

**BROMSGROVE DISTRICT COUNCIL**

**CABINET**

**02 SEPTEMBER 2009**

**JUNE (QUARTER 1) INTEGRATED FINANCE & PERFORMANCE REPORT**

Responsible Portfolio Holder	Councillor Roger Hollingworth Leader of the Council 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 30<sup>th</sup> June 2009.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet notes that 61% of PI's for which data is available are Improving or Stable.
- 2.2 That Cabinet notes that 61% of PI's for which data is available are achieving their Year to Date target.
- 2.3 That Cabinet notes that 89% 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 Cabinet note the current financial position on Revenue and Capital as detailed in the report.
- 2.6 That Cabinet approves the release of £163k from earmarked reserves as set out in Appendix 6.
- 2.7 That Cabinet approves the budget virements listed in Appendix 7.

### 3. **BACKGROUND**

3.1 This is the first integrated quarterly finance and performance report for 2009/10. The Department of Communities and Local Government has recently released the final results of the Place Survey which takes place every two years. Some of these indicators are included in our corporate reporting set, results for those are included in this report. A full report on the Place Survey report is going to Performance Management Board in September.

### 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 1 (June 30th) 2009/10</b>
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#### **Performance Summary**

No. of PI's improving ( <b>I</b> )	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 ( <b>S</b> )	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 ( <b>W</b> )	13	No. of PI's missing YTD target by >10%	2	No. of PI's projected to miss target by >10%	4

#### **Achievements**

Performance at the Customer Service Centre continues to be maintained at high levels, above target.

The Council has achieved Level 3 during the Equality Peer Assessment.

Further development of the shared services between Redditch and Bromsgrove has included the delivery of the elections and community safety services across both Councils.

#### **Issues**

Overall the percentage of PI's meeting their target at the end of the quarter is low at 59%. It is too early to tell whether this is a trend or a temporary setback, overall performance needs to be monitored during quarter2 to identify whether any further remedial actions are necessary.

Sickness absence continues to be an area of concern, with the position worsening in June.

## Revenue Budget summary – Overall Council

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
Corporate Services	791	127	126	-1
E-Government & Customer Services	61	646	644	-2
Financial Services	1,525	289	296	7
Legal, Equalities & Democratic Services	955	581	573	-8
Human Resources & Organisational Development	0	146	153	7
Planning & Environment Services	4,964	550	544	-6
Street Scene & Community	8437	1110	1020	-90
<b>SERVICE TOTAL</b>	<b>16,733</b>	<b>3449</b>	<b>3356</b>	<b>-93</b>
Interest on Investments	-150	-45	-21	24
<b>COUNCIL SUMMARY</b>	<b>16,583</b>	<b>3,404</b>	<b>3,335</b>	<b>-69</b>

### Financial Commentary

The current underspend relates mainly to the concessionary fares scheme whereby a number of operators have not reclaimed the value of fares back in the first quarter as originally anticipated. In addition external funding has been received for a number of projects which will be reviewed and reprofiled over the year to ensure funding matches commitment ,to deliver the services to residents.

Officers are currently working with our advisors to maximise the return available on investments during 2009/10.

## Capital Budget summary April-June 2009

Department	Revised Budget 2009/10 £'000	Actual spend April-June £'000	Variance to date April-June £'000
Corporate Services	75	14	61
E-Government & Customer Services	185	37	148
Financial Services	6	2	4
Legal, Equality & Democratic Services	86	0	86
Planning & Environment (inc Housing)	2,406	305	2,101
Street Scene and Community	1,372	108	1,264
Budget for Support Services Recharges	133	0	133
<b>TOTAL</b>	<b>4,263</b>	<b>466</b>	<b>3,797</b>

### Financial Commentary

The Capital Programme is to be profiled for the next quarter report to provide the year to date variance rather than the balance remaining for the year.

- The District Wide Sports programme is about to commence, the Contractors have been appointed and the work has been programmed.
- The project to renovate the toilets in the town centre has now been completed and has come in within budget.
- Expenditure on Disabled Facilities and Discretionary Grants is traditionally lower in the first quarter as the new year's financial programme is approved and implemented. The DFG process is currently under review to identify service improvements.
- The second phase of the Spatial Project is nearing completion, the majority of the budget has been utilised.
- Building works at the Dolphin Centre are now complete, with the new fitness suite open to the public.

**4.1.2 Street Scene & Community****Quarter 1 (June 30<sup>th</sup>) 2008/09****Performance Summary**

No. of PI's improving (I)	8	No. of PI's meeting YTD target	11	No. of PI's where est. outturn projected to meet target	17
No. of PI's Stable (S)	1	No. of PI's missing YTD target by < 10%	5	No. of PI's projected to miss target by < 10%	1
No. of PI's worsening (W)	11	No. of PI's missing YTD target by >10%	3	No. of PI's projected to miss target by >10%	1

**Achievements**

The successful opening of the new fitness suite at the Dolphin Centre that has attracted over 500 members and the success of the free swimming scheme for over 60's.

High levels of usage with in the sports development teams programme and the highest NI8 score in Worcestershire for adult participation in sport.

Strong performance in all areas of crime reduction that BDC monitors from a community safety perspective Inc total crime figures for the district.

High 5 Event in sanders park that was attended by over 4500 residents to sample and participate in a variety of sporting and positive activities for young people.

The commencement in post of the new walks for health co-ordinators for the district.

The band stand programme has commenced and although the weather has not been kind the attendances have been strong and ahead of target.

Successful introduction of chargeable garden waste collection.

Commencement of work on Battlefield Brook within Sanders Park.

Completion of sponsorship contracts for traffic islands and vehicles.

Recruitment of joint Climate Change Manager (for Redditch/Bromsgrove).

Commencement of joint abandoned vehicles removal contract (Redditch/Bromsgrove/Wyre Forest)

**Issues**

Due to a delay in the confirmation of external funding the number of diversionary activities and attendances has dropped, this will be addressed by the re profiling of the activities over the summer period now the funding is confirmed.

Dolphin centre usage is slightly lower than expected following the need to run several pool lifeguard courses for new staff, this resulted in the lose of programme time for party booking. However usage is expected to exceed target based on the strength of the fitness suite membership sales and the success of the free swimming scheme for over 60's.

## Revenue Budget summary – Street Scene & Community

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
Community Safety	722	166	148	-18
Parks & Recreation	690	71	51	-20
Promotions	351	71	90	19
Sports Centres	912	216	231	15
Sports Development	178	34	17	-17
Streets & Grounds	2498	321	323	2
Car Parks	-758	-145	-135	10
Depot Misc	-86	221	181	-41
SS&C Mgt/admin	69	112	121	9
Transport & Waste	3368	-80	-92	-12
Travel Concessions	493	123	80	-43
Waste Policy	0	0	5	5
<b>TOTAL</b>	<b>8,437</b>	<b>1,110</b>	<b>1,020</b>	<b>-90</b>

### Financial Commentary

- The under spend for Community Safety relates to a delay in drawing down the funds for the new shared service. There is an expected increase in equipment maintenance costs for the CCTV system following the capital decisions around the service and the implications of shared services. These extra costs will be offset by an expected increase in income relating to the monitoring of additional cameras and reduced staffing following a service review earlier this year.
- Projected overspend on Promotions relates to ongoing costs of the Museum, the closure of the TIC service and the need to purchase events supplies for the summer period in bulk.
- Sports Centres projected overspend relates additional maintenance requirements that have been identified as part of the service review in order to deliver to the business case income targets.
- Haybridge Sports Centre costs relates to the surrender of our interest in the site and the payment of the final dual use costs in relation to maintenance etc.
- Sports Development projected under spend relates to the receipt external funding for Sports Development projects (free swimming) that will be deployed through out the year, this cost will be profiled in future reports.
- Refuse, streets and grounds are on target with fluctuations due to profiling of the service

budgets and will be addressed in due course.

- The under spend on travel concessions is due to timing delays on the reimbursement of bus operators.
- There has been a steady increase in the number of car park tickets sold. However, refunds of £23k for the Dolphin Centre Car Park usage have been higher than anticipated.

**Street Scene & Community**

**Quarter 1 (June 30<sup>th</sup>) 2009/10**

**Capital Budget summary April-June 09/10**

<b>Department</b>	<b>Revised Budget 2009/10 £'000</b>	<b>Actual spend April-June £'000</b>	<b>Variance to date April-June £'000</b>
<b>Cemeteries</b>	20	0	20
<b>Community Safety</b>	54	0	54
<b>Parks, Play areas &amp; Open Spaces</b>	797	5	792
<b>Leisure Centres</b>	16	0	16
<b>Culture and Community General</b>	95	5	90
<b>Replacement Vehicles</b>	375	98	277
<b>Site works</b>	15	0	15
<b>TOTAL</b>	<b>1,372</b>	<b>108</b>	<b>1,264</b>

**Financial Commentary**

- Dolphin Centre – Building works are complete, with only the retention now payable; which is due in 12 months, in line with the contract.
- Barnsley Hall Park new pitches- Procurement of the project is about to commence. Works are planned to start in the final quarter of 2009/10.
- District Wide Sports – There are a number of elements to this scheme, including the enhancements of Alvechurch Lions, Braces Lane and Meadowpark. Procurement is due to commence in August 2009, the works have been programmed and the contractors appointed.
- Sanders Park Multi Use Games Facility- This project has been completed and is now open for public use.
- The Arts Centre – final payments are due to be paid for roof works within this financial year, due to the ongoing issues with leaks.

**4.1.3 Planning & Environment Services****Quarter 1 (June 30<sup>th</sup>) 2009/10****Performance Summary**

No. of PI's improving <b>(I)</b>	4	No. of PI's meeting YTD target	4	No. of PI's where est. outturn projected to meet target	4
No. of PI's Stable <b>(S)</b>	2	No. of PI's missing YTD target by < 10%	2	No. of PI's projected to miss target by < 10%	1
No. of PI's worsening <b>(W)</b>	2	No. of PI's missing YTD target by >10%	2	No. of PI's projected to miss target by >10%	

**Achievements**

- Officers heavily involved in RSS Examination in Public including general attendance, meetings with County Council, other LPA's, briefings for Leader and MP Julie Kirkbride, culminating in representation at the Inquiry on 23 rd June
- High Street market continues to grow and ahead of income target
- Commenced review of Housing SLA
- Hosted Planning Committee training event for Members as well as providing general planning training for Parish Councils within the Hillside ward
- Development Control performance for the quarter was:  
Majors – 0% ( no major applications determined)  
Minors - 70%  
Others – 85%

**Issues**

- General sickness absence within Department is above target. Although no general pattern it has impacted on service delivery.
- Income from Building Control and Land charges below target due to economic down turn. Development Control income on target at present.



## Revenue Budget summary – Planning & Environment

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
<b>Building Control</b>	-26	-35	-2	33
<b>Development Control</b>	1,007	22	-20	-42
<b>Environmental Health</b>	1,065	155	144	-11
<b>Licensing</b>	-17	-8	-2	6
<b>Planning Administration</b>	25	47	67	20
<b>Strategic Housing</b>	2,160	196	189	-6
<b>Strategic Planning</b>	603	129	112	-17
<b>Economic Development</b>	119	31	35	4
<b>Retail Market</b>	28	13	21	9
<b>TOTAL</b>	<b>4,964</b>	<b>550</b>	<b>544</b>	<b>-6</b>

### Financial Commentary

- There is an underspend on Development control due a number of vacancies some of which have now been filled.
- Overspends in relation to planning administration and Building Control is due to the shortfall on income generated for land charges and Building Control fees due to the current economic climate and the provision of the service by private companies.
- The overspend within the retail market is due to a temporary need to hire a vehicle to assist with the transportation of the stalls from storage to the town centre, the hire of this vehicle has now ceased. There has also been a need to hire agency staff to assist with the setup of stalls within the town centre.

<b>Planning &amp; Environment Services</b>	<b>Quarter 1 (June 30<sup>th</sup>) 2009/10</b>
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### Capital Budget summary April-June 2009/10

<b>Department</b>	<b>Revised Budget 2009/10 £'000</b>	<b>Actual spend April-June £'000</b>	<b>Variance to date April-June £'000</b>
<b>Strategic Housing</b>	2,075	195	1,880
<b>Town Centre</b>	331	110	221
<b>TOTAL</b>	<b>2,406</b>	<b>305</b>	<b>2,101</b>

#### Financial Commentary

- Works on the Town Centre are developing well with the majority of the New Toilets budget being spent, and the new facility being set to open at the start of August.
- Houndsfield lane – Funding is held in readiness to meet the potential requirement to provide match funding towards refurbishment and extension of the Council's Gypsy and Traveller site at Hollywood upon its proposed transfer to an RSL. A bid has been submitted to the Homes and Communities Agency by Rooftop Housing with whom the Council is in negotiation. Potential spend against the capital budget will be re-assessed when the outcome of the bid submission is known and negotiations are further progressed.
- DFG and discretionary grants-Spend in the first quarter is traditionally lower as the new financial year's programme is implemented and new adaptation requests approved. Performance is closely monitored and the whole DFG process is currently under review to identify service improvements both 'in house' and through the work of the NW Care and Repair Service who carry out DFG works to private dwellings in the District.

**Performance Summary**

No. of PI's improving (I)	3	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)		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**

- Performance is being maintained with all indicators being met or exceeded
- Testing and training of staff has been undertaken through out June to facilitate the go live of One Serve (new CRM system) at the beginning of July
- Smartpoint dashboard for spatial part II and configuration testing has been completed in the test system with favourable results.
- Initial meeting held with Q'matic customer management system to discuss the upgrade to a new version as part of a pilot with the supplier to develop a new system.
- Planning migration to the CSC is progressing well. Successes include a redesign of the layout in the CSC to accommodate Planning Services, Customer Information Pack developed by Planning and draft operational plans for how Planning will function when it is transferred to the CSC
- CSC now manage and staff the main Reception area at the Council House to provide consistent customer service.
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**Information Communication Technology**

- Procurement of the elections shared service hardware has been completed. The project is progressing well.
- The Revenues Academy system has been upgraded to release 52.
- The move of the Disaster Recovery equipment from Wildwood to Redditch BC has been completed.
- Two more PC's have been installed at the CSC to enable customers to self serve.
- Continue to develop the ICT support required for Councillors to move to paperless meetings.
- Approval for the Government Connect Code of Connection has been achieved.

**Information Management**

- Paper files continue to be reviewed for destruction. Files retained now have a 'shelf life' ; the destruction date is specified on the front cover. A detailed file list is being compiled and will make the files accessible
- The paper clearout continues in Financial Services. A considerable amount of paper records have been correctly disposed of.
- The paper clear out is more complex in Legal services as each individual file needs to be assessed but it is progressing.
- Data Protection training delivered to the Customer Service Centre in May. Future Data Protection sessions are planned at Community and Street Scene
- A copyright statement has been drafted and is now on the website.

- A clear desk policy has been drafted and approved as part of the Government Connect Code of Connection.

#### Issues

Some issues of long term sickness in the department but these are being managed in conjunction with HR.

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

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
<b>E-Government</b>	0	540	548	8
<b>Customer Service Centre</b>	61	106	96	-10
<b>TOTAL</b>	<b>61</b>	<b>646</b>	<b>644</b>	<b>-2</b>

#### Financial Commentary

- The underspend within the Customer service centre is mainly related to a number of vacancies within the department.
- It is expected that there will be a small overspend within E-Government by the end of the year on the telephone and software budgets.

<b>E-Government &amp; Customer Services</b>	<b>Quarter 1 (June 30<sup>th</sup>) 2009/10</b>
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### Capital Budget summary April-June 2009/10

Department	Revised Budget 2009/10 £'000	Actual spend April-June £'000	Variance to date April-June £'000
<b>E-Government</b>	185	37	148
<b>TOTAL</b>	<b>185</b>	<b>37</b>	<b>148</b>

#### Financial Commentary

- The second phase of the Spatial Project is nearing completion, with the majority of the budget being utilised.
- Other schemes have seen delays at a higher level, with joint and partnership working playing a key factor in the development of projects such as Increased Bandwidth for Internet Link and the Government Connect Scheme.

**4.1.5 Financial Services****Quarter 1 (June30th) 2009/10****Performance Summary**

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

**Achievements**

- Closedown and approval of the Statement of Accounts b the Audit Board within the statutory deadline
- Inclusion of the commitments in the quarter 1 monitoring report
- Continuation of the VRA pilot in Benefits is showing improvements in processing times
- Creation of a Corporate Fraud Team to address Council wide allegations of fraud
- Delivery of joint arrangement with Worcester City to provide management support for Internal Audit
- Delivery of savings through improved procurement of insurance with a joint contract across the County
- Business Rate Bills reissued due to changes in Government legislation
- Payment of invoices within 10 days highest % in the County
- Single Person Discount review undertaken

**Issues**

- Lack of clarification from the DWP as to the future viability and support of the VRA system. Potential for funding required from Council if DWP do not continue to financially support system
- Concerns over level of debt in relation to NDR bills. Full analysis underway to identify debtors and to arrange payment plans with them.

## Revenue Budget summary – Financial Services

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
Central Overheads	120	30	31	1
Accountancy	12	140	163	23
Internal Audit	0	22	28	6
Grants & Donations	89	39	38	-1
Revenues & Benefits	1,304	58	36	-22
<b>TOTAL</b>	<b>1,525</b>	<b>289</b>	<b>296</b>	<b>7</b>

### Financial Commentary

The overspend within the accountancy section is mainly related to Treasury Management Advisory costs that the Council receive. This is offset with the underspend within revenues and benefits which is related to the collection of Housing Benefit Overpayments.

It is expected that there may be some additional costs for agency staff that will be required within the revenues and benefits section, due to an expectation that there will be a larger amount of benefit and fraud claims in the current economic climate.

Financial Services	Quarter 1 (June 30 <sup>th</sup> ) 2009/10
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## Capital Budget summary April-June 2009/10

Department	Revised Budget 2009/10 £'000	Actual spend April-June £'000	Variance to date April-June £'000
Finance	6	2	4
<b>TOTAL</b>	<b>6</b>	<b>2</b>	<b>4</b>

### Financial Commentary

- Work is continuing on the final stages of POPS with the development of commitment accounting.

**4.1.6 Corporate Services Department****Quarter 1 (June 30<sup>th</sup>) 2009/10****Performance Summary**

No. of PI's improving (I)	3	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)		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%	

# note:- two of the indicators for this department do not have outturn targets. These are complaints received and compliments received.

**Achievements**

- Quarters three and four of 2008/2009 were difficult for the Corporate Communications, Policy and Performance Team, due to two members of staff leaving and long term sick within the team. The Team is now at full establishment and as a result the vast majority of projects are on target (the two exceptions being the decision to close down the budget jury and the need for the Local Neighbourhood Partnership business case).
- Communications in quarter 1 focused on production of Together Bromsgrove, which has now been successfully published (the Team are looking into how to improve distribution, as part of the 2010/2011 budget round). The communications part of the team has also been very active on the co-mingling project and supporting the various shared services projects (communications being key to customer satisfaction and good project delivery). More recently, communications has been involved in preparing "Bromsgrove Bites Back" and preparing for the introduction of the community transport scheme (BURT).
- The performance part of team has focused on producing the Council's annual report. This has involved a significant level of work this year, due to the changeover from BVPIs to the new National Indicators (NIs). The external auditors are currently on site testing the accuracy of our data. The other key project with regard to performance has been the production of the Place Survey, a major plank of the new CAA regime. This has now been published. The results are mixed for the Council and will be reported to September PMB.
- The Improvement Plan continues to be reported each month, the business plans were published on the Intranet, the format revised for 2010/11 and DMT away dates programmed in for the start of the 2010/11 service business planning round.
- The Local Strategic Partnership is now chaired by the Leader of the Council and the Community Strategy is now going through its three year review. The updated Strategy should come to November Full Council, but it may have to slip a month to December, due to a delay in recruiting into a vacancy in the team.
- The Customer First Board is now chaired by the Portfolio Holder, the Customer Access Strategy was agreed by Cabinet in quarter 1 and customer first part 3 training for staff commenced.
- Project support continues to be provided by the Team through the Programme Board and through a lean systems pilot on housing DFGs.
- The Community Transport scheme is on target for 07 September launch.

- The Assistant Chief Executive also took over responsibility for the secretariat in quarter 1 and the post room. The secretariat continues to provide a high level of support to Members and senior officers. There have been a number of historic problems with the post room operation. A project team was established in quarter 1, which has met every three weeks to support the post room staff on changing procedures and moving to a new post collection service.

#### Issues

A member of staff is on long term sick. Temporary staff cover has been contracted in. Although the member of staff is now on half pay, the cost of the contracted in cover is not funded. This means that money will have to be found from elsewhere in the budget, which in turns means that various planned activities will be cut back. Overall, costs should be contained within budget.

#### Revenue Budget summary – Corporate Services Department

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
Policy & Performance	90	148	149	1
Corporate Management	686	-25	-25	-0
Corporate Projects	15	4	2	-2
<b>TOTAL</b>	<b>791</b>	<b>127</b>	<b>126</b>	<b>-1</b>

#### Financial Commentary

No major variances have arisen in the first quarter of 2009/10 within Corporate Services. A number of savings were incorporated into the corporate services budget for 09/10 as part of the medium term financial plan. Whilst not all the savings are yet being achieved they are offset by savings elsewhere in the department.

The corporate projects section includes expenditure and income on the "TRUNK" project. Expenditure will continue throughout the year to get the centre up and running. Contributions have been made by Worcestershire County Council, West Mercia Police, BDHT among others, as well as Bromsgrove Council to aid this project.



**Capital Budget Summary April-June 2008**

<b>Department</b>	<b>Revised Budget 2009/10 £'000</b>	<b>Actual spend April-June £'000</b>	<b>Variance to date April-June £'000</b>
<b>Corporate</b>	75	14	61
<b>TOTAL</b>	<b>75</b>	<b>14</b>	<b>61</b>

**Financial Commentary**

- The new Community transport, wheelchair adapted minibus has been bought and is expected to come in under budget. A second hand vehicle was purchased, in order to achieve the best value for money.

<b>4.1.7 Legal, Equalities &amp; Democratic Services</b>	<b>Quarter 1 (June 30<sup>th</sup>) 2009/10</b>
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### Performance Summary

No. of PI's improving (I)	1	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)		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

- Delivery of the County and European elections
- Staffing structure recruited to the new joint elections service between Bromsgrove and Redditch
- Preparation of the service level agreement for the new joint service being undertaken
- Legal support given to Serco Business case and covering report to ensure accuracy of information included
- Support from Equality and Diversity officer for the specification of the new high dependency toilet block in the Town Centre
- Peer assessment report received to include the achievement of Level 3 for the Council. Initial development of an action plan to address recommendations has been discussed at CMT.
- Planning training delivered to members

### Issues

- Number of issues raised by polling station staff to be addressed as part of the joint working arrangements and review of future elections.

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

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
Committee & Member Services	899	119	108	-11
Elections & Registration	167	33	23	-10
Facilities Management	-110	315	317	2
Legal Services	0	114	125	11
<b>TOTAL</b>	<b>955</b>	<b>581</b>	<b>573</b>	<b>-8</b>

### Financial Commentary

- There are no other major variances that have arisen in the first quarter of 2009/10 within the service.

### Capital Budget Summary April-June 2008

<b>Department</b>	<b>Revised Budget 2009/10 £'000</b>	<b>Actual spend April-June £'000</b>	<b>Variance to date April-June £'000</b>
<b>Facilities Management</b>	86	0	86
<b>TOTAL</b>	<b>86</b>	<b>0</b>	<b>86</b>

#### Financial Commentary

- To date the spend on Capital schemes is nil, which is mainly due to schemes still being in the planning and discussion stages.
- Remedial Works at the Council House have been put on hold pending a more up to date position on the Council's future and the facilities it delivers.

<b>4.1.8 Human Resources &amp; Organisational Development (HR &amp; OD)</b>	<b>Quarter 1 (June 30th) 2008/09</b>
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### Performance Summary

No. of PI's improving (I)		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)	1	No. of PI's missing YTD target by >10%	1	No. of PI's projected to miss target by >10%	1

### Achievements

- Support to staff during the 12 week JE implementation period.
- Development of the JE appeals process following discussions with Unions.
- Supported the shared service development to ensure all staff within the newly created joint services were involved in the process.

### Issues

- Additional resources required to ensure the shared service and JE timetable can continue with all staff being supported.

### Revenue Budget summary – HR & OD

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April-June £'000	Actual spend April-June £'000	Variance to date April-June £'000
Human Resources & Organisational Development	0	146	153	7
<b>TOTAL</b>	<b>0</b>	<b>146</b>	<b>153</b>	<b>7</b>

### Financial Commentary:

- No major variances have arisen in the first quarter of 2009/10 within the service, however, there is and will be continued spend on Single status.

## **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 30/06/09 was £460k which includes:-

- £43k of car parking fines
- £22k lifeline debts
- £49k rents/ hire charges
- £14k building regulations
- £150k trade waste and cesspool emptying
- £82k Developer contributions
- £28k Housing schemes
- £11k Cemeteries
- £7k Sponsorship
- £10k Dolphin Centre Membership

The age of the debt is represented as follows:

Under 30 days (not yet due) £372k  
Up to 1 month £19k  
1 – 2 months £14k  
3 – 6 months £14k  
Over 6 months £41k

Debts over 90 days are currently under review and recovery by the legal team.

## **5.0 TREASURY MANAGEMENT**

The Council's Treasury Management Strategy has been developed in accordance with the Prudential Code for Capital Finance prudential indicators and is used to manage risks arising from financial instruments. Additionally treasury management practices are followed on a day to day basis.

### **5.1 Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Credit risk is minimised by use of a specified list of investment counterparty criteria and by limiting the amount invested with each institution. The Council receives credit rating details from its Treasury Management advisers on a daily basis and any counterparty falling below the criteria is removed from the list.

The Council has not had and does not expect any default losses by any of its counterparties in relation to investments.

Due to market conditions the Council has reduced its credit risk for all new investments by only investing in the highest rated instruments and has shortened the allowable length of investments in order to reduce risk.

The credit criteria in respect of financial assets managed in-house by the Council are as follows:

<b>Financial Asset Category</b>	<b>Criteria (Fitch ratings)</b>	<b>Maximum Investment</b>
Deposits with banks	Short Term: F1+/F1 Support: 1,2,3 Long Term: minimum 'AA-' /A	£3million/£2million
Deposits with building societies	Short Term: F1+/F1 Support: 1,2,3 Long Term: minimum 'AA-' /A	£3million/£2million
Deposits with Debt Management Account – Deposit Facility (DMADF)		£no upper limit *

Fitch Ratings is an international credit rating agency (one of three nationally recognised rating agencies alongside Moody's and Standard & Poor's). Fitch Rating's long-term credit ratings are set up along a scale from 'AAA' to 'D' where 'AAA' designates the best quality companies, reliable and stable through to 'D' where the company has defaulted on obligations and Fitch believes that it will generally default on all or most of its obligations. Fitch's short term ratings indicate the potential level of default within a 12 month period. F1+ is the best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment

At 30 June 2009 short term investments comprise:

	31 March 09 £	30 June 09 £
Deposits with Banks/Building Societies	8,425	10,900
Deposits with Debt Management Office (DMADF)*	5,500	1,500
<b>Total</b>	<b>13,925</b>	<b>12,400</b>

\* Investments with the DMADF are guaranteed by HM Treasury. Following advice from the Council's treasury advisors, from a credit perspective no upper limit was imposed on investments with the DMADF.

## 5.2 Income from investments

An investment income target of £150k was set for 2009/10 as part of the medium term financial plan using a projected return rate of 1.5 – 1.75 %. Since that time bank base rates have dropped to 0.5% with little expectation of any upward increase in rates in the near future.

In the first quarter of 2009/10 the Council received income from investments of £21k. In order to maximise available returns within our risk criteria the Council is currently working with our treasury advisors with the view to placing a proportion of our investments in bonds issued by Multilateral Development Banks. These bonds meet the Government's criteria for specified investments (i.e. offering high security and high liquidity)

## 6.0 EFFICIENCY SAVINGS

As part of the budget round for 2009/10 a number of efficiency savings were approved. These challenging targets were allocated across all services as detailed in Appendix 5. To date the efficiency savings total £85k for 2009/10.

## 7.0 REVENUE BALANCES AND EARMARKED RESERVES

### 7.1 Revenue Balances

The revenue balances brought forward at 1 April 2009 were £1.792m . The original budget requirement for use of balances in 2009/10 was £0.172k. The medium term financial plan approved the use of up to £198k of revenue balances to fund costs associated with restructure. To date £124k has been used. It is anticipated that revenue balances will equate to £1.547m at 31 March 2010.

### 7.2 Earmarked Reserves

The Council maintains a number of reserves which have been set up to earmark resources for future spending plans. The funding to be utilised from these reserves equates to £232k. Cabinet approval is requested for £163k in relation to any expenditure over £50k. Details are shown in Appendix 6.

## 8.0 CAPITAL RECEIPTS

The Capital Programme was approved by Members in January 2009, the effect of the level of Capital Spend to 2011/12 on capital receipts is estimated below:

Capital Programme	2009/10 £'000	2010/11 £'000	2011/12 £'000
Balance b/fwd	6,256	2,598	2,053
Actual funding to date	-187		

(April – June)			
Estimated use for the remainder of the year	-2,964	-1,788	-1,337
Budget Virement between years *	-1,143	1,143	
Received in year	100	100	100
Use of Replacement Reserve	536		
Balance c/fwd	2,598	2,053	1,016

\* Proposed approval of budget virement between years to allow for the purchase of vehicles and bins for co-mingled recycling collection.

The figures in the above table include general capital receipts for the funding of projects throughout the District. In addition, an estimate of capital receipts has been made of £100k per annum in relation to any sales of assets that the Council may make during each year within the Programme.

A review of the underspend on capital in 2008/09 on the Medium Term Financial Plan will be undertaken during the next quarter to identify the reduction in borrowing due to the increase in receipts now available during the period.

## 9. **FINANCIAL IMPLICATIONS**

Covered in the report

## 10. **LEGAL IMPLICATIONS**

None

## 11. **COUNCIL OBJECTIVES**

## 12. **RISK MANAGEMENT**

Covered in the report.

## 13. **CUSTOMER IMPLICATIONS**

## 14. **EQUALITIES AND DIVERSITY IMPLICATIONS**



## 15. OTHER IMPLICATIONS

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

## 16. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Corporate Director (Services)	Yes
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 April - June 2009
- Appendix 2 Detail Performance report for April - June 2009
- Appendix 3 Detailed figures to support the performance report

Appendix 4	How did we do? (Performance Details) for April – June 2009
Appendix 5	Efficiency Savings 2009/10
Appendix 6	Current Position (April – June) on Earmarked Reserves
Appendix 7	Virements for approval by Cabinet

## **CONTACT OFFICERS**

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Debbie Randall Accountancy Services Manager  
John Outhwaite, Senior Policy & Performance Officer