

BROMSGROVE DISTRICT COUNCIL
Medium Term Financial Plan 2023/24
Tranche One
Savings Proposals Document

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Overview

Bromsgrove District Council provides district level local services, like housing, leisure and recreation, environmental health, waste collection, local strategic planning and planning applications, and local tax collection. Local Tax collection includes both Council Tax and Business Rates. The Council also collects Council Tax on behalf of County Council and the Fire and Police Authorities. The Council's proportion is just 12%. Business Rates are collected on behalf of the Council and the Government.

Bromsgrove is in the county of Worcestershire which operates a 2-tiered system of Local Government (as well as some parts of its area being covered by Parish Councils). The District Council provide the "district level" services (amongst others) described in the previous paragraph, whereas Worcestershire County Council provides county level local services like education, highways, transport planning, passenger transport, social care, libraries, waste disposal and strategic planning.

Parish Councils provide very local services like some parks, community centres, and war memorials.

Bromsgrove

- Covers an area of 84 Square Miles
- Has 96,000 residents
- Has 45,000 Homes and Businesses
- Has 31 Councillors and 30 Wards

The district has an above-average number of over 60s, with concentrations of people in several smaller towns and villages. Many residents commute to Birmingham but despite that has the highest % of self-employed and business start-ups in England. It has isolated areas of deprivation, higher median income levels.

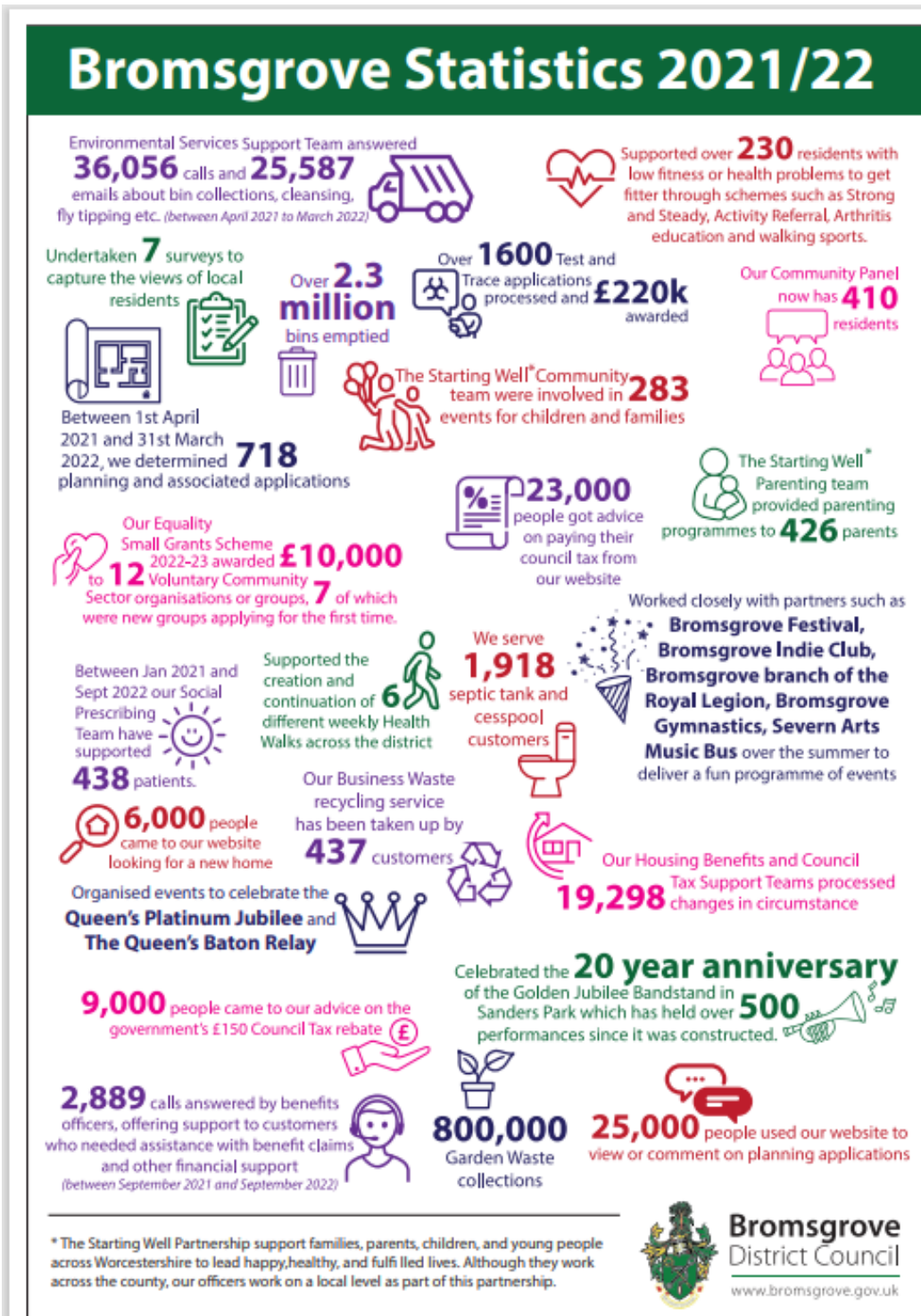
Elections are held once every 4 years. All seats are contested together. The next election is in 2023.

The council has a 'leader and cabinet' form of governance, which means the council delegates authority to decide some matters to a 'cabinet', which is chaired by the Leader of the Council. The cabinet handles much of the ordinary business of the council, with the full council having the final say on matters of strategic policy, budget and council tax.

The Council, along with Redditch Borough Council, were one of the first Councils in the country to form a shared service in 2008. This means we have a single team servicing both Councils. We also host services such as Worcestershire Regulatory Services which is pan Worcestershire.

The Council's vision is *"To enrich the lives and aspirations of all our residents, businesses and visitors through the provision of high-quality services that ensure those most need in need receive the appropriate help and support."*

The Council has delivered the following



Key initiatives being delivered in 2022/23 include:

- People starting to live in the 61 new low-carbon homes we're building at our old head offices on Burcot Lane, 12 of which we are delighted to be able to provide as new social housing.
- The brownfield redevelopment sites at both ends of Bromsgrove High Street - the former market hall site and the old fire station and library – are heading for regeneration after we were able to secure £14.5million in levelling up funding from the government

The Council sets a 3-year Medium Term Financial Plan every year, with the final Council Tax Resolution being approved by Council in February. This year's process will be more difficult due to the following factors

- Starting the process with an initial deficit amount from the 2022/23 MTFP.
- This being the first year of the Government paying for the C-19 Pandemic.
- The present cost of living crisis.
- A change of Prime Minister and Cabinet.
- Limited balances and reserves.

As such, it is prudent to split the budget process into two tranches,

- Having an initial Tranche which seeks to close as much of the deficit as possible using information known as at the end of September and seeking approval for those savings to be implemented at Council in January
- Having a second Tranche after the Christmas break, which will be approved in February, that takes account of the Local Government Settlement whose final detail will not be known until early January.

This document sets out the present financial situation as well as Tranche 1 service pressures and savings proposals.

2023/24 Budget Process

The council is faced with a challenging financial position this year. The magnitude of the savings required has meant that we have had to consider significant changes to our operating model and redesign the way we deliver services.

Due to the nature and scale of this, developing the proposals has required additional time and resource to ensure the plans are robust, deliverable and collectively achieve financial sustainability.

As such, the budget will be delivered in two tranches, the first with proposals being approved on the 12th December and the second with proposals being approved on the 22nd February.

Tranche 1	
MTFP and savings proposals Tranche 1 published	17 th October 2022
Budget Scrutiny Committee	20 th October 2022
Cabinet	26 th October 2022
O&S Scrutiny	tbc
Feedback Closing Date	5 th December 2022
Cabinet	23 rd November 2022
Council	12 th December 2022

Tranche 2	
MTFP and savings proposals Tranche 2 published	7 th February 2023
Budget Scrutiny Committee	Tbc
Cabinet	15 th February 2023
O&S Budget Scrutiny	13 th February 2023
Feedback Closing Date	21 st February 2023
Council	22 nd February 2023

Bromsgrove has the following Strategic Purposes:

Run and Grow a Successful Business

Finding Somewhere to Live

Aspiration, Work and Financial Independence

Living Independent, Active and Healthy Lives

Communities which are Safe, Well Maintained and Green

The Green Thread runs through the Council Plan

Council Service Areas

Business Transformation & Organisational Development

This service area covers the following Services:

Human Resources and Organisational Development - The Human Resources and Organisational Development primary function is to provide a HR advisory service, organisational development, training and health and safety, providing advice and support to the organisation in respect of; recruitment, employment issues, pay and grading, training, workforce planning and health and safety advice. HR focuses on the people within the business and on every aspect of the employment relationship.

Information Communication and Technology - The different areas of ICT include helpdesk support, technical project implementation, infrastructure and business application support, small systems development and automation, service requests, website design and support, graphical information systems support (including street naming and numbering) and information management.

Business Improvement Team - The Business Improvement team supports service areas to improve their delivery of our Strategic Purposes, through changing work practices, processes, and behaviours.

Policy, Equalities and Performance Team - The Policy Team supports elected members, CMT, managers and service areas with corporate planning (such as the development of the Council Plans), performance, data gathering and analysis, consultation and engagement and equalities.

Chief Executive

The Chief Executive's Unit comprises Strategic Partnerships (facilitating partnership working across the District to ensure more effective outcomes for people), Communications and Print and PA / Directorate Support (which provides administrative support to the Leader, Corporate Management Team and Chairman of the Council (including post room)).

Corporate Financing

Corporate financing sets out how the Council funds its revenue expenditure. The Council funds most of its activities from the collection of Council Tax and Business Rates. There are also Grants such as the Lower Tier Services Grant, and New Homes Bonus that makes up this figure.

Expenditure such as the Councils Minimum Revenue Position for borrowing and the net effect of investment income and payments also sit in this area.

Community and Housing General Fund Services

This service area covers the following Services:

Community Safety ensures compliance of the Council's statutory duties under the Crime & Disorder Act 1998 alongside providing co-ordination and support to the statutory Community Safety Partnership. Project activity improves community safety and reduces risk of crime & disorder with a focus on prevention. Examples include a

youth work team, Safer Spaces Scheme, Nominated Neighbour Scheme, Respect Programme.

The **Housing Strategy** team comprises of the Housing Strategy & Enabling Service is responsible for developing strategies and policies for all housing services and the effective management and delivery of Bromsgrove's housing development programmes. The private sector housing team are responsible for ensuring good housing standards by private sector landlords. Included in this service is the support for Disabled Facilities Grants. The Climate Change Officer provides advice to services across the Council with the aim of bringing about carbon reduction and efficiencies, including grant applications and the delivery of energy efficiency schemes.

A door-to-door **community transport scheme** called BURT provides community transport for those who cannot access or use public or private transport.

The **Shopmobility** service at Churchfields car park provides manual and motorised equipment for people with poor mobility so they can access local shops and health providers.

The **CCTV** service is monitored from our 24/7 Monitoring Centre using a vast number of cameras to cover the District. We support the police in spotting potential criminal activity and providing evidence for courts, as well as other community concerns such as a missing child.

NEW Lifeline is a telecare and assistive technology alarm service available 24 Hours per day, 365 days per year to any vulnerable person living within the District. Services include a pull cord/pendant to summon assistance, bed and fire alarm sensors, support for residents with dementia.

Bromsgrove and Redditch **Starting Well** is a commissioned service that works in partnership with Worcestershire Health & Care Trust. The focus is on improving health outcomes and reducing inequalities at the individual, family and community levels across Worcestershire. The service will contribute to ensuring every child has the best start in life, they are ready to learn at 2, ready for school at 5, thrive and develop well during their school years and into adult life.

Bromsgrove **Social Prescribing** is a way for local agencies to refer people to a link worker. Link workers give people time, focusing on 'what matters to me' and taking a holistic approach to people's health and wellbeing. They connect people to community groups and statutory services for practical and emotional support.

Environmental Services

Environmental services and operations, deliver a wide range of district wide and 'place based' services including weekly waste collections to nearly 80,000 households, and a paid for garden waste service to 22,000 households across the 2 Council areas (Bromsgrove and Redditch). The teams also deliver both a commercial waste and commercial recycling service, and a septic tank and cesspool emptying service to both households and commercial customers.

Grass cutting and street cleansing services are delivered via our 6 place teams and the core environmental team also undertakes Environmental Enforcement across the 2 Council areas.

The other key service areas include management of the **Councils tree stock** including Tree Preservation Orders and high hedges applications. Bereavement services, deliver both cremations (in Redditch) and burial services.

Support services include management of the Council transport and vehicle fleets including the provision of workshops at the two depots, a Stores Service, Design and management of civil engineering projects and customer management via the Business Support Team.

Our on and off-street enforcement and land drainage services across the 2 Council areas are delivered by a public sector contract/shared services with Wychavon District Council and Wyre Forest respectively.

Financial and Customer Services

- **Finance**

Corporate finance set the Councils financial agenda. They are responsible for the Councils financial regulations/controls and compliance to them, Supporting Members, the Chief Executive and CMT, setting and delivering the budget, closing the Council's Accounts, in year monitoring of the Councils financial position to stakeholders.

Management Accountancy is the primary source of financial support to Budget managers and Heads of Service. They are responsible for the delivery of the operational budget, the monthly/quarterly monitoring, and the closure of accounts in liaison with budget managers and other Council staff.

Exchequer Services delivers the Councils Payment and Income Services along with running the GPC Card (procurement Card) system and Insurance.

Payroll Services is a small team which work closely with HR and finance and run the monthly payrolls for Bromsgrove, Redditch, Rubicon and Wyre Forest Councils.

Revenues Services - Revenue Services is responsible for the annual collection of £60m of non-domestic rates; £116m council tax, £27m in sundry income and is responsible for collection of £2.4m in overpaid housing benefit.

Benefit Services - The principal functions of the Benefits Service are to maximise benefit awareness and take-up and to assess benefit claims promptly and accurately. The service area is responsible for paying over £30 million of Housing

Benefit and almost £10 million Council Tax Support to our residents across both Councils. We also have £60k Essential Living Fund budget to administer alongside the £250k Discretionary Housing Payments. Our experienced Financial Independence Team deal with the applications for these schemes.

Customer Services - Customer Services provided a comprehensive customer service function to the council, mainly face-to-face enquiries on both reception and cashiers.

When the building was closed to the public during the C-19 pandemic, we quickly mobilised the Customer Service Officers to take council tax and business rates calls, When the buildings were re-opened in July, staff have maintained these functions, albeit with fewer numbers.

Legal, Democratic and Property Services

This service area covers the following Services:

Legal Services - The shared legal service for Bromsgrove and Redditch Councils, is an in-house support service, providing legal advice and representation to the Council in its governance and decision-making role and to all departments of the Council in the delivery of their services to residents and in achieving their strategic objectives, including: Procurement, Contract negotiation, Litigation (both as Plaintiff and Defendant), Prosecutions, Planning Agreements, Property transactions (acquisitions and disposals), Corporate governance and supporting corporate projects, Member support and the decision-making process, Land Charges and Procurement.

Democratic and Electoral Services - The Democratic Services team facilitates Committee meetings, manages the decision-making process, including the work programmes (Forward Plans) and provides a support service to elected Members and officers.

Electoral Services manage and deliver elections and electoral administration

Property Services - The Property Services Team manage the asset portfolio in line with the Asset Management Strategy and all associated repairs, cyclical maintenance and refurbishment of the portfolio of properties, owned by the Council.

Planning, Regeneration & Leisure Services

The Planning, Regeneration and Leisure Service is composed of the following teams: Building Control: Strategic Planning and Conservation: Development Management: Leisure and Cultural Services. NWEDR and Emergency Planning and Business Continuity are managed by WFDC in a three-way shared service arrangement and these teams link into the Service.

Building Control - Building Control team ensures buildings are safely constructed with appropriate fire escapes.

Strategic Planning and Conservation - The team prepares local plans and supplementary planning and conservation documents and provides general policy, conservation, and listed building advice.

Development Management - This team is responsible for processing all types of applications under planning legislation and investigating breaches of planning control.

Leisure and Cultural Services - Leisure Services includes the management of parks and events and the development of arts, sports and cultural services

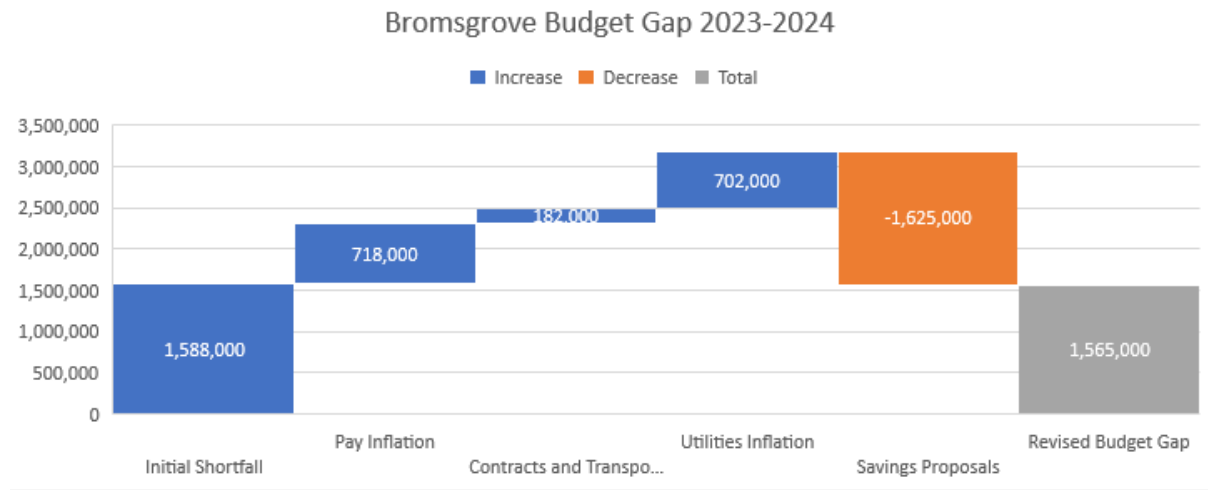
Economic Development and Regeneration - The team leads on regeneration initiatives, supporting businesses, shaping the skills agenda, and generally making sure the issues locally are appreciated by all who make or shape decisions or release funding.

Emergency Planning and Business Continuity - This function ensures the councils, with its partners are prepared for a range of scenarios.

Regulatory Services

Worcestershire Regulatory Services (WRS) is the shared Environmental Health and Licensing service governed by a Joint Board, making it part of the six Worcestershire District Councils, with Bromsgrove District Council as the host authority. We provide all the traditional environmental health and licensing regulatory services for the six Worcestershire District Councils to include health & safety for commercial premises, food hygiene inspections, environmental protection (nuisance, contaminated land, air quality, private water supplies and industrial permitting) as well as administration of the licensing regime for taxi's, drivers, pubs, nightclubs, pet shops, animal boarding, stables, zoos and street trading. In addition we provide some environmental health and licensing services and associated services under contract or agreement for other local authorities in and outside Worcestershire.

Overall Financial Position



Bromsgrove			
	2023/24	2024/25	2025/26
Initial Shortfall	1,588,000	1,213,000	1,623,000
Pay Inflation	718,000	718,000	873,000
Contracts and Transport Inflation	182,000	188,000	194,000
Utilities Inflation	702,000	702,000	702,000
Savings Proposals	-1,625,000	-1,847,000	-1,748,000
Revised Budget Gap	1,565,000	974,000	1,644,000

Summary Proposals

Bromsgrove Position Statement				
		2023/24	2024/25	2025/26
		£000	£000	£000
Base Budget Position 22/23 MTFP				
	Expenditure	11,948	12,077	12,347
	Funding	-10,360	-10,864	-10,724
	Net	1,588	1,213	1,623
Revised Gap		1,588	1,213	1,623
Pressures				
	50% Funding for Climate Change Officer	30	30	30
Savings Options				
	Environmental Services Partnership	0	-25	-50
	Service Reviews	-140	-330	-405
	Town Hall	-70	-70	-70
	Finance Vacancies	-100	-100	-100
	MRP	-100	-100	-100
	Pension Fund	-663	-663	-663
	Engage Capacity Grid (One Off)	-200	-200	0
	10% Increase in Fees and Charges	-382	-389	-390
	Total Savings	-1,625	-1,847	-1,748
Revised Position		-37	-634	-125
Pressures				
	Pay Pressure Year 1	718	718	718
	Pay Pressure Future Years (1%)	0	0	155
	Transport Pressure	32	33	34
	Contracts Pressures	150	155	160
	Core Pressures	900	906	1,067
Updated Position		863	272	942
	Utilities Inflation	702	702	702
Final Draft Position		1,565	974	1,644

Savings Proposals

Wider Environmental Services Partnership

	2023/24	2024/25	2025/26
Existing Budget	0	0	0
Savings Proposal	0	-25,000	-50,000
Revised Budget	0	-25,000	-50,000

We are actively engaging with consultants to look at the viability of greater partnership working across North Worcestershire with regards to the following services: Waste, Commercial Waste. and Fleet. This is reliant on business case and report approval.

Service Reviews

	2023/24	2024/25	2025/26
Existing Budget	5,106,000	5,220,000	5,314,000
Savings Proposal	-140,000	-330,000	-405,000
Revised Budget	4,966,000	4,890,000	4,909,000

The implementation of the Customer and Digital Strategy through the rollout of Abavus, and the redesign of Redditch Town Hall as a Community Hub will facilitate significant service redesign and the ways we operate. Abavus is the software solution that will facilitate the Councils Customer and Digital Strategy, ensuring more of our services and customer interactions are delivered through Digital and Web. Works on Redditch Town Hall in its move to becoming a Public Sector Hub will begin in early 2023. Both these initiatives will result in significant reviews across a range of services to ensure we are effectively and efficiently using new solutions and space. In 2021/22 the Council had a 15% turnover rate and as at July 2022 on a combined staffing total of 651 FTE's there were 30 vacancies and 59 posts being covered by either Agency, consultants or staff acting up or on secondment. Service redesign will take these factors into account.

Redditch Town Hall Recharges

	2023/24	2024/25	2025/26
Existing Budget	130,000	130,000	130,000
Savings Proposal	-70,000	-70,000	-70,000
Revised Budget	60,000	60,000	60,000

With significant less staff working at Council facilities and Redditch about to let out significant portions of their building this savings reflects reduced usage of that building.

Finance Vacancies

	2023/24	2024/25	2025/26
Existing Budget	428,000	434,000	434,000
Savings Proposal	-100,000	-100,000	-100,000
Revised Budget	328,000	334,000	334,000

The finance Department are presently holding 4 vacancies (in 2022/23 these are being covered by Agency). These posts will not be required following the rectification of finance issues (subject of Reports to Executive in September 2022). These savings are shared across both Councils.

Minimum Revenue Provision Savings

	2023/24	2024/25	2025/26
Existing Budget	1,172,000	1,078,000	1,298,000
Savings Proposal	-100,000	-100,000	-100,000
Revised Budget	1,072,000	978,000	1,198,000

The Councils MRP costs are over £1m. With the rationalisation of the Capital Programme and the concentration on delivery of Levelling up and Shared Prosperity Fund Programmes less is needing to be charged to capital financing, resulting on a lower MRP change than anticipated. The delay in replacing the cleansing fleet is a key input into this reduction as is the reduced capital programme. The Council's Treasury consultants Arlingclose reviewing the Councils MRP methodology to identify further possible savings (which would require Policy changes to implement.

Pension Fund Savings

	2023/24	2024/25	2025/26
Existing Budget	2,916,000	2,988,000	3,027,000
Savings Proposal	-663,000	-663,000	-663,000
Revised Budget	2,253,000	2,325,000	2,364,000

The Councils Pension Fund contributions are reviewed on a 3 yearly basis by the County Councils actuaries. There were two valuations received in September, one which took account of moving into a high inflation/stagflation period and one which did not. The council has taken the prudent path of assuming a higher stagflation/inflation assumption which still lead to a significant yearly savings. The base budget is made up of two elements, the Councils Employers Contribution in service accounts and a central contribution which sits in the Chief Executives budgets.

Collection of Outstanding Council Tax and Business Rates Arrears

	2023/24	2024/25	2025/26
Existing Budget			
Savings Proposal	-200,000	-200,000	0
Revised Budget			

Presently there is £3.5m of outstanding Council Tax debt and £1.1m of outstanding Business Rates debt. The Council has engaged an external agency whose assessment of outstanding debt collectability is 20%. In going through this process, the remainder of the debt will be able to be written off as it will also have gone through the assessment process. Half the collected amount will be returned to the other precepting authorities, and the amounts in the table are the resultant amount for the Council. It is expected that this process will take 2 years to complete. This is “one off” savings.

10% Increase in Fees and Charges

	2023/24	2024/25	2025/26
Existing Budget	-3,820,000	-3,899,000	-3,900,000
Savings Proposal	-382,000	-389,000	-390,000
Revised Budget	-4,202,000	-4,288,000	-4,290,000

The Council budget for the receipt of £3.8m of fees and charges. Given that inflation is running at well over 10% and Council Core Council Tax Income only can rise by 1.99% there is the requirement to increase fees and charges at the level of inflationary rate at 10%. An assessment has been made on deliverability as customer numbers will reduce, especially with the “cost of living crisis”, and debt levels will also potentially rise.

Growth Proposals

2022/23 Pay Award

	2023/24	2024/25	2025/26
Existing Budget	15,500,000		
Savings Proposal	718,193	718,193	718,193
Revised Budget	16,218,193		

- Presently, the Employers have offered a 2022/23 pay award of £1,925 per pay point plus on costs. This equates to an additional £675,675 cost to the Council from its initial budget. We budgeted for a 2% increase in our base budget in the 2022/23 MTFs which was £180k. In addition, we are assuming the 2023/24 will see an additional cost of 1.5% over our 1% base at a cost £222,518 before reverting back to 1% from 2024/25.
 - Therefore, at our present employee budgets this accounts for an ongoing pressure of £898,193 on the base budget of £14.1m. Taking account of the £180k inflation this results in a £718,193 increase.

Future Pay Awards

	2023/24	2024/25	2025/26
Existing Budget			
Savings Proposal	0	0	155,000
Revised Budget			

See above Narrative

Contract Inflation

	2023/24	2024/25	2025/26
Existing Budget	1,820,000	1,820,000	1,820,000
Savings Proposal	182,000	188,000	194,000
Revised Budget	2,002,000	2,009,000	2,014,000

General inflation is running at 10% as of the 18th August. The assumption is this will affect transport and contract budgets in particular. Its impact on 2023/24 will be as follows (it is assumed that 2024/25 will move back to normal levels of 2%):

- Bromsgrove base transport budget - £320k – Increase £32k
- Bromsgrove base “contracts” budget - £1.5m – Increase £150k

Utilities Inflation

	2023/24	2024/25	2025/26
Existing Budget	351,000	351,000	351,000
Savings Proposal	702,000	702,000	702,000
Revised Budget	1,053,000	1,053,000	1,053,000

Utilities increases will be significant, with all our existing Utility contracts requiring renewal by the end of this financial year. We have seen increases in some areas of up to 400%. For planning purposes, we will assume an increase of 200% in 2023/24 which should then be relatively constant for the next three years.

- Bromsgrove base utilities budget - £351k – Increase £702k

Climate Change Post

	2023/24	2024/25	2025/26
Existing Budget	0	0	0
Savings Proposal	30,000	30,000	30,000
Revised Budget	30,000	30,000	30,000

Required in order to manage and deliver the requirements of the Councils Climate Change Strategy and associated Carbon Reduction Implementation Plan also goes to Cabinet on the 26th October. 50% Funded with Redditch.

Consultation Feedback Form

BUDGET CONSULTATION FORM

We want to hear the opinions of all residents, partner organisations, businesses and other interested parties as part of the budget setting process.

People will be able to give their opinions by completing an online survey on the city council website.

Hard copies can be requested.

The consultation will close on 5 December 2022 at 5pm. Cabinet will consider initial comments on 23 November 2022 and Full Council will debate the Tranche One proposals on 12 December 2022.

The consultation will ask the following questions:

1. Do you have any comments to make about the phase one budget proposals?

2. Having read the phase one proposals document, how much do you now feel you understand about why the council must make total savings of almost £3.2million in 2023/24? Tick the answer you agree with.

- A great deal
- A fair amount
- Not very much
- Nothing at all

3. If you have any specific ideas about how the council can save money or generate additional income to protect services, please state these here:

So that we can check this survey is representative of Bromsgrove overall, please complete the following questions.

Are you?

- Male
- Female

Please tick which of the following best describes who you are:

- Resident
- Business person
- Member of council staff
- District councillor
- Work, but don't live in Bromsgrove
- Member of community or voluntary organisation
- Regular visitor
- Other (please state).....

Which of these age groups do you fall into?

- Under 16
- 16 to 24 years

- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 to 74 years
- 75 years or over
- Prefer not to say

What is your ethnic group?

A White

English/ Welsh/ Scottish/ Northern Irish/ British

Gypsy or Irish Traveller

Any other white background

B Mixed/ multiple ethnic groups

White and Black Caribbean

White and Black African

White and Asian

Any other mixed/ multiple ethnic background

C Asian/ Asian British

Indian

Pakistani

Bangladeshi

Chinese

Any other Asian background, write in

D Black/ African/ Caribbean/ Black British

African

Caribbean

Any other Black/ African/ Caribbean background

E Other ethnic group

Any other ethnic group

Do you consider yourself to have a disability?

Yes.....

No

Thank you for taking the time to complete this survey