BROMSGROVE DISTRICT COUNCIL

Cabinet **26th March 2025**

Q3 Financial and Performance Report 2024/25

Relevant Portfolio Holder	Councillor Colella – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Head of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk Policy Manager R.Green@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision	

1. RECOMMENDATIONS

The Cabinet is asked to **RESOLVE** that:

1) The current Revenue underspend position of £53k and actions the Council are taking to mitigate this position is noted.
2) The current Capital spending of £2.284m against a budget of £7.070m is noted.
3) The Ward Budget allocation position to date is 23 approved allocations at £33,137.
4) There is an updated procurements position set out in the appendix, with any new items over £200k to be included on the forward plan.
5) The Q3 Performance data for the period October to December 2024 be noted. This is in the new format.
6) The Council submit a bid for £2.425m to Birmingham City Council for funding allocated to Bromsgrove by the former Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP) to support the completion of the Market Hall regeneration initiative.

The Cabinet is asked to **RECOMMEND** that:

7) That the Balance Sheet Monitoring Position for Q3 is noted – which is the Treasury Monitoring Report and required to be reported to Council.
8) In the event that the bid is successful, the budget is amended to reflect that the GBSLEP funding is being applied to the Market Hall development.

2. BACKGROUND

2.1 The purpose of this report is to set out the Council's draft Revenue and Capital Outturn position for the third quarter of the financial year October 2024 – December 2024 and associated performance data. This report presents:

- The Council's forecast outturn revenue monitoring position for 2024/25 based on data to the end of Quarter 3.
- The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee.
- The spending as of Q3 of Ward Budget Funds.
- The updated procurement pipeline of Council projects to be delivered over the next 12 months in order to properly plan for the delivery of these projects.
- The organisations performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the council is delivering its services to customers.

3. DETAILED PERFORMANCE

Financial Performance

3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 3, the projected revenue outturn position for the 2024/25 financial year and explains key variances against budget.

3.2 The £12.5m full year revenue budget included in the table below is the budget that was approved by Council in April 2024. Formats have not yet been changed to the new structures with a separate Regeneration and Property Service as work continues to fully disaggregate the budgets.

Service Description	2024-25 Approved Budget	2024-25 Approved Q3 Budget	Q3 Adjusted Spend	Q3 Budget Variance	Full Year Forecast	Full Year Budget Variance
Business Transformation and Organisational Development	1,792,618	1,312,963	1,544,321	231,358	1,957,113	164,495
Community and Housing GF Services	1,159,987	869,990	582,338	-287,652	794,009	-365,978
Corporate Services	994,465	745,849	252,617	-493,232	629,666	-364,799
Environmental Services	3,798,721	2,849,041	2,973,009	123,968	4,862,838	1,064,117
Financial and Customer Services	1,441,300	1,080,975	5,657,701	4,576,726	1,748,555	307,255
Legal, Democratic and Property Services	1,563,913	1,172,934	1,573,674	400,740	1,004,340	-559,573
Planning, Regeneration and Leisure Services	1,365,472	1,024,105	2,023,143	999,038	1,861,169	495,697
Regulatory Client	397,337	298,003	218,224	-79,779	579,989	182,652
Starting Well	0	0	44,618	44,618	0	0
Grand Total	**12,513,813**	**9,353,860**	**14,869,645**	**5,515,785**	**13,437,679**	**923,866**
Service Description	**2024-25 Approved Budget**	**2024-25 Approved Q3 Budget**	**Q3 Adjusted Spend**	**Q3 Budget Variance**	**Full Year Forecast**	**Full Year Budget Variance**
Corporate Financing	-12,513,813	-9,497,860	-7,620,608	-1,096,526	-13,490,735	-976,922
Grand Total	**-12,513,813**	**-9,497,860**	**-7,620,608**	**-1,096,526**	**-13,490,735**	**-976,922**
TOTALS	**0**	**-144,000**	**7,249,037**	**4,419,259**	**-53,056**	**-53,056**

Budget Variances

3.3 The draft position is set out in the above table. As this is expenditure at Q3 it is important to note that, at this stage in the financial year there are a number of instances where annual expenditure or accruals may distort the profiling as reflected in the Q3 actual. The above profiles have assumed support services and grant are adjusted to budgetary levels and accruals are netted out of the figures.

3.4 Overall, the Council is currently forecasting a full year revenue underspend of £53k at Quarter 3. This compares to an overspend figure of £344k reported at Quarter 2 – a £397k improvement of the Council's position. The underspend is mainly due to the additional grants received. This position will continue to be reviewed particularly given the impact of the increasing costs linked to inflation and further updates will be provided to Councillors throughout 2024/25. This includes service projections as follows:

Business Transformation £164k overspend

Within Business Transformation & Organisational Development, ICT salaries are overspending by £330k which is offset by savings in Equalities of £24k on salaries, savings of £83k within Business Transformation due to salaries and shared service arrangements, savings of £35k in Corporate Training and £24k within HR.

Community and Housing GF Services £366k underspend

Within Community and Housing GF Services there is a projected underspend due to additional grants received £342k and additional Lifeline shared services £244k income offset by increased expenditure on Homelessness of £139k and Social Prescribing of £81k.

Corporate Services £365k underspend

There are a number of variances within Corporate Services:

- A saving of £678k following the release of a pay award provision offset by an overspend of £33k on external audit fees within Corporate Expenses
- An underspend of £49k on professional fees and charges in Treasury Management and Bank Fees
- An overspend of £269k due to council pension costs.
- An overspend of £20k on recruitment costs for the positions of Chief Executive and Executive Director Finance and Resources
- A £40k reduction of shared service income for Redditch Partnership (LSP)

Environmental Services £1,064k overspend

Within Environmental Services there are a number of variances as detailed below:

- Bromsgrove Domestic Waste Collection service is forecast to overspend by £742k due to additional staff and agency costs of £173k, vehicle hire of £250k and fleet maintenance of £319k.
- Bromsgrove Place Teams is forecast to overspend by £38k due to additional staff and agency costs of £70k, insurance £9k and an income shortfall of £14k on bulky waste.
- Car Parking is forecast to have reduced income of £136k income, consultancy fees of £72k, however utilities are underspending by £17k

Financial and Customer Services £307k overspend

Within Finance and Customer Services there are overspends in Finance due to agency staff amounting to £290k (we have had issues with recruitment in finance which is a national issue, and have had to complete 4 years accounts to deliver to the Government's Backstop dates and therefore we have higher agency staff costs as a result of this) together with £17k in unachieved efficiency savings within Customer Services.

Legal, Democratic and Property Services £560k underspend

Legal, Democratic and Property Services are forecast to underspend £560k due to additional elections income of £313k and salary savings of £221k in Legal due to vacancies. Democratic Services are showing a small underspend of £14k due to staff vacancies. There is also a small underspend of £12k on utilities in the Parkside building.

Planning, Regeneration and Leisure Services £496k overspend

Within Planning, Regeneration and Leisure Services there are a number of variances:

- Development Management is forecast to overspend budget at £459k due to a shortfall in Planning Application income of £186k, (it was assumed that central Government changes to planning fees nationally would have a bigger positive impact on income. An extra £145k income was anticipated that has not been achieved) £97k on agency fees due to staffing shortage and £176k on professional fees, This £176k overspend includes unavoidable costs for running of service, for example subscriptions to online resources, archaeology/archive support from County Council. Also, Legal costs, including some legacy work

involved in significant enforcement work and legal advice, as well as costs for providing enforcement function prior to July 2024. Other costs are for consultants' advice, some of which is off set via a cost recovery activity.

- Sports Development is overspending by £37k due to agency costs, however expected Income of around £27k is to be moved from Redditch to Bromsgrove to offset some of this spend.

Regulatory Client £183k overspend

Within Regulatory Client, there is an overspend due to Envirocrime and Planning Enforcement (£154k). This overspend has been rectified in Q4 by actioning virements from Planning and Environment Services which will move the overspend to those services as agreed by Council. There is also a projected shortfall in taxi licensing income (£29k).

3.5 The above overspends (£1.349m) are offset by additional income (£0.977m) in Corporate Financing from additional grant income together with increased investment interest receivable and lower interest payable.

3.6 **Cash Management**

Borrowing

- As of the 31st December 2024, there was no short-term borrowings. The Council has no long-term borrowings.

Investments

- On 31st December 2024 there were £6.0m short-term investments held.

Capital Monitoring

3.7 A capital programme of £7.1m was approved in the Budget for 2024/25 in April 2024. This has been fully reviewed as part of the MTFP using actual data as at the end of December 2023. The table below and detail in **Appendix A** set out the Capital Programme schemes that are approved for the MTFP time horizon.

3.8 Many of these schemes are already in partial delivery in the 2024/25 financial year. By approving this list, the Council also agreed sums not spent in 2023/24 (and 2022/23 by default if schemes originated earlier than 2023/24 as sums have been carried forward through to the 2023/24 MTFS Report) to be carried forward into 2024/25. The table also splits amounts by funding source, Council or third party.

Year	Total Programme	Council Funded	Grant Funded
2024/5	**7,069,671**	4,334,500	2,735,171
2025/6	**4,516,377**	3,716,377	800,000
2026/7	**2,558,000**	1,758,000	800,000
2027/8	**6,658,000**	5,858,000	800,000
2028/9	**1,879,000**	1,079,000	800,000

3.9 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2024/25:

- The two Levelling Up schemes – Old Fire Station and Market Hall which are funded via £14.5m of Government Funding, and the Council is funding £1.6m of works.

  - For the Market Hall Scheme
    - Construction is progressing on site. Piling is completed and groundworks are underway. Kier have submitted an initial claim which includes work clearing ground obstructions. The Arcadis Quantity Surveyor has reviewed this and considers their claim reasonable. The costs are covered by contingency and provisional sums so there is no increase to the budget. It is expected that now Kier are almost out of the ground, some of the provisional sums can be reallocated.
    - Arcadis have been appointed as employer's agent and Quantity Surveyor for RIBA Stage 5 of the project.
    - GJS Dillon have been appointed to develop the marketing strategy for the commercial building and will manage letting enquiries
  - For the Windsor Street Scheme
    - The site has been demolished and fencing is securing the site.
    - Soilfix are on site carrying out remediation work including testing two zones for contaminated material.
    - The Site Investigation indicated Zone 2 had the highest concentrations of PFAS, and they had excavated below the depth initially identified by Brownfield as the potential contamination layer (into the underlying sands). This means there is a possibility that the resampling may produce additional failures.
    - Thomas Lister have been appointed to support with the development appraisal that will inform the options paper.

  O Public Realm work will be fully completed before the end of the calendar year.

3.10 It is still expected that there will be an overspend position on the overall projects of circa £1.1m although there is scope to bring this down by £300-£500k. To mitigate this position the Council can either fund through debt financing or use other potential funding routes.

3.11 One of these is the former GBSLEP. The Council can claim up to £2.45m although this will require the final costs as a complete application process needs to be followed. Birmingham City Council have informed all Councils wanting to access money from GBSLEP fund in 2025/26 that funds will not be available until the 2026/2027 financial year. Therefore, BDC may have to use short term borrowing until the funding is available.

3.12 Although the Council cannot access GBSLEP funds until the 2026/27 financial year, the sum of £2.45m is ringfenced for Bromsgrove District Council subject to the development and approval of a full business case.

3.13 It is proposed, given the fact that the Council will cease to exist due to Local Government Reorganisation in April 2028 and that to access funds that the Council required a fully compliant business case, that a business case is submitted for the Market Hall project to cover Council side costs, including the original 10% match funding investment to ensure that the Council use these funds before it ceases to exist. This will ensure that the full £2.45m will be drawn down. It is unlikely that there will be time to deliver another scheme and associated business case within these timescales. If funding is not used in this way the Council will need to finance this spending by the use of debt.

3.14 UK Shared Prosperity Schemes totalling £2.8m (although it should be noted that these grants funded schemes are a mix of capital and revenue) need to be completely spend by the end of the 2024/5 financial year.

3.15 The outturn spend is £2.284m against a capital budget totalling £7.069m and is detailed in **Appendix A**. It should be noted that as per the budget decision carry forwards of £7.166m will be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24.

Earmarked Reserves

3.16 The updated position, taking account of the now submitted draft accounts for 2020/21, 2021/22, 2022/23 and 2023/24 are set out in **Appendix B**. As part of the MTFP all reserves were thoroughly reviewed for their requirement and additional reserves set up as per that report. At the 31st December 2028, based on the present MTFP that was approved by Council on the 19th February, the Council holds £12.873m of General Fund Reserves.

3.17 The application from Earmarked Reserves for the use of £40,000 on a Poverty Truth Commission (PTC) in Bromsgrove District, requested in the Q2 monitoring was rejected as part of the MTFP process. Earmarked Reserves are at £9.534m

Ward Budgets

3.18 This report is the second quarterly report to show what has been spent to date on Ward budgets. Each Ward Member has £2,000 to spend on Ward Initiatives subject to the

rules of the Scheme which were approved by Council in February. As of the 11th March there have been applications from 23 Members approved totalling £33,137. There are still 8 Members who have not allocated any funding and overall £28,863 is still to be allocated. Two Members are awaiting clarification on spending. This year's funding allocations must be spent by the 31st March. Full detail is set out in **Appendix C.**

Balance Sheet Monitoring Position

3.19 There has been the request from Audit Committee that the Council include Balance Sheet Monitoring as part of this report.

3.20 This initial balance sheet reporting is set out as the Q3 Treasury Report which is attached as **Appendix D**. This report sets out the Councils debt and borrowing position for Q3 2024/25. Included in this is how the Council is using its working capital as well as measurement of the Councils Prudential Indicators, this appendix will need to be noted and approved that Council note the position

Procurement Pipeline

3.21 The Procurement pipeline is shown in **Appendix E**. The Council's Procurement Pipeline includes details of contracts expected to be reprocured and new procurement projects expected to be undertaken in the future. Those happening in the next 12 months and over £200k will need to be put on the Forward Plan. The pipeline is refreshed quarterly.

- There are 17 contracts between the old threshold of £50k and the new threshold of £200k.
- There are 10 contracts that are over the key decision threshold of £200k
- There are 4 contracts procured by Redditch Bromsgrove on behalf of Bromsgrove.

Performance

3.22 This is the first iteration of the new Corporate Performance Indicators. These are based on work undertaken when formulating the New Corporate Strategy with Cabinet and also the bottom up Business Planning processes that has been undertaken by budget managers. The new format sets out:

- The measure.
- Performance against that measure.
- A commentary.

The measures are set out in **Appendix F**.

3.23 We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

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 Items identified in the Finance and Performance monitoring is included in a number of the Corporate Risks. These are listed below. The mitigations to these risks are set out in the Risk Report, of which the Quarter 3 Report is reported to Audit, Standards and Governance Committee in March:

- COR 10 - Decisions made to address financial pressures and implement new projects.
- COR16 – Management of Contracts.
- COR17 – Resolution of the Approved Budget Position.
- COR19 – Adequate Workforce Planning.
- COR20 – Financial Position Rectification.
- COR22 - Delivery of Levelling Up and UK SPF Initiatives
- COR23 – Cost of Living Crisis
- COR25 – The new Environment Bill

8. APPENDENCES

Appendix A – Capital Outturn

Appendix B – Reserves Position
Appendix C – Ward Budget Position
Appendix D – Treasury Management Position
Appendix E – Procurement Pipeline
Appendix F – Performance Indicators

AUTHOR OF REPORT

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Appendix A - Capital Outturn

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	24/25 Spend £
	Large Schemes						
	Levelling Up Fund						
200072	- Market Hall	7,563,360	428,395	7,134,965	0	7,134,965	1,921,799
200072	Market Hall (LUF)						
200073	- Ex-Fire Station/Windsor Street	805,133	15,592	789,541	0	789,541	77,300
	UK Shared Prosperity Fund						
200086	- Remainder (to be allocated)	680,988	73,987	607,001	1,784,215	2,391,216	289,679
	Other Schemes						
200006	Burcot Lane	0	927,642	-927,642	0	-927,642	-915,914
200008	Funding for DFGs	913,000	842,776	70,224	913,000	983,224	567,033
200009	Home Repairs Assistance	50,000	-19,690	69,690	50,000	119,690	0
200010	Energy Efficiency Installation	0	0	0	110,000	110,000	0

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Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	24/25 Spend £
200016	New Finance Enterprise system	0	0	0	20,000	20,000	0
200019	Fleet Replacemnet new line	0	0	9,400	3,090,000	3,099,400	13,860
200022	Replacement Parking Machines	96,000	212,270	-116,270	125,000	8,730	85,003
200026	Rubery Redevelopment Works	0	0	0	0	0	821
200030	Wheelie Bin Purchase	55,000	188,195	-48,195	60,000	11,805	88,772
200033	Bus Shelters	0	0	0	18,000	0	19,180
200045	Greener Homes	0	197,505	-197,505	0	-197,505	6,125
200069	Cisco Network Update	11,574	0	11,574	0	11,574	0
200070	Server Replacement	2,000	93,201	-91,201	177,500	86,299	0
200071	Laptop Refresh	25,000	11,542	13,458	150,000	163,458	18,352
200075	Sanders Park	0	33,027	-33,027	0	-33,027	8,550

Cap Proj	Description	2023/24 Total £	23/24 Spend £	c/f	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	24/25 Spend £
200076	Play Area, POS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	0	8,842	-8,842	37,956	29,114	30,000
200079	Footpaths	75,000	75,408	-408	75,000	74,592	54,926
200082	New Digital Service	33,668	0	33,668	0	33,668	0
200104	Buildings	100,000	0	100,000	100,000	200,000	780
200105	Initial Play Audit Requirements	87,000	0	87,000	364,000	451,000	0
200106	New ongoing Cyber securty budget	0	0	0	25,000	25,000	0
200107	Artrix - Landlord Obligations	0	0	0	20,000	20,000	17,587
n/a	Wild Flower Machinery	62,000	0	62,000	0	62,000	0
	Total	**11,050,723**	**3,978,960**	**7,166,163**	**7,069,671**	**14,667,102**	**2,283,853**

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Appendix B - Earmarked Reserves

		Transfers In	Transfers Out		Prior Yr Bud	Transfers In	Transfers Out	Balance	Transfers In	Transfers Out	Balance	Transfers In	Transfers Out	Balance	Transfers In	Transfers Out	Balance
	Balance as at 31 March 2023 £000	2023/24 £000	2023/24 £000	Balance as at 31 March 2024 £000	Prior year Changes	Transfers In 2024/25 £000	Transfers Out 2024/25 £000	Balance as at 31 March 2024 31-Mar-25 £000	Transfers In 2025/26 £000	Transfers Out 2025/26 £000	Balance as at 31 March 2024 31-Mar-26 £000	Transfers In 2026/27 £000	Transfers Out 2026/27 £000	Balance as at 31 March 2024 31-Mar-27 £000	Transfers In 2027/28 £000	Transfers Out 2027/28 £000	Balance as at 31 March 2024 31-Mar-28 £000
General Fund Balances	13,104	1,747	(1,330)	13,521	1,200	53	(50)	**14,724**		(252)	**14,472**		(1,115)	**13,357**		(484)	**12,873**
General Fund:																	
Building Control Other	7	0	0	7	0	0	0	**7**	0	0	**7**	0	0	**7**	0	0	**7**
Building Control Partnerships	82	0	0	82	0	0	0	**82**	0	0	**82**	0	0	**82**	0	0	**82**
Community Services	321	0	(125)	196	0	0	0	**196**	0	0	**196**	0	0	**196**	0	0	**196**
Economic Regeneration	1,348	50	0	1,398	(600)	0	0	**798**	0	0	**798**	0	0	**798**	0	0	**798**
Election Services	85	0	0	85	0	0	0	**85**	0	0	**85**	0	0	**85**	0	0	**85**
Environmental Services	27	0	0	27	0	0	0	**27**	0	0	**27**	0	0	**27**	0	0	**27**
Financial Services	4,705	430	(500)	4,635	(750)	0	0	**3,885**	0	(334)	**3,551**	0	0	**3,551**	0	0	**3,551**
HR Backlog Funding					75	0	0	**75**	0	0	**75**	0	0	**75**	0	0	**75**
ICT Backlog Funding					75	0	0	**75**	0	0	**75**	0	0	**75**	0	0	**75**
Housing Schemes	864	0	0	864	0	0	0	**864**	0	0	**864**	0	0	**864**	0	0	**864**
ICT/Systems	197	0	0	197	0	0	0	**197**	0	0	**197**	0	0	**197**	0	0	**197**
Leisure/Community Safety	115	0	0	115	0	0	0	**115**	0	0	**115**	0	0	**115**	0	0	**115**
Local Neighbourhood Partnerships	16	0	0	16	0	0	0	**16**	0	0	**16**	0	0	**16**	0	0	**16**
Other	67	0	0	67	0	0	0	**67**	0	0	**67**	0	0	**67**	0	0	**67**
Planning & Regeneration	463	0	0	463	0	50	0	**513**	0	0	**513**	0	0	**513**	0	0	**513**
Regulatory Services (Partner Share	85	0	0	85	0	0	0	**85**	0	0	**85**	0	0	**85**	0	0	**85**
Replacement Reserve (Inc. Recycli	0			0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
Shared Services (Severance Costs	311	0	0	311	0	0	0	**311**	0	0	**311**	0	0	**311**	0	0	**311**
Covid-19 (General Covid Grant)	766	0	0	766	0	0	0	**766**	0	0	**766**	0	0	**766**	0	0	**766**
Covid-19 (Collection Fund)	1,604	0	0	1,604	0	0	0	**1,604**	0	0	**1,604**	0	0	**1,604**	0	0	**1,604**
Utilities	0			0	0	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
Ward Budgets	0			0	0	234	(78)	**156**	0	(78)	**78**		(78)	**0**			**0**
Council Tax Hardship Fund	79	0	0	79	0	0	0	**79**	0	0	**79**	0	0	**79**	0	0	**79**
Property Services Review								**0**	100	(100)	**0**			**0**			**0**
EPR Funding Allocationb								**0**	1,004	(100)	**904**		(450)	**454**		(450)	**4**
Artrix Holding Trust	17	0	0	17	0	0	0	**17**	0	0	**17**	0	0	**17**	0	0	**17**
Total General Fund	**11,159**	**480**	**(625)**	**11,014**	**(1,200)**	**284**	**(78)**	**10,020**	**1,104**	**(612)**	**10,512**	**0**	**(528)**	**9,984**	**0**	**(450)**	**9,534**

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Appendix C – Ward Budget Funds Allocated to March 11th 2025

Councillor Ward Fund Balances – 24/25

Activity	Spend	Balance £2,000
Cllr Alan Bailes	1,700.00	300.00
Cllr Ruth Lambert	400.00	1,600.00
Cllr Sam Ammar	1,430.00	570.00
Cllr Ester Gray	2,000.00	0
Cllr Peter McDonald	2,000.00	0
Cllr Harrison Rone-Clarke	400.00	1,600.00
Cllr Anita Dale	214.00	1,786.00
Cllr Webb	2,000.00	0
Cllr Hunter	1970.00	30.00
Cllr Rachel Bailes	2,000.00	0
Cllr Sue Baxter	0	2,000.00
Cllr J Clarke	0	2,000.00
Cllr Stephen Colella	2,000.00	0
Cllr J Elledge	900.00	1,100.00
Cllr Derek Forsythe	0	2,000.00
Cllr D Hopkins	913.00	1,087.00
Cllr Charlie Hotham	540.00	1,460.00
Cllr Helen Jones	0	2,000.00
Cllr B Kumar	2,000.00	0
Cllr M Marshall	2,000.00	0
Cllr Karen May	555.00	1,445.00
Cllr Brian McEldowney	2,000.00	0

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Activity	Spend	Balance £2,000
Cllr D Nicholl	2,000.00	0
Cllr Simon Nock	375.00	1,625.00
Cllr S Peters	2,000.00	0
Cllr J Robinson	0	2,000.00
Cllr S Robinson	0	2,000.00
Cllr J Stanley	0	2,000.00
Cllr Kit Taylor	0	2,000.00
Cllr Peter Whittaker	2,000.00	0
Cllr S Evans	1,740.00	260.00

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Appendix D – Treasury Management Position

1. SUMMARY

The purpose of this report is to set out a third quarterly update on the Council's Capital and Treasury Management Strategies, including all prudential indicators.

2. RECOMMENDATIONS

Cabinet are asked to:

- **Note the Council's Treasury performance for Q3 of the financial year 24/25.**
- **Note the position in relation to the Council's Prudential indicators.**

3. BACKGROUND

Introduction

3.1 The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

3.2 This third quarterly report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly revenue report.

External Context

3.3 **Economic background:** The Chancellor of the Exchequer delivered her Autumn Budget at the end of October. Based on the plans announced, the Office for Budget Responsibility reported they would provide a short-term boost to GDP growth before weakening it further out and push inflation higher over the medium-term. This change to the economic and inflation outlook caused financial markets to readjust expectations of Bank of England (BoE) Bank Rate and gilt yields higher. The council's treasury management advisor, Arlingclose, also revised its interest rate forecast upwards in November, with Bank Rate expected to eventually fall to 3.75%.

3.4 UK annual Consumer Price Index (CPI) inflation remained above the Bank of England (BoE) 2% target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices rose 2.6% in November 2024, up from 2.3% in the previous month and in line with expectations. Core CPI also rose, but by more than

expected, and remained elevated at 3.6% in November against a forecast of 3.5% and compared to 3.3% in the previous month.

3.5 UK economy GDP registered no growth (0.0%) between July and September 2024 and 0.4% between April and June 2024, a further downward revision from the 0.5% rate previously reported by the ONS. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in October, following the same size decline in September.

3.6 The labour market continued to loosen, but the ONS data still require treating with some caution. Recent figures reported the unemployment rate rose to 4.3% (3mth/year) in the three months to October 2024 and economic inactivity fell to 21.7%. The ONS reported pay growth over the same three-month period at 5.2% for both regular earnings (excluding bonuses) and for total earnings.

3.7 The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.75% at its December 2024 meeting, having reduced it to that level in November and following a previous 25bp cut from the 5.25% peak at the August MPC meeting (5-4 vote to cut). At the December meeting, six Committee members voted to maintain Bank Rate at 4.75% while three members preferred to reduce it to 4.50%. The meeting minutes suggested a reasonably dovish tilt to rates with the outlook for economic growth a concern among policymakers as the Bank downgraded its Q4 GDP forecast from 0.3% to 0.0%.

3.8 The November Monetary Policy Report (MPR) showed the BoE expected GDP growth to pick up to around 1.75% (four-quarter GDP) in the early period of the forecast horizon before falling back. The impact from the government's Autumn Budget pushed GDP higher in 2025 than was expected in the August MPR, before becoming weaker. The outlook for CPI inflation showed it rising above the MPC's 2% target from 2024 into 2025 and reaching around 2.75% by the middle of calendar 2025. Over the medium-term, once the near-term pressures eased, inflation was expected to stabilise around the 2% target. The unemployment rate was expected to increase modestly, rising to around 4.5%, the assumed medium-term equilibrium unemployment rate, by the end of the forecast horizon.

3.9 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall from the 5.25% peak. From the first cut in August 2024, followed by the next in November which took Bank Rate to 4.75%, February 2025 is deemed the likely month for the next reduction, with other cuts following steadily in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

3.10 The US Federal Reserve continued cutting interest rates during the period, reducing the Fed Funds Rate by 0.25% at its December 2024 monetary policy meeting to a range of 4.25%-4.50%, marking the third consecutive reduction. Further interest rate cuts are expected into 2025, but uncertainties around the potential inflationary impact of President-elect Trump's policies may muddy the waters in terms of the pace and magnitude of further

rate reductions. Moreover, the US economy continues to expand at a decent pace, suggesting that monetary policy may need to remain more restrictive in the coming months than had previously been anticipated.

3.11 The European Central Bank (ECB) also continued its rate cutting cycle, reducing its three key policy rates by 0.25% in December. Euro zone inflation rose above the ECB 2% target in November 2024, hitting 2.2% as was widely expected and a further increase from 2% in the previous month. Inflation is expected to rise further in the short term, but then fall back towards the 2% target during 2025, with the ECB remaining committed to maintaining rates at levels consistent with bringing inflation to target, but without suggesting a specific path.

3.12 **Financial markets:** Financial market sentiment was generally positive over the period, but economic, financial and geopolitical issues meant the ongoing trend of bond yield volatility very much remained. In the last few months of the period, there was a general rising trend in yields due to upwardly revised interest rate and inflation expectations, causing gilt yields to end the period at substantially higher levels to where they began.

3.13 Over the period, the 10-year UK benchmark gilt yield started at 3.94% and ended at a high of 4.57%, having reached a low of 3.76% in mid-September. While the 20-year gilt started at 4.40%, ended at a high of at 5.08% and hit a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.01% over the period to 31st December.

3.14 **Credit review:** In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days.

3.15 Fitch revised the outlooks on Royal Bank of Scotland, NatWest Markets PLC, and National Westminster Bank to positive from stable, while affirming their long-term ratings at A+.

3.16 Moody's upgraded the ratings on National Bank of Canada to Aa2 from Aa3, having previously had the entity on Rating Watch for a possible upgrade. Moody's also upgraded the ratings on The Co-operative Bank to A3 (from Baa3) and downgraded the ratings on Coventry Building Society to A3 (from A2) and Canada's Toronto-Dominion Bank to Aa2 (from Aa1).

3.17 S&P also downgraded Toronto-Dominion Bank, to A+ from AA-, but kept the outlook at stable.

3.18 Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period also remained generally more muted compared to previous periods.

3.19 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

Local Context

3.20 On 31st March 2024, the Authority had net borrowing of £10.67m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £m	**31.3.25 Forecast £m**
General Fund CFR	38.67	42.70
Total CFR	**38.67**	**42.70**
Less: *Other debt liabilities	0	0
Borrowing CFR	**38.67**	**42.70**
Less: External borrowing**	-7.50	0
Internal borrowing	31.17	42.70
Less: Usable reserves	-17.40	-17.20
Less: Working capital	-3.10	-3.10
Net borrowing	**10.67**	**22.40**

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt
** shows only loans to which the Authority is committed and excludes optional refinancing

3.21 The treasury management position at 31st December and the change over the first nine months of 24/25 is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	31.12.24 Balance £m	31.12.24 Rate %
Long-term borrowing Short-term borrowing	-7.5	7.5	0	
Total borrowing	**-7.5**	**7.5**	**0**	
Short-term investments Cash and cash equivalents	0.0	6.0	6.0	4.70%
Total investments	**0.0**	**6.0**	**6.0**	
Net investments	**-7.5**	**13.5**	**6.0**	

Borrowing Strategy and Activity

3.22 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. During the period short term interest rates have been higher than long term interest rates.

3.23 After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields were volatile but have increased overall during the period. Much of the increase has been in response to market concerns that policies introduced by the Labour government will be inflationary and lead to higher levels of government borrowing. The election of Donald Trump in the US in November is also expected to lead to inflationary trade policies.

3.24 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the period and 5.40% at the end. The lowest available 10-year maturity rate was 4.52% and

the highest was 5.44%. Rates for 20-year maturity loans ranged from 5.01% to 5.87% during the period, and 50-year maturity loans from 4.88% to 5.69%.

3.25 Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during that month, as expected shorter-term rates reverted to a more market-consistent range and were generally around 5.00% - 5.5%. Rising rates were seen towards the end of the period in the LA-LA market.

3.26 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Authority has no new plans to borrow to invest primarily for financial return.

3.27 **Loans Portfolio:** At 30th December the Authority held no loans.

Table 3: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	31.12.24 Balance £m
Public Works Loan Board			
Banks (LOBO)			
Banks (fixed-term)			
Local authorities (long-term)			
Local authorities (short-term)	-7.5	7.5	0
Total borrowing	**-7.5**	**7.5**	**0**

Treasury Investment Activity

3.28 The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

3.29 The Authority does not hold any invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £1.0 and £10.5 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.12.24 Balance £m	31.12.24 Income Return %	31.12.24 Weighted Average Maturity days
Total investments	**0.0**	**6.0**	**6.0**		

3.30 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.31 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

3.32 Bank Rate reduced from 5.25% to 5.00% in August 2024 and again to 4.75% in November 2024 with short term interest rates largely being around these levels. The rates on DMADF deposits and money market rates ranged between 4.94% and 4.70%.

Non-Treasury Investments

3.33 The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

3.34 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

Treasury Performance

3.35 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 5 below.

Table 5: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Total borrowing	**0.0**	**0.0**	**0.0**			
PFI and Finance leases	0.0	0.0	0.0			
Total debt	0.0	0.0	0.0			
Total treasury investments	**6.0**	**0.0**	**6.0**			
				n/a	n/a	n/a

MRP Regulations

3.36 On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding Capital Financing Requirement (CFR) in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.

3.37 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

Compliance

3.38 The Director of Resources and Section 151 officer reports that all treasury management activities undertaken during the period complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Maximum	**31.12.24 Actual**	**2024/25 Limit**	**Complied?** Yes/No
Any single organisation, except the UK Government	£4m each			
UK Central Government	Unlimited			
Unsecured investments with banks and building societies	**£2.5m in total**			
Loans to unrated corporates	**£1m in total**			
Money Market Funds	**£20m in total**	**£6.0m**	**£20m**	**Yes**
Foreign countries	**£5m per country**			
Real Estate Investment Trusts	**£2.5m in total**			

3.39 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	Q1 2024/25 Maximum	**30.9.24 Actual**	**2024/25 Operational Boundary**	**2024/25 Authorised Limit**	**Complied?** Yes/No
Borrowing	Nil	Nil	55,000	60,000	Yes
PFI and Finance Leases	Nil	Nil	1,000	1,000	Yes
Total debt	**Nil**	**Nil**	**56,000**	**61,000**	

3.40 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure

Treasury Management Prudential Indicators

3.41 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

Liability Benchmark

3.42 This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2m required to manage day-to-day cash flow**.**

	31.3.24 Actual	**31.3.25 Forecast**	**31.3.26 Forecast**	**31.3.27 Forecast**
Loans CFR	38.6	42.7	45.4	47.7
Less: Balance sheet resources	-20.5	-20.3	-20.2	-20.2
Net loans requirement	18.1	22.4	25.2	27.5
Plus: Liquidity allowance	**0.2**	**0.2**	**0.2**	**0.2**
Liability benchmark	**18.3**	**22.6**	**25.4**	**27.7**
Existing borrowing	**0**	**0**	**0**	**0**

3.43 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £0m, minimum revenue provision on new capital expenditure based on a 40 year asset life and income, expenditure and reserves all increasing by inflation of 2.0% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing. Presently borrowing has been delivered through the use of internal resources and the Council has no long term borrowing.

Maturity Structure of Borrowing

3.44 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	31.12.24 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

3.45 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Long-term Treasury Management Investments

3.46 The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£0.5m	£0.5m	£0.5m	£0.5m
Actual principal invested beyond year end	Nil	Nil	Nil	Nil
Complied?	Yes	Yes	Yes	Yes

3.47 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional indicators

Security**:**

3.48 The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic

average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	2024/25 Target	31.12.24 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

Liquidity**:**

3.49 The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	31.12.24 Actual	2024/25 Target	Complied?
Total cash available within 3 months	£6.0m	Nil	Yes
Total sum borrowed in past 3 months without prior notice	Nil	Nil	Yes

Interest Rate Exposures:

3.50 This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	2024/25 Target	31.12.24 Actual	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	500,000	0	Yes

3.51 For context, the changes in interest rates during the quarter were:

	31/3/24	31/12/24
Bank Rate	5.25%	4.75%
1-year PWLB certainty rate, maturity loans	5.36%	5.19%
5-year PWLB certainty rate, maturity loans	4.68%	5.10%
10-year PWLB certainty rate, maturity loans	4.74%	5.40%
20-year PWLB certainty rate, maturity loans	5.18%	5.84%
50-year PWLB certainty rate, maturity loans	5.01%	5.66%

3.52 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

4. IMPLICATIONS

Legal Implications

4.1 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Councils statutory function.

Service / Operational Implications

4.2 Monitoring is undertaken to ensure that income targets are achieved, with Treasury Management activities taking place on a daily basis.

Customer / Equalities and Diversity Implications

4.3 The only impact of treasury transactions is in respect of ethical investment linked to the Councils investment counterparties. Presently the Council has a limited counterparty list based on financial risk to the Authority.

5. RISK MANAGEMENT

5.1 There is always significant risk in relation to treasury transactions, this is why Councils appoint Treasury advisors, which in the case of Bromsgrove is Arlingclose. In addition, there is the requirement in this area to provide an Annual Strategy report containing indicators/limits that must be met, a quarterly update and closure report all of which must be reported to full Council.

6. APPENDICES

None

7. BACKGROUND PAPERS

MTFP 2024/25 – February 2024 which contains this years Capital Strategy, Treasury Management Strategy and MRP Policy.

AUTHOR OF REPORT

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Appendix E - Procurement Pipeline

Council	Contract Title	Department
	Over £200,000	
Bromsgrove	Fleet Replacement	Environmental Services
Bromsgrove	Mobile Veterinary Services	WRS
Bromsgrove	Replacement Parking Machines	Engineering & Design
Bromsgrove	Microsoft Licenses	ICT
Bromsgrove	PROVIDE Kennelling of Dogs	WRS
Bromsgrove	Planning/GIS/Gazetteer	ICT
Bromsgrove	Pest Control	WRS
Bromsgrove	Supply of HVO fuel	Supplies
Bromsgrove	Air Quality Analysers	WRS
Bromsgrove	Data Access Services	ICT
	£50,000 to £200,000	
Bromsgrove	Idox Support & Maintenance	ICT
Bromsgrove	Server/SAN Replacement	ICT
Bromsgrove	Cisco Network Maintenance	ICT
Bromsgrove	Vehicle Hire	Environmental - Fleet
Bromsgrove	out of hours dog warden services	WRS
Bromsgrove	Charford Rec & Upland Gr play area refurbishments	Parks / Leisure
Bromsgrove	Automation/Robotics	ICT
Bromsgrove	Web security subscription (Ironport)	ICT
Bromsgrove	GIS System	ICT
Bromsgrove	Web Filter	ICT
Bromsgrove	Community Transport	Community Services
Bromsgrove	VMware License & Support	ICT
Bromsgrove	Digital Forms	WRS
Bromsgrove	IDOX Software	WRS
Bromsgrove	Street Naming and Numbering	ICT
Bromsgrove	LogPoint SIEM	ICT
Bromsgrove	Cloud Storage	ICT
	Over £200,000 Purchased by Partner	
Joint	Civil Engineering works	Engineering and Design
Joint	Corporate Building Electrical contract	Property Services
Joint	Enforcement Services	Finance and Customer Services
Joint	Public Space CCTV Maintenance	CCTV and Lifeline

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Appendix F BROMSGROVE Strategic & Operational Performance Measures

BROMSGROVE Strategic & Operational Performance Measures

Quarter 3, 2024/25

1. Introduction

We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

By assessing performance and utilising benchmarking where appropriate, we can identify areas of improvement, make informed decisions, allocate resources efficiently, and ultimately enhance service delivery to meet the evolving needs of our constituents, therefore how we measure performance is essential.

The Council Plan 2024-27 has been adopted, which identifies priorities and key projects, and contains a suite of measures to assess delivery of against these, which be the foundation for performance reporting going forward. These measures and the associated data collection requirements are currently under development; where appropriate, they have been included in this report.

2. Strategic Priorities and Performance Measures

The measures shown in the next section are structured around the Council Plan and the Service Business Planning Framework, part of a transition to a new set of comprehensive performance measures.

2.1. Economic Development

Measure:	**Business grant funding being taken up**
Performance:	

	START UP	GROWTH	TOTAL OF GRANTS FOR QUARTER
23/24 Q3	£569.60	0	£569.90
23/24 Q4	£5,000.00	£10,000.00	£15,000.00
24/25 Q1	£38,307.06	£13,594.67	£51,901.73
24/25 Q2	£13,486.53	£21,561.60	£35,048.13
24/25 Q3	£2,954.90	14,102.87	£17,057.77

2.2. Housing

Measure:	**% of building control applications determined within 5 weeks**
Performance	**Q3- 92% (target of 85%)**

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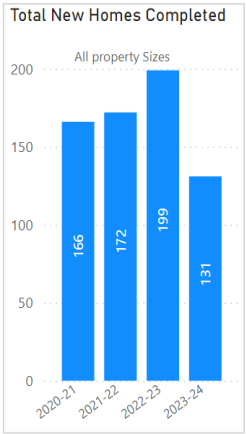
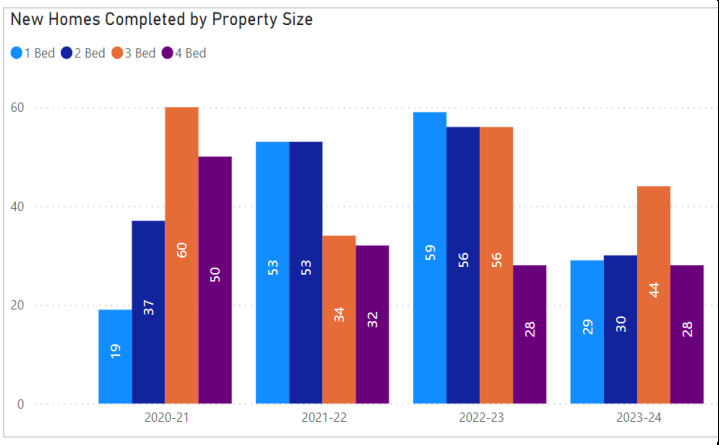
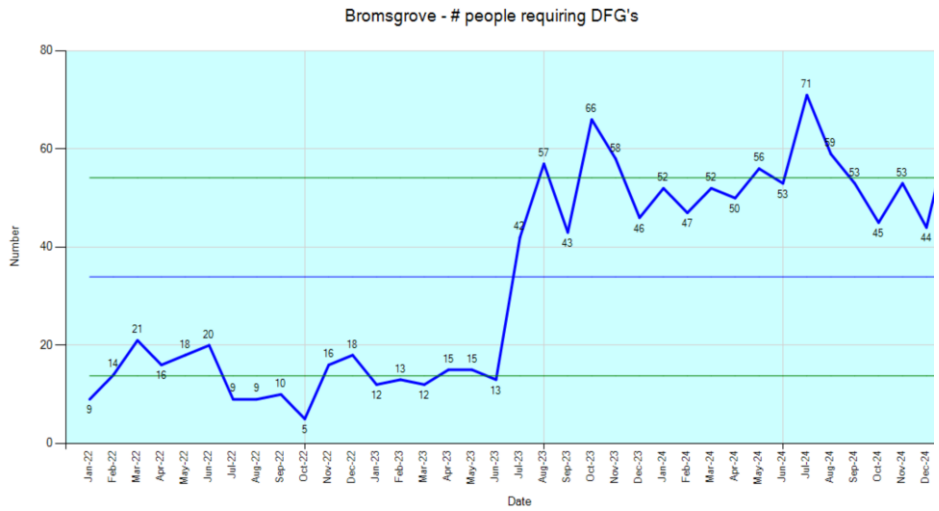
Measure:	**Number of new homes - total and affordable (annual)**
Performance:	 
Comment:	The final data for the 2023/24 is: • Total Homes Built (including affordable) -131 (net) • Total affordable homes built - 51 (net)
Measure:	**No. of people requiring DFGs**
Performance:	
Comment:	Demand for DFG's is subject to the number of qualifying clients identified by external organisations and therefore beyond control of the Authority. The figures do not include those assisted with other related forms of assistance also funded through the council's Better Care Fund allocation.

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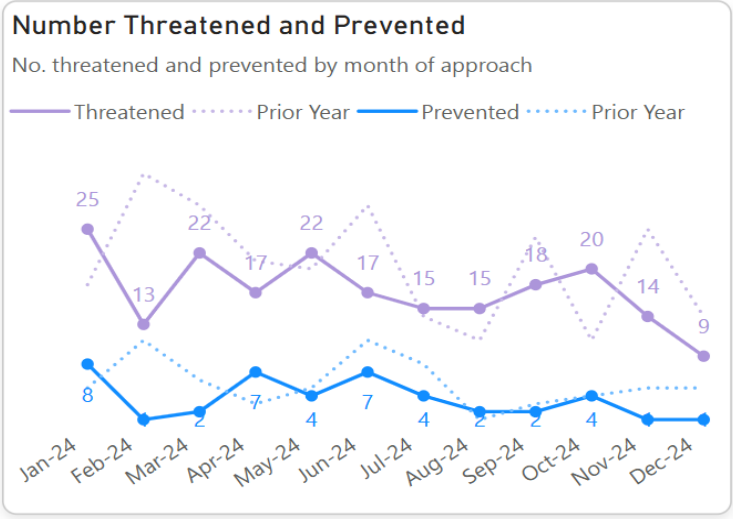
Measure:	**Homelessness: prevention**
Performance:	
Measure:	**Cost of B & B placements**

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Performance:

		21/22	22/23	23/24	**24/25**
Q1	Expenditure	4,769.50	13,532.50	25,223.00	36,644.25
	Income	3,347.48	4,825.28	5,730.77	12,022.96
	SPEND	1,422.02	8,707.22	19,492.23	**24,621.29**
Q2	Expenditure	9,408.71	9,931.21	30,346.30	31,846.40
	Income	5,454.40	5,412.04	6,450.05	9,378.26
	SPEND	3,954.31	4,519.17	23,896.25	**22,468.14**
Q3	Expenditure	8,444.65	18,938.19	18,345.95	54,886.03
	Income	5,058.39	6,137.66	8,481.76	4,644.41
	SPEND	3,386.26	12,800.53	9,864.19	**50,241.62**
Q4	Expenditure	12,256.35	44,491.00	40,326.03	
	Income	2,007.33	11,412.56	7,921.47	
	SPEND	10,249.02	33,078.44	32,404.56	
TOTAL	Expenditure	34,879.21	86,892.90	114,241.28	123,376.68
	Income	15,867.60	27,787.54	28,584.05	26,045.63
	SPEND	19,011.61	59,105.36	85,657.23	**97,331.05**

Comment: The cost of temporary accommodation continues to increase in line with the national picture. This is due to periods in temporary accommodation being longer due to the lack of suitable affordable housing being available.

Measure: **No. of households in temporary accommodation- snapshot**

Performance: 23

Measure: **% of households in temporary accommodation which have exceeded 6 weeks**

Performance: 22%

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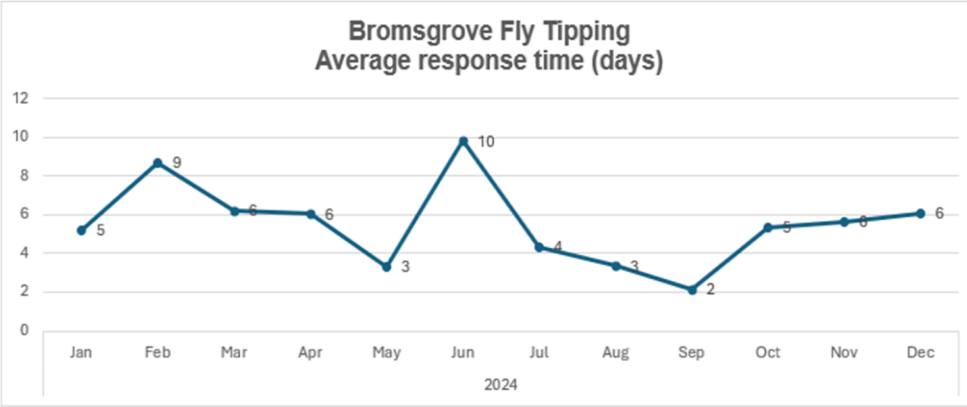
2.3. Environment

Measure:	**No. of environmental enforcement actions taken**
Performance:	This is a new measure for inclusion in quarterly reporting and data will be available from Q4 2024/25 (with a one-quarter lag)
Measure:	**Average time taken to remove fly-tipping reported**
Performance:	
Comment:	Since June 2024 WRS have taken over the enforcement side of Fly-tipping. The process of dove-tailing the clean-up works carried out by BDC Place teams with the investigation side led by WRS has taken a few months to bed in. This was primarily because of the wide rural nature of Bromsgrove District and the volume and nature of some of the fly-tips encountered in these areas. The good news is that most fly-tips of interest are now assessed by WRS and then released for collection by Bromsgrove Place team within 48 Hours. WRS are moving forward with several cases in the Bromsgrove area that should eventually lead to prosecution that will then be utilised in communications to try and vastly reduce the incidents across the District.

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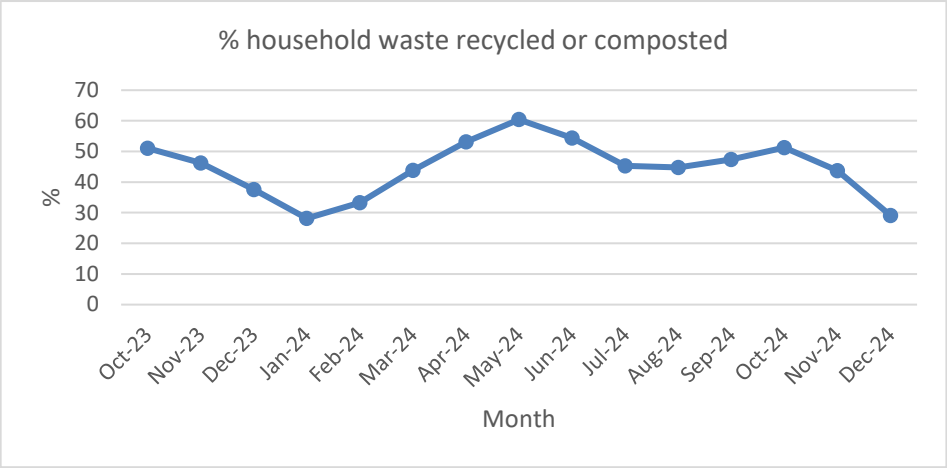
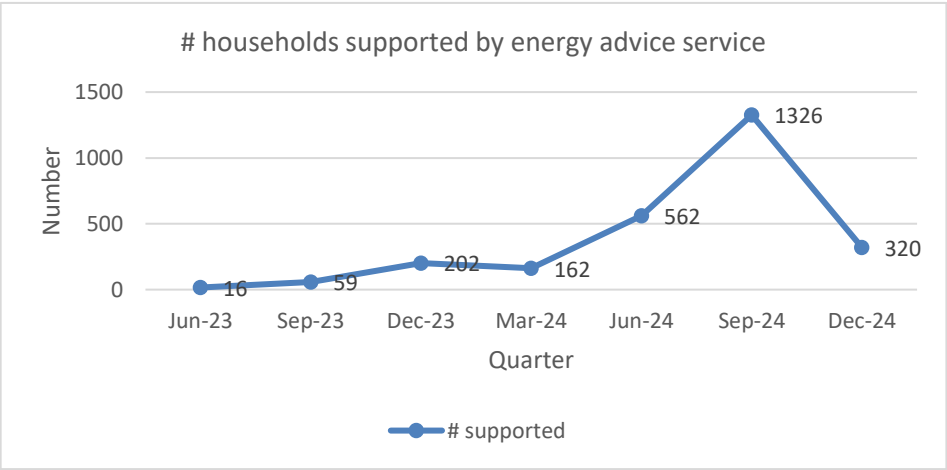
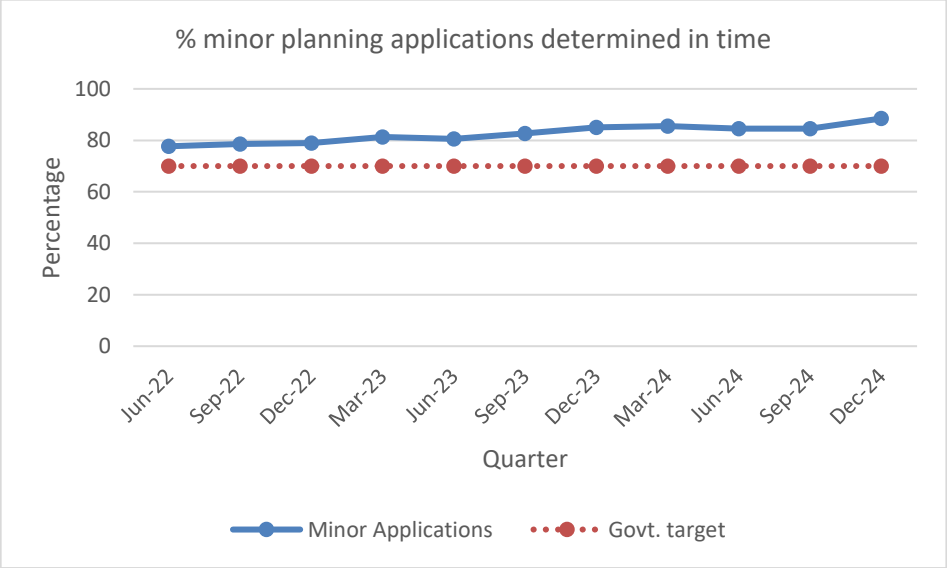
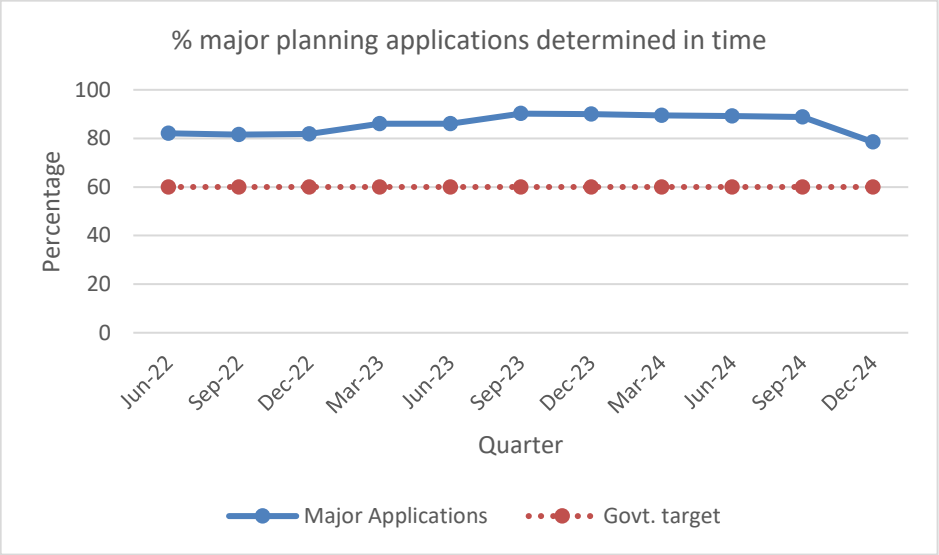
Measure:	**% household waste recycled or composted**
Performance:	
Comment:	December 2024 saw a significant increase in the volume of Residual Waste collected, which was mirrored across all of the Worcestershire Authorities, although was not mirrored by an increase in dry mixed recycling, and so our performance is down by 1.26% when compared against Qtrs 1-3 of 2023/24. We are reviewing Q3 data with WCC to make sure the tonnages this calculation is based on have been logged correctly.
Measure:	**No. of households supported by energy advice service (AoE)**
Performance:	

Comment:	Act On Energy's activity for Q3 highlights the continued impact of the service on residents in Bromsgrove. In October, November and December, AOE received 320 calls for help, significantly higher than the same period in the previous year. These calls resulted in numerous residents accessing support and funding help with their energy bills, including those funded by the Household Support Fund, ECO4, and Shared Prosperity Funding. Notably, the Household Support Fund remains the primary source of project funding in Bromsgrove with 1 in 5 calls resulting in residents being referred onto the HSF.
Measure:	**% energy improvements grant funding of private housing available being taken up**
Performance:	This measure is currently under development due to ongoing changes to the grant funding options available.

2.4. Infrastructure

Measure:	**% of minor planning applications determined within 8 weeks or agreed extension**
Performance:	

Comment:	There has been a change in how the rolling period is calculated. This was previously assessed over the preceding 2 years, however in December 2024 this changed to being assessed over the preceding 12-month period. This means that the numbers of applications involved is reduced and thus when an application goes out of time it has more statistical impact. The Government target remains the same at 70%. Performance for the rolling 1 year period has marginally improved, as more applications determined in the last 12 months have been determined in time or with an extension of time, as a result performance is now 88.05%.
Measure:	**% of major planning applications determined within 13 weeks or agreed extension**
Performance:	
	There has been a change as above in how the rolling period is calculated. The Government target remains the same at 60%. Performance for the rolling 1 year period is now 78.5% which is still comfortably above the requirement.

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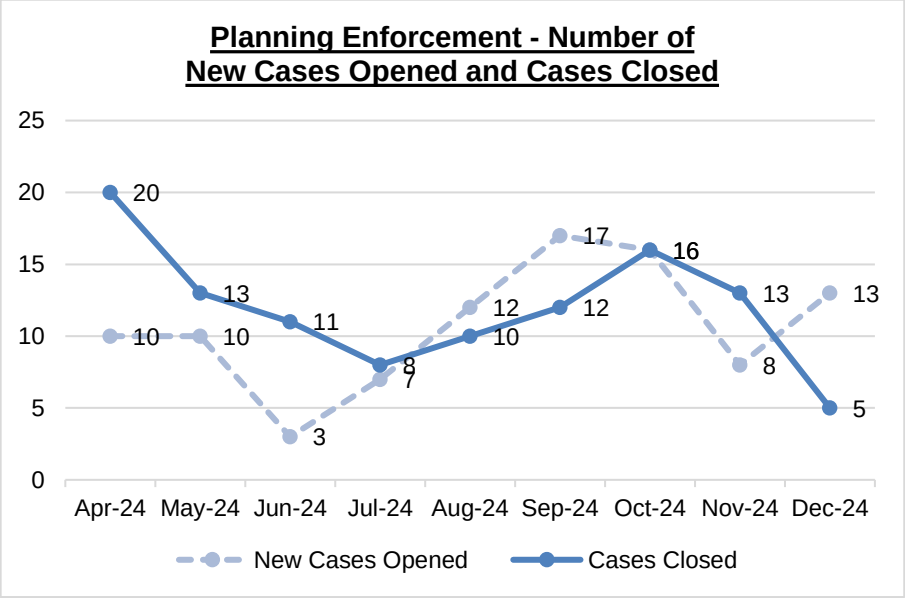
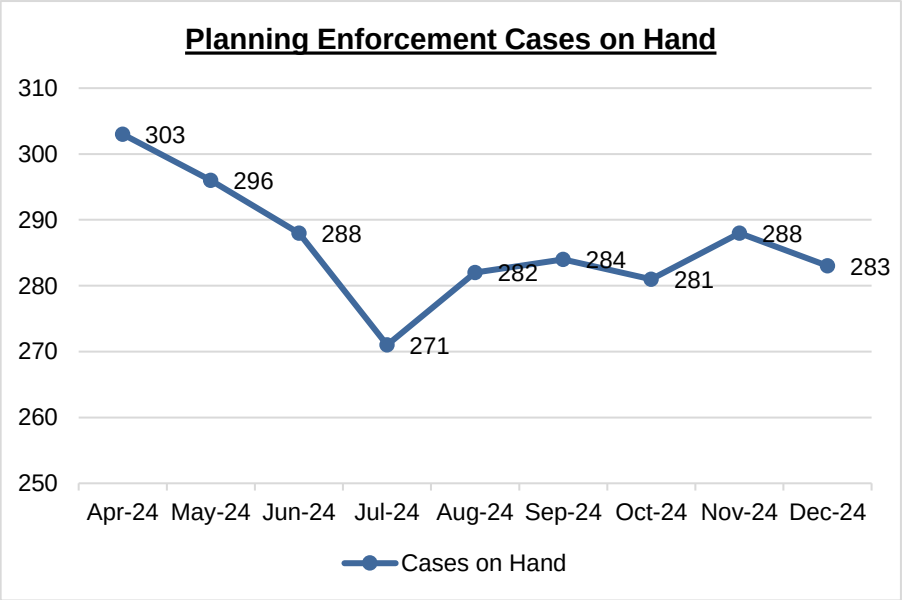
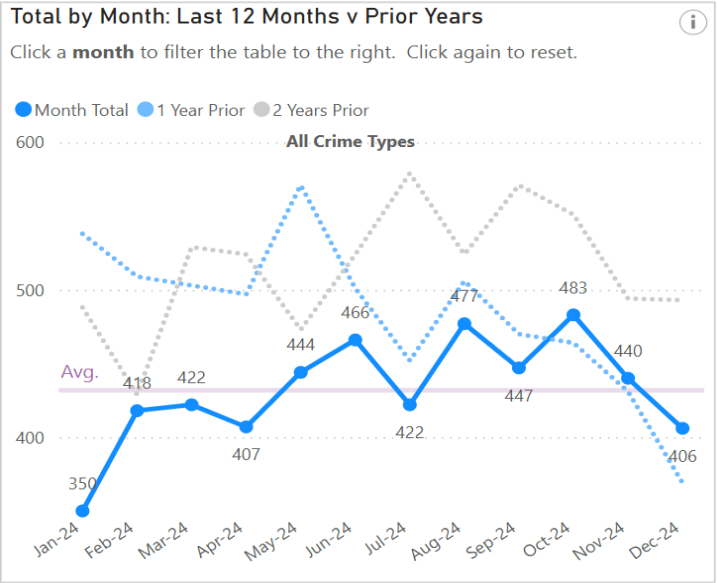
Measure:	**No. of planning enforcement actions taken**
Performance:	 
Measure:	**% of green flags awarded**
Performance:	Q3- 50%

Comment:	There are 4 sites that are part of the schedule for the Green Flag Awards: - Sanders Park- awarded green flag - Lickey End- awarded green flag - St. Chad's Park- due to be judged in 2025 - Recreation Ground- due to be judged in 2026

2.5. General

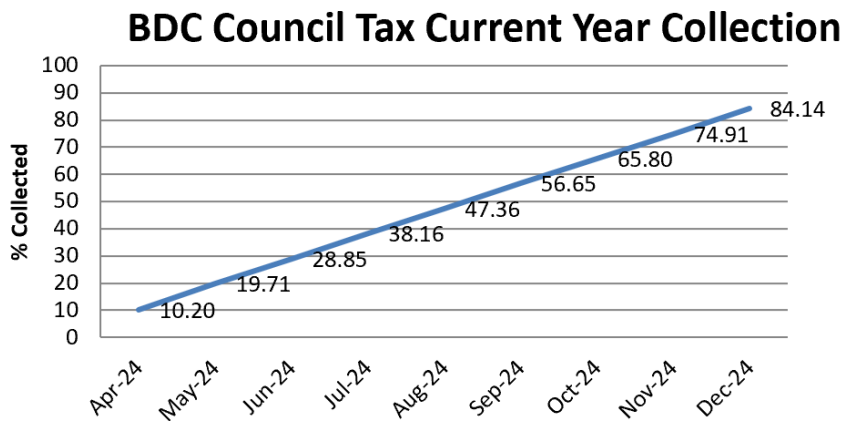
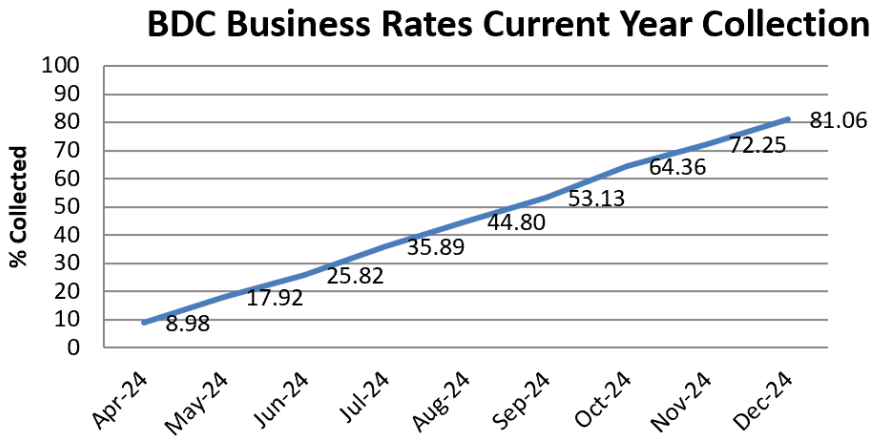
Measure:	**No. of crimes recorded (excl. ASB)**
Performance:	
Comment:	Across North Worcestershire (NW) there has been a 5% (n=218) decrease in offences during Q3 2024/25 compared to the previous quarter. There was also a 9% decrease (n=440) compared to the same quarter in the previous year. The offence categories that showed an increase when compared to the same quarter of the previous year were Vehicle offences (16%, n=53), Theft from the person (18%, n=4), Robbery – business (200%, n=4). Locally, the largest volume of offences for Q3 2024/25 were in Sanders Park Ward however, this was a decrease of 13 offences when compared to the same quarter in the previous year. The highest volume offences in the Ward were Shoplifting (n=30), Violence without injury (n=22), and Violence with injury (n=14). The largest numerical decrease of offences was seen in Charford Ward (-26%, n=23).

Measure:	**Participation- SLM Leisure**
Performance:	

Category	Quarter Total	Same Quarter Previous Year	**Difference**
Total no. of visits including EA cards and non-card holders	101511	112864	**-11,353**
EA Cards added in this period	1970	1969	**1**
Total EA Cards to date	76661	70410	**6,251**
No. of Gym members	2723	2993	**-270**
Swimming Lessons – children enrolled on scheme	1270	1497	**-227**
Swim Lesson Occupancy	74%	84%	**-10%**
RIDDOR Reportable Events	0	0	**0**

Comment:

The second quarter of the financial year has proven to be a period of both challenges and significant achievements. We began this quarter with the installation of new boilers, a necessary upgrade aimed at improving our operational efficiency and service reliability. As the quarter progressed, we shifted our focus to a busy summer program, successfully delivering the Holiday Activities and Food (HAF) programme to over 115 children. This initiative provided engaging and enjoyable experiences, utilizing our climbing wall and pool facilities, and underscoring our commitment to fostering a supportive community for families. In addition, we hosted our Regional Gym Team meeting, welcoming fitness Managers from various locations to experience our exceptional facilities firsthand. This event was

	a valuable opportunity for networking and sharing best practices. We also participated in the Business Fitness Launch in Dunstable, where we gained insights into the future of community wellness, further aligning our strategic objectives with emerging trends in health and fitness. We are proud to share that we received a 'Very Good' accreditation from our Quest Plus assessment. This recognition reflects our dedication to excellence in service delivery and our ongoing commitment to enhancing the experiences of all our users.
Measure:	**% of Council Tax collection rates**
Performance:	
Measure:	**% of Business Rates collection rates**
Performance:	

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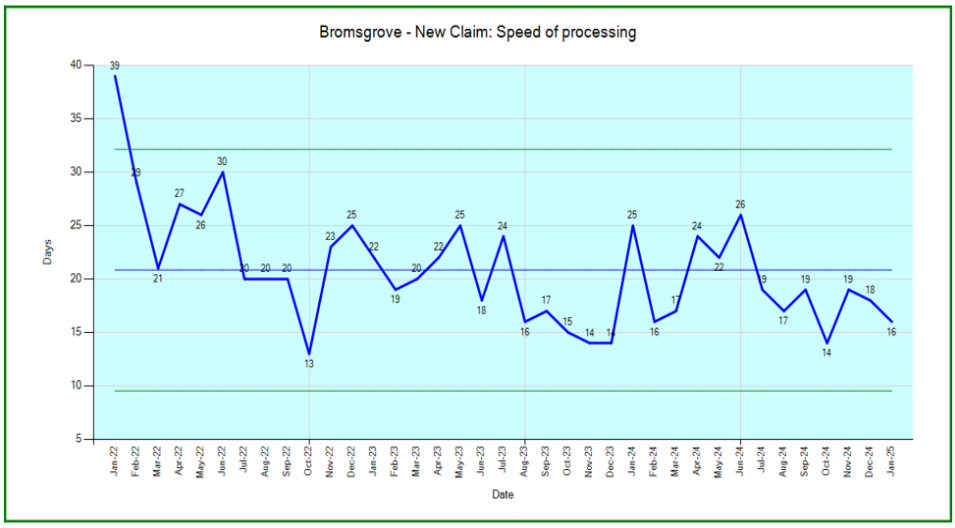
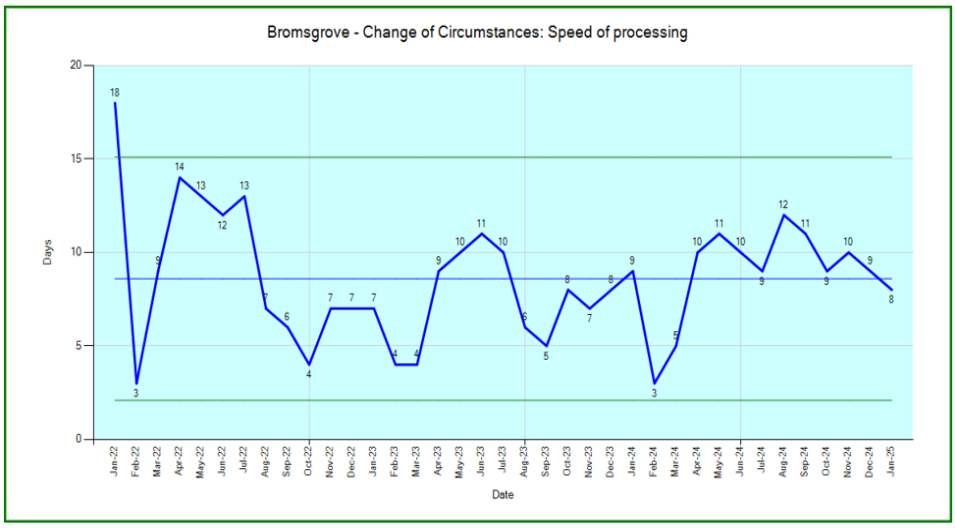
Measure:	**Days taken to process Housing Benefit new claims & change of circumstance**
Performance:	 
Comment:	Our speed of processing figures for new claims and change of circumstances stay at a consistent level, on average 17 days for new claims and 8 days for change of circumstances. DWP averages across the country for Q2 were New Claims 21 and Change of Circumstances 8 (there is always a delay in published figures) we are therefore performing at a high level. The quarterly calls that we undertake with DWP are always of a complimentary nature and they express no concerns in any areas of our work.

Measure: Housing Benefit local authority error rate

Performance:

2022/23

Bromsgrove	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Expenditure	9,087,396	9,793,248	9,925,772	9,928,881	10,750,394	10,631,685	10,540,746	10,479,279	10,463,679	10,259,605	10,209,417	10,579,022
LA Lower	43,620	47,010	47,644	47,658	51,602	51,032	50,595	50,301	50,225	49,246	49,005	49,080
LA Upper	49,068	52,884	53,600	53,616	58,051	57,412	56,919	56,588	56,504	55,402	55,131	55,215
LA Actual	81,528	90,390	53,544	65,883	60,715	53,908	47,957	46,226	41,141	40,180	39,044	35,554

2023/24

Bromsgrove	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Expenditure	10,072,959	9,754,860	9,909,028	10,078,380	10,866,607	10,655,367	10,568,172	10,688,163	10,508,437	10,435,836	10,462,265	10,448,397
LA Lower	48,347	46,824	47,564	48,375	52,159	51,146	50,727	51,303	50,440	50,092	50,219	50,152
LA Upper	54,392	52,674	53,508	54,423	58,680	57,538	57,069	57,716	56,745	56,317	56,496	56,421
LA Actual	12,792	52,824*	42,248	39,042	31,673	26,502	25,594	31,212	29,916	30,833	31,680	28,776

2024/25

Bromsgrove	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Expenditure	9,336,276	10,178,286	10,395,056	10,477,677	11,181,283	11,046,968	11,116,807	10,973,615	10,842,725	10,635,800		
LA Lower	44,820	48,858	49,896	50,292	53,671	53,026	53,361	52,674	52,045	51,052		
LA Upper	50,412	54,960	56,132	56,580	60,379	59,654	60,031	59,258	58,551	57,433		
LA Actual	56,160	42,486	36,156	27,099	36,290	42,442	38,419	34,100	30,311	28,812		

Comment:	The LA error levels are projected up to the end of the year, the levels for 24/25 are expected to be the lowest they have been over recent years. This is due to two main factors, increased quality checking on Housing Benefit claims, thus ensuring the correct benefit gets to the resident the first time. And the continuation of the DWP Housing Benefit Accurracy Award scheme (HBAA) where LA's are required to review percentages of their caseload each year, therefore cleansing the data and the caseload.

2.6. Organisational Priorities

Measure:	**% of media enquiries responded to within agreed timescales**
Performance:	**100% (new measure)**
Comment:	The team has a media mailbox feature on Outlook which means that all enquiries from the media come to all officers. The query is then allocated by the manager if not picked up by member of the team who would alert colleagues in the Teams chat that it is in hand. Once completed, if necessary, the comment is shared with the team, again in the Teams chat in case a similar query is made. This ensures all media queries are dealt with. We further bolster with by regularly reminding media contacts to use the media mailbox address, so queries are not sent to individuals increasing the potential to be missed due to leave, meetings or a busy work schedule.

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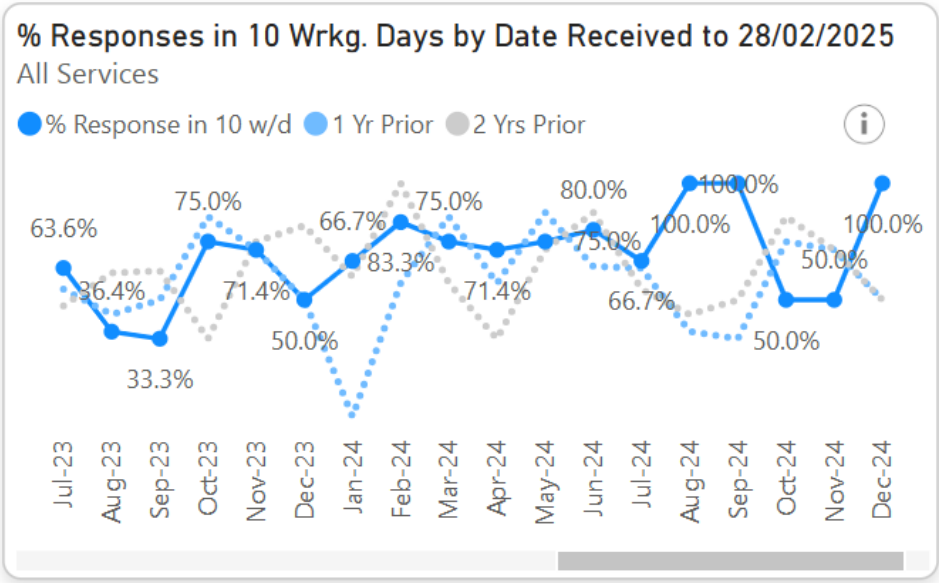
Measure:	**% complaints answered within agreed timescales**
Performance:	
Analysis:	

Team	Last (Q3)	Prior (Q2)	Var.	% Var.
Building Control	2	0	2	--
Commercial Waste	2	1	1	100%
Council Tax	2	1	1	100%
Domestic Waste	2	1	1	100%
CEO	1	0	1	--
Customer Services	1	0	1	--
Income	1	0	1	--
Place BDC	1	1	0	0%
Development Management	0	2	-2	-10...
Economic Development & R...	0	1	-1	-10...
Legal Services	0	1	-1	-10...
Parking Enforcement/Works...	0	1	-1	-10...
Place RBC	0	1	-1	-10...
Private Sector Housing	0	1	-1	-10...
Strategic Housing	0	1	-1	-10...
Total	**12**	**12**	**0**	**0%**

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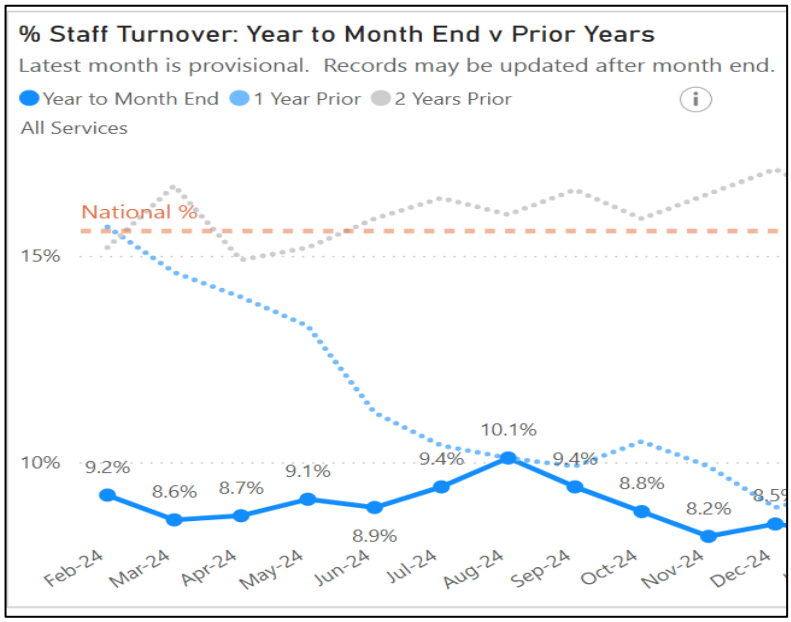
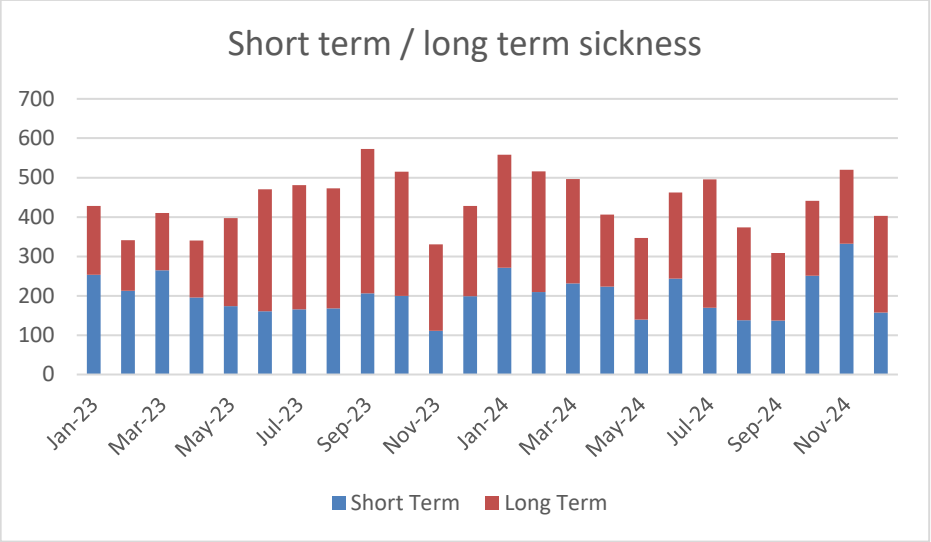
Measure:	**% staff turnover**
Performance:	
Comment:	Over the last quarter staff turnover has dropped slightly from 8.8% to 8.3% which is substantially below the National rate which currently stands at 15%. The Service areas with the highest levels of staff turnover over the year to the end of December 2024 are Planning and Regeneration (14.5%) and Community and Housing Services (13.6%). The Service area with the lowest level of staff turnover is Legal, Democratic and Property Services with 3.1%.
Measure:	**No. of sickness days lost per FTE**

Performance:	
Comment:	There was a slight increase in absences due to sickness for the first part of Q3, followed by a decline for the final part of the Q3; the authority is currently in line with public sector absence days lost per FTE (10.07 days per FTE as at end December 2024). The Wellbeing event held in November 2024, was led from data showing that stress/depression/anxiety continues to be in the top 5% of absence reasons. Work is being undertaking to review absence reasons and data.
Measure:	**% of FOIs responded to within timescale**
Performance:	This measure is currently under development as part of a information management dashboard. The new system will go live in Q2 25/26- data will be available from the Q3 25/26 quarterly report.
Measure:	**% of SARs responded to within timescale**
Performance:	This measure is currently under development as part of a information management dashboard. The new system will go live in Q2 25/26- data will be available from the Q3 25/26 quarterly report.
Measure:	**% of property portfolio which is compliant**
Performance:	This is a new measure for the quarterly report and is being developed for reporting in the Q4 report.