
74	101
-1,252	-36
-208	-166
-3	-12
13	-2
-1,402	-243

Notes on Revenue Financial Performance

The underspend of £243k is due to the following

- There was a significant shortfall on income for building regulation fees, planning applications and land charges for 06/07 (£198k). This is due to the planning moratorium and the slight decrease in the housing market during this year. This shortfall was highlighted throughout the year and the outturn is in line with the projected variance.
- Savings on vacant posts amounted to £86k after the vacancy management target had been met. The service area has now implemented a revised staffing structure and is currently recruiting operational staff to deliver the service into 07/08.
- There was an underspend on consultancy fees of £107k. It is anticipated that the use of consultancy for advice on planning matters will be required during 2007/08 and therefore request that this underspend is carried forward.
- Income in respect of licences was £41k higher than originally budgeted.

Capital Budget	Revised Capital Budget	Outturn - Direct Expenditure	Support Service charges	Variance - Direct expenditure
Planning & Environment Services	2006/07	2006/07	2006/07	2006/07
	£'000	£'000	£'000	£'000
Strategic & Enabling Housing Schemes	168	112	3	-56
New Affordable Schemes	832	277	9	-555
Retained Housing Works	18	8	0	-10
Homeless Hostels	9	8	0	-1
Private Sector Renewal	691	447	14	-244
West Midlands Regional Housing LA Grant Allocation	217	0	0	-217
Total	1935	852	26	-1083

Notes on Capital Financial Performance

The underspend is mainly due to

- New affordable schemes - A number of new schemes totaling £485k were being developed during 2006/07. This was the subject of a report to Executive Cabinet on 1st November 2006 which approved carry forward of part of the budget. As part of the Capital Programme 2007/08 to 2009/10 report to Cabinet on 21st February 2007 it was reported that there would be no expenditure on these schemes in 2006/07 and approval to carry forward all of the budget was granted.
- Private Sector Renewal - Disabled Facilities Grants, Home Repair Assistance and Housing Renewal Grants - The underspend is a result of a vacancy in the Private Sector Housing Team early in the financial year and therefore delays in processing grant applications. This post has now been filled. Once approved applicants have 12 months in which to carry out the work so that in many cases the grants are not payable until 2007/08. processing of grant applications. On 21st February 2007 Executive Cabinet approved the carry forward of £135k into 2007/08.
- West Midland Regional Housing LA grant £217k underspend - Owing to the late awarding of this Government Grant very little expenditure will be possible in this financial year because the schemes are still being developed. On 21st February 2007 Executive Cabinet approved the carry forward of £207k into 2007/08 and a further carry forward of £10k is now requested.

Street Scene & Waste Management Services

Performance Indicators and Financial Outturn 2006/07

Ref	Description	HoS	2005/06		Quartile Data	
			Actuals	Quartile	Higher or lower	Median
BV82ai	The percentage of household waste that has been recycled	MB	19.95	2	H	18.50
BV82aii	The tonnage of household waste that has been recycled	MB	8,362	2	H	6,840
BV82bi	The percentage of household waste that has been composted	MB	20.62	1	H	8.29
BV82bii	The tonnage of household waste that has been composted	MB	8641	1	H	3158
BV84a	The number of kilograms of household waste collected per head of population	MB	469	4	L	410
BV84b	The percentage change in the amount of household waste collected	MB	14.16	4	L	-0.44
BV86	The cost of household waste collection	MB	71.19	4	L	46.25
BV91a	Percentage of households covered by kerbside collection of recyclables (one recyclable)	MB	91.90	4	H	99.40
BV91b	Percentage of households covered by kerbside collection of recyclables (two recyclable)	MB	91.90	4	H	98.80
BV199a	The proportion of land & highways assessed as having unacceptable levels of litter and detritus	MB	26	4	L	12.00
BV199b	The proportion of land & highways assessed as having unacceptable levels of graffiti visible	MB	6.00	4	L	1.00
BV199c	The proportion of land & highways assessed as having unacceptable levels of fly-posting visible	MB	1.00	3	L	0.00
BV199d	The year-on-year reduction in number of incidents and increase in number of enforcement actions in relation to fly-tipping	MB	4.00	1	L	n/a
BV218a	The percentage of new reports of abandoned vehicles investigated within 24 hours of notification	MB	93.00	2	H	87.00
BV218b	The percentage of abandoned vehicles removed within 24 hours of legal entitlement	MB	100.00	1	H	77.50
LPI Depot	% animal/debris cleared within timescales	MB	89.00	n/a	n/a	n/a
LPI Depot	% of flytips dealt with in response time	MB	92.00	n/a	n/a	n/a
LPI Depot	Number of missed household waste collections	MB	3113	n/a	n/a	n/a
LPI Depot	Number of missed recycle waste collections	MB	802	n/a	n/a	n/a
LPI Depot	Number of missed trade waste collections	MB	205	n/a	n/a	n/a
LPI Depot	Number of written complaints	MB	219	n/a	n/a	n/a
LPI Transport Services	% responses to Excess Charge appeals in 10 days	MB	78.00	n/a	n/a	n/a

Feb Target	Feb Actual	Target & trend	Mar Target	Mar Actual	Target & trend
21.50	20.97	W	21.50	21.42	I
8,249	7,512	W	9,011	8,242	I
21.50	21.27	W	21.50	19.81	W
8,454	7,622	S	9011	7622	S
410.83	395.05	I	445.00	424.20	W
8.81	-4.49	I	9.61	-5.11	I
see comment	see comment	see comment	see comment	see comment	see comment
93.83	94.10	S	94.00	94.12	I
93.83	94.10	S	94.00	94.12	I
n/a	n/a	n/a	n/a	16.94	I
n/a	n/a	n/a	n/a	4.79	I
n/a	n/a	n/a	n/a	0.76	I
n/a	n/a	n/a	n/a	3.00	I
95	100	S	95.00	95.00	W
95	100	I	95.00	95.00	S
95.00	87.00	W	95.00	82.00	W
95.00	96.00	S	95.00	96.00	S
1,400	1,502	I	1,550	1,630	I
1,100	701	W	1,200	748	I
110.00	45.00	W	120	58	I
242	311	I	264	334	I
100.00	98.00	W	100.00	100.00	I

2006/07 Target	2006/07 Actual Outturn	2006/07 Outturn Quartile	Comments
21.50	21.42	2	0.08 off target for year end
9,011	8,242	2	769.90 off target for year end
21.50	19.81	1	1.69 off target despite suspension of green collections
9,011	7622	1	Due to suspension of green collections throughout Jan, Feb & Mar target became unachievable
445.00	424.20	3	Exceeded target
9.61	-5.11	1	Exceeded target
70.00		n/a	This is calculated as an annual PI, however it is predicted to be significantly off target, due to a £456k projected overspend
94.00	94.12	3	Exceeded target
94.00	94.12	3	Exceeded target
20.00	16.94	3	Exceeded target
5.00	4.79	4	Exceeded target
1.00	0.76	3	Exceeded target
3	3	n/a	Met target
95.00	95.00	2	17 vehicles reported and 16 inspected within timescale, end of year target has been achieved
95.00	95.00	1	9 vehicles reported and 9 vehicles removed, end of year target has been achieved
95.00	82.00	n/a	6 animals reported and 5 removed within timescale, end of year target has not been achieved
95.00	96.00	n/a	84 incidents reported and 82 dealt with within time, end of year target has been achieved
1,550	1,630	n/a	124 missed refuse collections, reduced number of missed collections since last month however year end target has not been achieved
1,200	748	n/a	47 missed recycling collections, this PI has over performed, annual target has been easily achieved
120	58	n/a	13 missed trade refuse collections, this has improved from last month and end of year target has been easily achieved
264	334	n/a	23 complaint letters, end of year target has not been achieved this was due to the high number of complaints about suspension of green refuse collection
100.00	94.00	n/a	All ECN's responded to within timescale

Revenue Budget	Approved Budget	Profiled Budget	Actual	Variance
Street Scene & Waste Management Services	2006/07	April-March 2006/07	April-March 2006/07	April-March 2006/07
	£'000	£'000	£'000	£'000
Car Parks	-954	-954	-676	278
Cleansing	1,273	1,273	1,055	-217
Depot - Miscellaneous	247	247	-7	-254
Environmental Enhancements	-29	-29	-19	9
Garage	-13	-13	95	108
Grounds Maintenance	568	568	573	5
Highways	303	303	322	19
Refuse Collection	2,800	2,800	3,010	210
Travel Concessions	421	421	453	32
TOTAL SERVICE	4,616	4,616	4,805	189

Capital/ Recharge Variances Included	Other Variances
April-March 2006/07	April-March 2006/07
£'000	£'000
22	256
-180	-37
-41	-213
0	9
125	-17
-6	11
-6	25
-156	366
0	32
-242	431

Notes on Revenue Financial Performance

Street Scene and Waste Management Services - £431k overspend

The current overspend is due to a number of factors including;

- Car parks overspend of £256k. This relates to a number of factors including to emergency repair works at the Rubery car park (£5k), the installation of height barriers at Recreation Road South Car Park (£2k), and modernisation of car parks for the blue badge holders and to make the machines accessible (£20k), refunds for parking at the Dolphin Centre and collection costs due to additional ticket machines (£10k). Car park income was £110k less than budgeted. This has been highlighted in quarterly monitoring reports and the actual outcome is an improvement of £30k on previously projected figures.
- Depot Miscellaneous Underspend of £213k – The main variance is due to a budgeted contribution of £250k to the vehicle and Replacement reserve not taking place. This is offset by additional costs for agency personnel to assist with scheduling of street cleansing and refuse routes and measurement of BVPI 199 at a cost of 11k, together with a shortfall of income on the transfer site of £13k and the additional costs of implementing the new tachograph system. There has been an additional spend of
- Environmental Enhancements overspend of £9k is due to reduced use of the bring sites as a consequence of fortnightly household recycling collection. This is offset by income received from Worcestershire County Council on the recycled waste brought to the site.
- Refuse collection has a projected overspend of £366k for the year. This is due to overspendings on fuel (£120k), hire costs of trade waste and recycling vehicles and increased running costs of the fleet (£126k). The extra tipping costs of £35k associated with the Faun vehicles are still being negotiated but are unlikely to be refunded against the revenue cost. Further costs were incurred in recovering two refuse collection vehicles that were involved in road traffic accidents and increased repair costs on vehicles carried out during the period of postponement of the green waste service.
- Travel concessions overspend of £32k is due to the scheme being far more popular than expected.

Capital Budget	Revised Capital Budget	Outturn - Direct Expenditure	Support Service charges	Variance - Direct expenditure
Street Scene & Waste Management Services	2006/07	2006/07	2006/07	2006/07
	£'000	£'000	£'000	£'000
Pay & Display Car Park Ticket Machines	20	15	0	-5
Concessionary Fare Implementation of Smart Cards.	20	0	0	-20
Replacement of Fleet Vehicles (Multi Lift Vehicles)	125	0	0	-125
Skips for new 18 tonne Depot Multi Lift Vehicles	20	0	0	-20
New Tanker for Cesspools Work	58	60	2	2
Street Cleaning Vehicles & Equipment (Identified within the Depot Strategy)	519	215	7	-304
Replacement Rear Loading Trade Waste Collection Vehicle (Identified within the Depot Strategy)	127	107	3	-20
Improvements to Depot Site (2006/07 & 2007/08)	50	6	0	-44
Graffiti Removal System	16	16	1	0
Vehicles & General Plant (b/f) - 3 Rear Loading Refuse Freighters	292	291	10	-1
Pavement Sweepers for street cleansing	99	98	3	-1
Continued rollout of waste collection Service (green and Grey wheelie Bins)	0	37	0	37
Total	1,346	845	26	-501

Notes on Capital Financial Performance

The underspend of £499k is mainly due to

Replacement of fleet vehicles (£125k underspend) - Two vehicles are on order with an original delivery date of May 2007 however they have not yet been delivered. On 21st February 2007 Executive Cabinet approved the carry forward of £125k into 2007/08. The actual cost of the vehicles is expected to be £161k which is covered by a underspending on Street Cleaning vehicles and equipment.

Street Cleaning Vehicles & Equipment (underspend £304k) - This scheme covers a ranges of vehicles and equipment. The underspend is due to vehicles on order but deliver is not expected until 2007/08. Executive Cabinet on 21st February 2007 approved the carry forward of £231k and an additional carry forward of £39k is now requested

Continued rollout of waste collection Service (green and grey wheelie bins to dwellings previously using black bags) - this scheme has been transferred from revenue to capital to utilise DEFRA capital grant. The Council, therefore, does not need to use any of its own capital resources.

			REVISED CAPITAL BUDGET 2006/07	TOTAL COST 2006/07	VARIATION TO REVISED BUDGET	CARRY FORWARD TO 2007/08 ALREADY APPROVED	BUDGET CARRY FORWARD TO 2007/08 REQUIRED
			£	£	£	£	£
FUNDING	DEPARTMENT						
FINANCIAL SERVICES							
GC1122	Gov't Grants £59k & Capital Receipts £138k	Purchase Order Processing System (Funded from capital receipts & IEG Grant)	197,000	152,377	(44,623)	38,000	6,623
<i>Totals</i>			197,000	152,377	(44,623)	38,000	6,623
LEGAL & DEMOCRATIC							
GC1066	Capital Receipts	Replacement Electoral Software	15,000	0	(15,000)	0	15,000
GC1068	Capital Receipts	Disabled Discrimination Act improvements (05/06)	14,000	6,418	(7,582)	6,000	1,582
<i>Totals</i>			29,000	6,418	(22,582)	6,000	16,582
HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT							
GC1010	Capital Receipts	New HR Information & Management system	30,000	0	(30,000)	0	30,000
<i>Totals</i>			30,000	0	(30,000)	0	30,000
E-GOVERNMENT & CUSTOMER SERVICES							
GC1111	Gov't Grants	Internet/Intranet Development (funded from IEG Grant)	23,000	19,360	(3,640)	10,000	(6,360)
GC1161	Capital Receipts	Corporate Budget for IT Upgrades - Increased Resources (2006/07)	14,000	10,638	(3,362)	0	3,362
GC1157	Capital Receipts	Spatial Project	500,000	115,182	(384,818)	325,000	59,818
<i>Totals</i>			537,000	145,181	(391,819)	335,000	56,820
STREET SCENE & WASTE MANAGEMENT							
GC1146	Capital Receipts	Street Cleaning Vehicles & Equipment (Identified within the Depot Strategy)	519,000	221,900	(303,890)	231,000	(39,000)
GC1150	Capital Receipts	Improvements to Depot Site (2006/07 & 2007/08)	50,000	6,344	(43,846)	0	43,846
<i>Totals</i>			569,000	228,244	(347,736)	231,000	4,846
PLANNING & ENVIRONMENT SERVICES							
GC1176	Section 106	4 Houses on Garage Sites (Grafton, Foxwalks) - Foxwalks	55,200	0	(55,200)	19,000	36,200
GC1177	Housing Capital Receipts & Section 106	Grants to RSL's - Housing to Rent (New build) - Barrington Road	99,000	69,730	(29,270)	19,000	10,270
GC1178	Housing Capital Receipts & Section 106	Grants to RSL's - Housing to Rent (New build) - Ryfields Road	19,000	0	(19,000)	0	19,000
GC1081	Housing Capital Receipts	Grants to RSL's - Shared Ownership (New Build/Do-it-Yourself)	19,000	0	(19,000)	18,000	1,000
GC1174	Housing Capital Receipts	Improvements to Houndsfield Lane Caravan Park	10,000	0	(10,000)	7,400	2,600
GC1166	Gov't Grants	Grants to owners of Houses in Multiple Occupation (regulatory standard in Fire Precautions and Energy Efficiency)	30,000	0	(30,000)	25,000	5,000
GC1170	Gov't Grants	Energy efficiency Home Insulation Project	30,000	0	(30,000)	25,000	5,000
<i>Totals</i>			262,200	69,730	(192,470)	113,400	79,070
CULTURE & COMMUNITY SERVICES							
GC1094	Capital Receipts	Restoration of Memorial Headstones in Bromsgrove Cemetery	26,000	4,650	(21,350)	11,000	4,000
GC1127	Capital Receipts	Hunters Hill School, Blackwell. (Contribution towards new sports facilities)	129,500	0	(129,500)	0	129,500
GC1128	Section 106	Belbroughton - improving play facilities	40,000	20,630	(19,370)	20,000	(630)
GC1132	Section 106	Bromsgrove Town FC - Portable goals for Lickey End Recreation Ground	1,700	0	(1,700)	0	1,700
GC1027	Gov't Grants & Capital Receipts	New park at Barnsley Hall (Funded from Government Liveability Fund & BDC) - Football Pitches	217,000	2,234	(214,766)	217,000	(2,234)
GC1180	Capital Receipts	Upgrading of C.C.T.V. Facilities at St Chads Park Rubery	29,000	10,785	(18,215)	0	18,215
<i>Totals</i>			443,200	38,299	(404,901)	248,000	150,551
<i>Grand Totals</i>			2,067,400	640,250	(1,434,130)	971,400	344,492

Service Area	Description	C/fwd request amount £	Comments	One off items previously approved to be funded from Balances	
Planning & Environment Services	Local Planning - Enquiries	106,950.00	Enquiry due to take place in 2007/08	98000	8,950.00
Organisational Development & Human Resources	Implementation of Single Status	35,000.00	Single status started later than anticipated will most job evaluation interviews planned for 2007/08	35000	
Organisational Development & Human Resources	Corporate Training	47,078.00	Training now planned to take place in 2007/08		47078
Corporate Services	Town Centre Development	50,000.00	The budget was for 2006/07 only however the project will continue into 2007/08.	50000	
Corporate Services	Longbridge Site Development	50,000.00	The budget was for 2006/07 only however the project will continue into 2007/08.	50000	
Corporate Services	Improvement Plan	41,000.00	Funding required for Improvement Director/Mentoring Budget and the Customer Service Centre peer review	31,000.00	
E-Government & Customer Services	Customer Service Centre - Training	4,900.00	Underspend on training. Training needs now identified through PDR's and planned for 2007/08		4,900.00
E-Government & Customer Services	IT - Infrastructure Project	27,500.00	Underspend due to not implementing part of scheme following unsuccessful trials.		27,500.00
		362,428.00		264,000.00	88,428.00

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BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

27th JUNE 2007

ANNUAL REPORT 2006-07 PARTS 1 TO 4

Leader of the Council Portfolio Holder for Finance	Councillor Roger Hollingworth Councillor Geoff Denaro
Responsible Head of Service	Assistant Chief Executive and Head of Financial Services

1. Summary

- 1.1 To present to Members the Council's Annual Report for 2006/07. There are four parts to the Annual Report:-
- Part 1 – a plain English summary for residents that will be published in the resident's magazine, Together Bromsgrove in July.
 - Part 2 Performance Results (**Appendix 1**);
 - Part 3 Statement of Accounts (**Appendix 2**);
 - Part 4 Summary of Accounts (**Appendix 3**).
- 1.2 In addition, the Council has to produce a Statement of Internal Control and an integrated performance and financial outturn report for Members. The integrated report has been treated as a separate report to Cabinet, while the Statement of Internal Control is included within the Statement of Accounts (**Appendix 2**).
- 1.3 Finally, there have been a number of changes in accounting practice for the 2006/07 accounts, that need to be reported to Members. These are set out in section 3.6 of the report.

2. Recommendations

- 2.1 To consider the information contained in Parts 2, 3 and 4 of the Annual Report (Part 1, in Together Bromsgrove will be based on the approved information contained in Parts 2, 3 and 4).

- 2.2 To recommend to full Council the approval of Part 2, the unaudited Annual Report Performance, in accordance with the Local Government Act 1999 (Best Value).
- 2.3 To recommend to full Council the approval of Part 3, the unaudited Statement of Accounts for the year ended 31st March 2007 in accordance with the Accounts and Audit Regulations 2003 amended 2006.
- 2.4 To recommend to full Council the approval of Statement of Internal Control

3. Background

3.1. Part 1 – Together Bromsgrove

3.1.1 This part of the report is currently being written, as Together Bromsgrove will not be sent out until July; however, some of the key messages that the public summary will contain include:-

- The Council's improved performance on its basket of performance indicators. 38% of our Best Value Performance Indicators were above average for 2006/07, compared to 21% in 2005/06;
- The Audit Commission's Comprehensive Performance Assessment rating of Poor and what the Council is doing to address the recommendations;
- Headline information on the Council's financial management e.g. Council Tax level and actual spending; and
- Information on the Council's priorities including key performance indicators where appropriate and information on plans for the town centre and Longbridge.

3.1.2 The report will be in an innovative plain English newspaper style.

3.2. Annual Report Part 2 – Performance

3.2.1 The Local Government Act 1999 (Best Value) requires that councils' publish their performance results and forward targets for Best Value Performance Indicators by the end of June for the previous year. The statute refers to this report as the "Best Value Performance Plan". The Council has started to use the term "Annual Report" this year, for any aspect of its outturn reporting to improve public understanding of its reporting.

3.2.2 Through the monthly reporting of performance information and the Improvement Plan to Cabinet and the Performance Management Board, Members should be familiar with the information contained in this report (see **Appendix 1**).

3.2.3 Pages 20 onwards of the report provide detailed information on each indicator's performance and future year targets, based on the outturn position; however, the key part of the report is pages 18 and 19, which show that the Council achieved 65% of its target in 2006/07 and was within 10% for another 19%, this compares to 43% and 20% respectively for 2005/06. This suggests improved performance management by the Council. Similarly, 59% of indicators improved in 2006/07, compared to 39% in 2005/06, but most importantly the number of indicators now above the average level of local authority performance is now 38%, compared to 21%. Members who attended the recent Audit Commission feedback meeting on the Comprehensive Performance Assessment report will remember that the Improvement Director stressed that while Best Value Performance Indicators may not be the most interesting of subjects, they are absolutely critical to achieving a Fair Comprehensive Performance Assessment rating which is so important to the Council's national, regional and local reputation. 2007/08 will need to see a similar improvement in performance.

3.3. Annual Report Part 3 - Statement of Accounts 2006-07

3.1 The Accounts and Audit Regulations 2003, amended 2006, require that the Statement of Accounts be presented to a relevant Committee or to the Council meeting as a corporate body for approval.

3.2 The Statement of Accounts for 2006/07 is being reported to Members within the statutory deadline of 30th June 2007.

3.3 The Statement of Accounts 2006/07 is attached at **Appendix 2**. All figures are subject to external audit examination. It is anticipated that KPMG will begin the audit in July 2007.

3.4 Annual Report Part 4 - Summary Accounts 2006-07

3.4.1 Councils are now encouraged to produce summary accounts and to obtain feed back on the form and content of the document. The Summary Accounts are intended to be a user friendly summary of the more detailed and technically complex statutory Statement of Accounts. Summary Accounts were produced for the first time for the 2005/06 accounts. They were available on the Council's web site along with a facility for users to comment. The Summary for 2005/06 was also presented to a focus group in January 2007 and feed back obtained from this has been used in making changes to the format of the 2006-07 document. This is the first year that the Summary Accounts have been presented to Cabinet.

3.5 Statement of Internal Control

3.5.1 The Council is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Councils' functions and which includes arrangements for the management of risk

and the prevention and detection of fraud and corruption. This statement outlines the internal control system, reviews its effectiveness and sets out the improvements planned for the future.

3.6 Statement of Accounts 2006/07 - Changes in Accounting Practice

- 3.6.1 There are a number of legislative and guidance documents that the Council follows to produce the Statement of Accounts. These include UKGAAP, (United Kingdom Generally Accepted Accounting Practice) Best Value Accounting Code of Practice (BVACOP) and Financial Reporting Standards (FRS); however the main guidance that is followed is the Code of Practice on Local Authority Accounting in the United Kingdom 2006 'A Statement of Recommended Practice' (the 2006 SORP)
- 3.6.2 The 2006 SORP sets out the proper accounting practices required by section 21(2) of the Local Government Act 2003 prepared in accordance with the Accounts and Audit Regulations 2003 and by sections 41 and 42 of the Local Government and Housing Act 1989 to prepare a Statement of Accounts which 'presents fairly' the financial position. The aim of the SORP is to ensure as far as possible a broad consistency of practice and a minimum standard of content enabling electors, council taxpayers and other interested parties to obtain clear information on local government activities.
- 3.6.3 The SORP is annually updated by CIPFA to ensure that local government accounting practice remains in line with changes to national and international financial standards and the 2006 SORP has introduced some major changes to local authority financial statements. These changes are intended to make the financial statements easier to read and bring them more in line with practices in the private sector. These changes include:
- Replacement of the Consolidated Revenue Account with an Income and Expenditure Account and a reconciliation to the General Fund Balance. This change means that this revenue statement now conforms to UK Generally Accepted Accounting Practice (UKGAAP).
 - Replacement of the Statement of Total Movements in Reserves with a Statement Of Total Recognised Gains and Losses (STRGL). This statement summarises the movements in equity on the Balance Sheet. This new statement ensures that local authority accounts converge with UK GAAP.
 - Removal of the requirement for to make capital charges. Again this is in order to comply with UK GAAP. Depreciation continues to be charged in the Income and Expenditure Account.
 - Removal of the requirement to have keep an Asset Management Revenue Account, resulting in the charges previously shown

within this account, such as depreciation and interest payments, being shown on the face of the Income and Expenditure Account and Reconciliation to the General Fund.

- The above changes have no effect on the Council Tax.

3.6.4 The 2006 SORP has also changed the order of the financial statements so the 'core' single entity financial statements are grouped together (i.e. Income and Expenditure Account, Statement of Movement on the General Fund Balance, STRGL, Balance Sheet and Cash Flow Statement). These are followed by the notes to the core statements and the 'supplementary' statements (i.e. Housing Revenue Account and Collection Fund).

3.6.4 Due to the major changes introduced by the 2006 SORP the figures for 2005/06 have been restated to allow for comparison with the 2006/7 figures.

3.6.5 The core financial statements are:

Income and Expenditure Account (I&E Account)

The Income and Expenditure Account shows all the income receivable and expenditure incurred in operating the Council for the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and real projected value of retirement benefits earned by employees in the year i.e. the requirement of FRS 17 Retirement Benefits. The service expenditure analysis complies with the Best Value Accounting Code of Practice and as such may vary slightly from the Service Areas defined in the management structure of the Council.

Statement of Movement on the General Fund Balance

This statement summarises the differences between the Deficit on the I&E Account and the movement on the General Fund Balance. The I&E Account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Council is required to raise council tax on a different basis. This statement makes adjustments to ensure that certain transactions in the I&E Account do not affect net expenditure of the Council funded from Revenue Support Grant, National Non Domestic Rates and the Council tax.

The main differences are:-

- Capital expenditure is accounted for as it is financed rather than when the fixed assets are consumed.

- Payment of a share of housing capital receipts to Government shows as a cost in the Income and expenditure account, but is met from useable capital receipts rather than council tax.
- Retirement benefits are charge as amounts become payable rather than as future benefits are earned.

Statement of Total Recognised Gains and Losses

The I&E Account brings together all of the functions of the Council and summarises all of the resources that the Council has generated, consumed or set aside in providing services during the year. However, the Council may recognise other gains and losses in its Balance Sheet that are not debited or credited to the Income and Expenditure Account. This statement brings these other gains and losses together with the deficit on the I&E Account to show the total movement in the Council's net worth for the year.

The Balance Sheet

This statement shows the Council's overall financial position for all activities as at 31st March 2007. The Council holds £40.981m of Fixed Assets which includes the Council Offices at Burcot Lane, The Dolphin Centre, the Market Hall and various parks and recreation grounds. There is also £373k of intangible assets which relates to capital expenditure which does not create a physical asset, e.g. computer software, but which provides benefit for a period of more than one year.

As at 31st March 2007, the Council held £21.612m of short term investments. This is mainly the funds managed by the Council's external fund managers Invesco and HSBC.

The Cash Flow Statement.

This summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes. It excludes internal transactions between accounts that do not involve transactions with third parties. During 2006/07 over £95m passed through the Council bank accounts.

The Housing Revenue Account (HRA)

Although the housing stock was transferred to Bromsgrove District Housing Trust on 29th March 2004, the Council was required to maintain the HRA until the Office of the Deputy Prime Minister approved our application to close the HRA with effect from 4th April 2006. All balances within the HRA have now been transferred to the General Fund.

The Collection Fund

The Collection Fund shows the transactions of the Council in relation to the collection of Council Tax, and National Non-Domestic Rates and

the way in which these have been distributed to the preceptors, the General Fund and the NNDR Pool. It is a statutory requirement for billing authorities to maintain this account.

3.6.6 Statement of Accounts 2006/07 on Display

The Accounts and Audit Regulations 2003, amended 2006, require the Statement of Accounts to be on public display for 20 working days. It will be available at the Council House from Friday 20th July 2007. This will be advertised in the local press. During that time members of the public will be able to inspect accounts and the external auditor will be available on Friday 17th August to receive and answer questions or objections on the accounts

4. Financial Implications

4.1.1 None other than included in the report and the Statement of Accounts.

5. Legal Implications

5.1.1 If the unaudited Statement of Accounts is not referred to Council for approval the Council will not meet its statutory responsibilities and the external auditors will report non-compliance in the Audit Management letter.

6. Corporate objectives

6.1 Improvement Objective - The approval of the Statement of Accounts within the statutory timescale will be assessed by the external auditors in their review for the Use of Resources assessment. Preparation of the Statement of Accounts within statutory timescales is evidence of efficient and effective financial management and reporting arrangements.

7. Risk Management

7.1 The main risks associated with the details included in this report are:

7.1.1 Non compliance with the statutory deadlines.

7.1.2 Qualification of accounts by External Audit.

7.1.3 Ineffective Performance Management

7.2 These risks are being managed as follows:

7.2.1 Non compliance with statutory deadlines

Risk Register: Financial Services

Key Objective Ref.: 6

Key Objective: Effective and Efficient Accountancy Service

7.2.2 Qualification of Accounts by External Audit

Risk Register: Financial Services
 Key Objective Ref.: 6
 Key Objective: Effective and Efficient Accountancy Service

7.2.3 Ineffective Performance Management

Risk Register: Corporate
 Key Objective Ref.: 19
 Key Objective: Effective Business and Performance Management

7.3 Key actions and controls to manage these risks include:

- Detailed timetable in place to monitor actions for final accounts closedown
- Allocation of qualified and professional staff to focus on closure of accounts
- Action plan in place to address Use of Resources issues
- Financial Training for budget holders to ensure awareness of financial regulations and management
- Regular monitoring of BVPIs at Departmental and Corporate Management Team meetings
- Regular review of BVPIs by Members.

8. Customer Implications

8.1 The information will be reported in a plain English way through the resident's magazine Together Bromsgrove. The Summary Accounts will provide a much simplified version of the full Statement of Accounts for our customers.

9. Other Implications

Procurement Issues: None
Personnel Implications: None
Governance/Performance Management: None
Community Safety including Section 17 of Crime and Disorder Act1998: None
Policy: None
Environmental: None
Equalities and Diversity: None

4. Other consulted on the Report

Portfolio Holder	At Cabinet.
Chief Executive	Yes

Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

Appendices

Appendix 1 – Annual Report Part 2 - Performance Results.

Appendix 2 – Annual Report Part 3 - Statement of Accounts.

Appendix 3 – Annual Report Part 4 - Summary of Accounts.

Contact officer

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Bromsgrove District Council Annual Report - Performance Results



2006-07



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If you require this document in large print, Braille or audio tape, please contact:

Fiona Scott, Equalities Officer,

The Council House, Burcot Lane, Bromsgrove, B60 1AA

Tel: 01527 881719, email: f.scott@bromsgrove.gov.uk

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से फोन: 01905 25121 पर संपर्क करें

[Ethnic Access] آپ انگریزی میں مدد چاہتے ہیں— نسلیاتی رسائی
سے رابطہ کریں ٹیلیفون: 01905 25121

1. Introduction from the Leader of the Council



Welcome to the Council's Annual Report. Last year I reported that it had been a busy year for the Council. It will come as no surprise that 2006/07 has been an equally busy year!

The major headline for 2006/07 has to be that the Council received its first ever Comprehensive Performance Assessment from the Audit

Commission, the independent regulator for local government and health. The Council achieved an overall rating of "Poor", which is the lowest rating. Clearly, this is nothing to be proud of, but a further analysis of this headline does show we are making progress. The overall message from the Audit Commission was as follows:-

"After a considerable period of inaction and poor decision making, Bromsgrove have come a long way, from a very low base, in the past year. The change in style at the top of the organisation and internal improvements that have been made is welcomed and recognised by staff and partners, and progress is continuing at the right pace and in the right direction".

The Audit Commission has made four key recommendations around Customer First, Member development, capacity to deliver and the integration of performance, resource and risk management. We already have an Improvement Plan in place

to deliver the actions required to address these issues. Whilst being under no illusions about the scale of the challenge still faced by the Council, I am confident that we will achieve an improved rating from the Audit Commission if we have another Comprehensive Performance Assessment from the Audit Commission in the autumn of 2008 (the Council's preferred date, which is still subject to discussion).

What does all this mean to our customers? The vast majority of our customers will judge us by the services they receive and not reports of the Audit Commission. 2006/07 has seen a significant improvement in our service performance:-

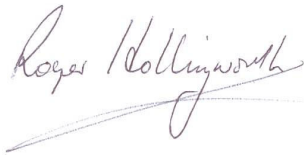
- Our recycling and composting rates are amongst the ten most improved in England.
- Our planning indicators have significantly improved, for example (see page 26 of this report).
- We continue to provide an excellent range of community events like the bonfire night, street theatre and jubilee bandstand programme.
- The speed at which we process benefits has improved (see page 23 of this report).
- Over the last three years there has been a 32% reduction in crime, which the Council has supported through CCTV, diversionary initiatives, neighbourhood wardens and attendance at PACT meetings.

- Overall the number indicators better than the local authority average has increased from 21% in 2005/06 to 38% in 2006/07.

These are real improvements which our customers will notice, but as I said earlier the scale of the challenge is still a significant one. The Council, working with its partners, needs to tackle major development issues like Longbridge and the town centre. Working with Bromsgrove District Housing Trust, we need to work on how we can better address the imbalance in our housing market and increase the supply of affordable housing and we need to continue to improve service delivery and customer service.

I look forward to working with you on these priorities in 2007/08.

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Roger Hollingworth
Leader of the Council



Kevin Dicks
Chief Executive

An electronic version of this plan can be found on our website:

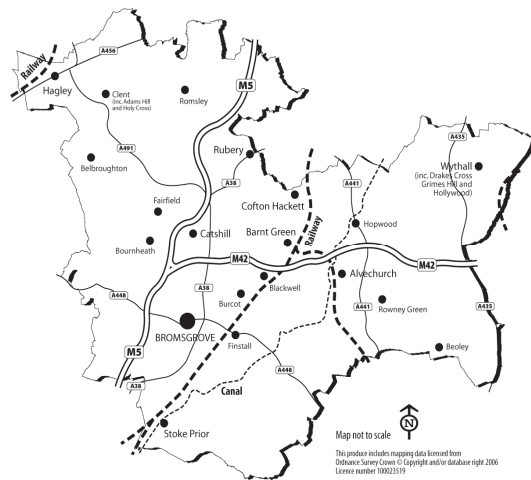
www.bromsgrove.gov.uk

2. About Bromsgrove District

Location

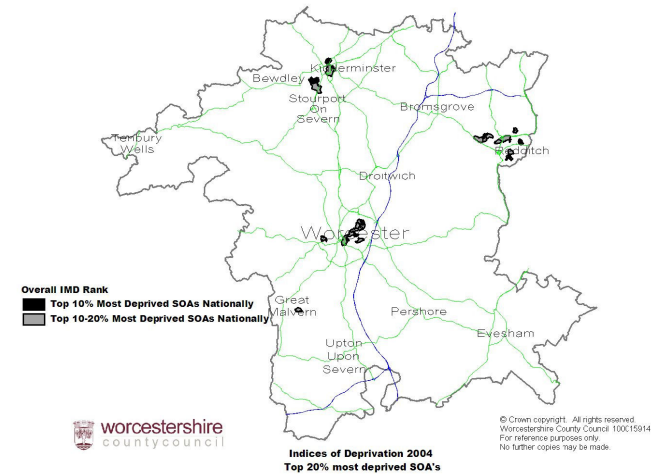
Bromsgrove District is in north Worcestershire, covering a large district area of approximately 83.9 square miles. Whilst only 14 miles from the centre of Birmingham, the Lickey Hills country park provides an important dividing line between the urban West Midlands Conurbation and the rural landscape of north Worcestershire. Ninety percent of the District is greenbelt which causes problems for housing policy. Four radial routes pass through the District, each served by railway lines and major roads, including the M5 running north and south, the M42 running east and west, with further links to the M40 and M6.

Table 1 – Map of Bromsgrove District



Data suggests that 16,643 people travel into the District for work, with 26,112 (29%) of the population travelling out, a net commute out of 9,469. Our main communities are detailed in Table 1. The District has no wards in the top 20% most deprived in England (see Table 2 below).

Table 2 – Map of County Deprivation



Population

The population of the District is 90,550 with the District experiencing a 0.8% increase between 2003 and 2004 (the joint highest in Worcestershire). This increase is mainly attributable to inward migration as a result of a number of large housing developments, with the District clearly being viewed as an attractive location to live and work in (or commute from). The District's population is also set to expand

by a further 3,000 to 7,000 households depending on the outcome of the Regional Spatial Strategy review. There is also the possibility of a further expansion if the District has to take some of Redditch District Council's regional housing allocation. The black and minority ethnic population (BME) is only 3.3% which is low for the region and nationally. This BME % comprises 1% Irish, 0.8% Asian, 0.8% mixed, 0.4% black and 0.3% Chinese. There are 37,798 households in the District. Over 25% of households contain only one older person. An estimated 6,964 households in the District have one or more members in an identified special needs group. This is 19.1% of all households in the District, well above the national average; of these 56.7% have a physical disability and 37% are frail elderly. The elderly population is predicted to expand as a proportion of the overall District population, with the over 80s population estimated to increase by 123.3% in the period 2004 to 2029.

Economy

The economic picture of the District is generally very positive. The mean household income is £36,906, which is the highest in the County (the County average is £32,699). There are three major areas of economic concern within the District: the redevelopment of the Longbridge site, Bromsgrove town centre and Bromsgrove railway station. In April 2005, parts of Phoenix Venture Holdings (PVH), most significantly MG Rover and PowerTrain entered administration, resulting in the closure of the Longbridge car plant. These parts of the Group employed around 5,850 people in the West Midlands and an estimated £410m was spent with firms based in the West Midlands as part of the supply chain. Whilst employment levels naturally increased with the closure, the District's

unemployment levels have returned to very low levels (1.5%). The Town Centre needs a major overhaul to encourage local shopping and to compete with neighbouring shopping centres. Bromsgrove station is the third area of concern. The current station facilities are not considered fit for purpose and a feasibility study is currently being carried out on the possible redesign of the station so that it can take bigger trains and more passengers and an additional 300 car parking spaces. This would help "future proof" the station against any changes to transport charges that may affect Birmingham city centre.

Sustainable Development

One of the biggest issues facing the District is affordable housing: 83.4% of households are owner occupied, the 11th highest figure in England and Wales and house prices are rising faster than the national average with the average house price over £240,000. The Council is currently operating a planning moratorium with only affordable housing developments being built. The Housing Strategy has a target of 80 units of affordable housing a year for the next five years.

Education, Deprivation and Health

The percentage of the population qualified to NVQ Level 4 is significantly higher than average. GCSE results gained at local authority schools and colleges in Worcestershire in 2005 were amongst the highest in the country (56.3% achieved five or more GCSEs at A*-C). The District ranks 293rd out of 354 councils on the national index of multiple deprivation 2004 (where one is the most deprived), making the District one of the least deprived nationally. Sidemoor is the most deprived area of the District and only 4,050 households are in receipt of

housing or council tax benefits in the District, one of the lowest figures in Worcestershire. As a result, identifying the vulnerable within our communities is more difficult than a district with geographic areas of deprivation.

Generally, the District's population is healthier than the regional average. Young people (18-24) have a high risk status being the most likely to smoke, binge drink and not take exercise. Potentially, we could be storing up problems for our young people. The most recent Primary Care Trust (PCT) annual report noted that our children's health is good, but there is a need for more child and adolescent mental health services. The PCT retain a concern (shared by the Council's own Community Safety Team) that domestic violence remains "common place". Between 2000-2003 teenage pregnancies increased marginally across Worcestershire (the overall rate is significantly lower than England as a whole).

Crime and Fear of Crime

There has been a 31.9% reduction in headline comparator crime figures for the District over the last three years. This, together with the Partners and Communities Together (PACT) community meetings, has had a very positive impact on fear of crime in the District: 97% of residents feel safe during daytime and 70% after dark. Low level crimes like: anti-social behaviour, litter, rubbish, "young people hanging around", vandalism and criminal damage remain an issue. Drug offences are low. The areas with the highest use in the District are the three prisons. There is a "supply" issue at HMP Blakenhurst and HMP Brockhill. Charford is the only ward where drug use is a significant issue.

Regulatory, Political, Managerial and Financial Context

The Council is currently poor rated and is in voluntary engagement with the Department of Communities and Local Government. The Council recently underwent its first Comprehensive Performance Assessment in March 2007 and received a rating of Poor.

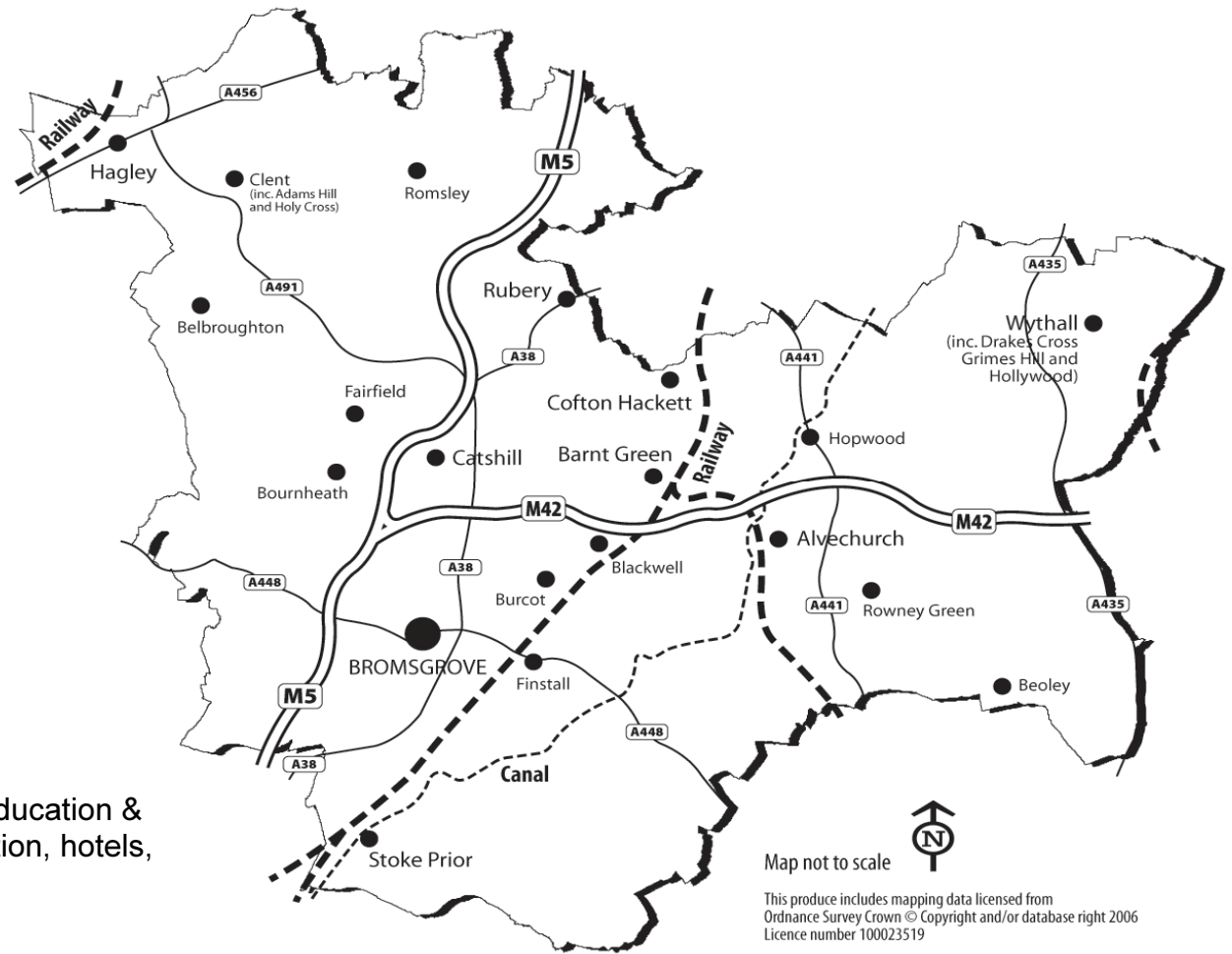
The Council has a majority Conservative administration, with 26 Conservatives, six Labour, four independents, two Wythall Residents Association and one Liberal Democrat. The Council operates a modernised political structure with the Leader/Cabinet model, supported by three non-Executive Boards: Audit Board, Scrutiny Steering Board and Performance Management Board. There is also a Planning Committee, Standards Committee and Licensing Committee. The Council has a new Corporate Management Team (CMT), a new Chief Executive, Kevin Dicks and an experienced ex-London Borough Chief Executive embedded into the structure as an Improvement Director to provide additional strategic support and mentoring to the Chief Executive.

The Council has a net budget of £11.564m (2007/08 and employs 454 staff.

Table 3 - About Bromsgrove District

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Size Area:	83.9 square miles
Population:	90,550 (census 2001)
Households:	37,798
Towns:	Bromsgrove, Hagley, Rubery, Wythall
Main Employment:	Public Administration, Education & Health (25.5%); distribution, hotels, & Restaurants (21.2%)
Unemployment:	1.5% (May 2007)
Ethnicity:	3.3%
Deprivation Ranking:	293 out of 354



3 Achievements against our vision, objectives and priorities

A summary of key achievements against our priorities follows.

Council Objective – Regeneration (Priorities: Town Centre, Longbridge and Housing)

- The Council is taking a strategic rather than piecemeal approach to regenerating the town centre and is currently working through the statutory planning requirements to develop an area action plan for the town centre.
- An extensive consultation on the options for the future of the Longbridge site has been undertaken. As one of the two planning authorities the Council was not able to respond to this consultation; however, the LSP responded to the Issues and Options consultation supporting the mixed development option, which aims to create 10,000 jobs.
- 72 affordable housing units were delivered in 2006/07, it is planned to deliver another 400 units over the next five years.
- The Council and BDHT have a joint commitment to phase out the use of hostels as temporary accommodation and replace them with self contained units. Wythall Hostel has been closed and 21 units of self contained accommodation are currently available.

Council Objective – Improvement (Priorities: Performance, Reputation and Customer Service)

- Overall performance for 2006/07 has shown a considerable improvement over the previous year (see section 8 for details).
- The Council has invested in its recycling and composting services and is achieving second quartile and top quartile performance for its recycling and composting respectively. The Council has been identified nationally as one of the top ten most improved councils nationwide for recycling.
- Since its BFI inspection in 2005 the Benefits Service has seen a significant improvement in its performance. The average number of days taken for processing new claims and the average number of days taken to process a change of circumstance have improved considerably during 2006/07.
- The Council provides the community with an extensive range of community events such as the bonfire night; street theatre and bandstand programme as well as playing a lead role in the Artrix, Bromsgrove's theatre, cinema and live music venue.
- The Planning and Environment Department Building Control Service is ISO9000 accredited and the Environment Health section achieved the highest average score for enforcement practices in a county wide audit.

- The Council's Environmental Health Commercial Team and Legal Services have undertaken a number of high profile prosecutions of local businesses.
- The Council has improved its score from the Audit Commission on how we manage our resources from 1 to 2.
- Sickness absence has reduced following the implementation of new sickness absence policy.

Council Objective – Sense of Community and Well Being (Priorities: Community Influence and Community Events)

- The Council is offering an increasing range of mechanisms for the public to influence the Council's strategy and services. The Council can track focus group feedback into the selection of its corporate priorities.
- In direct response to comments from PACT meetings, dedicated mobile area cleaners have been introduced in Charford, Sidemoor and Catshill.
- The Council has anecdotal evidence from PACT meetings and the Parish Council Forum that residents have recognised an improvement in the cleanliness of the District and an improvement in the responsiveness of the Council.
- The Council has recently started to pilot two area committees.
- The Council has reached level 2 in the Local Government Standard for Equalities and Diversity and our achievements have been externally accredited.

- 'Quest' accreditation (the nationally recognised quality management award for Sports centres) achieved for the Dolphin centre.

Council Objective Environment (Priorities: Clean District and Planning)

- The employment of additional street cleansing staff and investment in new plant has led to an improvement in the cleanliness of the District with the proportion of land suffering from unacceptable levels of detritus dropping from 26% to 17%.
- The Council's Community Safety Team has also worked in partnership with the Probation Service on local area improvements like the clearing of alleys in Rubery; and dedicated mobile area cleaners have also been introduced and received positive customer feedback.
- The Planning Service has seen an improvement in its performance ranging from a 25% improvement in processing minor planning applications, to over 100% improvement in dealing with major applications.
- Within the Local Environmental Quality Survey of England, Bromsgrove has been measured as better than average nationally in terms of the condition and cleanliness of its area.

4. Summary of audit and inspection findings

During the year the Council had an inspection of its strategic housing service and also its first Corporate Assessment. The auditors also undertook a Use of Resources assessment and an assessment of management arrangements for data quality. A summary of these inspections is shown below. Copies of all these reports are available on the Audit Commission website www.audit-commission.gov.uk, as well as the Annual Audit Letter which summarises all audit and inspection activity in the past year. The Council has responded to all inspection recommendations and has incorporated improvement actions to address identified areas for improvement in the Council Plan, the Improvement Plan and departmental Business Plans, all of which can be seen on the Council website www.bromsgrove.gov.uk.

Housing Inspection (July 2006)

Result: Poor (0) star service with uncertain prospects for improvement.

The Inspectors said:

“The service is judged to be poor for a range of reasons. There was no overarching vision, a lack of comprehensive service standards, a lack of leadership on diversity and equality, poor quality temporary accommodation and a weak approach to delivering value for money. The council has not achieved a balance of supply in the local housing market and its approach to strategic planning and private sector housing were not having the necessary impacts.”

The Inspectors made six recommendations:

- Develop a specific, measurable, agreed, realistic and time bound (SMART) action plan to address all identified weaknesses and ensure that progress is regularly monitored and reported corporately.
- Strengthen the focus on providing effective access and customer care
- Strengthen the corporate approach to diversity
- Improve the approach towards value for
- Strengthen the approach to providing effective performance management.
- Improve leadership and support for strategic housing and addressing the needs of vulnerable.

What the Council is doing:

A detailed improvement plan has been developed and a high priority has been given to delivering significantly better performance. There will be a re-inspection in February 2008 which will assess how much progress has been made.

Use of Resources

Result: Score 2 (out of 4)

The Inspectors said:

“This represents a clear improvement from last year when the overall score was 1. This is the consequence of some notable developments to the Authority’s policy framework and

procedures and improvements to monitoring by management and Members – for example, budgetary control.

The key challenge for the Council in future is to embed its processes and use its mechanisms in place to delivery cost effective and good quality services to its users.”

What the Council is doing:

Actions are in place to further improve the use of resources.

Management arrangements over data quality.

Result: score 1 (out of 4)

The Inspectors said:

“The Council needs to demonstrate more clearly its commitment to data quality in its key corporate documents and policies and improve its arrangements for reviewing underlying data and data quality training for staff.”

What the Council is doing

The Council has developed a data quality strategy and action plan which will be submitted to Cabinet for consideration in July 2007. Successful implementation of the action plan will result in an improved score in future years. The Performance Management Board will review progress against the action plan.

Corporate Assessment (January 2007)

Result: Poor (from a scale of poor, weak, fair, good, excellent)

The Inspectors said:

“After a considerable period of inaction and poor decision making, Bromsgrove have come a long way, from a very low base, in the past year. The change in style at the top of the organisation and internal improvements that have been made is welcomed and recognised by staff and partners, and progress is continuing at the right pace and in the right direction. However this progress is against a baseline of poor corporate and service performance. It is also in comparison with other councils who have continued to improve quickly. Whilst Bromsgrove should continue this positive improvement journey, there is still a lot to do to ensure services are adequate and improvement is maintained and sustained.”

The inspectors made four key recommendations

- Place the customer at the heart of Council activity.
- Develop and enhance councillor capacity in order that they can contribute effectively to the development of a high performing Council.
- Ensure that there are sufficient resources and capacity to deliver the breadth and pace of change required by the Council in order to deliver high quality services for local residents.
- Ensure that performance management consistently leads to performance improvement.

What the Council is doing

The Council has developed an action plan to address the recommendations and these form the main elements of the revised Improvement Plan which will be submitted to Cabinet for consideration in July.

5. Summary of achievements against our Improvement Plan

The Council overhauled its recovery plan in July 2006 in order to give it a more outward focus e.g. strategic priorities, customer issues and performance indicators. The revised plan, called the Improvement Plan was agreed by Cabinet on 2nd August 2006. The plan, which runs until June 2007, contains 292 actions under a number of different outcome headings, including:

- Improved Image/Perception of the Council
- Effective external and internal communication and consultation
- Modern inclusive Council engaging all communities including minority groups
- Clear Strategic Direction for the Council
- Progress Towards Tangible Outcomes from Partnership Working
- The public feel involved in democratic process and able to influence decision
- Improve Customer and Performance Culture of Council
- Re-development of Bromsgrove Town Centre
- Re- development of Longbridge Site
- Improved Housing for the District
- Improved Planning Service
- Improve the Councils approach to Community Safety in particular domestic violence
- Improved Streetscene and improved collections
- Improved Access to services electronically.
- Reduction in the number of complaints
- Improved Customer Service
- Improved financial management and an improved Benefits Service

At the end of March, 255 of the actions were completed or were on target. The Improvement plan is currently being revised again to take account of the findings and recommendations from the recent Corporate Assessment inspection undertaken in February by the Audit Commission. Further details about the Improvement Plan, and the Corporate Assessment, are available on the Councils' website www.bromsgrove.gov.uk

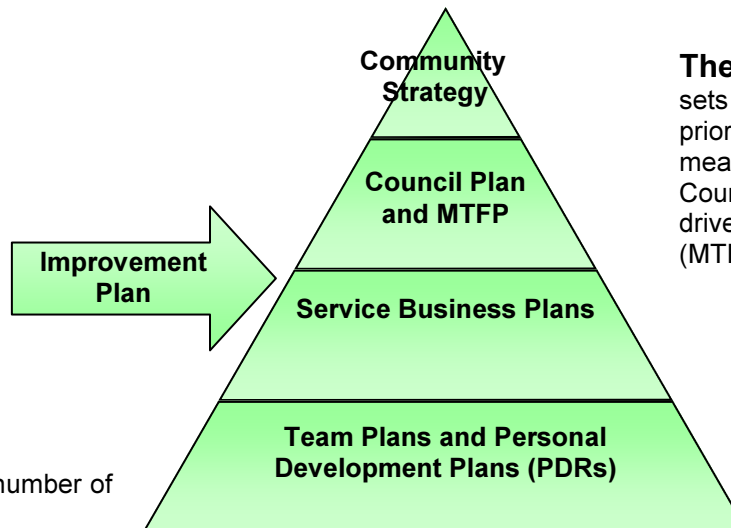
6. The Council's Performance Management framework

The Council's Performance Management Framework seeks to create explicit links between the Community Strategy, Council Plan, Service Business Plans and Team/Personal Development Plans

At the top of the framework is **The Community Strategy**. It is a 10-year plan that has been developed by the Bromsgrove Partnership, comprising public, private, voluntary and community organisations, which have been consulted with locally to identify the priorities for the area. The Community Plan represents an 'umbrella' plan from which each organisation prepares its own strategy to deliver aspects of the community plan for which it is responsible. The District's Community Plan is currently being reviewed.

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Improvement Plan. The Improvement Plan provides a link between the 3 year Council Plan and the 1 year service business plans. It extracts key actions for the year ahead in a GANT chart format, against which progress is reported each month, using a traffic light system.



The Council Plan is based on consultation and sets out the Council's corporate objectives and priorities for the next 3 years in specific and measurable terms. The Plan also sets out how the Council will contribute to the Community Strategy and drives the Council's Medium Term Financial Plan (MTFP).

Performance Management

Progress against our plans are monitored and managed at a number of levels (see also overleaf):-

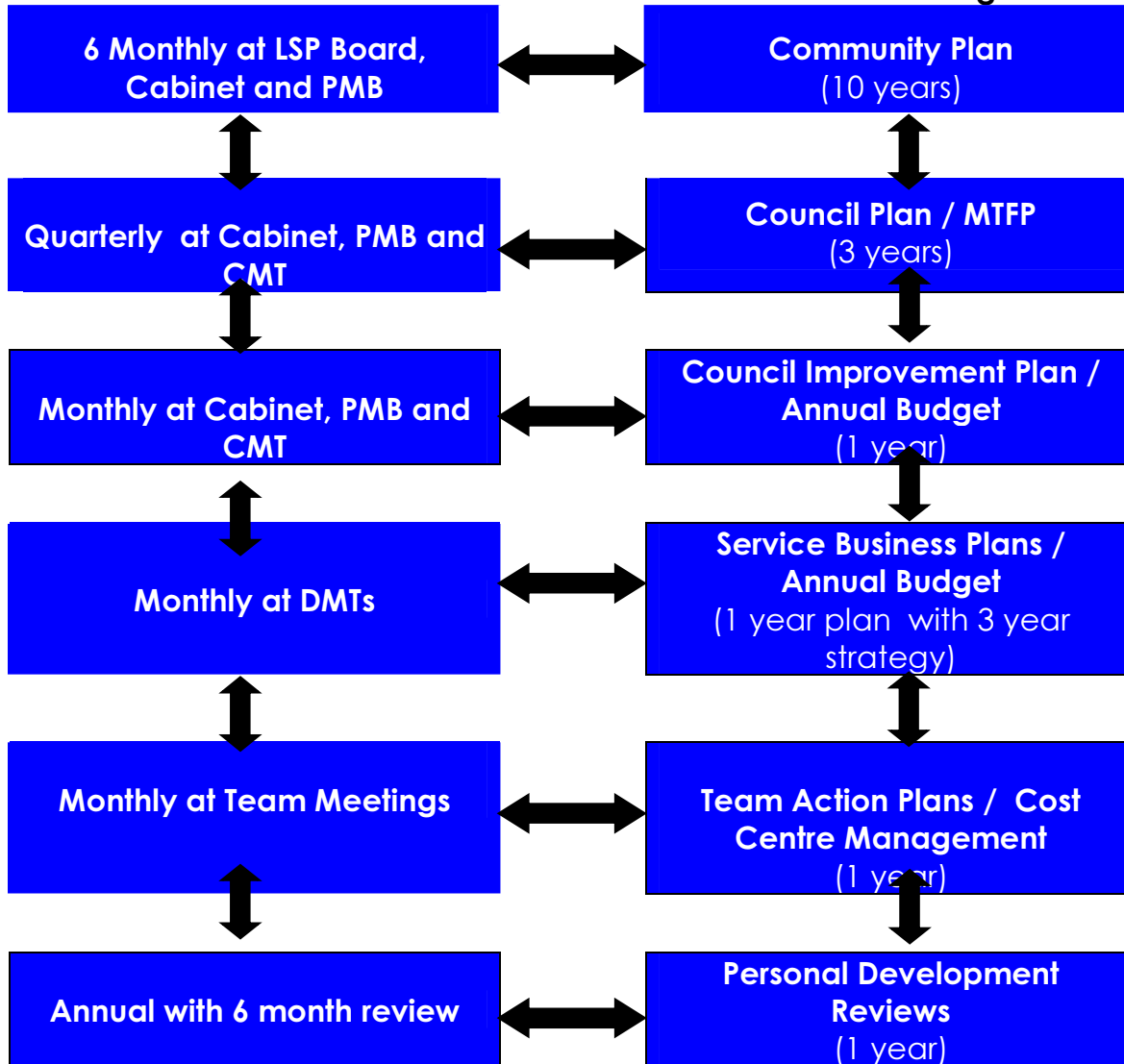
1. Cabinet receives a quarterly integrated financial and performance report and an Improvement Plan update each month.
2. The non-executive Performance Management Board receives monthly updates on the corporate performance indicators and the Improvement Plan. Any issues identified are reported to Cabinet.
3. All the above information goes to the Council's Corporate Management Team each month and it also receives quarterly updates against the service business plans.

Service Business Plans identify at a departmental level the actions we plan to undertake in order to deliver the Council Plan and Improvement Plan. These are then translated into team plans and individual PDRs, ensuring all staff understand their role in delivering the Council's priorities. The progress against our Service Business Plans are monitored quarterly at Corporate Management Team while staff receive a formal review of their PDR every six months.

Monitoring Arrangements

Integrated Financial and Performance Management

The Monitoring Arrangements for each part of the performance management framework are detailed in the table opposite. This was agreed at December 2006 Cabinet.



7 Value for Money Summary

The Council formally adopted a Value for Money Strategy at the meeting of the Cabinet in January 2007 and departmental action plans have been developed to deliver the Strategy. The Strategy demonstrates how the Council will work to establish principles in the way in which it delivers Value for Money as part of its operations. Further details of the Strategy can be found in the Council Plan 2007-2010.

During 2006/07 a number of savings were made to ensure the funding of Council Services was linked to our key priorities. To enable the Council to achieve this realignment of resource services were reviewed to realise savings by achieving greater value for money by renegotiating contracts, improving procurement practices or providing services alternatively.

The total of £475,000 was achieved by outsourcing dog warden and pest control services, restructuring departments and improving procurement practices including renegotiating contracts with suppliers. The Council has identified further areas of alternative methods of service delivery and will aim to achieve value for money with no impact on service quality to the customer in the future.

The Council considered a shared service approach to the delivery of revenues and benefits within the County. Following lengthy discussions and analysis it was decided by Members that the business case was not robust in the achievement of

sustained financial savings and was rejected. The Council will look to all alternative methods of delivering services and will consider the financial implications together with the impact on the customer prior to any decision being made for future solutions.




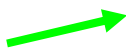


8. Performance results

Best Value Performance Indicators (BVPIs) are chosen by Central Government and are collected and published by all Councils. The purpose is to show whether Council's services are improving over time and how they compare with those of similar Councils. In each year since their introduction in 1999/2000, changes have been made to the information collected in light of previous experience. Where indicators are new, or have been subject to significant changes of definition, it is not yet possible to look at performance trends or comparisons.

Each year the Audit Commission publishes performance figures for BVPIs for all councils and, for each BVPI, every council is assigned to a quartile, depending on performance. There are four quartiles – allocation to the top quartile means that, for that PI, the councils performance is in the top 25% of all councils, allocation to the bottom quartile means that performance is amongst the lowest 25% of all councils

In addition to the BVPIs the Council also uses a set of local performance indicators (LPIs) which help to measure performance against local priorities. Of all the performance measures available to the Council a subset of 35 PIs which reflect the Councils' priorities are corporately reported and managed on a monthly basis, the remainder are managed within Departments and reported less frequently.

Key:

Ref.	The reference code of the BVPI
Description	The official description of the indicator
2005/06	The target and actual performance achieved for the year April 2005 to March 2006 inclusive
2006/07	The target and actual performance achieved for the year April 2006 to March 2007 inclusive
	Performing above target
	Performing below target within 10%
	Performing below target by more than 10%
Trend	Comparison of performance to the previous year
	Improving performance
	Steady performance
	Declining performance
Quartile	Shows which quartile the performance achieved in 2006/07 falls into. 1= top quartile, 4 = bottom quartile.
2007/08 2008/09 2009/10	The target performance for the next 3 years.

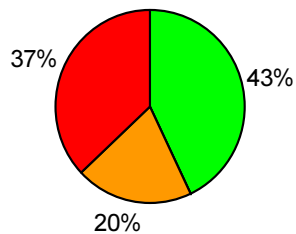
Summary of performance

Performance against targets

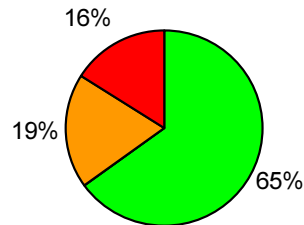
The following table and graph provides information on how the BVPIs are performing against targets set by the Council, where the data is available.

Performance against target	2005/06	2006/07
Performing above target	43%	65%
Performing below target within 10% of target	20%	19%
Performing below target by more than 10%.	37%	16%

2005/06



2006/07

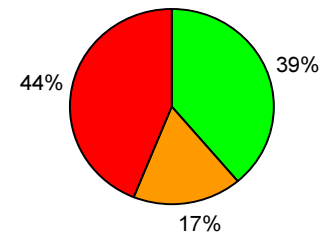


Performance Trends

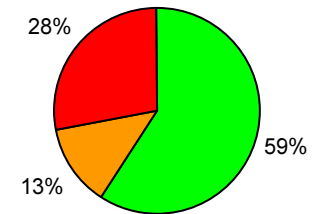
The following table and graph provides information on how BVPIs are performing against previous year's performance, where comparable data is available.

Performance Trends	2005/06	2006/07
Performance Improving	39%	59%
Performance steady	17%	13%
Performance declining	44%	28%

2005/06



2006/07



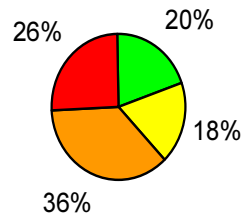
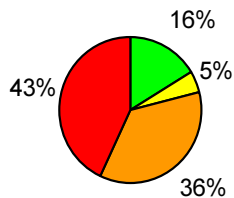
Performance Comparison

Annually performance figures are published detailing the performance of all Councils, which give quartile figures. As a Council we compare our performance against other District Councils. Quartile data is not available for all indicators, the following table, graph and summary only includes BVPIs for which data is provided by the Audit Commission.

Quartile	2005/06	2006/07
Performance in Top Quartile	16%	20%
Performance in 2 nd Quartile	5%	18%
Performance in 3 rd Quartile	36%	36%
Performance in 4 th Quartile	43%	26%

2005/06

2006/07



Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08 Target	2008/09 Target	2009/10 Target
		Target	Actual	Target	Actual					

Corporate Health

BV2a	The level (if any) of the Equality Standard for Local Government to which the Authority conforms.	3	1	2	2	n/a		3	3	3
BV2b	The duty to promote race equality, as a % of a scorecard.	53.00	71.00	75	80	1		80	80	80
BV8	Percentage of invoices paid on time.	100.00	92.66	100	94.74	3		97	98	98
BV9	Percentage of Council Tax collected.	98.70	98.30	98.80	98.40	2		98.8	98.5	98.5
BV10	Percentage of Non-Domestic Rates collected.	99.12	98.70	98.80	98.20	4		98.8	98.5	98.5
BV11a	The percentage of top 5% of earners: who are women.	22.70	16.88	24	22.70	3		25	25	27
BV11b	The percentage of top 5% of earners: from minority ethnic communities.	2.20	0.00	1.50	0.00	2		2	2.2	2.3
BV11c	The percentage of top 5% of earners: with a disability.	2.20	0.00	1.50	4.55	2		2	2.2	2.3
BV12	The average number of working days lost due to sickness.	8.93	10.27	9.5	10.66	3		9	8.75	8.5

Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08	2008/09	2009/10
		Target	Actual	Target	Actual			Target	Target	Target
BV14	The percentage of employees retiring early (excluding ill-health).	0.14	1.50	1.00	0.90	4		0.8	0.5	0.5
BV15	The percentage of employees retiring on grounds of ill-health.	0.00	0.60	0.30	0.30	3		0.2	0.2	0.2
BV16a	The percentage of employees with a disability.	2.00	0.86	1.20	1.97	4		1.8	2.5	2.5
BV16b	The percentage of the population with a disability (Census 2001).	11.73	11.73	11.73	11.73	n/a		n/a	n/a	n/a
BV17a	The percentage of employees from minority ethnic communities.	1.16	0.70	1.00	1.23	3		2	2.5	2.5
BV17b	The percentage of population from minority ethnic communities (Census 2001).	2.18	2.20	2.20	2.20	n/a		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08
BV156	The percentage of Authority buildings' public areas that are suitable and accessible to the disabled.	85.00	75.00	85	87.5	1		87.5	87.5	87.5

Housing

BV64	The number of vacant private sector dwellings returned in occupation.	3	3	4	8	3		4	5	6
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Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08	2008/09	2009/10
		Target	Actual	Target	Actual					

Homelessness

BV183a	The average length of stay in temporary accommodation – B&B.	2.00	0.00	0	11.64	4		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08
BV183b	The average length of stay in temporary accommodation – hostel.	8.00	16.00	8	16.87	3		12	10	0
BV202	The number of people sleeping rough on a single night within the local authority.	<10	<10	0	0	1		0	0	0
BV203	The percentage change in the average number of families in temporary accommodation.	-3.00	31.04	-10	-19.21	1		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08
BV213	Housing Advice Service: Preventing homelessness.	Not Set	0.49	1.5	2.17	2		1.5	1.5	1.5
BV214	The percentage of homeless households who suffer homelessness within 2 years.	Not Set	2.86	3	4.92	4		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08




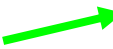

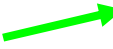

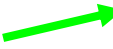
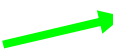
Housing Benefit and Council Tax Benefit

BV76a	Number of claimants visited, per 1,000 caseload.	230.00	215.00	196	228	n/a		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08
BV76b	Number of fraud investigators, per 1,000 caseload.	0.36	0.45	0.56	0.42	n/a		0.60	0.60	0.60
BV76c	Number of fraud investigations, per 1,000 caseload.	61.70	47.5	50	53	n/a		55	55	55

Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08 Target	2008/09 Target	2009/10 Target
		Target	Actual	Target	Actual					
BV76d	Number of prosecutions and sanctions, per 1,000 caseload.	5.83	10.00	8.5	8.9	n/a		8.6	7	7
BV78a	The average number of days taken for processing new claims.	39.75	37.81	35.78	32.05	3		28	25	25
BV78b	The average number of days taken for processing changes in circumstances.	12.00	11.88	10.80	8.30	1		9	8	8
BV79a	The percentage of cases for which the amount of benefit due was calculated correctly.	99.00	96.00	99.00	94.20	4		99	99	99
BV79bi	The percentage of recoverable Housing Benefit (in-year) overpayments that have been recovered.	79.00	68.05	55.00	65.96	3		60	60	60
BV79bii	The percentage of recoverable HB (all-years outstanding) overpayments recovered.	48.00	47.39	25.00	30.99	3		30	30	30
BV79biii	The percentage of recoverable HB (all-years outstanding) overpayments written-off.	5.00	10.20	<6.00	4.92	n/a		5	5	5

Waste and Cleanliness

BV82ai	The percentage of household waste that has been recycled.	21.00	19.95	21.50	21.42	2		21.5	21.55	22
BV82aia	The tonnage of household waste that has been recycled.	7638.16	8,361.92	9,010.52	8,242.31	2		8,200	8,210	8,400


Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08 Target	2008/09 Target	2009/10 Target
		Target	Actual	Target	Actual					
BV82bi	The percentage of household waste that has been composted.	11.00	20.62	21.50	19.81	1		19.6	19.6	19.6
BV82bii	The tonnage of household waste that has been composted.	3992.5 2	8,641. 33	9,010.5 2	7,621. 81	1		7500	7500	7500
BV84a	The number of kilograms of household waste collected per head of population.	406.0	468.8	445.0	424.2	3		420	418	415
BV84b	The percentage change in the amount of household waste collected.	3.57	14.16	9.61	-5.11	1		-1.00	-0.48	-0.71
BV86	The cost of household waste collection. (£.pp)	Not Set	71.19	70.00	(see note 1)	4				
BV91a	Percentage of households covered by kerbside collection of recyclables (one recyclable).	94.0	91.9	94.0	94.12	3		95	95	97
BV91b	Percentage of households covered by kerbside collection of recyclables (two recyclable).	94.0	91.9	94.0	94.12	3		95	95	97
BV199a	The proportion of land & highways assessed as having unacceptable levels of litter and detritus.	25.00	26.0	20	16.94	3		17	15	12
BV199b	The proportion of land & highways assessed as having unacceptable levels of graffiti visible.	25.00	6.0	5	4.79	4		4	3	1

Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08 Target	2008/09 Target	2009/10 Target
		Target	Actual	Target	Actual					
BV199c	The proportion of land & highways assessed as having unacceptable levels of fly-posting visible.	25.00	1.0	1	0.76	3		1	1	1
BV199d	The year-on-year reduction in number of incidents and increase in number of enforcement actions in relation to fly-tipping.	Not Set	4	3	3	n/a		2	2	2


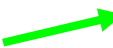

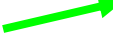



Environment

BV166a	The percentage score against the Environmental Health best practice checklist.	70.00	70.00	70.0	78.0	4		80	90	90
BV216a	The number of sites of potential concern with respect to land contamination.	Not Set	1,812	1,815	1,850	4		1,815	1,815	1,815
BV216b	The percentage of identified sites for which sufficient details are available for decisions.	Not Set	0.61	2	1.33	3		3	5	6
BV217	The percentage of pollution control improvements to existing installations completed on time.	Not Set	100.00	90	100	1		90	95	95
BV218a	The percentage of new reports of abandoned vehicles investigated within 24 hours of notification.	100.00	93.09	95	95	2		95	95	95

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Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08	2008/09	2009/10
		Target	Actual	Target	Actual			Target	Target	Target
BV218b	The percentage of abandoned vehicles removed within 24 hours of legal entitlement.	75.00	100.00	95	95	1		95	95	95

Planning

BV106	The percentage of new homes built on previously developed land.	90.00	92.00	67	(see note 1)	n/a		67	67	67
BV109a	The percentage of major planning applications determined within 13 weeks.	55.00	35.00	60.00	73.00	2		60	65	65
BV109b	The percentage of minor planning applications determined within 8 weeks.	77.00	57.00	75.00	72.00	3		65	80	83
BV109c	The percentage of other planning applications determined within 8 weeks.	89.00	67.00	87.00	84.00	3		80	90	90
BV200a	Was a Local Development Scheme submitted by 28/03/05 and a 3 year rolling programme maintained.	Yes	Yes	Yes	Yes	n/a		yes	yes	yes
BV200b	Have the milestones in the LDS been met.	Yes	No	Yes	No	n/a		yes	yes	yes
BV200c	Has an annual monitoring report been published by December 2005.	Yes	Yes	Yes	Yes	n/a		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08
BV204	The percentage of planning appeal decisions allowed.	40.0	32.0	40	27.8	n/a		33	32	32

Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08	2008/09	2009/10
		Target	Actual	Target	Actual			Target	Target	Target
BV205	The percentage score against the quality of planning services checklist.	89.00	78.00	89	83	4		100	100	100

Culture and Related Services

BV170a	The number of visits/usage of museums & galleries per 1,000 population.	28.00	21.24	25	30.9	4		28	30	32
BV170b	The number of visits in person to museums & galleries per 1,000 population.	26.00	12.93	16	27	4		26	28	30
BV170c	The number of pupils visiting museums & galleries in organised school groups.	800.00	474	600	390	3		550	600	650
BV219a	The total number of conservation areas.	10	10	10	10	n/a		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08
BV219b	The percentage of conservation areas with an up-to-date character appraisal.	10.00	10.00	20.00	20.00	2		30	40	50
BV219c	The percentage of conservation areas with published management proposals.	0.00	0.00	10.00	10.00	n/a		PI deleted in 2007/08	PI deleted in 2007/08	PI deleted in 2007/08




Community Safety

BV126	The number of domestic burglaries per 1,000 households.	13.10	8.86	12.45	11.02	4		12.45	12.45	12.45
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Ref	Description	2005/06		2006/07		Quartile	Trend	2007/08 Target	2008/09 Target	2009/10 Target
		Target	Actual	Target	Actual					
BV127a	The number of violent crimes per 1,000 population.	13.80	14.25	13.11	12.09	2		13.11	13.11	13.11
BV127b	The number of robberies per 1,000 population.	0.66	0.44	0.63	0.58	3		0.63	0.63	0.63
BV128	The number of vehicle crimes per 1,000 population.	10.70	9.71	10.17	11.18	4		10.17	10.17	10.17
BV174	The number of racial incidents reported to the Council per 100,000 population.	0.00	0	0	0	n/a		n/a	n/a	n/a
BV175	The percentage of those racial incidents that have resulted in further action.	100.00	n/a	100	n/a	1		100	100	100
BV225	The percentage score against a checklist for actions against domestic violence.	72.00	68.00	78.00	73.00	n/a		73.00	73.00	73.00
BV226a	The total amount spent on advice and guidance provided by external organisations.	341,120	333,715	338,255	337,299	n/a		348,033	n/a	n/a
BV226b	The percentage of the money spent, given to organisation holding the CLS Quality Mark.	33.50	34.15	34.46	34.80	n/a		34	34	34
BV226c	The total amount spent on advice and guidance on housing, welfare benefits and consumer matters provided by the Council.	Not Set	32,521	32,251	20,631	n/a		21,000	21,000	21,000

Note 1 Due to the complexity and time required to calculate BVPI's 86 and 106 outturns for these are not yet available. They will be included in the version of the report on the website as soon as they are available.

In addition to the nationally defined BVPIs the Council also monitors performance against a range of locally defined performance indicators. Those that are reported to the Corporate Management team, Cabinet and Performance board are shown in the table below

Description	2005/06	2006/07		Trend	2007/08	2008/09	2009/10
	Actual	Target	Actual		Target	Target	Target
Percentage of press articles which enhance our reputation (%)	n/a	80	84	n/a	80	80	80
Percentage of helpdesk calls closed within timescales (%)	84.95	82.50	83.99		86	88	90
Resolution at first point of contact all service streams (%)	n/a	80	83	n/a	85	87	90
Resolution at First Point of Contact Telephone	n/a	80	82	n/a	See note 2	See note 2	See note 2
Resolution at First Point of Contact Face to Face	n/a	80	88	n/a	See note 2	See note 2	See note 2
Customer Satisfaction Rating	n/a	85	87	n/a	See note 2	See note 2	See note 2
Telephone Service Factor (monthly target)	n/a	80	50	n/a	See note 2	See note 2	See note 2
Telephone Service Level (% of days in month TSF met)	n/a	90	10	n/a	See note 2	See note 2	See note 2
Average speed of answer (seconds)	n/a	15	48	n/a	20	17	15
Percentage of calls answered (%)	n/a	95	76	n/a	80	83	85
Complaints resolved <small>see note 1</small>	n/a	n/a	n/a	n/a	See note 1	See note 1	See note 1
Percentage of animal/debris cleared within timescales	89	95	82		97	97	97
Percentage of fly tips dealt within 4 day response time	92	95	96		97	97	97

Description	2005/06	2006/07		Trend	2007/08	2008/09	2009/10
	Actual	Target	Actual		Target	Target	Target
Number of missed household waste collections	3,113	1,550	1,630		1,600	1,550	1,500
Number of missed recycle waste collections	802	1,200	748		800	775	750
Number of written complaints (all Departments within SS&WM)	219	264	334		250	240	230
Number of missed trade waste collections	205	120	58		See note 2	See note 2	See note 2
Percentage of responses to Excess Charge appeals in 10 days	78	100	94		See note 2	See note 2	See note 2
Number of units of affordable housing delivered	75	n/a	72		80	80	80
Number of family units in temporary accommodation	n/a	n/a	n/a	n/a	50	42	36
Number of usages of Sports centres	n/a	n/a	n/a	n/a	621,600	634,000	646,700
Dolphin Centre Usage	458,197	474,045	499,633		See note 2	See note 2	See note 2
Haybridge Sport Centre Usage	139,229	135,369	168,541		See note 2	See note 2	See note 2
Woodrush Sports Centre Usage	153,160	155,106	161,175		See note 2	See note 2	See note 2
Attendance at arts/community events	22,840	17,640	18,515		23,000	24,000	25,000
Emergency call responses in 30 seconds (percentage)	n/a	80	97.47	n/a	90	90	90
Respond to emergency calls in 1 minute (percentage)	n/a	98.50	98.96	n/a	See note 2	See note 2	See note 2

Description	2005/06	2006/07		Trend	2007/08	2008/09	2009/10
	Actual	Target	Actual		Target	Target	Target
Lifeline equipment installed within 5 days (percentage)	96.00	95.00	100.00		See note 2	See note 2	See note 2
Urgent Lifeline equipment installed in 24 hours (percentage)	100.00	100.00	100.00		See note 2	See note 2	See note 2
Score on building control performance matrix	76.0	60.0	74.5		75	75	75
Number of small business start ups	40	25	38		38	38	38
Business survival rate (percentage)	n/a	75.00	75.00	n/a	75	75	75
Percentage of posts vacant	n/a	n/a	n/a	n/a	4	4	4
% of staff turnover	18.80	13.30	12.05	n/a	See note 2	See note 2	See note 2
% draft S106 sent out within 10 days.	n/a	90	100	n/a	See note 2	See note 2	See note 2
Financial monitoring reports sent to members	100	100	100		See note 2	See note 2	See note 2
Number of days to do systems and account reconciliations	4.74	4.00	3.33		See note 2	See note 2	See note 2
Number of weeks to do NDR & CTax reconciliations	3.75	4.00	3.54		See note 2	See note 2	See note 2
% of audit assignments completed in timescale	79.00	85.00	93.00		See note 2	See note 2	See note 2
% of the scheduled audit plan delivered	73.00	85.00	90.00		See note 2	See note 2	See note 2

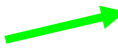
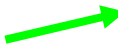
Note 1 A meaningful performance measure will be developed and implemented in parallel with the implementation of the Complaints Management system

Note 2 Following a review these local performance indicators have either been replaced with alternatives or they will no longer be monitored corporately, hence no future targets are shown

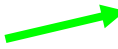


Every three years Council's are required to undertake a number of satisfaction surveys to measure service users' satisfaction on a wide range of subjects. These surveys use standard questions and are carried out at specified times, both of which are determined by the Audit Commission. The results for Bromsgrove Council are shown in the table below.

Ref	Description	2003/04 Result	2006/07 Result	Quartile	Trend
-----	-------------	----------------	----------------	----------	-------

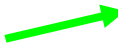

Corporate Health


BV3	Overall Satisfaction with the way the authority runs things	48%	51%	3	
BV4	Satisfaction with complaint handling.	25%	31%	4	

Environment


BV89	Satisfaction with street cleanliness	61%	62%	4	
BV90a	Satisfaction with waste collection.	83%	76%	3	
BV90b	Satisfaction with waste recycling (local facilities)	71%	76%	1	

Culture




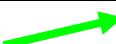



BV119a	Satisfaction with sports and leisure facilities	45%	53%	4	
BV119b	Satisfaction with libraries	n/a	72%	3	n/a
BV119c	Satisfaction with museums / galleries	25%	27%	3	
BV119d	Satisfaction with theatres / concert halls	n/a	33%	3	n/a

Ref	Description	2003/04 Result	2006/07 Result	Quartile	Trend
BV119e	Satisfaction with parks and open spaces	71%	76%	2	

Planning Satisfaction survey

BV111	Satisfaction with planning service by those making a planning application	69%	56%	n/a	
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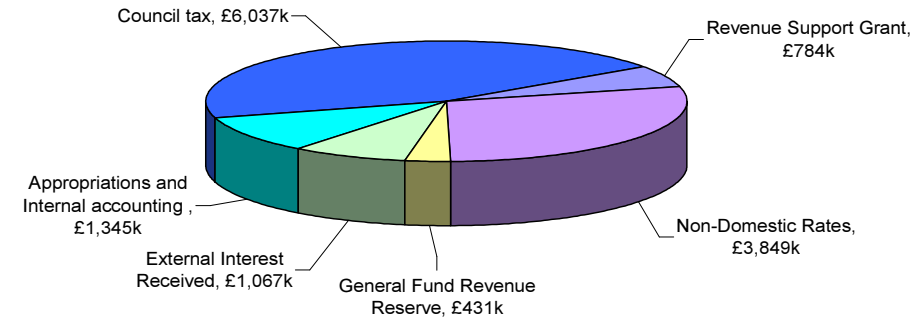
Benefits Satisfaction Survey

BV80a	Satisfaction with contact with the office	78%	79%	n/a	
BV80b	Satisfaction with service in the office	78%	83%	n/a	
BV80c	Satisfaction with the telephone service	73%	72%	n/a	
BV80d	Satisfaction with staff in the office	83%	84%	n/a	
BV80e	Satisfaction with forms	62%	61%	n/a	
BV80f	Satisfaction with speed of the service	78%	74%	n/a	
BV80g	Overall Satisfaction with the service	82%	82%	n/a	

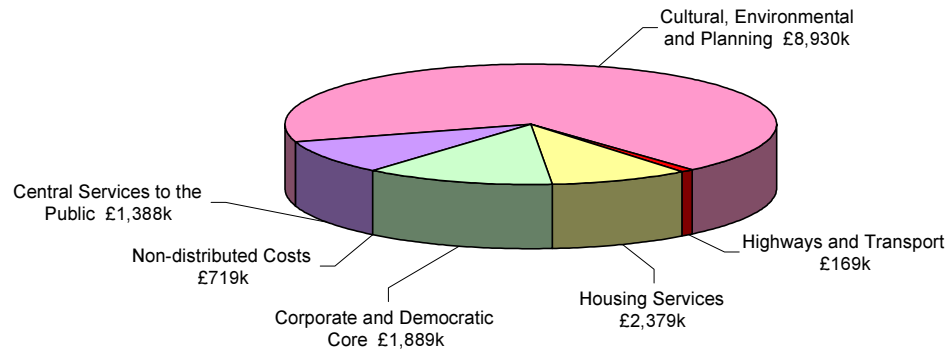
9. Summary financial Information

The Income and Expenditure Account shows the spending and income involved with the day to day running costs of the Council's services, for example employees, premises and supplies. For 2006/07, our net budgeted revenue expenditure was £11.5million. We spent slightly less than planned giving a small surplus which was transferred to reserves. However most of this underspend will be carried forward to be spent in 2007/08.

Where did the money come from



What we spent the money on



10. Glossary of Terms

Term	Definition
Audit Commission	The regulatory body that has responsibility for examining the work of local authorities
Best Value	A legal duty (Local Government Act 1999) designed to make sure that local authorities continually improve their value for money
Building Pride	The Council's transformation programme designed to make Bromsgrove District Council an excellent local authority.
Corporate Management Team (CMT)	The Council's officer management team made up of the Chief Executive, Corporate Director Services, Corporate Director Resources and the seven heads of service.
Comprehensive Performance Assessment (CPA)	An external assessment by the Audit Commission which makes a judgement on the whole of a Councils performance and provides a single rating of Excellent, Good, Fair, Weak or Poor.
Community Strategy	<p>A long-term vision for the District as a whole. The Strategy co-ordinates the actions of public, private and community organisations in meeting the needs and priorities of local communities</p> <p>Under the Local Government Act 2000, all local authorities are required to work in partnership with the community, business, voluntary sector and other public sector partners to develop a long-term strategy to promote the social, economic and environmental well-being of their local communities.</p>
Council Results	An annual report which outlines how the Council has performed against what it said it would do. It includes Best Value Performance Indicator results and targets required by law.
Local Area Agreement (LAA)	A form of contract between Central Government and the Worcestershire Local Strategic Partnership for the delivery of 35 outcomes supported by approximately 90 targets. The LAA includes a pump priming grant from Central Government and the payment of a reward grant for successful delivery of some of the targets.
Local Strategic Partnership (LSP)	A family of partnerships and organisations that is working to a common aim - to improve the quality of life in the District and deliver the Community Strategy

Term	Definition
Medium Term Financial Plan	A three year budget for the Council's expenditure and income, linked to the Council's objectives and priorities.
Objectives	The broad goals for the Council, within which priorities are set
Performance Development Review	A formal meeting between a member of staff and their line manager to review past work and agree future work, setting standards and targets
Performance indicators	Yardsticks used to assess our achievements
Performance Management Framework	Sets out the processes by which Elected Members, Officers and residents can monitor how the Council is performing.
Priorities	The ten areas identified by Elected Members and Officers where we wish to make significant improvement in how we perform
Service Business Plans	One year plans that set out what each department intends to deliver over the coming year
Spatial Business Project	A large ICT project designed to improve customer service through data integration.
Target(s)	A fixed goal or objective which results in improvements
Values	The fundamental principles that guide the way we work
Vision	The ideal of how we would like the District and the Council to be in the future

Bromsgrove District Council



2006-07



Annual Report - Statement of Accounts for year ended 31st March 2007

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Bromsgrove District Council

www.bromsgrove.gov.uk

Statement of Accounts 2006/07

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FOREWORD

Introduction

The financial statements presented here are prepared in accordance with the Chartered Institute of Public Finance and Accountancy/Local Council (Scotland) Accounts Advisory Committee (CIPFA/LAAAC) Code of Practice on Local Council Accounting in the United Kingdom 2006 'A Statement of Recommended Practice' (the 2006 SORP). The 2006 SORP sets out proper accounting practices required for the financial statements by section 21(2) of the Local Government Act 2003 prepared in accordance with the Accounts and Audit Regulations 2003 and by sections 41 and 42 of the Local Government and Housing Act 1989. The aim of the SORP is to ensure as far as possible a broad consistency of practice and a minimum standard of content enabling electors, Council taxpayers and other interested parties to obtain clear information on local government activities.

The Financial Statements

The Council's financial statements for the year ended 31st March 2007 are set out on pages 13 to 45 and comprise:

The core financial statements

The Income and Expenditure Account (I&E Account)

The Income and Expenditure Account discloses the income receivable and expenditure incurred in operating the Council for the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and projected value of retirement benefits earned by employees in the year.

Statement of the Movement on the General Fund Balance

This statement shows the change in the General Fund Balance after taking into account the Council's spending against the Council tax that it raised for the year, items required to be included or excluded by statute, the use of reserves built up in previous years and contributions to Earmarked Reserves for future expenditure.

Statement of Total Recognised Gains and Losses

The I&E Account brings together all of the functions of the Council and summarises all of the resources that the Council has generated, consumed or set aside in providing services during the year. However, the Council may recognise other gains and losses in its Balance Sheet that are not debited or credited to the Income and Expenditure Account. The Statement of Total Recognised Gains and Losses brings these other gains and losses together with the surplus or deficit on the I&E Account to show the total movement in the Council's net worth for the year.

The Balance Sheet

The Balance Sheet summarises the Council's financial position as at 31st March 2007. It includes the assets and liabilities of all activities of the Council.

The Cashflow Statement

The Cashflow Statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes. It excludes internal transfers between accounts that do not involve transactions with third parties.

The supplementary financial statements

The Housing Revenue Account

The Housing Revenue Account (HRA) shows income and expenditure on Council housing.

The Collection Fund

The Collection Fund shows the transactions of the Council in relation to the collection of Council Tax, and National Non-Domestic Rates and the way in which these have been distributed to the preceptors, the General Fund and the NNDR Pool. It is a statutory requirement for billing authorities to maintain this account.

The Statement of Accounting Policies

This statement can be found on pages 46 to 52 and details the general policies adopted by the Council in compiling the financial statements. The policies are those recommended by the 2006 SORP.

Statement of Internal Control

The council is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Councils' functions and which includes arrangements for the management of risk and the prevention and detection of fraud. This statement outlines the internal control system, reviews its effectiveness and sets out improvements planned for the future.

Financial Summary

General Fund Revenue Account

At its meeting on 1st March 2006, Bromsgrove District Council set a budget of £10.455 million and a Council Tax of £164.26 (£156.45 in 2005/06) which was an increase of 4.99% on the previous year.

The General Fund Revenue Account produced a year end deficit of £0.408m compared to a budgeted deficit of £0.919m, a variance of £0.511m.

The main reasons for the variance are;

- Street Scene and Waste Management expenditure was £431k overspent. This included a shortfall of £110k in the income generated from car parking charges in the district. The budget was set using an average increase per ticket however due to the profile of actual ticket sales the budgeted increase has not been achieved. Refuse collection has a

overspend for the year of £366k. This is due to overspendings on fuel (£120k), hire costs of trade waste and recycling vehicles and increased running costs of the fleet (£126k).

- Corporate Services underspend of £118k is mainly due to an underspend of £100k on the corporate projects of the Town centre and Longbridge site developments. Officer time has been invested in preliminary work on these projects but due to the complex nature and number of stakeholders involved in both projects it has not yet been necessary to use additional resources. This budget has been requested to be carried forward into 2007/08.
- Planning and Environment underspend of £243k is mainly due to staff vacancies and underspending on consultants fees in respect of Local Planning enquiry. This was offset by a shortfall of £198k on budgeted income for building regulation fees, planning applications and land charges. This is due to the planning moratorium and the slight decrease in the housing market during 2006/07. It is anticipated that this trend will continue during 2007/08.
- Culture and Community Services income was lower than in the original budget. This is due to usage of the various leisure facilities being lower than anticipated.
- Interest generated from investments was £236k more than budget. The target for interest on investments equated to a return of 4.50% however investments benefited from three base rate increases during the year. Additionally slippage on the capital programme made more funds available for investment in the latter part of the year.

The Income and Expenditure Account details the gross costs of service provision amounting to £31.546 million. This expenditure has been analysed as follows:

	2005/06 £000	2006/07 £000
Employee expenses	10,958	11,127
Premises related expenses	1,062	1,096
Transport related expenses	1,116	1,293
Supplies and services	3,841	3,445
Third party payments	904	1,124
Transfer payments	11,681	12,059
Capital charges	4,710	1,402
Total	34,271	31,546

Employee expenses comprise payments to and on behalf of the Council's employees and include salaries, employers' National Insurance and Superannuation contributions, training, professional subscriptions and recruitment.

Transfer payments are payments made to others for which no goods or services are received and are principally in respect of housing and Council tax benefits.

Grants received in respect of housing and Council tax benefits are reflected in gross income.

Capital charges comprise of depreciation and impairment charges, where applicable. These charges represent the cost of using assets in the provision of services.

The gross income of £18.054 million shown in the Income and Expenditure Account has been analysed as follows:

	2005/06 £000	2006/07 £000
Government grants	12,356	12,446
Fees & charges	3,960	4,197
Other grants & contributions	878	839
Internal recharges	598	572
Total	17,792	18,054

The figure for government grants income includes £ 12.320 million towards the cost of housing and Council tax benefits and their administration.

Income from fees and charges includes car parking fees, building control fees, planning fees, land charge fees, licensing fees and charges for the use of sports centres.

The General Fund Revenue Balance brought forward as at 31st March 2006 was £2.282 million. After appropriations and transferring the deficit in 2006/07, the General Fund Revenue Balance decreased to £1.874 million as at 31st March 2007.

Housing Revenue Account

Although the housing stock was transferred to BDHT on 29th March 2004 the Council was required to maintain the Housing Revenue Account (HRA) for residual items of income and expenditure. The Councils' application to the Office of the Deputy Prime Minister (ODPM) to close the HRA was granted with effect from 4th April 2006 The HRA was therefore required to be open for 4 days within 2006/07.

General Fund Capital Expenditure and Receipts

Capital expenditure amounted to £4.077m. The main areas of expenditure were ICT Infrastructure project, other various ICT schemes including the upgrading of computer systems, completion the Internet/Intranet E-government project, and upgrading of equipment (£964k); replacement vehicles for provision of Street Scene and Waste Management depot services (£811k); Strategic/Affordable Housing (£403k); Disabled Facilities Grants (£397k); and provision and refurbishment of play/leisure areas (£300k).

Capital receipts for the year totalled £0.415m. This relates to sales of vehicles and surplus land, and sales of the Council's interest in properties built under Low cost Housing schemes. These schemes allowed Council tenants to buy properties built by private developers on land provided by the Council where the Council retained 30% ownership. Receipts amounting to £2k relating to the sale of land were transferred to the Income and Expenditure Account as permitted under The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

Capital contributions of £283k were received relating to Section 106 planning agreements whereby developers and other external sources provide sums to be used to fund capital expenditure. Schemes to be funded by such contributions are specific and may be time limited. Capital grants and contributions of £448k were also received from Government and other organisations.

Housing Capital Expenditure and Receipts

There was no capital expenditure in 2006/07 relating to the HRA.

During the year capital receipts amounting to £47k were received from sales of the Council's interest in property held under the Right to Buy Rent to Mortgage Scheme (£29k) and discounts recovered from Right to Buy sales before the housing transfer (£18k). The Rent to Mortgage Scheme allowed tenants to purchase a share of their property if they could not afford to buy the property outright, with the balance remaining in the ownership of the Council. Of this income £26k was paid over to Central Government under the 'Housing Capital Pooling' arrangements. Repayments of mortgage principal amounting to £12k were also capitalised as required under the Pooling regulations and £7k of this was paid over to the Government. After capital pooling, net total capital receipts for Council use amounted to £26k.

Voluntary Engagement

In June 2004 the Council requested Voluntary Engagement from the Office of the Deputy Prime Minister (ODPM) and a deferral of Comprehensive Performance Assessment. These requests were accepted. This enables the Council to receive advice, support and guidance from various Government appointed advisers whilst remaining in control of its own programme of improvement.

The Council underwent a full Comprehensive Performance Assessment in March 2007. The report was published on 12th June 2007 and the Council was given a "poor" rating.

Housing Services

Although the Councils' housing stock was transferred to Bromsgrove District Housing Trust (BDHT) on 29th March 2004, the Council still retains statutory responsibilities in respect of Strategic Housing Services. The Council has an in-house Strategic Housing Team which has responsibility for assessing the

housing needs of the District, the development of housing strategies to meet those needs, developing partnership working with other organisations to enable the provision of affordable housing and schemes that support the improvement and regulation of private sector housing. The Strategic Housing Team also monitors the performance and involvement of Registered Social Landlord's operating in the district, progress against the promises made to tenants in the transfer agreement, and the provision of support, advice and housing services to the homeless and vulnerable client groups.

Group Accounts

In accordance with the 2006 SORP the Council has considered its relationship with a number of bodies in order to determine whether or not group accounts are required. It has been concluded that no group relationships exist and therefore the Council is not required to prepare group accounts.

Welcome Break Group Limited

The Council opened a joint bank account with the Welcome Break Group Limited at HSBC Plc in June 1999, which contains £150,000 together with accumulated interest. This money was received from the developers of the Hopwood Service Station on the M42 motorway. The money will fund a nature reserve at Hopwood Park. Owing to the nature of the relationship with Welcome Break Group Limited the money in this account is not owned solely by Bromsgrove District Council and as such does not form part of these accounts.

E-Government

The Council has implemented various projects for 'E-Government', enabling residents, should they wish to do so, to communicate with the Council by electronic means to make payments and receive information. During 2006/7 E-Government has undertaken a major infrastructure refreshment project. This will enable the Council to continue to deliver other 'E-Government' schemes.

Further Information

Further information on the accounts is available from the Head of Financial Services, The Council House, Burcot Lane, Bromsgrove, Worcestershire, B60 1AA. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is complete. The availability of the accounts for inspection is advertised in the local press.

This document can also be made available in other languages and alternative formats on request from the Customer Service Centre on 01527 881288 or email worcestershirehub@bromsgrove.gov.uk.

**For a large print version of this document telephone
01527 881288**

Acknowledgements

Finally, I wish to thank all Financial Services staff, and their colleagues throughout the Council, who have worked on preparing these statements. I also wish to thank Corporate Director and Heads of Service for their assistance and co-operation throughout this process.

Jayne Pickering
Head of Financial Services

Date

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council until 17th July 2006 that Officer was the Corporate Director (Resources). From 18th July 2006 that officer was the Head of Financial Services.
- Manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets.
- Approve the Statement of Accounts.

Approval of the Accounts

The Statement of Accounts has been approved at the meeting of Council on 27th June 2007 in accordance with the Accounts and Audit Regulations 2003, amended 2006.

Councillor Roger Hollingworth
Leader of the Council

Date

The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Council's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom 2006 (the 2006 SORP) and is required to present fairly the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2007.

In preparing these financial statements the Section 151 Officer has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the 2006 SORP.

The Section 151 Officer has also:

- kept proper accounting records, which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Section 151 Officers Certificate

The Statement of Accounts for Bromsgrove District Council presents fairly the financial position of the Council as at 31st March 2007 and its income and expenditure for the year ended 31st March 2007.

Jayne Pickering
Head of Financial Services

Date

Auditors Report

The Council's Auditors are KPMG LLP

To date no audit opinion has been issued on this Statement of Accounts

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**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st
MARCH 2007**

This Account summarises the resources that have been generated and consumed in providing services and managing the council during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed and real projected value of retirement benefits earned by employees in the year.

Net Expenditure 2005/06 £000		Gross Expenditure 2006/07 £000	Gross Income 2006/07 £000	Net Expenditure 2006/07 £000
1,322	Central Services to the Public	1,563	-336	1,227
8,249	Cultural, Environmental and Planning	12,487	-3,256	9,231
65	Highways and Transport	1,546	-1,424	122
2,272	Housing Services	14,155	-12,936	1,219
1,838	Corporate and Democratic Core	1,787	-100	1,687
854	Non-distributed Costs	7	-2	5
307	Housing Revenue Account - Discontinued Operation	0	0	0
1,571	Exceptional Cost of Voluntary Engagement & Restructure	0	0	0
16,478	Net Cost of Services	31,545	-18,054	13,491
0	Gain or loss on disposal of fixed assets			-52
447	Precepts of local precepting authorities			482
-102	Surplus(-)/deficit of trading undertakings or other operations including dividends (Note 3)			-65
10	Interest payable and similar charges			29
15	Amounts payable into the Housing Capital Receipts Pool			33
-1,403	Interest and investment income			-1,097
407	Pensions interest cost and expected return on pensions assets			238
15,852	Net Operating Expenditure			13,059
-5,920	Precept Demands from Collection Fund			-6,519
-1,490	Revenue Support Grant			-784
-2,600	Non-Domestic Rates			-3,849
5,842	Deficit for the year			1,907

STATEMENT OF MOVEMENT ON THE GENERAL FUND BALANCE FOR THE YEAR ENDED 31st MARCH 2007

The Income and Expenditure account shows the Council's actual financial performance for the year, measured in terms of the resources consumed and generated over the last financial year. However, the Council is required to raise Council tax on a different basis and therefore is required to make adjustments for the effects of the following:

- Capital investment is accounted for as it is financed rather than when the fixed assets are consumed.
- Payment of a share of housing capital receipts to Government shows as a cost in the I&E Account, but is met from useable capital receipts rather than Council tax.
- Retirement benefits are charge as amounts become payable rather than as future benefits are earned.

This statement shows the change in the General Fund Balance after taking into account the Council's spending against the Council tax that it raised for the year, items required to be included or excluded by statute, the use of reserves built up in previous years and contributions to Earmarked Reserves for future expenditure.

31 st March 2006 £000		31st March 2007 £000
-2,550	General Fund Balance as at 1 st April	-2,282
5,842	Surplus or deficit for the year on the Income and Expenditure Account	1,907
-5,574	Net additional amount required by statute and non statutory proper practices to be debited or credited to the General Fund Balance for the year	-1,499
-2,282	General Fund Balance as at 31st March	-1,874

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR
THE YEAR ENDED 31st MARCH 2007**

31st March 2006 £000		31st March 2007 £000
-5,842	Surplus/deficit(-) on the Income and Expenditure Account for the year	-1,907
6,030	Surplus/deficit(-) arising on revaluation of fixed assets	12,296
652	Actuarial gains and losses(-) on pension fund assets and liabilities	2,269
101	Any other gains and losses required to be included	
	Collection fund balance	-74
536	Pension Reserve	-96
1,172	Capital receipts received in year	473
1,442	Capital grants received in year	705
-2,012	Capital grants applied to fund expenditure in year	-1,135
-3,001	Value of Fixed Assets written out	-1,096
-922	Total Recognised Gains(-) and Losses for the year	11,435

BALANCE SHEET AS AT 31st MARCH 2007

2005/06 £000	Note	2006/07	
		£000	£000
486			373
		Intangible Assets	
		Fixed Assets:	
		Operational Assets -	
16,981		28,219	
2,099		4,542	
489		458	
869		1,145	
		Non Operational Assets -	
6,283		6,464	
1,510		153	
28,231	13		40,981
		Total Fixed Assets	
		Other Long Term Assets:	
50	19	50	
52	20	32	
28,819			82
		Total Long Term Assets	
		Current Assets:	
92	21	64	
5,523	22	3,949	
2	23	185	
25,126	24	21,612	
30,743			25,810
		Less: Current Liabilities:	
-7,268	25	-5,714	
-118		-350	
-60		0	
-257	26	-108	
51,859			61,074
		Total Assets less Current Liabilities	
		Other Long Term Liabilities	
-52			-32
-1,868	33		-1,732
-100			0
-181			-165
-13,304	34		-11,356
36,354			47,789
		Total Assets less Liabilities	
		Financed by:	
-42,145	29		-30,984
68,970	30		70,582
2,179	32		1,749
17,495	31		15,000
607			748
-13,304	34		-11,356
20			0
2,282			1,874
250			176
36,354			47,789
		Total Equity	

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2007**

2005/06 £000		2006/07 £000
	Revenue Activities	
	Cash Outflows:	
10,525	Cash paid to and on behalf of employees	11,107
5,281	Other operating cash payments	7,544
8,136	Housing Benefit paid out	8,395
37,055	Precept payments	40,753
19,149	Non domestic rate payments to National Pool	20,100
15	Capital Receipts paid to National Pool	32
80,161		87,931
	Cash Inflows:	
-40,907	Council Tax receipts	-42,947
-3,263	Non domestic rates payments from National Pool	-4,289
-19,002	Non domestic rates receipts	-19,587
-1,490	Revenue support grant	-784
-11,966	Housing & Council Tax Benefits	-12,919
-1,224	Other government grants	-1,269
-4,602	Other income and charges	-5,476
-82,454		-87,271
-2,293	Net cash inflow(-)/outflow from Revenue Activities	660
	Returns On Investments And Servicing Of Finance	
	Cash Outflows	
10	Interest paid (Net)	27
	Cash Inflows:	
-1,334	Interest received	-1,168
-3,617	Net cash inflow(-)/outflow from investments and servicing of finance	-481
	Capital Activities	
	Cash Outflows:	
4,872	Purchase of Fixed Assets	5,322
	Cash Inflows:	
-362	Sale of Fixed Assets	-1,234
-480	Capital Grants	-202
-768	S106 Contributions	-283
3,262	Net Cash Inflow(-)/Outflow on Capital Activities	3,603
-355	NET CASH INFLOW(-)/OUTFLOW BEFORE FINANCING	3,122
	Management Of Liquid Resources	
14	Repayments of amounts borrowed	149
-674	Net increase/decrease(-) in investments	-3,514
-1,015	Net Increase(-)/Decrease in Cash	-243

NOTES TO THE CORE FINANCIAL STATEMENTS

1. Note of reconciling items for the Statement of Movement on the General Fund Balance

31 st March 2006 £000		31st March 2007 £000	
	<i>Amounts included in the income and expenditure account but are required by statute to be excluded when determining the movement on the General Fund Balance for the year:</i>		
-901	Depreciation and impairment of fixed assets	-1,061	
379	Government Grants Deferred amortization	1,181	
-3,915	Write down of deferred charges financed from capital resources	-1,540	
0	Net gain or loss on sale of fixed assets	52	
-775	Amount by which pension costs calculated in accordance with the SORP (in accordance with FRS 17) are different from the contributions due under the pension scheme regulations	-224	
-5,212			-1,592
	<i>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year:</i>		
0	Statutory provision for repayment of debt	0	
31	Capital expenditure charged to the General Fund Balance	7	
-15	Transfer from Usable Capital Receipts to meet payments to Housing Capital Receipts Pool.	-33	
16			-26
	<i>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year:</i>		
-246	Statutorily required transfer of the surplus or deficit for the year on the Housing Revenue Account calculated in accordance with statute to the HRA Balance	-20	
-82	Net transfer to or from earmarked reserves	139	
-50	Net transfer from Major repairs reserve	0	
-378			119
-5,574	Net additional amount required by statute and non statutory proper practices to be debited or credited to the General Fund Balance for the year		-1,499

2. Comparative figures for 2005/06

In preparing these statements in accordance with the 2006 SORP, the Council has adopted three significant new accounting policies that impact on the comparative figure for 2005/06 in the income and Expenditure Account. These are:

- Capital financing charges for the use of fixed assets are no longer made to the service revenue accounts, support services and trading accounts
- Credits for Government Grants Deferred are now posted to service revenue accounts, support services and trading accounts and therefore included within the Net Cost of Services rather than being included within the Transfer from the Capital Financing Account.
- Gains and losses on the disposal of fixed assets are recognised in the I&E Account.

The 2005/06 figures in the I&E Account have been restated to reflect all these changes and the table below shows the changes made to the Consolidated Revenue Account for 2005/06 to give the restated figures.

	Consolidated Revenue Account in 2005/06 Statement of Accounts £000	Removal of Capital Charges £000	Relocation of Government Grant Deferred credits £000	Other Adjustments necessary relating to Support Services and HRA £000	2005/06 I&E Account £000
Central Services to the Public	1,388	0	-15	-51	1,322
Cultural, Environmental and Planning	8,929	-341	-210	-129	8,249
Highways and Transport	169	-88	0	-16	65
Housing Services	2,379	-57	0	-50	2,272
Corporate and Democratic Core	1,889	-14	-25	-12	1,838
Non-distributed Costs	719	0	0	135	854
HRA - discontinued		0	0	307	307
Exceptional Cost of Voluntary Engagement & Restructure	1,571	0	0	0	1,571
Net Cost of Services	17,044	-500	-250	184	16,478
					0
Asset Management Revenue Account	-997	617	380	0	0
Precepts to Parish Councils	447	0	0	0	447
Contribution of Housing Capital Receipts to Government Pool	15	0	0	0	15
Surplus From Trading Operations	-75	-27	0	0	-102
Depot		0	0	0	0
Support Services	135	-100	-130	95	0
Interest Payable & similar charges		10	0	0	10
External Interest Received	-1,403	0	0	0	-1,403
Pensions Interest Cost & Expected Rate of Return	407	0	0	0	407
Net Operating Expenditure	15,573	0	0	279	15,852

3. Trading Operations

These are activities of a commercial nature, which are financed substantially by charges made to the recipient of the services.

2005/06		External Trading Services	2006/07	
Turnover £000	Profit(-) /Loss £000		Turnover £000	Profit(-) /Loss £000
109	33	Market Services	103	20
154	-109	Industrial Sites	132	-85
263	-76	Total External Trading Services	235	-65

4. Discretionary Expenditure

The Local Government Act 2000 granted new powers to authorities in England and Wales to promote well-being in their area. Expenditure amounted to £354,110 in 2006/07 (£366,552 in 2005/06) and has mainly been used in providing grants to the Voluntary sector serving the community in Bromsgrove.

5. Publicity

Set out below, under the requirements of Section 5(1) of the Local Government Act 1986, is the Council's spending on publicity:

2005/06 £000		2006/07 £000
46	General Advertising	41
91	Recruitment Advertising	80
84	Marketing, Promotion and publicity	65
221	Total	186

6. Local Authorities (Goods and Services) Act 1970

There were no significant transactions in 2006/07 with organisations covered by the Act.

7. Building Control Regulations

The Building (Local Council Charges) Regulations 1998 require the disclosure of information regarding the setting of charges for the administration of the building control function with the aim of covering all costs incurred. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The table below shows only the chargeable element of operational services.

Building Regulations Total 2005/06 £000		Fee Earning Total 2006/07 £000	Non Fee Earning Total 2006/07 £000	Building Regulations Total 2006/07 £000
3	Expenditure:			
310	Printing, Stationery, etc.	1	2	3
	Building Control IBU	146	143	289
313	Total Expenditure	147	145	292
	Less Income:			
-290	Fees	-287	0	-287
-2	Sundries	-4	0	-4
-292	Total Income	-291	0	-291
21	Surplus(-)/Deficit for the Year:	-144	145	1

8. Members Allowances

In accordance with the Local Council (Members' Allowances) Regulations 1991, the Local Council (Members' Allowances) (Amended) Regulations 1995, and the Local Council (Members' Allowances) (England) Regulations 2001 the Council publishes each year details of the total amount of basic allowances, attendance allowances and special responsibility allowances paid to members of Bromsgrove District Council.

2005/06 £000		2006/07 £000
110	Basic Allowance	121
38	Special Allowance	51
5	Chairman's Allowance	5
1	Vice Chairman's Allowance	1
154	Total Allowances Paid	178

Members' Allowances were reviewed by an Independent Remuneration Panel in accordance with Regulation 5 of the Local Authorities (Members' Allowances) (England) Regulations 2001. Members ceased receiving attendance allowance from 29 July 2001 and instead receive a flat rate £2,850, plus reimbursement for travel, subsistence and telephone line rental expenses. Special responsibility allowances are paid to thirteen members undertaking specific duties and

responsibilities for nominated roles of office (e.g. Council Leader, Deputy Leader, and Scrutiny Chairs).

9. Payments made to Employees 2006/07

Under Regulation 7(2) of the Accounts and Audit Regulations 2003, the Council is required to disclose the number of employees whose remuneration exceeds £50,000 in bands of £10,000.

2005/06	Numbers of Employees	2006/07
3	Over £50,000 and up to £60,000	6
0	Over £60,000 and up to £70,000	1
3	Over £70,000 and up to £80,000	1
2	Over £80,000 and up to £90,000	1
2	Over £90,000 and up to £100,000	1

10. Profit/ loss on sale of fixed assets

This note shows any profit or loss on the sale of fixed assets compared to the market value of those assets. The surplus is properly accounted for within the Income and Expenditure Account, but is reversed out in the Statement of Movement of General Fund Balance, with the proceeds being transferred to Capital Receipts Unapplied.

2005/06 £000		2006/07 £000
-530	Proceeds of Sales	-394
530	Market Value of Fixed assets sold	394
0	Deferred capital grants relating to assets sold	-52
0	Profit/loss for the year	-52

11. Related Parties

The 2006 SORP requires disclosure of transactions with related parties in line with FRS8 'Related Party Disclosures'. Parties are defined as related if one party can or has potential to exert control or influence over the other party or are subject to a common control from the same source.

During 2006/07 the Council had the following transactions with related parties:

2005/06			2006/07	
Expenditure £000	Income £000		Expenditure £000	Income £000
5,008		West Midlands Police Authority:	5,348	
		- Precept	161	
		- Distribution of Collection Fund Surplus		
447		Parish Councils:	482	
26		- Precepts	0	
		- Lighting Grants		

2005/06			2006/07	
Expenditure £000	Income £000		Expenditure £000	Income £000
87		- Concurrent Functions	88	
		Hereford and Worcester Fire and Rescue Authority		
2,066		- Precept	2,205	
		- Distribution of Collection Fund Surplus	66	
		Worcestershire County Council:		
29,981		- Precept	32,012	
		- Distribution of Collection Fund Surplus	961	
6		Active Sports Partnership	0	
8		Community Safety Projects	13	
61		Dual Use Leisure Centres	46	
70		Tipping charges	119	
8		Sports facilities hire	9	
18		Miscellaneous	17	
0		Internet Project	30	
2		Tourism publicity	10	
28		Local Searches	28	
14		Museum	14	
8		Emergency Planning	10	
	-12	- Abandoned Vehicles	0	
	-69	- Recycling	0	
1,326		- Superannuation	1,456	
		Bromsgrove District Housing Trust		
366		Homelessness and Hostels	354	
4		Repair and Maintenance	1	
223		Social Housing Grant		
	-149	Service Level Agreements		-79
2,857	-2,857	Payroll transactions on behalf of BDHT	2,500	-2,500
	-108	Rents and charges collected on behalf of BDC		-132
	-170	Contribution from sale of former Council houses		-70
1	-19	Miscellaneous	1	-1
		Trade Waste		-11
		Street Cleansing contract		-17
		Government Departments:		
	-1,491	- Revenue Support Grants		-784
	-2,600	- Redistributed NNDR		-3,849
	-11,891	- Housing Benefits		-11,880
4		- HRA Subsidy		0
	-109	- Other		-111

12. External Auditors

The Audit Commission has appointed KPMG LLP to be Bromsgrove District Council's External Auditor until the conclusion of the 2006/07 accounts. The Audit Commission has appointed District Audit as the Council's external auditors from 2007/08 onwards.

For the financial year 2006/07 Bromsgrove District Council incurred the following fees in respect of external audit and statutory inspection.

2006/07 £000		2006/07 £000
12	KPMG LLP with regards to the certification of grant claims and returns.	12
80	KPMG LLP in respect of audit services.	90
0	KPMG LLP in respect of additional services.	7
18	Audit Commission in respect of statutory inspection.	30
110	Total	139

13. Analysis of movements in Fixed Assets

	Operational assets				Non Operational		Total
	Other Land & Buildings	Vehicles Plant & Equipment	Infra-structure	Community Assets	Investment Properties	Assets under Construction	
	£000	£000	£000	£000	£000	£000	
Gross Book Value at 1st April 2006	18,358	2,951	531	869	6,283	1,510	30,502
Additions (transfers from Assets Under Construction)	12	1,446	0	52	0	-1,510	0
Additions	16	1,531	1	224	0	153	1,925
Disposals	0	-127	0	0	-354	0	-481
Reclassification and Adjustments	-18	18	0	0	0	0	0
Revaluation	10,102	-52	0	0	535	0	10,585
Gross Book Value at 31st March 2007	28,470	5,767	532	1,145	6,464	153	42,531

	Operational assets				Non Operational		Total
	Other Land & Buildings	Vehicles Plant & Equipment	Infra-structure	Community Assets	Investment Properties	Assets under Construction	
	£000	£000	£000	£000	£000	£000	
Depreciation at 1st April 2006	1,377	852	42	0	0	0	2,271
Depreciation for year	538	491	32	0	0	0	1,061
Transfers and adjustments	-5	5	0	0	0	0	0
Disposal	0	-71	0	0	0	0	-71
Revaluation	-1,659	-52	0	0	0	0	-1,711
Depreciation at 31st March 2007	251	1,225	74	0	0	0	1,550
Net Book Value at 1st April 2006	16,981	2,099	489	869	6,283	1,510	28,231
Net Book Value at 31st March 2007	28,219	4,542	458	1,145	6,464	153	40,981

14. Capital Expenditure and Financing

The following table shows the total expenditure incurred in the year and the funding of that expenditure. The Capital Financing Requirement is the underlying borrowing requirement for previous expenditure, calculated under the prudential controls.

2005/06 £000		2006/07 £000
24	Opening Capital Financing Requirement	24
	Capital Investment	
2,488	Additions to Fixed Assets	1,925
159	Non Enhancing Expenditure	726
3,653	Intangible Assets & Deferred Charges	1,426
6,300	Total Expenditure	4,077
	Source of Finance	
4,258	Capital Receipts	2,935
-1	Major Repairs Reserve	0
623	Capital Grants	503
1,389	Capital Contributions	632
31	Revenue Contributions	7
0	Movement in capital creditors	0
6,300	Total Financing	4,077
24	Closing Capital Financing Requirement	24

15. Valuation of Fixed Assets

The basis for valuation of the individual classes of the fixed assets owned by the Council is explained in the Statement of Accounting policies. The net book value as at 31st March represents the value of assets belonging to the General Fund.

The freehold and leasehold property owned by the Council has been valued in accordance with the Statement of Valuation Principles and guidance notes issued by The Royal Institute of Chartered Surveyors as recommended by the Chartered Institute of Public Finance and Accountancy. The valuations were carried out by the Council's own Valuation Officer Mr. D Rogers-Davies MRICS and Mr Colin Booth BA (Econ) MRICS, the District Valuer.

The Council is in the process of reviewing all information on fixed assets held to ensure both completeness and compliance with the requirements of SORP. A programme of valuations, to be carried out by the Council's Valuation Officer, is in place to ensure all appropriate fixed assets are revalued every 5 years with the inclusion of residual land values. These financial statements reflect the revaluations carried out during 2006/07.

The following table is analysis of the gross book value of fixed assets by the year in which they were revalued.

	Other Land & Buildings	Vehicles, Plant and Equipment	Infra-structure	Community Assets	Investment Property	Total
	£000	£000	£000	£000	£000	£000
Valued at historic cost		5,767	532	1,145		7,444
Valued at current value						
2002/03						
2003/04						
2004/05	3,982				160	4,142
2005/06	4,985				5,837	10,822
2006/07	19,485				469	19,954
Total Gross Book Value as at 31 st March 2007	28,452	5,767	532	1,145	6,466	42,362

16. Intangible assets & Deferred charges

Intangible assets refer to capital expenditure that does not create a fixed asset for the Council but the benefit of which lasts for more than one year (mainly items such as computer software). Deferred charges represent expenditure that is capital under the capital controls definition but which does not result in assets for the benefit of the Council (items such as improvement grants).

This expenditure is charged to the I&E Account over the period of estimated benefits. Intangible assets, which relate to expenditure on computer software, is charged over 3 years and deferred charges are written off in the year the expenditure is incurred.

	Intangible Assets Computer Software £000	Deferred Charges		Total £000
		Improvement Grants	Other	
		£000	£000	
Balance as at 1st April 2006	486	0	0	486
Expenditure in year	237	461	728	1,426
Written off to Income and Expenditure Account	-350	-461	-728	-1,539
Balance as at 31st March 2007	373	0	0	373

17. Capital Commitments

Future capital expenditure committed as at 31st March 2007 amounted to £7.368m and includes the following major schemes:

Spatial Project (£6.178m)

Replacement of Multi-lift Vehicles (£161k)

Street Cleaning Vehicles and Equipment (£156k)

Affordable and Low Cost Housing Schemes (£122k)

Contribution towards New Sports Facilities (£130k)

New Park/Football Pitches at Barnsley Hall (£215k)

18. Fixed Assets Held

The fixed assets held by the Council include the following:

31 st March 2006 No's		31 st March 2007 No's
1	Council Offices at Burcot Lane	1
1	Depot	1
1	Sport Centre	1
1	Customer Service Centre	1
3	Public Conveniences	3
1	Caravan Site	1
13	Car Parks	13
2	Cemeteries	2
1	Museum and TIC	1
1	Market Hall	1
6	Hostels	6
1	Other Properties	1
8	Allotments Sites	8
62	Parks/Recreation Grounds/Open Spaces and Play Areas	62

19. Long Term Investments

These consist of a debenture loan to the Association of District Councils for £50,000 (£50,000 as at 31st March 2006) and investment in Charities Investment Fund for £53 (£53 as at 31st March 2006).

20. Long Term Debtors

These represent the balance outstanding on mortgages granted for the purchase of Council Houses, under the right to buy scheme. The amount is off set by a deferred capital receipt

31st March 2006 £000		31st March 2007 £000
52	Mortgagors re. Sale of Council Houses	32

21. Stocks

The stock at the year-end consisted of:

31st March 2006 £000		31st March 2007 £000
13	Postal Franker	23
70	General Stock Items held at the Council's Depot	38
2	Various Vending machines	1
5	Sports Centres Stock	0
1	Pest Control Poisons and Baits	1
1	Dolphin Centre Items for Resale	1
92	Total	64

22. Debtors

31st March 2006 £000		31 st March 2007 £000
	<u>Amounts falling due within one year</u>	
440	NNDR Pool Contribution	592
1,455	NNDR arrears	1,672
1,680	Council Tax arrears	1,585
429	Interest receivable	358
10	Rechargeable works	0
1,338	Government Departments	677
6	Officers car loans	6
47	Payments in advance	332
2,109	Other debtors	901
7,514	Sub-total	6,123
	<u>Amounts falling due after one year</u>	
8	Car Loans to Employees	2
7,522	Gross Debtors	6,125
	Less Provision for Bad Debts:	
-31	General Fund	-31
-1,597	Collection Fund	-1,682
-371	HB Overpayments	-463
5,523	Net Debtors	3,949

23. Cash In Hand and Bank

Cash in hand consists of petty cash imprest accounts held by various officers throughout the Council. Bank balances include cash in transit at the balance sheet date.

24. Short Term Investments

These are surplus monies temporarily invested externally.

25. Creditors

2005/06 £000		2006/07 £000
923	Employee related	516
967	Sundry Creditors	526
141	Government Departments	384
1	NNDR Pool Contributions	0
631	NNDR prepayments	710
1,562	Collection Fund Balance due to other precepting authorities	1,100
893	Council Tax prepayments	660
2,150	Other creditors	1,818
7,268	Total	5,714

26. Borrowing – Short Term

This represents monies temporarily borrowed for less than twelve months.

27. Leases

The Council has acquired a variety of assets such as vehicles, office equipment and vending machines by the means of operating lease agreements. The rentals on these leases have been charged to the I&E Account when payable. The amount paid under the arrangements in 2006/07 was £68,440. Future commitments under these existing leases are:

Financial Year	Future Commitment £
2007/08	24,431
2008/09	11,931
2009/10	1,493
2010/11	0

28. Summary of Movements in Reserves

The Council maintains a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans

Reserve	Balance 1 st April 2006 £000	Net Movement in year £000	Balance 31 st March 2007 £000	Purpose of Reserve
Fixed Asset Restatement Account	-42,145	11,161	-30,984	Accumulation of gains on the revaluation of fixed

Reserve	Balance 1 st April 2006 £000	Net Movement in year £000	Balance 31 st March 2007 £000	Purpose of Reserve
Capital Financing Account	68,970	1,612	70,582	assets. Accumulation of capital resources set aside to meet past capital expenditure
Capital Grants and Contributions Unapplied	2,179	-430	1,749	Sums received from third parties, which are available to meet future capital investment
Capital Receipts Unapplied	17,495	-2,495	15,000	Proceeds of fixed asset sales, and other sums treated as capital receipts, available to meet future capital investment
Earmarked Reserves				
Building Control Partnership	9	0	9	Funds associated with partnership arrangements on Building Control
Planning Delivery Grant	276	27	249	Accumulation of unused Planning Delivery Grant
Replacement Reserve	322	107	429	Sums set aside to fund future replacement of vehicles and ICT equipment
Leisure Reserve	0	61	61	Unspent government grant to be used within Culture and Community for leisure programs
Pension Reserve	-13,304	1,948	-11,356	Balance account to allow the inclusion of pension liability in the balance sheet
Major Repairs Reserve	20	-20	0	Resources to support major works on Council housing stock
General Fund	2,282	408	1,874	Resources available to meet future revenue running costs.
Collection Fund	250	-74	176	Surplus on Collection Fund which is available for distribution to authorities precepting on the fund
Total	36,354	11,436	47,789	

29. Movement in Fixed Asset Restatement Account

The Fixed Asset Restatement Account represents the difference between fixed assets historic value (cost) and the value it is currently carried at in the Balance Sheet. It also includes the write down of asset disposals and capital expenditure written off.

2005/06 £000		2006/07 £000
-45,174	Balance as at 1st April	-42,145
6,046	Gains on revaluation in year	12,296
-16	Other adjustments	0
6,030	Total increase in unrealised resources	12,296
-159	Capital expenditure not included in	-726
-2,842	Fixed assets in year	-409
	Amount of assets disposed	
-3,001	Total movement in Reserve	-1,135
-42,145	Balance as at 31st March	-30,984

30. Movement in Capital Financing Account

The Capital Financing Reserve contains the amounts which have been required to be set aside from capital receipts and amounts charged to revenue for the repayment of external loans, together with the amounts of revenue, capital receipts and grants and contributions which have been used to fund capital expenditure.

2005/06 £000		2006/07 £000
67,682	Balance as at 1st April	68,970
4,258	Useable receipts applied	2,935
31	Revenue funding	7
-901	Reconciling amount of depreciation	-1,061
1,816	Grants and Contributions applied	1,271
-1	Major Repairs Reserve applied	0
-3,915	Amounts written out in year	-1,540
1,288	Total movement in year	1,612
68,970	Balance as at 31st March	70,582

31. Movement in Capital Receipts Unapplied

Capital Receipts Unapplied represents the income from the sale of fixed assets that can be used to fund capital expenditure.

2005/06 £000		2006/07 £000
20,596	Balance as at 1st April	17,495
1,157	Amounts Receivable	440
-4,258	Applied to finance capital expenditure	-2,935
-3,101	Increase in Realised Capital Resources	-2,495
17,495	Balance as at 31st March	15,000

32. Movement in Government Grants and Contributions Unapplied

Government Grant and Contributions Unapplied relates to sums received to fund capital expenditure. The sums include contributions from developers for planning gain agreements made under S106 of the Town and Country Planning Act 1990.

2005/06 £000		2006/07 £000
2,819	Balance as at 1st April	2,199
1,442	Amounts Receivable	705
-50	Transfer of MRR to HRA	-20
-2,012	Applied to finance capital expenditure	-1,135
-620	Increase in Realised Capital Resources	-450
2,199	Balance as at 31st March	1,749

33. Deferred Government Grants and Contributions

The Deferred Government Grant and Contributions account represents amounts received to fund capital expenditure, which will be released to the Income and Expenditure Account to offset depreciation in respect of the assets to which they relate. Sums relating to assets that will not be depreciated are transferred to the Capital Financing Account in the year they are applied.

2005/06 £000		2006/07 £000
1,672	Balance as at 1st April	1,868
2,012	Grants and Contributions applied	1,135
-379	Amounts credited to the I&E Account	-350
-1,437	Amounts written out in year	-921
196	Total movement in year	-136
1,868	Balance as at 31st March	1,732

34. Pensions Benefits (Financial Reporting Standard 17)

The Council participates in the Local Government Pension Scheme for Council employees, which is administered by Worcestershire County Council. This is a funded scheme, meaning both the Council and employees pay contributions into the fund, calculated at a level intended to balance the pension's liabilities with investments.

The requirement of FRS 17 is for the cost of retirement benefits to be recognised in the net cost of services when the employees earn the benefits rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against Council tax is based on the cash payable in the year, so the real cost of benefits is reversed out of the Income and Expenditure Account after Net Operating Expenditure.

The following transactions have been made in the Income and Expenditure Account during the year.

2005/06 £000	Cost of retirement benefits in Income and Expenditure Account	2006/07 £000
	Net Cost of Services	
1,020	Current Service Costs	1,218
-613	Past Service Costs	0
1,089	Curtailment costs	103
	Net operating Expenditure	
2,115	Interest Costs	2,238
-1,708	Expected Return on Assets	-2,000
	Statement of Movement on General Fund Balance	
	Amount by which pension costs calculated in accordance with the SORP (in accordance with FRS 17) are different from the contributions due under the pension scheme regulations Movement on Pensions Reserve	
-775		-224
1,128	Actual amount Charged against Council tax for Pensions in year - Employers Contributions Payable	1,335

The underlying assets and liabilities of the Pension Fund attributable to the Council at 31st March 2007 are as follows:

31st March 2006 £000		31st March 2007 £000
-45,847	Estimated Liabilities	-45,647
32,543	Estimated Assets	34,291
-13,304	Net Liabilities	-11,356

The liabilities show underlying commitments that the Council has, in the long run, to pay retirement benefits. The net liabilities of £11.356m has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, resulting in a reduction of 19.2% to the overall balance of £59.145m.

However, statutory arrangements for funding the deficit means that the financial position of the Council remains healthy as the deficit will be made good by increased contributions over the remaining working life of employees as assessed by the Fund's Actuary and finance only being required to be raised to cover the pensions when they are actually paid.

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels etc. Mercer Human Resource Consulting Ltd, an independent firm of actuaries, has assessed the Fund's liabilities based on the 31st March 2004 actuarial valuation assumptions, with the exception of the financial assumptions which are shown below:

The main assumptions used in the calculations are as follows:

Financial Assumptions as at	31st March 2005 % per annum	31st March 2006 % per annum	31st March 2007 % per annum
Rate of Inflation	2.9	2.9	3.1
Rate of increased in salaries	4.40	4.40	4.6
Rate of increase in pensions	2.9	2.9	3.1
Discount rate	5.4	4.9	5.4

The assets are valued at fair value, principally market value for investments, and consist of the proportions, together with rate of return on the class of asset.

Assets	31st March 2006			31st March 2007		
	Value £000	Proportion of Assets %	Expected rate of return %	Value £000	Proportion of Assets %	Expected rate of return %
Equities	26,588	81.7	7.0	30,965	90.3	7.5
Government Bonds	4,035	12.4	4.3	1,715	5.0	4.7
Other Bonds	1,432	4.4	4.9	1,234	3.6	5.4
Other	488	1.5	4.5	377	1.1	5.25
Total	32,543	100.0		34,291	100.0	

Movements in Pensions Reserve

	31st March 2006 £000	31st March 2007 £000
Net pensions liability as at 1st April	13,717	13,304
Current service Cost	1,020	1,218
Employee contributions	-1,664	-1,238
Past service/curtailment costs	476	103
Net interest/return on assets	407	238
Actuarial gain(-)/loss	-652	-2,269
Net pensions liability as at 31st March	13,304	11,356

The actuarial gains/losses identified as movements on the Pensions Reserve in 2006/07 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2007.

2004/05		2005/06		Worcestershire County Council Pension Fund	2006/07	
£000	%	£000	%		£000	%
889	3.5	4,839	14.9	Differences between the expected and actual return on assets	-75	-0.2
1,271	3.2	-813	-1.8	Differences between actuarial assumptions about liabilities and actual experience	0	
-6,280	16.0	-3,374	-7.4	Changes in demographic and financial assumptions used to estimate liabilities	-2,194	-4.8
-4,120		652		Total actuarial gains(-)/losses	-2,269	

35. Notes to The Cash Flow Statement

Reconciliation of Deficit to Net Revenue Cashflow

2005/06 £000		2006/07 £000
5,842	Surplus(-)/Deficit on General Fund	1,907
-730	Surplus(-)/Deficit on Collection Fund	536
	Non Cash Transactions	
-4,437	Capital Charges	-1,420
-775	FRS17 Pension Costs	-224
193	Contributions to(-)/from Bad Debt Provisions	-177
-111	Transfer from Suspense	-232
-246	Statutory Transfer from HRA	-20
82	Contribution to(-)/from Earmarked Reserve	-140
31	Contribution to Capital Expenditure	7
15	Contribution from Capital Receipts	85
50	Contribution to(-)/from Major Repairs Reserve	0
	Items on an Accruals Basis	
-827	Increase(-)/decrease in Creditors	-153
-2,711	Increase/decrease(-) in Debtors	-622
8	Increase/decrease(-) in Stock	-28
	Items included in other classifications	
-10	Interest paid	-27
1,334	Interest received	1168
-2,293	Net cash flow from revenue activities	660

Liquid Resources

The principal liquid resources of the Council are short term investments. The opening and closing balances for the financial year 2006/07 are given below:-

2005/06 £000		2006/07 £000
25,800	Balance at 1 st April	25,126
25,126	Balance at 31 st March	21,612
-674	Movement in Year	-3,514

Net increase/Decrease in Cash

2005/06 £000		2006/07 £000
-1,015	Increase/Decrease(-) in Cash Overdrawn	-243
0	Increase/Decrease(-) in Petty Cash and Cash in Hand	0
-1,015	Net Increase/Decrease(-) in Cash	-243

Government Grants

Amounts received in respect of government grants (other than for housing and council tax benefits and capital grants) are listed below:

2005/06 £000		2006/07 £000
167	Community Safety	151
109	Admin Grant – Local Taxation	111
307	Other	446
268	Planning Delivery Grant	121
373	Benefit Administration Grants	440
1,224	Total Other Government Grants	1,269

**HOUSING REVENUE ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2007**

2005/06 £000		2006/07 £000
	Income:	
-5	Non-dwelling rents (gross)	0
-5	Total Income	0
	Expenditure:	
22	Supervision and Management	0
12	HRA Subsidy payable	0
34	Total Expenditure	0
29	Net cost of Services	0
	HRA Investment Income	
-7	Interest on notional cash balances	0
-4	Mortgage interest	0
18	Net Operating Expenditure	0
	Appropriations	
278	Prior period amendments	0
-50	Transfer to/from(-) Major Repairs Reserve	-20
246	Total Surplus(-)/Deficit for the year	-20
-246	Balance brought forward 1st April	0
0	Balance transferred to General Fund Balance	20

Notes to the Housing Revenue Account

1. General

Following a Council decision to review the provision of housing services within the district, Council tenants voted to transfer the properties to Bromsgrove District Housing Trust (BDHT) which is a registered as a Social Landlord. The housing stock was transferred on 29th March 2004. The Councils' application to the Office of the Deputy Prime Minister for consent to close the HRA was granted on 4th April 2006.

The account for 2006/07 consists of residual items which relate to the Council rather than BDHT. The residual balance of the Major Repairs Reserve was credited to the Housing Revenue Account and total surplus for the year on the Housing Revenue Account was transferred to the General Fund Balance.

2. Housing Stock

All the dwellings and garages were transferred to BDHT as part of the stock transfer. The Council retained some small areas of non-operational land which were transferred to the General Fund on 1st April 2005.

3. Major Repairs Reserve

The Major Repairs Reserve represented the amount of subsidy provided by Government to support major works necessary to bring the Council's housing stocks up to an acceptable standard. The balance was transferred to the HRA in 2006/07.

2005/06 £000		2006/07 £000
-70	Balance as at 31st March	20
50	Amount transferred to HRA during the year	0
0	Transfer to Housing Revenue Account	-20
-20	Balance as at 31st March	0

4. Housing Capital Expenditure

There was no capital expenditure on during the year.

5. Housing Revenue Account Subsidy

With the closure of the Housing Revenue Account, no housing subsidy was receivable or payable in 2006/07.

2005/06 £000	Subsidy Element	2006/07 £000
4	Mortgage interest	0
4	HRA subsidy receivable(-)/payable(+)	0

**COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31st MARCH 2007**

2005/06 £000		2006/07 £000
	<u>Income:</u>	
-40,637	Income from Council Tax (Net)	-43,116
-3,423	Council Tax Benefits	-3,567
0	Reduction in Provision for Bad and Doubtful Debts Council Tax	-53
-18,803	Income from Business Ratepayers	-19,824
-62,863	Total Income	-66,560
	<u>Less Expenditure:</u>	
42,975	Precepts and Demands	47,272
	Business Rates:	
18,522	Payments to Pool	19,508
109	Costs of Collection	111
180	Increased Provision for Bad and Doubtful Debts Council Tax	0
172	NNDR	205
175	Prior Period Amendment	0
62,133	Total Expenditure	67,096
-730	Surplus(-)/Deficit for the year	536
-1,082	Collection Fund Surplus(-) brought forward	-1,812
-1,812	Collection Fund Surplus(-) carried forward	-1,276

Notes to the Collection Fund Account

1. General

These accounts represent the transactions of the Collection Fund, a statutory fund separate from the main accounts of the Council. The fund accounts independently for income relating to Council Tax and National Non Domestic Rates on behalf of those bodies (including the Council's own General Fund) for which the income has been raised. Administration costs are borne by the General Fund. The transactions are however consolidated in the Council's Balance Sheet and Cashflow Statement.

2. Council Tax Base

The Council set a total Council Tax of £1,275.82 based on Band 'D' equivalent, with a tax base of 35,593.67.

The Council Tax Base is the number of chargeable dwellings in each valuation band adjusted for dwellings where discounts apply, and converted into an equivalent number of Band D properties. A collection rate of 98.5% has been assumed in the calculation of the tax base.

Items for parish precepts are additional.

Band	Valuation	Numbers	Ratio	Band D
A	Up to £40,000	2,567.50	6/9	1,711.7
B	Over £40,000 and up to £52,000	5,955.00	7/9	4,631.7
C	Over £52,000 and up to £68,000	7,447.75	8/9	6,620.2
D	Over £68,000 and up to £88,000	6,723.50	9/9	6,723.5
E	Over £88,000 and up to £120,000	5,947.50	11/9	7,269.2
F	Over £120,000 and up to £160,000	3,090.50	13/9	4,464.1
G	Over £160,000 and up to £320,000	2,409.25	15/9	4,015.4
H	Over £320,000	258.00	18/9	516.0
Total Band D equivalent properties				35,953.20
			Collection Rate	99.00%
			Council tax base	35,593.67

The costs of individual Council tax benefits are met from the General Fund to which any Government grants are payable.

3. National Non-Domestic Rates

Non Domestic Rates are collected on behalf of the government and paid into a National Pool. The Collection Fund receives amounts paid by the local ratepayers in the area, and pays this amount over to the national pool net of allowable costs of collection. The National rate specified by government was an amount of 43.3p in the £ for 2006/07 (42.2p for 2005/06) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by

multiplying their rateable value by that amount. A revaluation of all non-domestic properties took effect from 1st April 2000; the rateable value as at 31st March 2007 was £54,535,185.

4. Precepts

The precepts were as follows:

2005/06 £000		2006/07 £
29,981	Worcestershire County Council	32,012
5,920	Bromsgrove District Council (including Parish Councils)	6,329
5,008	West Mercia Police Authority	5,348
2,066	Hereford and Worcester Fire and Rescue Authority	2,205
	Distribution of Collection Fund Surplus	
0	Worcestershire County Council	961
0	Bromsgrove District Council	190
0	West Mercia Police Authority	161
0	Hereford and Worcester Fire and Rescue Authority	66
42,975	Total	47,272

5. Bad Debt Provision

Bad and doubtful debt provisions comprised the following amounts:

2005/06 £000		2006/07 £000
1,456	Balance as at 31st March Council Tax	1,597
-171	Written-off during the year	-32
180	Movement in Provision	-53
	Non-Domestic Rates	
-40	Written-off(-)/on(+) during the year	-35
172	Movement in Provision	205
1,597	Balance as at 31st March	1,682
	<u>Represented By:</u>	
697	Council Tax Provision	612
900	Non-Domestic Rates Provision	1,070
1,597	Balance as at 31st March	1,682

6. Collection Fund Balance

The Collection Fund Balance is available for distribution to the authorities which precept on the Collection Fund. During 2006/07 a total of £1.378m was distributed to the precepting authorities as detailed in Note 4 above. The balance is set out below:

2005/06 £000		2006/07 £000
1,082	Balance brought forward 1st April	1,812
730	Surplus/Deficit(-) in the Year	-536
1,812	Balance carried forward 31st March	1,276

The Collection Fund Balance represents council tax collected but not paid over to the precepting authorities. This balance has accumulated due to both the collection rates and income received being higher than budgeted for at the beginning of the financial year. This surplus is available to be shared amongst the precepting authorities (prorate to the amount of the total precepts). The amount attributable to Bromsgrove District Council is £176k (13.8%). This amount is shown within the total Equity in the Balance Sheet as a Collection Fund Balance. The remainder is shown within creditors.

2005/06 £000		2006/07 £000
250	Bromsgrove District Council Collection Fund Balance	176
1,562	Creditor - Other precepting bodies	1,100
1,812		1,276

STATEMENT OF ACCOUNTING POLICIES

General Principles

The general policies adopted in compiling the financial statements are those recommended by the CIPFA/LASAAC Joint Committee in the Code of Practice on Local Council Accounting in the United Kingdom 2006 'A Statement of Recommended Practice' (the 2006 SORP). If exception occurs these are noted at the appropriate place in the statements.

Best Value Accounting Code of Practice

All Councils have to comply with the Best Value Accounting Code of Practice (BVACOP), the main items being the mandatory charging of depreciation (with some exceptions), identification of trading services, and a standard service expenditure analysis in the Income and Expenditure Account. The 2006/07 Income and Expenditure Account complies with these requirements.

Comparator Figures

In line with the 2006 SORP, comparative figures for the previous financial year are shown. Where there have been changes to the presentation or accounting treatment of items the previous year's figures have been restated to ensure that they are comparable.

Fixed Assets - Recognition and Valuation

The requirements of the 2006 SORP are that all appropriate assets should be carried at a valuation that would be the lower of the net current value or net realisable value for existing use. Also all those assets should be revalued at least once every five years.

The recorded fixed assets are subject to a review to ensure the completeness of the record and that the valuations are in accordance with the 2006 SORP. A programme of valuations, to be carried out by the Council's Valuation Officer, is in place to ensure all appropriate fixed assets are revalued every 5 years. These financial statements reflect the revaluations carried out during 2006/07.

The basis for valuation of each class of asset is as follows:

- Intangible assets such as software are recorded at cost in the balance sheet and are amortised to revenue over an appropriate period.
- Operational assets such as the Council Offices, leisure centres and car parks have been included at depreciated replacement cost.
- Infrastructure assets such as environmental improvements, from 2003/04 onwards, are recorded at cost.
- Vehicle, Plant and Equipment, from 2003/04 onwards, are recorded at cost.

- Community assets, such as parks and recreation grounds, are recorded as historic cost.
- Investment Properties, which are assets that are not directly used in the delivery of a service, such as Industrial Properties, are shown at market value.
- Assets under Construction are new capital works that will result in the creation of a new asset but will involve expenditure over several years are carried on the Balance Sheet at cost and classified as non-operational until they are finished and brought into operational use.

Capital Expenditure

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis. In this context enhancement means the carrying out of works on the fixed asset that are intended to increase substantially the life, value or use of the asset.

Expenditure that falls under this definition but that is considered to be immaterial by virtue of not adding value to the asset (generally less than £10,000) is written off to the Income and Expenditure Account during the year. All other expenditure is added to the fixed assets at cost. The expenditure will be carried at cost on the Balance Sheet until the asset is revalued.

Intangible Assets/Deferred Charges

Intangible Assets and Deferred Charges represent expenditure that has been properly capitalised but which does not create a tangible asset for the Council. Intangible assets include major software purchases, whilst deferred charges include disabled facilities grants, home repair and housing renewal grants, grants to other persons and bodies such as registered social landlords for capital expenditure purposes. All expenditure on deferred charges is usually written off to the Income and Expenditure Account in the year the expenditure is incurred. Expenditure on intangible assets is written off to the Income and Expenditure Account over the period of the benefit to be received from the asset. However there is a corresponding transfer from the Capital Financing Account to neutralise the effect of these charges on the General Fund Balance.

Depreciation

Depreciation is charged on all assets used in the provision of services. It represents the use of capital assets by that service. It is calculated on a straight line basis by writing off the cost or revalued amount for assets, less the residual value for each asset (usually land), over the useful life of each asset.

Depreciation is charged on the asset values at the beginning of the financial year. Some assets which have been revalued during 2006/07 did not have a quantified residual (land) value at the beginning of the year. This meant that the valuation

upon which the depreciation was based was higher than the valuation which will be used for future year's depreciation calculations. Therefore the depreciation charge in 2006/07 is higher than it will be in future years. The programme of revaluations has addressed this issue. All assets have now been revalued within the last three years and a valuation of the residual (land) value is included in the Asset Register, where applicable.

No depreciation is charged on assets in the year of acquisition or enhancement. No charge is made for non operational assets.

The useful life of assets is based on individual assets but generally is based on:

	Estimated useful life
Other Land and Buildings	5-50 years
Vehicles, Plant and Equipment	2-7 years
Infrastructure	5-20 years

Capital Charges

In previous years a capital financing charge based on the opening book value of each asset and a specified percentage rate was charged to the revenue account. The 2006 SORP no longer requires capital charges to be made.

Prudential Code

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 provide the framework for the prudential code that came into force on 1st April 2004. Since that date the Council has been able to plan its capital expenditure under the Prudential Framework. This focuses on the Council's ability to fund the consequences of spending decisions from future years revenue accounts and allows it to set its own limits on the borrowing needed to achieve an affordable capital strategy. Prudential indicators are defined within the Council's Treasury Management strategy. The Council has not undertaken any prudential borrowing and remains debt-free.

Government Grants

Whatever their basis of payment, revenue grants are matched with the expenditure to which they relate. Grants received to finance general activities of the Council or to compensate for a loss of income are credited to the I&E Account in the year to which they relate. Government grants are accounted for on an accruals basis and are recognised in the accounting statements when the conditions for their receipts have been complied with and there is reasonable assurance that the grant will be received.

All grants and other contributions used to fund capital expenditure are credited in the first instance to the Government Grants and Contributions Unapplied account.

These deferred contributions are released to the Income and Expenditure Account in line with the depreciation of the asset they are funding. Where an asset does not attract a depreciation charge, the grant or contribution is transferred to the Capital Financing Account in the year it is used for financing.

Repayment of Debt

Regulation 27 of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 requires Councils to charge a minimum revenue provision (MRP) to its revenue accounts for the repayment of debt. This calculation is based on the Council's Capital Financing Requirement (CFR) as derived from the Balance Sheet after allowable adjustments.

For 2006/07 the Council's Capital Financing Requirement was £24k and after allowable adjustments have been applied there is a nil MRP requirement.

Capital Receipts

Capital receipts arise from the sale of fixed assets. The sums received on the disposal of fixed assets are credited to the Income and Expenditure Account in the first instance and transferred to Capital Receipts Unapplied on the Balance Sheet where they are only available to the Council to fund capital investment. However, in accordance with The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, receipts below £10,000 can be treated as revenue income and remain within the Income and Expenditure Account.

Receipts from the sale of former Housing Revenue Account assets are subject to national pooling. The regulations allow the reduction in amounts paid to the pool but limit the use that the Council may make of the retained element of the receipt.

Basis on which Debtors and Creditors have been included in the accounts

The revenue and capital transactions of the Council are maintained on an accrual basis in accordance with the 2006 SORP and FRS 18 'Accounting Policies'. That means that sums due to or from the Council during the year are included irrespective of whether cash has actually been received or paid in the year. Where there was insufficient information available to provide actual figures, estimates have been included although this element is not significant.

Nature of Reserves, Provisions and Contingent Liabilities

Reserves: In addition to the revenue balances, the Council has sums set aside for use in future accounting periods, to meet known or predicted liabilities. These

earmarked financial reserves are for specific purposes, for example for capital developments or asset purchases.

Two other capital accounts exist in the name of the "Fixed Asset Restatement Account" and the "Capital Financing Account". These accounts were previously called reserves but their titles have been changed in accordance with recommended practice as neither of these accounts represents funds available to meet future expenditure.

Provisions: The 2006 SORP requires that provisions are recognised when the Council has a present obligation as a result of a past event; it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Council established two provisions in 2005/06. Both were related to costs and compensation relating to employment issues, Both matters were settled and the provisions have been used within 2006/07.

Contingent liabilities: Municipal Mutual Insurance Limited (MMI) – Scheme of Arrangement

On 30 September 1992 the Council's then insurer MMI announced that it had ceased taking new business and had placed a moratorium on claims payments. On 6 October 1992 MMI resumed the full payment of claims. Subsequently there has been further strengthening in the company's financial position and its directors remain of the view that a solvent run off can be anticipated. If a solvent run off is not achieved the Council currently has a potential contingent liability of up to £268,216. No provision has been made in the Balance Sheet for this amount.

Basis of Valuation of Investments

Investments are recorded in the Balance Sheet at cost.

Support Service Costs

The Best Value Accounting Code of Practice requires that all support service and service management costs are fully charged to services. During 2005/06 the basis for the apportionment of support service costs was reviewed and revised. Some support services are charged out based on staff time whereas other areas use a basis more appropriate to the service provided e.g. Human Resources is recharged on number of employees and the Information and Communication Technology recharge based on the number of PC's each service area operates. The charge to the Capital Programme is based on staff time involved with the administration of various schemes within the programme.

Stocks and Stores

These are valued at cost. Stocks in hand are brought into the accounts for Central Depot Stores, Vending Machine Stock, Pest Control Stock and the Postal

Franking Machine. The valuation of the stores is a departure from SSAP 9 however the effect is not material.

Leasing

Finance Leases

Statement of Standard Accounting Practice 21 (SSAP 21) defines a finance lease as a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee and the present value of the minimum lease payments is 90% or more of the fair value of the leased asset. If a lease qualifies as a finance lease under SSAP 21 then the value of the asset is treated as capital expenditure and recognised in the Council's balance sheet as a fixed asset matched by a liability. Rental payments under finance leases are apportioned between the finance charge and the reduction of the liability, with the finance charge being charged to the I&E Account over the term of the lease. The Council does not hold any assets under finance leases.

Operating Leases

If a lease meets the SSAP 21 definition of an operating lease, then the payments under the lease are charged to the service revenue accounts. Details of the Council's operating leases are outlined in Note 27 to the Income and Expenditure Account.

Interest Charges

Provision has been made in the accounts for the accrual of loan interest due to the Council as at 31st March 2007.

Pensions

This Statement of Accounts incorporates the full effects of FRS17 – Retirement Benefits, the purpose of which is to ensure that these financial statements reflect at fair value the assets and liabilities underlying the Council's obligations relating to retirement benefits and that the true cost of those obligations is recognised.

The Worcestershire County Council Pension Fund covers eligible members of the Local Government Pension Scheme in Bromsgrove and the Superannuation Fund Regulations require contributions to be sufficient to maintain fully the solvency of the fund. The fund is a defined benefits scheme based on final pensionable salary. Currently the Pension Fund is in a deficit position and the impact of FRS17 requirements has been to show a Pensions Liability in the Balance Sheet of £11.356m, which is the Council's share of the overall deficit of the fund.

An independent actuary, based on triennial valuations, determines the employers' contributions. The review was last carried out as at 31st March 2004.

Since 2003/04 the way the pension costs are charged to services changed in that the actuary now provides annual costs of the fund liabilities. These figures replace the actual costs paid by the employers shown within the Net Cost of Services. An adjustment in the Statement of Movement on the General Fund Balance reverses these cost out and replaces them with the actual costs paid.

STATEMENT OF INTERNAL CONTROL FOR BROMSGROVE DISTRICT COUNCIL FOR THE YEAR ENDED 31st MARCH 2007

1. Scope of Responsibility

Bromsgrove District 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 whilst demonstrating value for money in its use. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk and the prevention and detection of fraud and corruption.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, comply with statutory requirements and to make best use of public funds and assets. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is maintained through 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 of those risks being realised, and to manage them efficiently, effectively and economically.

That process has been in place at the Council for the year ended 31st March 2007 and up to the date of the approval of the annual accounts for that year.

3. The Internal Control Environment

3.1 General

The key elements of control are described below:

- (a) The Council sets out its objectives through a series of Plans; the Improvement Plan, the Annual Performance Plan, the Council Plan, and Service Business Plans, together with Action Plans arising from External Inspection reports, and Revenue and Capital

Budgets. The objectives of the Council are linked to individual targets of achievement through the Performance and Development Review process.

- (b) The Council's policy and decision making process is set out in the Council's Constitution which explains and regulates how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The Constitution is supplemented by a range of policies and processes to support the operation of the Council, including schemes of delegation to officers, and codes of conduct for members and officers.

- (c) The financial management of the Council is integrated with and influenced by many of the above processes. It includes processes for forward planning of expenditure and resources, budget consultation; budget setting and monitoring, and completion of final accounts, all aimed to be accurate, informative and timely. The Council also has in place, as part of the Constitution, financial regulations designed to support sound financial management policies and procedures, and contract procedural rules to ensure compliance with procurement objectives. These also reflect the Council's current political and management structure and business activities.
- (d) In order to ensure compliance with policies, procedures and statutory requirements, the Council has a range of controls and processes in place, as set out below. These processes also assist the Council in ensuring the economical, effective and efficient use of resources, in securing continuous improvement in exercising its functions, and provide for an effective performance management and reporting process.

3.2 Financial

The Head of Financial Services has responsibility for ensuring that effective financial control is maintained. The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Council's Financial Regulations provide a framework for managing the council's financial affairs and apply to every member and officer of the council and anyone acting on the council's behalf. The regulations cover, inter alia, budgetary control, payment of accounts, contracts for building,

constructional or engineering work, and procurement of consultancy services, treasury management and control of income.

The system of internal financial control is based upon a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a structure of delegation and accountability. Managers within the Council undertake development and maintenance of the system, either directly or through partners.

In particular the system in 2006/07 included

- Comprehensive budgeting systems
- Setting targets to measure financial and other performance
- Detailed monthly financial monitoring statements to Heads of Service and Budget Holders to include both revenue and capital
- Designated accountants to support departmental budget holders
- Financial training for managers
- Preparation of regular financial reports to Members which indicate actual expenditure against the forecasts;
- Capital expenditure guidelines
- Adoption of statutory and professional standards
- Financial regulations and contract procedure rules
- Budget and policy framework procedure rules
- Delegations of authority and accountability as outlined in the Council's Constitution
- Agreed financial administration procedures
- Internal and external audit.

During 2006/07, financial monitoring reports highlighted areas of overspending and shortfalls in income. These were managed by reviewing services to ensure they could be delivered within revised financial resources and reducing expenditure where appropriate. As a result, outturn expenditure remained within budget.

The improvements in 2006/07 have been recognised by the Audit Commission in the scoring of the Use of Resources framework increasing from 1 to 2. This reflects the Council's focus on robust financial management, budgetary control and risk management during the financial year.

3.3 Council Priorities and Objectives

The Council acknowledges that its performance in some services is stronger than in others and committed itself during the year to continue its improvement programme. The focus during the first quarter of 2006/07

was on the Councils' Recovery Plan and from July 2006 onwards the Council's Improvement Plan.

During the year the Council reviewed its corporate objectives and adopted the following Vision, Council Objectives and priorities:

Vision
 "Working together to build a district where people are proud to live and work, through community leadership and excellent services"

Council Objectives	Council Priorities
Regeneration	Town Centre Longbridge Housing
Improvement	Customer Service Reputation Performance
Sense of Community and Well Being	Community Influence Community Events
Environment	Clean District Planning

3.4 Policy and Decision Making

The Council's decision making process is defined in its' Constitution which can be summarised as follows:

- The Council decides policy.
- The Council operates through an Executive Cabinet and regulatory committees for Planning and Licensing.
- A Standards Committee is also in place.
- Overview and Scrutiny arrangements were in place during 2006/07 and included Scrutiny Steering Board.

3.5 Compliance

(a) Policy and Legislation

The Council's statutory officers are the Chief Executive, the Monitoring Officer and the Section 151 Officer. They are responsible for ensuring that the Council acts within the law and in accordance with established policy and procedures.

The Chief Executive is responsible for the corporate and operational management of the Council, taking an active role in corporate governance arrangements, determination and organisation of the Council's staff.

The Council's Monitoring Officer has statutory and other duties in relation to maintaining the Council's Constitution, ensuring lawfulness and fairness in decision making, supporting the Standards Committee,

acting as the proper officer for access to information, advising whether Cabinet decisions are within the Budget and Policy framework and providing advice on the scope of powers and authority to make decisions, maladministration, financial impropriety, probity and Budget and Policy Framework issues

The Section 151 Officer has statutory and other duties in relation to the effective discharge of the Council's financial arrangements including responsibility for ensuring lawfulness and financial prudence of decision making including reporting to elected members where any proposal is unlawful or where expenditure is likely to exceed resources.

Heads of Service and senior service area managers have responsibility for ensuring that legislation and policy relating to service delivery and Health and Safety are implemented in practice.

(b) Risk Management

The Council's Risk Management Strategy and process was reviewed and updated during the year. The new strategy and process was approved by the Executive Cabinet on the 7th March 2007 and aims to embed risk management into the culture of the organisation whilst enabling the Council to manage risks in accordance with best practice. A steering group consisting of officers and led by the Chief Executive exists and meets monthly to provide a formal framework, develop risk registers and instigate training in risk identification, control and monitoring.

A significant amount of work has been completed on updating the Council's risk management process and collating new risk registers. The strategy will be implemented across the Council during 2007/08 with departmental and corporate risk registers being produced and reviewed by the Audit Board on a quarterly basis.

Risk assessments are also included within reports submitted to Members as part of the risk management process. Members are provided with the financial, legal and risk implications of recommendations they are being asked to approve and the consequences of not approving recommendations or "not taking the decision at that time".

(c) Best Value and Comprehensive Performance Assessment (CPA)

Each year the Council publishes its Best Value Performance Plan showing how it performed against national and local performance indicators.

At its meeting on 3rd June 2004, the Council resolved to seek Voluntary Engagement with the Government in order to secure progressive improvement in the performance of the Council. Therefore in June 2004, the Council requested voluntary engagement from the ODPM and

a deferral of the CPA planned for September 2004. These requests were accepted. As part of this agreement the Council was given, and accepted, the CPA category of a “poor” council in September 2004

The ODPM appointed a Lead Official and a Monitoring Board. The Recovery Plan was approved by Council in October 2004 and submitted to the ODPM on 1st November 2004. This was subsequently replaced with the Improvement Plan covering the period July 2006 to June 2007 being approved at Council in September 2006.

The Monitoring Board has monthly meetings to assess the Council's progress against its Improvement Plan. Progress is also reported monthly to the Performance Management Board.

The Council requested an early CPA against the new 2006 Framework in order to validate the Improvement Plan and identify areas of improvement which will be added to our next Improvement Plan update. The Council underwent a full CPA Inspection in Feb/March 2007. As preparation to that the Council undertook a CPA Self Assessment in January 2007. The Corporate Assessment Report was published on 12th June 2007 and gave the CPA Category as poor which was in line expectations.

The report highlighted four areas for improvement, namely are:-

- Place the customer at the heart of Council activity.
- Develop and enhance councillor capacity in order that they can contribute effectively to the development of a high performing Council.
- Ensure that there are sufficient resources and capacity to deliver the breadth and pace of change required by the Council in order to deliver high quality services for local residents.
- Ensure that performance management consistently leads to performance improvement.

(d) Financial Management

The Council's financial management framework for 2006/07 is summarised as follows:

- An annual capital and revenue budget and setting of the Council Tax
- Capital and Revenue Monitoring
- Reporting the annual outturn position to the Council.

Financial monitoring relates to the perpetual evaluation of performance in financial terms. The process incorporates the following:

- Close down of monthly accounting period.
- Reports issued to Heads of Service and budget holders comparing annual budget to actual expenditure to date.

- Discussions between designated accountants and budget holders to identify areas of potential over and under spending.
- Quarterly Integrated Financial and Performance monitoring report to Members including identification and explanation of variances and actions required to ensure total actual expenditure remains within budget.

(e) Performance Management

The fundamentals of performance management are becoming increasingly embedded in the way the Council operates. A performance management framework is in place and can be summarised as follows

- a. Setting targets within service business plans and within individual team members PDR.
- b. Data collection and calculation of local and national Performance Indicators
- c. Monthly monitoring at Departmental and Corporate Management Teams
- d. Monthly reporting to Members
- e. Quarterly Integrated Financial and Performance monitoring report to Members including explanation of instances of not meeting target and actions required to improve performance.
- f. Reporting of annual results to Council

Throughout 2006/07 Members and Officers became increasingly focused on the management of performance which resulted in improvements in the performance indicators compared to 2005/06.

(f) Partnerships

The Council has a duty under the Local Government Act 2000 to promote the social, environmental and economic well being of their area. To fulfil this duty the Council entered into the Community Safety Partnership as directed by the Home Office.

The Council acts as the “accountable body” for the local Community Safety Partnership. This means that the Council is responsible for ensuring that any grant monies received by the Community Safety Partnership are expended for the purpose they were intended.

4. Review of Effectiveness of Internal Controls

4.1 Introduction

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review is informed by the work of internal audit and the Statutory Officers within the Council who have a responsibility for the maintenance and development of the internal

control environment. The review is also informed by comments made by the Council's external auditors and other review agencies and inspectorates.

Control	Review of Effectiveness
<p>Statutory roles of Council's Monitoring Officer and Section 151 Officer to ensure internal control procedures are efficient and effective and are being complied with on a routine basis to ensure legality and sound financial standing.</p>	<p>Council, Cabinet, Committees, Chief Executive, Corporate Directors and Heads of Service have a full range of professional officer advice to enable them to carry out their functions effectively and in compliance with statutory requirements.</p> <p>The Chief Executive, Corporate Director (Services) and Heads of Service have signed a statement acknowledging their responsibilities in achieving reasonable levels of internal control in the services and systems within their remit.</p>
<p>Internal Audit provides an independent and objective assurance across the whole range of the Council's activities.</p>	<p>Under Regulation 6 of the Accounts and Audit Regulations 2003 (as amended 2006), the Council has a responsibility for maintaining an effective Internal Audit function. This responsibility is delegated to the Council's Section 151 Officer. The Internal Audit Section reports to the Section 151 Officer through the Audit Services Manager. Internal Audit's primary role is to provide an independent and objective opinion on the Council's internal control system and how it supports and promotes the achievement of the Council's objectives.</p> <p>The Section 151 Officer is supported by the Audit Board, which is responsible for monitoring and reviewing the Council's risk, control and governance processes. The Audit Board provides an independent perspective and a process of constructive challenge. The Audit Board operates within their agreed Procedure Rules and Terms of Reference, which were both reviewed and updated during February 2007.</p> <p>Internal Audit's work is directed by a risk based Annual Audit Plan, which is approved by the Council's Audit Board. The section reviews, evaluates and reports on the adequacy of internal control as a contribution to the proper economic, efficient and effective use of resources.</p>

Control	Review of Effectiveness
	<p>The Audit Board approved the 2006/07 Audit Plan on the 28th March 2006. The Audit Plan progress was reported at each Audit Board meeting during 2006/07.</p> <p>For 2006/07, the section delivered 90% of the planned audit work. This included all eleven key financial system audits and a further eleven operational reviews.</p> <p>The section was subject to an annual review by the Council's external auditors during March and April 2007. The aim of the review was to establish the effectiveness of the Internal Audit function.</p> <p>The external auditors are able to place reliance on the work of the section, as detailed in the 2005/06 Interim Memorandum.</p>
<p>External Audit provide a further source of assurance by reviewing and reporting upon the Council's internal control processes and any other matters relevant to their statutory functions and codes of practice.</p>	<p>The Council's Internal Control arrangements are assessed as one of the five areas in the Use of Resources for 2006. The Council received a score of 2 out of 4. This is an improvement from the previous score. The external auditor noted the arrangements for risk management, a fully resourced internal audit operating with relevant codes of practice and the Audit Board. A number of recommendations were made including embedding risk management throughout the organisation, monitoring compliance with financial regulations and providing ethics training to Members and officers. The Council has responded to these and developed or amended action plans to address the issues.</p>
<p>Risk Management policies and procedures are in place with the objective of ensuring that the risks facing the Council in achieving its objectives are evaluated, regularly reviewed and mitigation strategies developed, and these arrangements are approved and reviewed by</p>	<p>Risk management is a key cornerstone of effective overall governance and is important in providing the Council with a mechanism to make critical decisions as to its financial plans and funding arrangements.</p> <p>During 2006/07 the Council completed a full</p>

Control	Review of Effectiveness
Cabinet.	<p>review of its risk management arrangements. This included:</p> <ul style="list-style-type: none"> • Updating the Council's Risk Management Strategy, which was approved by the Executive Cabinet on the 7th March 2007. • Redesigning the risk management process, documentation and reporting arrangements. • Reviewing the Risk Management Steering Group membership and function to ensure it added value to the new process. <p>During the beginning of 2007, all Council service areas had reviewed and updated their risk register and work on the updated Corporate Risk Register was nearing completion.</p> <p>The Council has also held the first of several Risk Management training sessions for staff. The training will cover general risk management principles and the Council's new approach.</p>
Standards of Financial Conduct and the Prevention and Detection of Fraud	<p>It is management's responsibility to ensure that there are appropriate controls in place to prevent loss through fraud and error. The Council uses a range of measures to ensure that effective governance is in place. These include:</p> <ul style="list-style-type: none"> • Anti Fraud & Corruption Strategy. • Confidential Reporting Code. • Quarterly Fraud Newsletters. • Contract Procedure Rules. • Financial Regulations and Internal Control Framework. • Internal Audit section. • Benefit Fraud Investigators • Money Laundering Policy. • NFI data matching exercise.
Provision of effective, efficient and responsive systems of financial management.	The Council's external auditor issued an unqualified opinion within the statutory deadline on the Statement of Accounts for

Control	Review of Effectiveness
	<p>2005/06 confirming that it fairly presented the financial position of the Council as at 31st March 2006</p> <p>The Council achieved an overall score of 2 out of 4 in the annual use of resources assessment. This was an improvement from the previous years score of 1 out of 4 and is external recognition of improvements made within financial systems and the financial standing of the Council</p> <p>Internal Audit has completed eleven key financial system reviews during 2006/07:</p> <ul style="list-style-type: none"> • Asset Management. • Budgetary Control & Strategy. • General Ledger & Bank Reconciliations. • Treasury Management. • Creditors. • Payroll. • Debtors. • Council Tax. • NNDR. • Benefits. • Customer Service Centre. <p>Internal Audit's opinion is that the overall systems of financial management are basically sound. This is based on:</p> <ul style="list-style-type: none"> • One system operating effectively. • Six systems being basically sound. • Four systems having identified weaknesses. <p>The main systems that need improvements are:</p> <ul style="list-style-type: none"> • NNDR. • Debtors. • Treasury Management. • Creditors. <p>Action plans have been agreed to improve</p>

Control	Review of Effectiveness
	controls in all eleven key financial systems.
Codes of practice are issued by external bodies in respect of Council services and processes with which the Council is expected to comply.	<p>The Council has complied with the 2003 CIPFA Code relating to Capital Finance & Treasury Management and a report was presented to Cabinet on 13th June 2007</p> <p>The Council's accounts have been prepared in line with various legislation and guidance documents including the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2006 A Statement of Recommended Practice (the 2006 SORP), the CIPFA Best Value Accounting Code of Practice and applicable Financial Reporting Standards (FRS).</p>
Ensuring the economical, effective and efficient use of resources	<p>The Council's Value for Money arrangements are assessed as one of the five areas in the Use of Resources for 2006. The Council received a score of 1 out of 4. This was unchanged for the previous score however the Council considers that it has made progress in the following areas</p> <ul style="list-style-type: none"> • Development of a VFM strategy to present how the Council aims to embrace VFM • Development of departmental action plans within business plans to be monitored quarterly by Corporate Management Team • Raising the profile of VFM through member training and workshops
The Council's Overview and Scrutiny Arrangements	<p>The Council has appointed a Scrutiny Steering Board to discharge the functions conferred by Section 21 of the Local Government Act 2000 i.e. to perform all overview and scrutiny functions on behalf of the Council.</p> <p>In addition two other Boards have been set up: Performance Management Board to have overall responsibility for monitoring</p>

Control	Review of Effectiveness
	<p>and driving the performance improvement of the Council and an Audit Board which is responsible for monitoring the good stewardship of the Authority's resources through the work of the Internal Audit function.</p>
<p>Performance monitoring processes are in place to measure progress against objectives and to provide for remedial action where appropriate.</p>	<p>The Council has in place a performance management framework. The Assistant Chief Executive is responsible for co-ordination of performance data, and Performance Leads and Co-ordinators have been appointed for each Service Area to help ensure that performance management is embedded across the Council. Performance is regularly reported to the Performance Management Board.</p> <p>During 2006/07, external auditors were required, for the first time, to review management arrangements over data quality. The Council received an overall score of one out of four and the external auditor made a number of recommendation which the Council s currently addressing.</p>
<p>Continued implementation of Best Value reviews and related improvement plans.</p>	<p>These reviews have not been undertaken due to the necessity to focus on the Improvement Plan.</p>
<p>Reports received from external agencies and inspectorates.</p>	<p>The Council has been classified as 'poor' under a CPA Inspection carried out in Feb/March 2007. This was in line with expectations as the review is retrospective.</p> <p>The Council undertook a Department for Work and Pensions (DWP) self assessment of policies and procedures in benefits. The result of the assessment improved our score rating from 1 to 3 i.e. a rating of "good"</p> <p>The Council Strategic Housing Service was assessed by the Audit Commission as "poor (0 stars) with uncertain prospects for improvement". The Council has developed</p>

Control	Review of Effectiveness
	an action plan to address the concerns identified.
Delivery of services by trained, skilled and experienced personnel.	<p>The Council has demonstrated its commitment to staff through the relaunch of its Performance and Development Review process in the year.</p> <p>The Council continue to follow its action plan to address the weakness highlighted by the recent Investors in People (IIP) inspection and is working to achieve reaccreditation in 2008.</p> <p>The Council has launched its Bromsgrove Way Management Charter and Modern Manger Framework which sets out clearly for all managers what to do and how to do it. This is underpinned by a range of training open to all staff.</p>

5. Significant Internal Control Issues

- 5.1 On the basis of this statement compiled by officers following a review of the Council Processes and reviewed by the Council's Corporate Management Team, we are satisfied that the Council considers that there are sufficient mechanisms in place to ensure a reasonable assurance of effectiveness of the system of internal control. The Council will continue to develop the controls in place to secure the system to be embedded in the fabric of the organisation.
- 5.2 The Council is committed to ensuring that all necessary measures are taken to further develop controls that are currently in place. The key activities for the Council during subsequent months to enhance the control environment will be:-
- To address the areas for improvement highlighted in the CPA report and incorporate these into the Council improvement plan for 2007/08
 - To implement the action plans in relation to Value for Money and to demonstrate the Councils achievement of VFM in the delivery of services.

- To continue to enhance the risk management awareness and focus within the Council with regular review and monitoring of departmental and corporate risk registers.
- To continue to embed performance management across the Council so as to improve its performance in all areas. To undertake performance “clinics” with Heads of Service to identify areas of declining performance and to plan for improvements.
- To improve the arrangements for data quality as identified in the KLOE assessment. This includes preparation of a data quality strategy to support the Councils commitment to improving the quality of data. In addition managers will focus on the need to provide data quality checks within their policies and procedures and there is to be an Internal Audit Review of data quality and performance indicators during 2007/08.

We are satisfied that these steps will address improvements and we will review their implementation and operation as part of our next annual review.

Jayne Pickering
Head of Financial Services

Councillor Roger Hollingworth
Leader of the Council

Date

Date

GLOSSARY OF TERMS

ABBREVIATIONS

The symbol “k” following a figure represents thousand.
The symbol “m” following a figure represents million.

ACCRUALS

This is the accounting concept that income and expenditure are shown in the financial year they are earned or incurred, not as money is received or paid.

ADDED YEARS

Additional years of service awarded to increase benefits of employees taking early retirement.

BUDGET

The Council’s statement of spending plans for both revenue and capital for a financial year, expressed in financial terms.

CAPITAL EXPENDITURE

Capital expenditure is expenditure on acquisition or construction of assets which have a value to the Council for more than one year. Examples are land, buildings, vehicle, plant and equipment and computer software. Capital Expenditure can also be used to enhance existing assets so as to significantly prolong their useful life, increase their market value or increase the use of the asset.

CAPITAL FINANCING

This term describes the method of financing capital expenditure. The principal methods are loan financing, leasing, capital receipts, capital grants and contributions from third parties.

CAPITAL RECEIPTS

Income received from the sale of the Council’s fixed assets such as land and buildings. This money is available, subject to rules laid down by Central Government to finance new capital expenditure or to repay debt.

COLLECTION FUND

The Collection Fund is a statutory fund set up under the provisions of the Local Government Finance Act 1988. The fund accounts for income which is collectable from Council Tax and National Non Domestic Rates (NNDR) payers and for payments to the major precepting authorities and to the Government in relation to NNDR.

CONTINGENT LIABILITIES

Potential losses for which a future event will establish whether a liability exists and for which it is inappropriate to set up a provision in the accounts.

COUNCIL TAX

The Council Tax is the main form of local taxation in England, Scotland and Wales and is used to fund the service provided by local Council's and Police and Fire Authorities. The base for the tax is residential property. Each dwelling is allocated to one of eight bands coded by letters A through H on the basis of its assumed capital value as of 1st April 1991. The basic amount of Council tax, expressed as the annual levy on a Band D property, is calculated by dividing the revenue expenditure requirement by the Council tax base. The Council tax amounts of properties in other bands are calculated by applying ratios set by central Government to the basic amount of Council tax.

CREDITORS

This is monies owed by the Council to others for goods and services that have been supplied but not paid for by the end of the financial year.

DEBTORS

This is sums owing to the Council from others for goods and services that they have received but have not been paid for by the end of the financial year.

DEFERRED CAPITAL RECEIPTS

These transactions arise when fixed assets are sold and the amounts owed by the purchasers are repaid over a number of years. The balance is reduced by the amount repayable in any financial year.

DEFERRED CHARGES

Deferred charges are capital expenditure which does not create a tangible asset for the Council. An example would be a grant made to another organisation for them to use for capital expenditure.

DEFERRED LIABILITIES

These are creditor balances repayable after at least one year.

EARMARKED RESERVES

These are reserves set aside for a specific purpose, a particular service or type of expenditure.

FIXED ASSETS

These are tangible assets that yield benefit to the Council and the services it provides for a period of more than a year.

GROSS EXPENDITURE, GROSS INCOME AND NET EXPENDITURE

Gross Expenditure and Gross Income arise from the provision of services as show in the General Fund. Net Expenditure is the cost of service provision after the income is taken into account.

HOUSING SUBSIDY

This represents a Government grant payable towards the cost of providing Local Council housing and the management and maintenance of that housing.

INTANGIBLE ASSETS

Intangible assets relate to capital expenditure which does not create a physical asset for the Council, e.g. computer software, but which provides benefit for a period of more than one year.

LEASING

This is a method of financing capital expenditure where a rental charge for an asset is paid for a specific period. There are two forms of lease, 'finance leases' which transfer substantially all the risks and rewards of ownership to the lessee and other leases which are known as 'operating leases'.

NATIONAL NON-DOMESTIC RATE (NNDR)

Businesses pay national non domestic rates instead of Council Tax. It is a levy calculated by multiplying the national rate in the pound set by central Government by the rateable value of the property the business occupies. It is also often referred to as business rates. Non domestic rates are collected from businesses by billing authorities and paid over to the national pool. These monies are then redistributed back to the Council and other authorities based on a standard amount per head of local adult population. The amount is fixed at the beginning of each financial year.

PRECEPT

A precept is a charge raised by one authority on another authority to meet its net expenditure. The major precepting authorities for this Council which precept on the Collection Fund are Worcestershire County Council, West Mercia Police Authority and Hereford and Worcester Fire and Rescue Authority. The local precepting authorities, which precept directly on the Council's General Fund, are the 20 Parish Councils within the Bromsgrove area.

PROVISIONS

These are sums of money set aside to meet specific expenses which are likely or certain to be incurred, but where the amounts cannot be accurately determined or dates on which they will arise.

RESERVES

These are sums of money set aside to net the cost of specific future expenditure.

REVENUE SUPPORT GRANT

This is the Government Grant provided by the Department of Communities and Local Government (DCLG), which is based on the Government's perception as to what should be spent on local services via the Formula Spending Share. The amount provided by the DCLG is fixed at the beginning of each financial year.

REVENUE BALANCES

These reserves represent surplus accumulated from previous years which can be used in the future.

Bromsgrove District Council



2006-07



Annual Report - Summary Accounts 2006-07

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Summary Accounts 2006/07

Head of Financial Services Introduction

The accounts are an important document to demonstrate that the Council has looked after its' finances i.e. that it has recorded all financial transactions properly , that it has only spent money on services and projects that it is has legislative powers to do and that it has looked after all its financial assets to the best of its' ability. In addition the Council aims to provide value for money in the provision of its services.

The Council produces a Statement of Accounts for each financial year. This is a detailed and technically complex document prepared in accordance with various legislation and other guidance documents. This summary is intended to be an easy to read version of the full accounts and it has therefore been necessary to make some simplifications in order to provide meaningful information.

This leaflet can be made available in other languages and alternative formats on request from the Customer Service Centre on 01527 881288 or e-mail us at

worcestershirehub@bromsgrove.gov.uk. For a large print version of this document telephone 01527 881288.

A full copy of the Council's 2006/07 accounts are on the Councils website www.bromsgrove.gov.uk and are available for inspection at the Council Offices in Bromsgrove.



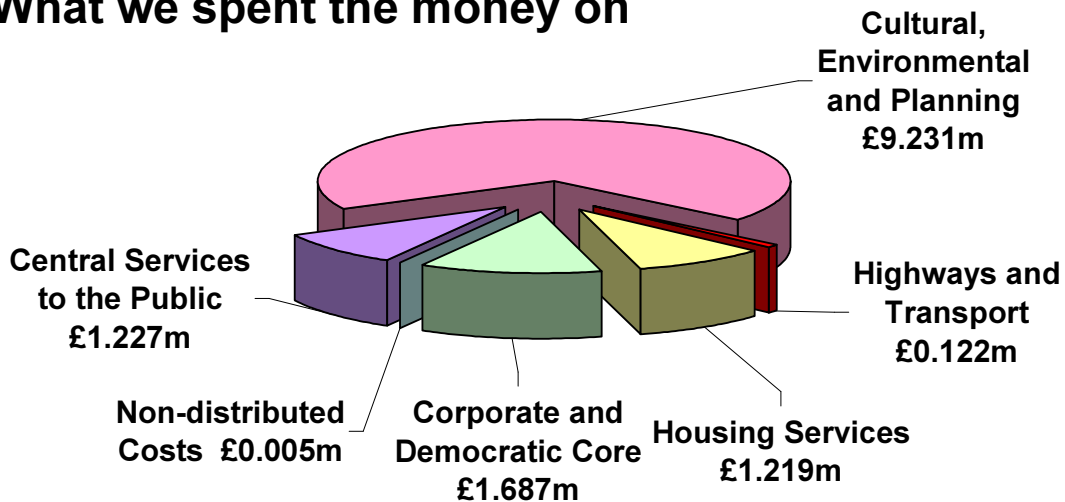
Jayne Pickering
Head of Financial Services

Bromsgrove District Council
Council Office
Burcot Lane
Bromsgrove
B60 1AA

The Income and Expenditure – what did we spend the money on and where did the money come from?

The Revenue Account shows the spending and income involved with the day to day running costs of the Council Services, for example employees, premises and transport. For 2006/07, our budgeted revenue expenditure was £11.5million. We spent slightly less than planned giving a small surplus which was transferred to reserves for future investment in services. Most of this underspend will be carried forward to be spent in 2007/08.

What we spent the money on



What we spent	2006/07 Net Expenditure £000
Central Services to the Public	1,227
Cultural, Environmental and Planning	9,231
Highways and Transport	122
Housing Services	1,219
Corporate and Democratic Core	1,687
Non-distributed Costs	6
Net Cost of Services	13,491
External Interest Received	-1,097
Appropriations and Internal Accounting	-1,316
Amount to be met by Government Grant & Local Taxpayers	11,078

Where the money came from	2006/07 Income £000
Council Tax	6,037
Government Grant	784
Non-Domestic Rates	3,849
General Fund Revenue Balance	408
Total Income	11,078

The Balance Sheet

The Balance Sheet shows the overall financial position of the Council as at 31st March 2007 i.e. what we own, what we owe to others, what is owed to us and how much cash we have.

	2006/07 £000
Buildings, Land & Assets Owned by the Council	41,354
Stock	64
Money Owed to the Council	3,949
Money Owed by the Council	-6,172
Cash in hand and Bank	185
Investments	21,612
Pension Liability	-11,356
Provision and other long term liabilities	-1,847
Total Asset less Liabilities	47,789
Financed by:	£000
Reserves	2,798
Capital Income not yet used	16,749
Capital Finance & Revaluation of Assets	39,598
Pension Reserve	-11,356
Total Equity	47,789

Cash Flow

The Cash flow statement shows all the cash that came in and went out of our accounts

Cash Flow	2006/07 £000
Cash overdrawn at 1 st April 2006	-58
Cash in	94,664
Cash out	-94,421
Cash in hand and Bank at 31 st March 2007	185

The Collection Fund

The Collection Fund accounts for income collected from Council tax and National Non Domestic Rates payers and pays out amounts to bodies for which the income has been raised. These bodies included Worcestershire County Council, West Mercia Police Authority, Hereford and Worcester Fire and Rescue Authority and central government.

The Council collected £19.8m Business Rates for the Government and £3.8m was paid back to us.

The Council Tax

For 2006/07, the Council Tax was £1,275.82 based on Band 'D' equivalent.

Rates for other bands were as follows:

Band	Council Tax	Band	Council Tax
A	£850.55	E	£1,559.33
B	£992.31	F	£1,842.85
C	£1,134.06	G	£2,126.37
D	£1,275.82	H	£2,551.63

The above table on Council Tax is not included within the Statement of Accounts but has been included for information purposes.

Every £1 of Council tax collected during 2006/07 was distributed as follows:

