

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee
2022

13th Oct

Financial Savings Monitoring Report

Relevant Portfolio Holder		Councillor Denaro – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Michelle Howell
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Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Key Decision / Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended		

1. RECOMMENDATIONS

The Audit, Standards and Governance RECOMMEND that:

- 1) Progress on 2022/23 Departmental Savings be noted.**
- 2) Progress on Efficiency Savings be reported back to this Committee following allocations part of Quarter 2 2022/23 monitoring.**

2. BACKGROUND

- 2.1 As part of the 2022/23 budget, which was agreed at Council in February 2022, there were several savings options approved to deliver the balanced budget for the year. These amounted to £176k of Departmental Savings. In addition, a further £478k of existing efficiency savings were carried forward from the 2021/22 financial year. These savings require allocation to departmental budgets. Both sets of savings are shown in Appendix A.
- 2.2 The Quarter 1 Finance and Performance Monitoring report was on the Cabinet Agenda for the 14th September. The rescheduled Cabinet on the 12th October will now contain that item.
- 2.3 The financial section of the report sets out progress against budget. The £12.1m original revenue budget included in the table below is the budget that was approved by Council in March 2022. The projected

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee 2022

13th Oct

outturn figure at Q1 is a £53k overspend. This includes “absorption” of the £477k of non-allocated savings and efficiency targets.

Department	2022/23 Full Year Budget	2022/23 Q1 Actuals	2022/23 Adjusted Forecast Outturn	Adjusted Forecast Outturn Variance (Under) / Over spend
Regulatory Client	228,063	47,650	228,063	0
Business Transformation & Organisational Development	1,857,867	122,569	1,700,896	(156,971)
Chief Executive	1,797,361	160,086	1,794,068	(3,293)
Community & Housing GF Services	1,093,315	(238,605)	1,013,142	(80,173)
Environmental Services	3,438,085	(2,182,290)	3,395,910	(42,175)
Financial & Customer Services	1,406,322	96,809	1,319,284	(87,038)
Legal, Democratic & Property Services	1,146,850	11,538	1,142,616	(4,235)
Planning, Regeneration & Leisure Services	1,578,027	339,446	1,527,845	(50,182)
Cross cutting savings and efficiency targets	(477,890)	0	0	477,890
Net Expenditure before Corporate Financing	12,068,000	(1,642,797)	12,121,824	53,824

- 2.4 The monitoring report summarises the detailed position in each services area. These are shown in Appendix B. However, in overall terms the Cross Cutting and Efficiency savings can be absorbed by allocation of vacancy and efficiencies across the Service department. These allocations are being confirmed and will be fully allocated in the Quarter 2 Monitoring which will be presented to Cabinet in November.
- 2.5 Departmental Savings are shown to be on track for delivery as per the data contained in Appendix A.

3. FINANCIAL IMPLICATIONS

- 3.1 The two sets of savings have significant financial implications.
- 3.2 The Departmental Savings totalling £175k is on track for delivery
- 3.3 The £477k Cross Cutting savings has not yet been properly allocated and therefore signifies a risk to the authority. However, as part of the Quarter1 monitoring, a method of allocation has been agreed by Officers and this will be reflected in the Quarter 2 Monitoring which will be reviewed by Cabinet in November.

4. LEGAL IMPLICATIONS

- 4.1 There are no direct legal implications arising as a result of this report.

5. STRATEGIC PURPOSES - 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 our Strategic Purposes.

Climate Change Implications

- 5.2 The green thread runs through the Council Plan. 2022/23 savings options which had implications on climate change would have been addressed at that time.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct equalities implications arising as a result of this report. Any implications will have been dealt with as part of the 2022/23 Budget process.

Operational Implications

- 6.2 Operational implications will have been dealt with as part of the 2022/23 Budget process.

7. RISK MANAGEMENT

- 7.1 Non delivery of savings options, depending on their financial magnitude can have either a small or significant affect on the Council's finances. As such mitigations need to be in place to deal changes to what was agreed by Council in February 2022.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Bromsgrove Savings Monitoring 2022/23
Appendix B – Q1 Revenue Monitoring Narrative

BROMSGROVE DISTRICT COUNCIL

**Audit, Standards and Governance Committee
2022**

13th Oct

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee
2022

13th Oct

Appendix A – Bromsgrove Savings Monitoring 2022/23

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000	RAG status (Red, Amber Green)	Comments
Corporate Administration / Central Post Opening	Enabling of the Authority	Non recruitment to vacancy post - Shared Service Rctg Reduction	-19	-19	-20	green	This has been actioned via main salaries.
Reg Client	Communities which are safe, well maintained and green	Additional WRS Hosting Change	-10	-10	-10	green	Additional WRS Hosting Change - Agreed at WRS Board Nov 21 and implemented
Environmental Services	Communities which are Safe, Well Maintained and Green	Increase to promotional budget to support increased income generation.	-10	-10	-10	green	
Environmental Services	Communities which are Safe, Well Maintained and Green	Bromsgrove District Council Race Teams Review	-30	-30	-30	Green	Environmental Services overall is showing a £42k underspend for Quarter 1
Environmental Services	Communities which are Safe, Well Maintained and Green	Bulky waste income	-10	-10	-10	green	Developing a combined team with bin deliveries that covers both REC and BDC. This will deliver efficiencies and more commercial opportunities. On Track as per Q1 Monitoring.
Environmental Services	Communities which are Safe, Well Maintained and Green	Savings from vacant post not required	-52	-51	-50	Green	This was the removal of one of environmental services TL roles - grade 9
Environmental Services	Communities which are Safe, Well Maintained and Green	Savings from vacant post not required	27	26	26	Green	This is the impact of the above change across both Councils.
Lifeline	Living independent, active & healthy	Future income generation options	-20	-20	-20	Green	Lifeline is showing delivery to budget in the Q1 monitoring
Financial services	Enabling of the Authority	Life insurance scheme saving	-35	-35	-35	Green	Actioned on DBS 26.01.22. Overall financial services showing an £87k underspend at Q1.
Corporate Administration / Central Post Opening	Enabling of the Authority	Reduction in consumables eg paper and reduction of MFDs in print contact	-14	-14	-14	Green	This is being monitored as cross Council but Agile Working significantly helps delivery.
Democratic Services	Enabling the Authority	Services restructure	-3	-3	-3	Green	Actioned via main salaries
		TOTAL	-176	-175	-175		
Unallocated Savings							
Corporate Services	Enabling Services	Efficiency Savings	-316	-416	-336	amber	Are allocating from Vacancies as per Q1 Monitoring as per paragraph 2.4 of the main report.
Corporate Services	Enabling Services	Salary Vacancy target - 2%	-162	-162	-162	amber	Are allocating from Vacancies as per Q1 Monitoring as per paragraph 2.4 of the main report.
			-478	-578	-498		
			-554	-733	-673		

Appendix B - Q1 Revenue Monitoring Narrative

Business Transformation & Organisational Development – £157k underspend

Within Business Transformation & Organisational Development there are underspends within two areas:

- Human Resources (£43k underspend) - the forecast underspend is predominantly due to vacancies. Following the installation of a new HR software package, recruitment is underway to recruit to vacant posts within the service.
- ICT (£114k underspend) - the forecast underspend is due to anticipated efficiencies across ICT expenditure budgets.

Chief Executive - £3k underspend

There is a small underspend forecast within the Chief Executive area.

Community and Housing General Fund Services - £80k underspend

Within Community and Housing General Fund Services there are two services in particular that have a significant forecast outturn variance against budget:

- Housing Strategy & Enabling (£45k underspend) – This is mainly as a result of vacancies within the team.
- Community Safety/CCTV (£35k underspend) – This is mainly as a result of vacancies within the team.

Environmental Services - £42k underspend

Within Environmental Services there are two service areas with forecast underspends against budget:

- Engineering & Design (£32k underspend) – the forecast underspend is mainly as a result of vacancies within the team.
- Place Teams (£10k underspend) – the forecast underspend is due to small budget efficiencies within the team.

Finance & Customer Services - £87k underspend

Within Finance & Customer Services the forecast underspend is as a result of vacancies across the service. This will continue to be reviewed in light of pressures within the service, with further updates provided during 2022/23.

Legal, Democratic and Property Services - £4k underspend

Within Legal, Democratic and Property Services there overall forecast underspend has arisen largely due to two service areas with forecast outturn variances against budget:

- Democratic Services & Member Support (£23k underspend) - the forecast underspend is mainly as a result of vacancies within the team at the start of the financial year, which have now been recruited to.
- Elections (£20k overspend) - the forecast cost of elections is slightly in excess of budget but is offset by the anticipated underspend as detailed above.

Planning, Regeneration and Leisure Services - £50k underspend

There is a forecast underspend totalling £50k within this service which comprises of:

- An underspend totalling £36k within Development Services as a result of anticipated budget efficiencies. This will be kept under review throughout the financial year.
- An underspend totalling £14k within Parks, Open Spaces and Events mainly as a result of a vacancy, however this will be reviewed throughout the financial year.

Cross cutting savings and efficiency targets - £478k to be delivered

There is a forecast overspend due to organisational efficiency targets that have not been allocated to service areas and cross council savings and efficiency initiatives. It is important to note however that forecast underspends within other service areas, as detailed in this report, will help to achieve this target, however there is still an element to be delivered. This will be kept under review as we progress through the financial year.