

# **BROMSGROVE DISTRICT COUNCIL**

## **Cabinet**

**6<sup>th</sup> July 2022**

### **Revenue Monitoring Report Period 1 2022/23**

Relevant Portfolio Holder	Councillor Geoff Denaro Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	
Relevant Head of Service	Peter Carpenter
Wards Affected	All Wards
Non-Key Decision	

#### **1. SUMMARY**

This report sets out the new “On System” format for financial reporting that will be used for the 2022/23 financial year as well as the approach being taken by Officers to ensure that the budget is balanced within the year and for future financial years.

#### **2. RECOMMENDATIONS**

**Cabinet are asked to:**

- **Note Future monitoring returns will be in the “on system” format.**
- **Approve the approach being taken by Officers to balance the 2022/23 budget and future years budget deficit positions.**
- **Approve the addition to the monitoring report of the additional financial health indicators.**

#### **3. KEY ISSUES**

##### **Financial Implications**

- 3.1 This report sets out how financial performance of the Council for the 2022/23 financial year will be undertaken. It also sets out the steps being taken by Officers to balance the 2022/23 budget and future years Medium Term Financial Strategy (MTFS) deficits. In addition, it also sets out additional financial indicators that will form part of the financial monitoring report.
- 3.2 The approved revenue budget, as per the Cabinet and Council meetings held in February 2022 is £12.069m. The budget resolution assumed that £0.411m of General Fund balances would be used to meet this expenditure.
- 3.3 The Capital Programme is set at £2.4m. However, this does not take account of:
  - any underspending from 2021/22 (see the Outturn Report) or
  - 22/23 Grant for Levelling Up Fund initiatives which is planned to be £5.3m

- 3.4 The Council has been working with its software provider Tech1 to deliver an on system financial reporting tool which will be used for the first time in 2022/23.

Appendix A gives an example of what Managers see on system (the example being Local Planning Development). The system gives the ability:

- To RAG rate individual budget lines depending on risk levels;
- Add comments both from a finance and budget manager viewpoint;
- Automatically or manually create forecasts;
- Compare outcomes to the previous period.

**The approach to meet the Budget Deficit in 2022/23 and future Years**

- 3.5 The table below sets out the General Fund Support required to ensure the budget is balanced over the next three years.

<b>Financial Year</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>General Fund Support</b>	<b>411</b>	<b>1,588</b>	<b>1,213</b>
<b>General Fund Closing Balance</b>	<b>3,846</b>	<b>2,258</b>	<b>1,045</b>

Clearly, using reserves to this level is not sustainable as this will lead to an inadequate level of General Fund Reserves at the end of the 3-year MTFS period.

- 3.6 Officers are taking the following approach to addressing the in-year use of reserves to balance the budget. The key objectives are
- To reconcile organisational priorities to available resources (identifying which areas require investment and which disinvestment).
  - Integrate this into an organisation-wide business plan (to translate organisational priorities and financial constraints into an agreed action framework and budget).
  - This plan will have short-, medium- and long-term objectives to support a move away from short term financial thinking. Individual service plans will be the building blocks of this plan.
- 3.7 Work is already underway with
- Finance;
    - Setting out present base budgets, historic places where over/underspend occur, and views of potential savings options.
    - Linkage to the 2021/22 Outturn position.

## **BROMSGROVE DISTRICT COUNCIL**

### **Cabinet**

**6<sup>th</sup> July 2022**

- Engaging with our Treasury Consultants Arlingclose to review our Minimum Revenue Provision, use of debt and investment policies.
- Heads of Service and their managers;
  - Assessing present levels of service and associated requirements in the new post C-19 environment to identify where different delivery models will lead to further savings

3.8 The first Officer meeting, to set the parameters of the review took place on the 18<sup>th</sup> May and the Corporate Management Team are set to review initial options on the 24<sup>th</sup> June. Once options are clarified they will move into the Member environment.

#### **Financial Health Indicators**

3.9 Along with the normal Capital and Revenue monitoring data, it is proposed that the monitoring reports going forward also include the following financial data. This is in draft format for the initial month of the 2022-23 financial year

- Payment performance monitoring
  - 726 Payments processed in April
- Tax Collection Rates against Target April
  - Council Tax - Collected 10.18%. Target 9.70%
  - National Non-Domestic Rates - Collected 9.69%. Target 9.0%
- Grant Administration
  - Delivery of Government Grant Initiatives - Fuel Grants (as of 18<sup>th</sup> May)

<b>Council Tax Band</b>	<b>Potential Eligible</b>	<b>Paid/Under Verification</b>	<b>Available for application</b>
A	3,626	1,833	1,708
B	7,171	5,007	2,094
C	8,959	7,119	1,753
D	7,734	6,542	1,141
Disabled B and E	77	72	7
<b>Total</b>	<b>26,567</b>	<b>20,573</b>	<b>6,703</b>

Debtor and Housing Benefit indicators will be added in due course.

#### **3.10 Earmarked Reserves**

The position will be updated following the approval of the Outturn report for 2021/22.

**3.11 General Fund Position**

The position will be updated following the approval of the Outturn report for 2021/22. Given the data in section 3.5 above, significant work is underway to ensure reserves are maintained and not reduced.

The Council's 2020/21 accounts have not been formally approved and audited at the time of this report.

**4. Legal Implications**

4.1 No Legal implications have been identified.

**5. Strategic Purpose Implications**

**Relevant Strategic Purpose**

5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

**Climate Change Implications**

5.2 The green thread runs through the Council plan. The Financial monitoring report has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

**6. Other Implications**

**Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report.

**Operational Implications**

6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

**7. RISK MANAGEMENT**

7.1 The financial monitoring is included in the corporate risk register for the authority

**8. APPENDENCES**

Appendix A – Revenue Monitoring by Service – New Template

**AUTHOR OF REPORT**

Name: Pete Carpenter– Interim Financial Services Manager (Deputy S151)  
E Mail: [Peter.Carpenter@bromsgroveandredditchbc.gov.uk](mailto:Peter.Carpenter@bromsgroveandredditchbc.gov.uk)

# BROMSGROVE DISTRICT COUNCIL

## Cabinet

6<sup>th</sup> July 2022

### Appendix A - Revenue Monitoring by Service - New Template

Account Number	Cost Centre	Cost Centre Description	Activity	Activity Description	Nominal	Nominal Description
20-0-3202-90020-634...	3202	Local Planning Development	90020	Bromsgrove Charge Only	63407	General - Furniture & Equipment Purchase
20-0-3202-90020-634...	3202	Local Planning Development	90020	Bromsgrove Charge Only	63414	General - Professional Fees
20-0-3202-90020-634...	3202	Local Planning Development	90020	Bromsgrove Charge Only	63415	General - Other Fees
20-0-3202-90020-634...	3202	Local Planning Development	90020	Bromsgrove Charge Only	63416	General - Conferences & Seminars (not tra

Account Number	2022/23 Original Budget	2022/23 Working Budget	2022/23 Actuals
20-0-3202-90020-634...	100	100	
20-0-3202-90020-634...	268,561	268,561	
20-0-3202-90020-634...	1,000	1,000	285
20-0-3202-90020-634...	355	355	

Account Number	RAG Calc 1	RAG Text	Forecast Description (please choose from the drop down list)	Auto Forecast	Adjustments	Final Forecast	Variance to Budget	Forecast Variance %
20-0-3202-90020-634...		Amber	To Budget	100		100		
20-0-3202-90020-634...		Red	To Budget	268,561		268,561		
20-0-3202-90020-634...		Amber	To Budget	1,000		1,000		
20-0-3202-90020-634...		Amber	To Budget	355		355		

Account Number	st %	RAG Calc 2	RAG Text	Final Forecast Last Period	Movement	Budget Holder Comments	Accountancy Comments
20-0-3202-90020-634...			Green		100		
20-0-3202-90020-634...			Green		268,561		
20-0-3202-90020-634...			Green		1,000		
20-0-3202-90020-634...			Green		355		