

**BROMSGROVE DISTRICT COUNCIL**

**CABINET**

**4TH MARCH 2009**

**DECEMBER (QUARTER 3) INTEGRATED FINANCE & PERFORMANCE REPORT**

Responsible Portfolio Holder	Councillor Mike Webb Cabinet member for Performance Councillor Geoff Denaro Cabinet Member for Finance
Responsible Head of Service	Hugh Bennett Assistant Chief Executive Jayne Pickering, Head of Financial Services

**1. SUMMARY**

To report to Cabinet on the Council's performance and financial position at 31<sup>st</sup> December 2008 (period 9, quarter 3).

**2. RECOMMENDATIONS**

- 2.1 That Cabinet notes that 62% of PI's for which data is available are Improving or Stable.
- 2.2 That Cabinet notes that 79% of PI's for which data is available are achieving their Year to Date target.
- 2.3 That Cabinet notes that 87% of PI's for which data is available are predicted to meet their target at year end.
- 2.4 That Cabinet notes the successes and areas for potential concern as set out in the 'Council summary' below.
- 2.5 That in future Appendix 4 (detailed sickness information) is not included with the Performance report. Instead a separate, detailed, report on sickness absence should be submitted to the same meetings as the performance report. This will raise and maintain the profile of sickness absence that the topic deserves, given the current levels of absence.
- 2.6 That Cabinet recommends to Council the approval of the additions to the Capital Programme in 2008/09 of £135k as included in this report

- 2.7 That Cabinet note the estimated requirement of £150k from balances to fund the projected overspend in relation to the Museum (£46k) and Haybridge (£104k). The exact figure will be formally requested as part of the final outturn report.
- 2.8 That Cabinet approves the budget virements listed in appendix 5

### 3. **BACKGROUND**

- 3.1 This is the third integrated quarterly finance and performance report for 2008/09. In the first report the performance element was revised to reflect the introduction of the new 'National Indicator' set which replaced the former Best Value Performance Indicator set on 1<sup>st</sup> April.

### 4. **PROGRESS IN THE QUARTER**

- 4.1 An integrated performance and finance report for each department, plus a council summary, is shown on the following pages

<b>4.1.1 Overall Council Summary</b>	<b>Quarter 3 (Dec 31<sup>st</sup>) 2008/09</b>
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#### **Performance Summary**

No. of PI's improving (I)	13	No. of PI's meeting YTD target	21	No. of PI's where est. outturn projected to meet target	26
No. of PI's Stable (S)	8	No. of PI's missing YTD target by < 10%	5	No. of PI's projected to miss target by < 10%	
No. of PI's worsening (W)	13	No. of PI's missing YTD target by >10%	2	No. of PI's projected to miss target by >10%	4

#### **Achievements**

In the main, performance overall continues to hold or improve, key achievements in the quarter being the sustained improvement in the Customer Service Centre and also significant improvement in the processing time for category 1 and 2 disabled facilities grants.

#### **Issues**

One PI has missed its year end target by more than 10% - attendance at the annual bonfire, adverse weather on the evening being the key reason. Three other PI's are now projected to miss their year end target by more than 10% - Sickness Absence, Time to process benefit claims and Domestic Burglaries. Dealing with the latter is primarily within the remit of the Police although the Council supports them through the CDRP.

A performance clinic has been held to look at sickness absence, a second is planned imminently to develop a plan to tackle management of sickness absence. This has also been discussed with the trade unions. Whilst no formal proposal to change the current

sickness scheme provisions has been tabled, the informal view of Unison (the other two unions were not present at the meeting) was sought on this and they confirmed that such a proposal would need to be referred to their national officers, and that they in turn would almost certainly reject such a proposal if it were to be forthcoming.

Regarding time taken to process benefit claims, calculation of this PI has been problematic as the DWP have not yet provided figures back to Councils. It is not possible to replicate the DWP calculation so an estimate has to be made. The newly appointed benefits manager started in January and has introduced a better estimation formula which gives a more accurate, but worse, estimate. Planned actions in February are to review cases which have a long duration, as there are a relatively small number of these which are having a significant adverse effect on overall figures. It is possible that some of these may have incorrect dates, in which case the figures will improve. It is also planned to put procedures in place to ensure that case which are not completed quickly are escalated for management attention. The implementation of VRA at the end of January should also have a significant beneficial impact on performance once the system has bedded down. While these improvements should result in considerably improved figures during 2009/10 they will not have a significant impact on the cumulative results for 2008/09 as we are nearly at the end of the year

#### Revenue Budget summary – Overall Council

Service Head	Revised Budget £'000	Profiled Budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Corporate Services</b>	883	836	844	8	872	-11
<b>E-Government &amp; Customer Services</b>	68	1,174	1,065	-109	-9	-77
<b>Financial Services</b>	1,569	913	793	-120	1,587	18
<b>Legal, Equalities &amp; Democratic Services</b>	929	1,272	1,194	-78	924	-5
<b>Human Resources &amp; Organisational Development</b>	94	414	418	4	176	82
<b>Planning &amp; Environment Services</b>	5,520	1,375	1,240	-135	5,573	53
<b>Street Scene &amp; Community</b>	8,221	3,449	3,552	103	8,536	315
<b>SERVICE TOTAL</b>	<b>17,284</b>	<b>9,433</b>	<b>9,106</b>	<b>-327</b>	<b>17,659</b>	<b>375</b>
<b>Interest on Investments</b>	<b>-408</b>	<b>-326</b>	<b>-1,089</b>	<b>-763</b>	<b>-1,105</b>	<b>-697</b>

<b>COUNCIL SUMMARY</b>	<b>16,876</b>	<b>9,107</b>	<b>8,017</b>	<b>-1,090</b>	<b>16,554</b>	<b>-322</b>
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### Financial Commentary

The projected outturn shows the major pressures arise mainly in Street Scene and Community. This is due in part to the delay in the transfer of the sports centres to the Leisure Trust together with a projected shortfall on car parking income and increased costs relating to the improved travel concessions scheme. Further information relating to current year pressures may be found in the Street Scene and Community tables.

Ongoing pressures relating to car park income and travel concessions were considered as part of the Medium Term Financial plan approved by Council in January 2009.

The current projected outturn for net cost of services is anticipated to be an over spend of £374k. This will be offset by the additional income generated from investments of £697k. This is presented later in this report and is mainly due to the rescheduling of the capital programme resulting in more funds available for investment together with the external management of a proportion of our funds that has created capital increase over the period. The revised net position would be an under spend of £322k.

### Capital Budget summary April-December 2008

Department	Revised Budget £'000	Actual spend YTD £'000	Projected outturn £'000	Projected variance £'000
<b>Corporate Services</b>	0	0	0	0
<b>E-Government &amp; Customer Services</b>	4,813	4,515	4,813	0
<b>Financial Services</b>	34	14	34	0
<b>Legal, Equality &amp; Democratic Services</b>	120	14	120	0
<b>Planning &amp; Environment (inc Housing)</b>	2,245	1,396	2,219	(26)
<b>Street Scene and Community</b>	2,105	865	2,092	(13)

<b>Budget for Support Services Recharges</b>	0	0	0	0
<b>TOTAL</b>	<b>9,317</b>	<b>6,804</b>	<b>9,278</b>	<b>(39)</b>

**Financial Commentary**

The revised Capital Programme as approved in September reflects a more accurate profile of the Councils capital spend over the first half year. The Spatial project is now in its final stages with the majority of the expenditure met in November 08, with the final invoice due in February 2009. The Asset Management Group monitor the Capital Programme on a monthly basis together with HOS and service accountants to ensure the projects are delivered on time and within budget.

There are a couple of issues that require addressing in relation to the Capital Programme.

- During the revision of the Capital Programme as approved by Council in September there were 2 schemes within housing that had been deferred in order to review the project allocation in more detail. This has now been undertaken and following the approval of the foyer scheme the £77k contribution from the Council is required to be released from capital receipts. The £67k that was deferred in relation to the hostel remodelling has been revised and a reduced contribution is required of £58k from capital receipts.

<b>4.1.2 Street Scene &amp; Community</b>	<b>Quarter 3 (Dec 31<sup>st</sup>) 2008/09</b>
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### Performance Summary

No. of PI's improving (I)	4	No. of PI's meeting YTD target	13	No. of PI's where est. outturn projected to meet target	14
No. of PI's Stable (S)	4	No. of PI's missing YTD target by < 10%	1	No. of PI's projected to miss target by < 10%	1
No. of PI's worsening (W)	7	No. of PI's missing YTD target by >10%	1	No. of PI's projected to miss target by >10%	1

#### Achievements

- A mop up crew is now employed late on Friday afternoons to ensure that all service requests or missed bins are dealt with by the end of the week. Staff have been working on this proposal for some time and have been operating this system for a few months with no additional revenue cost.
- Depot managers have reduced the number of recycling crews from seven down to six on alternate weeks in an effort to reduce the current overspend. This will not impact on the service to the residents.

#### Issues

- Continuing unreliability of vehicles is having an impact on budgets and staff morale. Replacement vehicles are on order which will ease the situation.

### Revenue Budget summary – Street Scene & Community

Service Head	Revised Budget £'000	Profiled Budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Community Safety</b>	713	420	420	0	691	-22
<b>Parks &amp; Recreation</b>	664	178	172	-6	677	13
<b>Promotions</b>	375	198	263	65	416	41
<b>Sports Centres</b>	721	351	375	24	809	88
<b>Sports Development</b>	572	118	96	-22	553	-19
<b>Streets &amp; Grounds</b>	2,315	850	851	1	2,298	-17
<b>Car Parks</b>	-786	-756	-748	8	-684	102
<b>Depot Misc</b>	-16	450	299	-151	-173	-157
<b>SS&amp;C Mgt/admin</b>	0	288	331	43	57	57
<b>Transport &amp; Waste</b>	3,227	1,028	1,161	133	3,360	133
<b>Travel Concessions</b>	436	324	328	4	521	85

<b>Waste Policy</b>	0	0	3	3	11	11
<b>TOTAL</b>	<b>8,221</b>	<b>3,449</b>	<b>3,551</b>	<b>102</b>	<b>8,536</b>	<b>315</b>

#### Financial Commentary

- Community Safety projected overspend relates to an expected increase in equipment maintenance costs; these are slightly offset by an expected increase in income. There are also reduced staffing costs due to post movements.
- The projected overspend for Parks and Open Spaces are due to additional staffing costs required to meet the operational needs of the service. These costs relate to the service restructure and enhancement plans which will realise savings/enhanced services as from April 2009.
- Projected overspend on Promotions relates to the poor attendance of the Civic Bonfire, additional arts marketing and redundancy costs for the Museum. A report concerning the future operation of the TIC will be presented for consideration at the March Cabinet meeting.
- Sports Centres projected overspend relates to non achievement of the savings as a result of the aborted Trust transfer and redundancy costs for Haybridge. Members will be aware that officers have now realigned the services at the Dolphin Centre to realise the financial savings required and commence the withdrawal of service at Haybridge.
- Sports Development projected under spend relates to the new Sports Development Offices being in post for only 10 months in this financial year and better than expected income.
- The short fall in Highways income is due to Worcestershire staff no longer using the Burcot Room.
- Increased hire costs – two vehicles have been permanently hired during recent months due to the continuing unreliability of the side arm vehicles. Members have already agreed a replacement programme for refuse vehicles and new vehicles are anticipated in April 2009. When breakdowns have caused delays, an additional round has been utilised to empty all the bulk bins servicing the flats.
- Increased use of diesel – Due to vehicle breakdowns an increasing number of vehicles are being diverted to Redditch or Pershore to unload. This is because the Bromsgrove transfer station cannot accept waste other than in containers.
- Increased Agency costs are due to an increase in sickness levels particularly long term sickness. Posts have to be replaced with agency staff. Regular sickness reviews are undertaken and there are a number of cases now at stage 2 of the process due to continuing absence of some individuals.
- The over spend on management and administration is mainly due to the vacancy management provision. The department is fully staffed, there is therefore no vacancy saving to offset the vacancy management provision.

<b>Street Scene &amp; Community</b>	<b>Quarter 3 (December 31st) 2008/09</b>
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#### Capital Budget summary April-December 08/09

Service	Revised Budget £'000	Actual spend YTD £'000	Projected outturn £'000	Projected variance £'000
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<b>Cemeteries</b>	7	0	0	(7)
<b>Community Safety</b>	164	128	128	(36)
<b>Parks, Play areas &amp; Open Spaces</b>	404	257	404	0
<b>Leisure Centres</b>	713	130	720	7
<b>Culture and Community General</b>	153	117	153	0
<b>Replacement Vehicles</b>	599	228	621	22
<b>Site works</b>	65	5	66	1
<b>TOTAL</b>	<b>2,105</b>	<b>865</b>	<b>2,092</b>	<b>(13)</b>

#### **Financial Commentary**

- The continuation of the 10 year Vehicle Replacement Programme across the service, many vehicles already delivered, including new vans / tipper trucks for cleansing, garage, highways, and grounds, and new mowers and equipment for grounds. The service has been working with procurement to ensure best value.
- Community safety CCTV scheme has been completed and has come in £36k under budget.
- Parks and Play area's Big lottery funded schemes, Alvechurch youth scheme, and King George V Playing fields.
- Dolphin centre work continues to be completed by April 2009, with a projected final bill of £720k, an additional report has been submitted requesting approval for expenditure on equipment for the new fitness suite.



<b>4.1.3 Planning &amp; Environment Services</b>	<b>Quarter 3 (Dec 31<sup>st</sup>) 2008/09</b>
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**Performance Summary**

No. of PI's improving (I)	5	No. of PI's meeting YTD target	3	No. of PI's where est. outturn projected to meet target	5
No. of PI's Stable (S)	1	No. of PI's missing YTD target by < 10%	2	No. of PI's projected to miss target by < 10%	0
No. of PI's worsening (W)	2	No. of PI's missing YTD target by >10%		No. of PI's projected to miss target by >10%	

**Achievements**

- Longbridge EIP hearing sessions completed on 4<sup>th</sup> December 2008. The inspectors report is expected before end of January 2009.
- Draft Core Strategy now out to consultation.
- Development Control performance remains strong, given recent staff shortages:  
Quarter
  - Majors 6/7 = 86%
  - Minors 37/47= 79%
  - Others 106/130 = 82%Year to date
  - Majors = 78%
  - Minors = 73%
  - Others = 89%
- 135 new affordable housing units delivered in first 9 moths of 08/09
- Achieved Business Start-up target by end third quarter
- Gone live with public access, which means customers can view plans on line.
- Positive satisfaction survey results in both Environmental Health and Building Control.

**Issues**

Down turn in national economy is working its way through to planning and building control workloads and together with down turn in land charges request is having a negative impact on income generation. This is being regularly monitored by budget holders and Departmental Accountant.

Government has amended Permitted development in planning as of 1<sup>st</sup> October with the intention of reducing the need for householder applications by 25%, which will again potentially impact on income generation.

Department as a whole is working on integration of CAPS/Uniform system to ensure maximum effectiveness, There remain issues with regard to data capture but these are being taken up with IT.

Service Head	Revised Budget £'000	Profiled budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Building Control</b>	17	-71	-63	8	50	33
<b>Development Control</b>	896	168	69	-99	835	-61
<b>Environmental Health</b>	997	429	370	-59	922	-75
<b>Licensing</b>	-4	-17	-59	-42	-47	-43
<b>Planning Administration</b>	-8	81	159	78	124	132
<b>Strategic Housing</b>	3,103	520	524	4	3,143	40
<b>Strategic Planning</b>	354	174	140	-34	333	-21
<b>Economic Development</b>	114	86	83	-3	120	6
<b>Retail Market</b>	50	4	17	13	93	43
<b>TOTAL</b>	<b>5,519</b>	<b>1,374</b>	<b>1,240</b>	<b>-134</b>	<b>5,573</b>	<b>54</b>

### Planning & Environment Services

Quarter 3 (December 31st) 2008/09

#### Financial Commentary

- The current under-spends are due to a number of vacancies within the department of which some have recently been filled resulting in a reduced underspend by the year end. The remainder of vacant posts have been reviewed as part of a wider Departmental Review that is looking into efficiencies and savings as part of the three year financial plan.
- It is projected there will be an overspend of 64k by the end of the financial year. This is being the net effect of the under-spends on salaries against the significant loss of income in land charges, Market Hall, the closure of the hostels and the loss of income on Pre-transfer Right to Buys (PRTB's). This has been addressed in the next budget round.

### Capital Budget summary April-December 2008/09

Service	Revised Budget £'000	Actual spend YTD £'000	Projected outturn £'000	Projected variance £'000
<b>Strategic Housing</b>	2,135	1,365	2,119	(16)
<b>Town Centre</b>	110	31	100	(10)
<b>TOTAL</b>	<b>2,245</b>	<b>1,396</b>	<b>2,219</b>	<b>(26)</b>

#### Financial Commentary

- Improvements in the processing of applications have increased the amount of DFG's completed by the third quarter, on target to commit the annual budget.
- Grants to RSL schemes – a number of schemes are under way including the provision of general need affordable housing for rent, on former hostel sites.
- Town centre – invoices for this project have been received in October and work is continuing.

#### 4.1.4 E-Government & Customer Services

Quarter 3 (Dec 31<sup>st</sup>) 2008/09

#### Performance Summary

No. of PI's improving (I)	2	No. of PI's meeting YTD target	3	No. of PI's where est. outturn projected to meet target	3
No. of PI's Stable (S)	1	No. of PI's missing YTD target by < 10%		No. of PI's projected to miss target by < 10%	
No. of PI's worsening (W)		No. of PI's missing YTD target by >10%		No. of PI's projected to miss target by >10%	

#### Achievements

##### Customer Service Centre

Telephony Indicators – All key indicators have again been exceeded this quarter with the continued excellent performance set against a call volume of over 30,000 during this quarter. The call volume was expected towards the end of the year and matches previous yearly call trends. Average call answer time has also exceeded target at 14 seconds.

Resolution Rates – Resolution rates across all access channels continue to exceed target with resolution at first point of contact averaging 98%.

Queue management information – During this quarter approx 11,000 customers have been logged as receiving a face to face service. The average wait time for these customers in the CSC was 6 minutes and is below the HUB performance target of 15 minutes. The average face to face customer serve time was 12 minutes which is comparable with the last quarters data. Both of these are within the target set for the service centre. The top service requested was Street Scene and Waste Management due to Christmas collection information requests.

During this quarter the new Choice Based Letting system went live in the CSC. Staff have reported good levels of use by customers who have housing needs.

The Licensing Service was migrated to the CSC and became operational in October. All staff have received training in the delivery of Licensing processes prior to go live.

## **Information Communication Technology**

During this quarter the ICT Section has completed the following items of work:

The Blackberry handheld devices server has been upgraded to Service Pack 6. This gives improved security for attachments.

All of the corporate servers have been upgraded to fix a potential problem with disk storage. This will provide extra stability and resilience.

The headers included in emails have been removed to help comply with Government Connect Code of Connection requirements

The Uniform system mapping application has been configured to work within the Citrix thin client system. This will enable mobile workers to access maps and GIS information when working remotely.

A sizing exercise on the Benefits Service Voice Risk Analysis system has taken place to enable voice conversation to be recorded for training purposes.

The Landesk system has been upgraded to version 8.8 to provide extra functionality and bug fixes for the main support and software upgrading module.

The Academy System live to test has been copied successfully. Academy Release 49 / 50 / 50.02 has also been applied to ensure the most current version is available. New desktop clients have also been installed around the council.

Microsoft service pack 2 has also been applied to a number of servers to increase reliability and fix some problems.

Submitted the first draft of the Government Connect Code of Compliance for assessment by the DWP.

## **Spatial Project**

The Spatial Project phase one has now been completed on time and to budget. The additional work included in the last phase for Street Scene and Waster Management was extended over October, November and December 2008 due to work commitments within the department. This work has now been completed.

The Street Scene Department were not included in the original scope of the Spatial project. However, as the project progressed it became clear that the department would benefit from having access to the Uniform system and consequently were included in the project at a much later stage.

The electronic document management system and all other elements of the project were completed by the end of October 2008.

The business case for the FM2 (second phase) of the project was approved by Council during this quarter and will start in early 2009. This phase will provide additional integration between the back office and the CSC.

## **Issues**

Sickness absence levels continue to be an issue. Monitoring of the situation is taking place in conjunction with HR.

## Revenue Budget summary – E-Government & Customer Services

Service Head	Revised Budget £'000	Profiled budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>E-Government</b>	15	887	836	-51	-20	-35
<b>Customer Service Centre</b>	54	287	229	-58	12	-42
<b>TOTAL</b>	<b>69</b>	<b>1,174</b>	<b>1,065</b>	<b>-109</b>	<b>-8</b>	<b>-77</b>

### Financial Commentary

- It is projected that there will be an underspend of £77k by the end of the financial year.
- The underspends are mainly due to managed savings within the section and the impact of a number of vacancies for the majority of the year within E-Government.

<b>E-Government &amp; Customer Services</b>	<b>Quarter 3 (December 31st) 2008/09</b>
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## Capital Budget summary April-December 2008/09

Service	Revised Budget £'000	Actual spend YTD £'000	Projected outturn £'000	Projected variance £'000
<b>E-Government</b>	4,813	4,515	4,813	0
<b>TOTAL</b>	<b>4,813</b>	<b>4,515</b>	<b>4,813</b>	<b>0</b>

### Financial Commentary

- Phase I of the Spatial Project is on target and the first part of the Scheme has been paid for in November 2008. The final invoice is expected in February 2009.

<b>4.1.5 Financial Services</b>	<b>Quarter 3 (Dec 31<sup>st</sup>) 2008/09</b>
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### Performance Summary

No. of PI's improving (I)		No. of PI's meeting YTD target	<b>2</b>	No. of PI's where est. outturn projected to meet target	<b>2</b>
No. of PI's Stable (S)	1	No. of PI's missing YTD target by < 10%		No. of PI's projected to miss target by < 10%	
No. of PI's worsening (W)	2	No. of PI's missing YTD target by >10%	<b>1</b>	No. of PI's projected to miss target by >10%	<b>1</b>

#### Achievements

- The benefits service was successful in being chosen by the DWP to undertake a pilot of the Voice Recognition Analysis system with the aim to improve speed of benefit claims
- The procurement officer continues to generate external funding from Redditch
- An improvement in individual Use of Resources scores in relation to Risk Management, Internal Control and Value for Money was reported by the Audit Commission
- Medium Term Financial Plan was presented to Cabinet and Scrutiny for consideration of options for funding of service delivery
- Budget jury held to consult with sample of residents on the budget plans
- On-line budget consultation undertaken
- Annual report including the summary of accounts included in Together Bromsgrove and as a wrap around in the local paper
- Full implementation of the Purchase Order Processing system was undertaken with all departments using the on-line system
- Invoices continue to be processed within 48 hours

#### Issues

- Slight increase in benefit claims to be monitored in light of the decline in the economy
- Shortfall in recovery of Business Rate income – recovery by phone call to be implemented and advice to be given to companies who may be finding payment difficult.
- Audit Plan to be delivered by employing temporary staff to cover and by using services provided by Worcester City Council

### Revenue Budget summary – Financial Services

Service Head	Revised Budget £'000	Profiled budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Central Overheads</b>	117	87	104	17	140	23
<b>Accountancy</b>	11	375	420	45	51	40
<b>Internal Audit</b>	-1	93	90	-3	-12	-11
<b>Grants &amp; Donations</b>	91	88	79	-9	89	-2
<b>Revenues &amp; Benefits</b>	1,351	270	99	-171	1,318	-33
<b>TOTAL</b>	<b>1,569</b>	<b>913</b>	<b>792</b>	<b>-121</b>	<b>1,586</b>	<b>17</b>
<b>Financial Commentary</b>						

The overspend within Accountancy is due additional costs in relation to bank charges from debit and credit cards. The Head of Financial Services has received a report on comparable bank charges across the district and is due to discuss the increase in charges with HSBC in the next month.

The savings within Revenues and Benefits are as a result of the net effect of agency staff costs and the additional income received from the recovery of housing benefit overpayments.

The underspend within Audit and Revenues and Benefits will offset the overspends within Accountancy and the Central Overheads sections.

**Financial Services**

**Quarter 3 (December 31st) 2008/09**

**Capital Budget summary April-December 2008/09**

Service	Revised Budget £'000	Actual spend YTD £'000	Projected outturn £'000	Projected variance £'000
<b>Finance</b>	34	14	34	0
<b>TOTAL</b>	<b>34</b>	<b>14</b>	<b>34</b>	<b>0</b>

**Financial Commentary**

- Training took place in December, ready for the implementation of The Purchase Order Processing System (POP) in January 2009. POP has now been rolled out to all departments within the Council.

**Performance Summary**

No. of PI's improving (I)	1	No. of PI's meeting YTD target		No. of PI's where est. outturn projected to meet target	1
No. of PI's Stable (S)		No. of PI's missing YTD target by < 10%		No. of PI's projected to miss target by < 10%	
No. of PI's worsening (W)	2	No. of PI's missing YTD target by >10%		No. of PI's projected to miss target by >10%	

**Achievements**

- Completion of a CPA project plan and site visit.
- Consultation events x 2 for Local Neighbourhood Partnerships.
- Writing up the final drafts of the Parish Plan "adoption" process.
- Working with the County Council on a number of engagement projects, in particular, reviewing the need for a Customer Panel contract and whether we can switch to a County wide contract, starting work in the "U Decide" children and young people's participatory event and agreeing the contract for the Place Survey (statutory survey required by the Government).
- Publishing the Annual report newspaper "wrap around".
- Running the October staff forums, with a focus on Shared Services, Single Status and CPA.
- Publicising the autumn edition of "Together Bromsgrove".
- Budget Jury.
- PMB papers.
- Undertaking the corporate quality check of all the Council's service business plans.
- Further work on the Community Transport review, including consultation, supplier research and PID.
- Completing the usual run of routine reports and communications e.g. Connect, Team of the Month, Bright Ideas.
- Continuing to run the Programme Board meeting, but also provide considerable behind the scenes active support to projects.
- Launch of Unreasonable and Persistent Complainants policy.
- Completion of the Community Strategy update (aligned to the new LAA).
- Completion of Community Strategy Annual Report.
- Approval of the Community Engagement Strategy.
- Drafting of the Corporate Performance Management Strategy
- Approval of the Communications Strategy update.
- Gathering evidence for the development of the customer access strategy update part of the Customer First Strategy review.

**Issues**

The key issue for the Team going forward into 2009 is capacity caused by staffing vacancies and long term sickness. The Team is currently three staff short of its establishment of nine, which is going to have a significant impact on the outputs from the team during the final quarter. This has been further hindered by a failure to recruit to the two vacancies, with agency staff being too expensive to employ in the interim. As a result, the Team is



prioritising what must be done to time and what can be re-programmed. This capacity issue, needs to be set within the context of a largely stable period during 2008 and the run up to CPA.

### Revenue Budget summary – Chief Executive Department

Service Head	Revised Budget £'000	Profiled budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Policy &amp; Performance</b>	47	326	339	13	45	-2
<b>Corporate Management</b>	772	469	459	-10	764	-8
<b>Corporate Projects</b>	64	41	46	5	64	0
<b>TOTAL</b>	<b>883</b>	<b>836</b>	<b>844</b>	<b>8</b>	<b>873</b>	<b>-10</b>

#### Financial Commentary

The Corporate Communication, Policy and Performance team has secured external funding for the post of Improvement Manager and contributions towards the costs of the Local Strategic Partnership. Whilst there may be pressure achieving the income target for Together Bromsgrove it is expected that savings elsewhere within the team's budget will adequately meet any shortfall.

The projection incorporates the cost sharing of the Joint Chief Executive post with Redditch Borough Council. Budgets associated with the implementation of single status will be committed or carried forward as appropriate to match against costs arising in 2009/10.

**Performance Summary**

No. of PI's improving (I)		No. of PI's meeting YTD target	1	No. of PI's where est. outturn projected to meet target	1
No. of PI's Stable (S)	1	No. of PI's missing YTD target by < 10%		No. of PI's projected to miss target by < 10%	
No. of PI's worsening (W)		No. of PI's missing YTD target by >10%		No. of PI's projected to miss target by >10%	

**Achievements**

- Financial efficiencies are being achieved in the post room as a result of the roll out of more streamlined post out systems both through the Royal Mail and Document Exchange services
- Engagement with Parish Councils has led to a revision of the Public Speaking Rules at Planning Committee and an extension to enable Parish Councils to speak in limited circumstances
- The Council has agreed to strengthen the Overview function of Scrutiny and create a specific Overview Board to concentrate on policy development
- In order to strengthen the challenge process within the decision making framework the Council has resolved to make it a Constitutional requirement that the Chairman and Vice Chairman of the Overview Board, the Scrutiny Steering Board and the Audit Board are members of opposition groups
- The Cabinet has approved the updated Assets Management Plan and accompanying assets management tools. These will be managed and overseen through the Assets Management Steering Group and greatly improve the Councils ability to manage assets within the Use of Resources framework
- Shared Elections Service Business case considered and approved by Full Council – Bromsgrove now moves into the project management phase of delivering a shared service for Redditch and Bromsgrove Councils
- Officers have submitted a request to be evaluated against level 3 of the Local Government Standard for Equality and Diversity to capitalise on the progress made towards the Standard before the mechanism for evaluation changes to the Framework in the Spring
- Officers and members have agreed through the Member Development Steering Group to submit a claim for Primary Status against the Member Development Charter in recognition of the time and efforts expended by elected members over the last two years.

**Issues**

- The creation of addition Boards is having an adverse impact on the Committee Services Team and the skills of the Scrutiny Officer are not being utilised to their best advantage managing Board meetings. This will need to be monitored and reviewed by HOS to ensure that the wider Scrutiny development role is not suffering as a result. It may be that additional resources need to be redirected into the Scrutiny function to accommodate these changes in the longer term.

## Revenue Budget summary – Legal, Equalities & Democratic Services

Service Head	Revised Budget £'000	Profiled budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Administration Services</b>	0	92	88	-4	-5	-4
<b>Committee &amp; Member Services</b>	789	326	329	3	799	10
<b>Elections &amp; Registration</b>	178	88	88	0	190	12
<b>Facilities Management</b>	-77	468	404	-64	-111	-34
<b>Legal Services</b>	40	299	286	-13	50	9
<b>TOTAL</b>	<b>930</b>	<b>1,273</b>	<b>1,195</b>	<b>-78</b>	<b>923</b>	<b>-7</b>

### Financial Commentary

- The budget for the electoral services department is and will continue to be overspent for this year. The Elections Manager post was vacant for a considerable time and as a consequence the budgets in relation to the postal voting and publications was not an accurate reflection of the actual costs. This has been addressed in the 09/10 budget requirement.
- It is projected there will be an under spend for the year due mainly to savings in Facilities Management budgets for insurance and business rates.

<b>Legal, Equalities &amp; Democratic Services</b>	<b>Quarter 3 (December 31st) 2008/09</b>
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### Capital Budget Summary April-December 2008

Service	Revised Budget £'000	Actual spend YTD £'000	Projected outturn £'000	Projected variance £'000
<b>Facilities Management</b>	120	14	120	0
<b>TOTAL</b>	<b>120</b>	<b>14</b>	<b>120</b>	<b>0</b>

### Financial Commentary

- The budget includes funding for a number of alterations at the Council House. The Asset Management Group is currently considering the use of the council house and the appropriate alterations will be made following this review.

<b>4.1.8 Human Resources &amp; Organisational Development (HR &amp; OD)</b>	<b>Quarter 3 (Dec 31<sup>st</sup>) 2008/09</b>
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### Performance Summary

No. of PI's improving (I)	1	No. of PI's meeting YTD target		No. of PI's where est. outturn projected to meet target	
No. of PI's Stable (S)		No. of PI's missing YTD target by < 10%		No. of PI's projected to miss target by < 10%	
No. of PI's worsening (W)		No. of PI's missing YTD target by >10%	1	No. of PI's projected to miss target by >10%	1

### Achievements

Delivery of 3<sup>rd</sup> Annual Management Conference  
 Delivery of 2008 Staff Survey  
 Facilitation of restructuring and consultation arrangements in respect of Leisure Services Department and Planning and Environment  
 Commencing workforce planning project and adopting a joint approach with Redditch Borough Council  
 Facilitating a special meeting of Cabinet in October 2008 to identify a way forward for implementation of Single Status/Job Evaluation (but see also "issues" below)

### Issues

Sickness absence  
 Continued negotiation in relation to Job Evaluation

### Revenue Budget summary – HR & OD

Service Head	Revised Budget £'000	Profiled budget YTD £'000	Actual spend YTD £'000	Variance to date £'000	Projected outturn £'000	Projected variance £'000
<b>Human Resources &amp; Organisational Development</b>	94	414	419	5	176	82
<b>TOTAL</b>	<b>94</b>	<b>414</b>	<b>419</b>	<b>5</b>	<b>176</b>	<b>82</b>

### Financial Commentary

- There is currently an under-spend on the corporate training budget and Councillors training budget – however it is anticipated that these budgets will be used fully in 08/09.
- The overall projected out-turn for the financial year is 82k over-spent. This is partly due to the vacancy management provision as the department is fully staffed, combined with retention of a member of staff in payroll to assist Redditch in the payroll transfer. Costs associated with employment tribunals have also been incurred since last quarter.

## **4.2 Sundry Debtors**

4.2.1 Sundry Debt is raised by the Council to ensure effective recovery of debts owing. The outstanding balance at 31/12/08 was £473k which includes:-

- £40k of car parking fines
- £16k lifeline debts
- £69k rents/ hire charges
- £11k building regulations
- £30k trade waste and cesspool emptying
- £29k Developer contributions
- £14k Housing schemes
- £6k Licensing
- £200k due from BDHT in respect of monies relating to VAT shelter
- And £24k in respect of services provided by the Council to other organisations (e.g. contracts with BDHT for legal work)

Of the outstanding balance only £134k has been outstanding for a period of 90 days or more. These debts are currently with the legal department for consideration and further recovery and include the £29k developer contributions.

## **5.0 TREASURY MANAGEMENT**

### **5.1 Investment Interest**

5.1.1 For the period to 31 December 2008 the Council received net investment income amounting to £1,089k against predicted year to date receipts of £326k. 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 (HSBC fund managers). The increased interest has arisen due to slippage on the capital programme which has made additional surplus cash available for deposit, combined with enhanced interest rates achieved as a result of the market conditions earlier in the year.

Due to the rescheduling of the Capital Programme for 2008/09 additional funds have been and will be available for deposit during the remainder of the financial year. The estimated position at year end is an additional £697k to that included within the budget.

Due to advice received the Council is maintaining its stance of depositing in ultra low risk investments. In our recent Investment Updates we have been advised to use named UK incorporated institutions as investment counterparties where the institutions can participate in the government's Scheme AND whose long-term ratings are currently in the 'double-A' category.

5.1.2 Details on the fund manager's performance are detailed below.

## 5.2 HSBC

### 5.2.1 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.

### 5.2.2 Portfolio Performance

At 1 April 2008 the Council's investment was valued at £11.091 million. In the period to December the investment income added to the portfolio was £406k. Management fees applied to the portfolio for the period totalled £25k. The market value of the funds invested with HSBC was £11.917 million as at 31 December 2008 including unrealised capital gains of £414k.

## 6.0 EFFICIENCY SAVINGS

As part of the budget round for 2008/09 a number of efficiency savings were approved. These challenging targets were allocated across all services as detailed in appendix 4. To date there are no significant variances to report against these targets with the exception of targets relating to the payroll service. This is due to delays in implementing the transfer of the service combined with additional costs incurred in relation to job evaluation.

## 7.0 REVENUE BALANCES AND EARMARKED RESERVES

### 7.1 Revenue Balances

The revenue balances brought forward at 1 April 2008 were £2.023 million. The original budget requirement for use of balances in 2008/09 was £0.355 million. This has been increased by £0.474 million due mainly to the approved carry forward of budgets arising from specific under spends in 2007/08. Taking into account the current projected underspend of £0.456 million and the release of balances to fund Haybridge and the Museum it is anticipated that revenue balances will equate to £1.500 million at 31 March 2009.

### 7.2 Earmarked Reserves

The Council maintains a number of reserves which have been set up voluntarily to earmark resources for future spending plans. The balance on these reserves is shown below.

Earmarked Reserve	Balance 1 April 2008	Receipts 2008/09	Currently Required 2008/09	Projected Balance 31 March
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	£000	£000	£000	2009 £000
Building Control Partnership	6	0	1	5
Planning Delivery Grant	397	368	-417	348
Replacement Reserve	536	0	0	536
Litigation Reserve	140	0	0	140
Leisure Reserve	43	0	-20	23
<b>Total</b>	<b>1,122</b>	<b>368</b>	<b>-438</b>	<b>1,052</b>

**8. FINANCIAL IMPLICATIONS**

Covered in the report

**9. LEGAL IMPLICATIONS**

None

**10. COUNCIL OBJECTIVES**

**11. RISK MANAGEMENT**

Covered in the report.

**12. CUSTOMER IMPLICATIONS**

**13. EQUALITIES AND DIVERSITY IMPLICATIONS**

**14. OTHER IMPLICATIONS**

Please include the following table and spell out any particular implications in the relevant box. If there are no implications under a particular heading, please state 'None':-

Procurement Issues	None
Personnel Implications	None
Governance/Performance Management	– subject of the report
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	None
Environmental	None

## 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	
Chief Executive	Yes – at CMT
Corporate Director (Services)	Yes – at CMT
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

## APPENDICES

- Appendix 1 Performance Summary for December 2008
- Appendix 2 Detail Performance report for December 2008
- Appendix 3 Detailed figures to support the performance report
- Appendix 4 Efficiency Savings 2008/09
- Appendix 5 Virement Requests

## **CONTACT OFFICERS**

Hugh Bennett, Assistant Chief Executive  
Jayne Pickering, Head of Financial services  
John Outhwaite, Senior Policy & Performance Officer