

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee - 14th July 2025

Financial Savings Monitoring Report – Q4 2024/5

Relevant Portfolio Holder		Councillor Baxter – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Assistant Director of Finance & Customer Services Contact email: debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
Key Decision / Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Audit, Standards and Governance RECOMMEND that:

- 1) The Outturn position on the 2024/25 Departmental Savings Programme be noted, including any potential implications for future years.**

2. BACKGROUND

- 2.1 As part of the 2024/25 budget, which was agreed at Council in February 2024, there were a number of savings options approved through the two-tranche process to deliver the balanced budget for the year. Savings from both tranches of the budget process have been combined in **Appendix A**. To these, those 2023/4 savings items relating to future years have been added.
- 2.2 Additionally, an Improvement Recommendation in the Interim Auditors Annual Report on Bromsgrove District Council 2021/22 and 2022/23 was that “savings delivery is monitored independently of basic budget monitoring at a Corporate level”. As such savings monitoring will be part of the Audit, Governance and Standards Committee on a quarterly basis. This was delivered in the 2023/24 financial year and this is the first report of the 2024/25 year. Going forward from 2025/26, this will be included in the Finance and Performance Monitoring Report.
- 2.3 The Quarter 2 2024/25 Finance and Performance Monitoring report was reviewed by Cabinet in December 2024 and savings linked to the 2024/5 Medium Term Financial Plan by this Committee in December.
- 2.4 The Quarter 2 position was a £344k overspend position. The opening £12.5m full year revenue budget was approved in February 2024.

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- 2.5 The Outturn position for the Council is a revenue underspend of £129k. This compares to an underspend figure of £53k reported at Quarter 3 – a £76k improvement of the Council's position. The underspend is mainly due to the additional grants received together with increased investment interest receivable and lower interest payments on the Corporate Financing budget, offset by additional fleet costs and costs within finance due to clearing the backlog of work associated with the Statement of Accounts.

	2024-25 Approved Budget	2024-25 Actual Spend	2024-25 Budget Variance
Service Description			
Business Transformation and Organisational Development	1,792,618	1,694,730	-97,888
Community and Housing GF Services	1,159,987	1,457,961	297,975
Corporate Services	994,465	1,112,245	117,780
Environmental Services	3,798,721	5,633,565	1,834,844
Financial and Customer Services	1,441,300	2,078,764	637,464
Legal, Democratic and Property Services	1,563,913	1,577,192	13,280
Planning, Regeneration and Leisure Services	1,365,472	1,611,134	245,661
Regulatory Client	397,337	608,765	211,428
Grand Total	12,513,813	15,774,356	3,260,543
Service Description	2024-25 Approved Budget	2024-25 Actual Spend	2024-25 Budget Variance
Corporate Financing	-12,513,813	-15,903,309	-3,389,496
Grand Total	-12,513,813	-15,903,309	-3,389,496
TOTALS	0	-128,953	-128,953

- 2.6 This includes variations as follows:

Business Transformation & Organisational Development – outturn position £98k underspend

Within Business Transformation & Organisational Development the underspend of £98k is due to:

- Head of Business Transformation underspent by £41k due to reduced Salaries.
- Equalities showed an underspend of £37k due to reduced Salaries.
- Human Resources underspent by £20k due to Salaries & Training savings of £70k offset by additional Shared Service charges of £50k.

Community and Housing General Fund Services - outturn position £298k overspend

Within the Community and Housing General Fund Services the overspend of £298k is due to a number of factors:

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- Community Safety overspent by £311k due to additional costs of £93k on Salaries and £218k on additional Shared Services.
- Housing & Enabling overspent by £160k due to additional Salary costs of £43k, Property charges of £56k and Shared Service recharges amounting to £61k.
- Lifeline underspent by £173k due to reduced Shared Service costs.

Corporate Services – outturn position £118k overspend

Within Corporate Services, there is an overspend of £118k due to:

- Communications & Printing overspent by £50k additional Salaries offset by Shared Service Arrangements. £13k is for unachieved Efficiency Savings.
- Corporate showed an overspend of £80k due to additional Audit Fees
- PA & Directorate Support overspent by £25k due to additional Shared Service costs

Environmental Services – outturn position £1.835m overspend

Within Environmental Services, the overspend of £1.835m is due to:

- Bereavement Services overspent by £80k due to lower income of £64k, additional spend on Grounds Maintenance of £10k and Insurance costs of £6k.
- Car Parks/Civil Enforcement showed an overspend of £164k due to loss of income in the amount of £174k offset by Utilities savings of £10k.
- Core Environmental overspent by £103k due to loss of SLA income in the amount of £25k, Fleet Maintenance of £13k, additional fees from Wyre Forest for Watercourse Management in the amount of £50k and a loss of Shared Service income of £15k.
- Depot overspent by £80k due to Buildings Maintenance of £62k, Equipment Maintenance of £15k and Agency Costs of £30k offset by Insurance savings of £23k and additional Income of £4k.
- Place Teams overspent by £257k due to £106k on Fleet Costs, Insurance costs of £32k and Agency Costs of £205k offset by additional Shared Service income of £86k.
- Waste Operations overspent by £1.231m of which £1.193m is due to an aging fleet (Fleet Fuel of £80k, Fleet Maintenance of £631k and Fleet Hire of £482k). While generating additional income of £749k, there were overspends on Salaries & Agency Costs of £723k, increased Water costs of £26k and additional Insurance costs of £38k.

Financial & Customer Services - outturn position £637k overspend

Within Financial & Customer Services, the overspend of £637k is due to:

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- Audit Services overspent by £10k due to additional Internal Audit costs.
- Benefits Subsidy underspent by £365k due to additional Grants received.
- Finance overspent by £660k due to the recruitment of agency staff to clear the backlog of Statement of Accounts which is now complete. There are also mitigating factors insofar as there are difficulties countrywide in the recruitment of staff which has now been made more difficult due to Local Government Reform. There were also additional ICT charges and therefore there were additional Shared Service charges.
- Revenues overspent by £332k including £62k on Shared Services and £270k on Civica System.

Legal, Democratic and Property Services – outturn position £13k overspend

Within Legal, Democratic and Property Services there was an overspend of £13k due to:

- Business Development had an overspend of £125k due to additional spend on Building Maintenance of £78k, Insurance costs of £14k, General Fees of £19k, Shared Service recharges of £38k offset by savings on Utilities of £24k.
- Democratic Services overspent by £93k due to additional Salary costs of £51k, insufficient budget for Councillor allowances of £38k and additional Shared Service recharges of 34k.
- Legal Advice and Services underspent by £205k due to additional income of £65k, salary savings of £86k due to vacant posts, General savings of £44k and additional Shared Service Income of £10k.

Planning, Regeneration and Leisure Services – outturn position £246k overspend

Within Planning, Regeneration and Leisure Services there is an overspend of £246k due to:

- Development Control overspent by £157k due to a drop in Planning Income against budget.
- Economic Development overspend of £28k is due to recruitment costs.
- Building Control overspent by £40k due to a loss of income.
- Town Centre overspent by £21k due to additional Business Rates at Windsor Street.

Regulatory Client – outturn position £211k overspend

Within Regulatory Client, the overspend of £211k is due to additional management costs of WRS amounting to £170k and a loss of Licensing income of £41k.

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2023/24 Position

- 2.7 The position at year end 2023/24 in terms of departmental savings was that the two Amber items still require careful monitoring:
- The Service Review figures have been analysed following Establishment Review work undertaken in the second half of 2024. The combination of spending on establishment salaries and Agency is above the budgeted figures and as such this is still a significant risk.
 - The Capacity Grid project, recouping old Council Tax and Business Rates debt is nearing the end of its allocated time. As per the Council Tax Resolution Report that went to Council in February, we had a surplus in the collection fund of £594k, of which £76k relates to Bromsgrove District Council. Overall amounts for all members of the collection fund are significantly higher than expected.
- 2.8 The Red item in relation to finance will not be delivered. Additional resources have been bought in, and all accounts up to the 2023/24 financial year have now been closed. This task was completed in January 2025. In 2025/26 we will now be able to move back to the correct establishment.

2024/25 Outturn Position

- 2.9 The 2024/25 position is shown in Appendix A. The vast majority of savings items link either to increases in grant, agreed increases in Tax or items that will not be delivered until future financial years.
- 2.10 As has been stated in previous reports, the largest savings in recent years have been on Pension costs which link to the 2023 triennial revaluation. These revised figures run for 3 years and as such are a risk from the 2026/7 year if they change. Initial advice from actuaries in December 2024 was that it is highly likely that these will not change from present levels in the next revaluation.
- 2.11 The following items will require careful tracking going forward:
- The Service Review figures have been analysed following Establishment Review work undertaken in the second half of 2024. The combination of spending on establishment salaries and Agency is above the budgeted figures and as such this is still a significant risk and has been flagged as red. It will be closely monitored throughout 2025/26.
 - Now that the Financial Recovery Plan has been delivered, the savings target in relation to Finance will need to be considered in light of the Finance Stability Plan that is being introduced. Work is ongoing to scope this and identify the level of resources required to carry out this work.

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- Validation of delivery of Fees and Charges income. There are delivery issues in a few areas highlighted in Appendix A.
- Increasing Waste Costs and their linkage to the possible Waste partnership. This now might be impacted by Local Government Re-organisation.

3. FINANCIAL IMPLICATIONS

- 3.1 The savings have significant financial implications if not delivered.
- 3.2 The Council presently has an estimated £12.781m in General Fund Reserves to cover one off issues, and £9.484m in Earmarked Reserves for specific purposes as per the MTFP report that went to Council in February. These are the only recourse, apart from additional reductions in spending/additional income, that the Council has to mitigate a potential overspend position.

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

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

Climate Change Implications

- 5.2 The green thread runs through the Council Plan. 2024/25 savings options which had implications on climate change would have been addressed at that time and 2025/26 issues have been assessed as part of the 2025/26 budget process.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct equalities implications arising as a result of this report. Any implications will have been dealt with as part of the 2023/24 and 2024/25 Budget processes.

Operational Implications

- 6.2 Operational implications will have been dealt with as part of the 2023/24 and 2024/25 Budget process.

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7. RISK MANAGEMENT

- 7.1 Non delivery of savings options, depending on their financial magnitude can have either a small or significant effect on the Council's finances. As such mitigations need to be in place to deal changes to what was agreed by Council in February 2023 and February 2024.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Bromsgrove Savings Monitoring 2024/25

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Baxter	2/7/25
Lead Director / Head of Service	Bob Watson	27/6/25
Financial Services	Debra Goodall	25/6/25
Legal Services	Claire Felton	2/2/25
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

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Appendix A – Bromsgrove Savings Monitoring 2024/25 Outturn

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	RAG Status	Narrative
2023/4 Budget Items						
Service Reviews	-140	-330	-405	-405		This position, following the establishment review and a review of budgets in 2025/26, is an overspend against budget and is a risk to be mitigated.
Finance Vacancies	-100	-100	-100	-100		This savings was not delivered in 2023/24 and 2024/25 as additional resource has been bought in to get the accounts up to date.
Engage Capacity Grid (One Off)	-200	-200	0	0		As per the 2025/26 Council Tax Resolution the Council has a Collection Fund surplus of £594k of which £76k related to Bromsgrove.
Environmental Services Partnership	0	-25	-50	-50		As per the Outturn monitoring, there is a significant overspend in this area (Waste) and the envisioned partnership has not yet materialised.
Total 2023/4 Items	-440	-655	-555	-555		
2024/5 Budget Items						
Utilities increase		-140	-140	-140		Only 60% drawn down in 23/4 – this is the 40% remainder.
23/4 Inflation Budget		-188	-194	-194		Not drawn down in 23/4, £125k put in for 24/5
7% increase Fees & Charges		-273	-273	-273		Most seem to delivery targets as per the Outturn.
2% C Tax Increase 25/6			-191	-191		This is the present allowable increase level
2% C Tax Increase 26/7				-195		This is the present allowable increase level
2% Fees & Charges 25/6			-101	-101		This is future years
2% Fees & Charges 26/7				-101		This is future years
Gov Grant at 23/4 Levels		-515	-515	-515		As per Government Guidance
Increase in number of Properties (Council Tax Base)		-36	-84	-121		This is 50% of the projected property increases in the Local Plan
Council Tax increase to 3%		-91	-91	-91		Allowable in 2024/5
Planning Income at 25% increase		-145	-145	-145		Under-recovery of planning income to budgeted levels by £161k

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Parking Income	-100	-100	-100		Under-recovery on parking of £175k
Impact of 23/4 Pay Award	-125	-125	-125		Budget Review of central items highlighted this savings.
Business Rates					Based on the LG Futures model for the Worcestershire Business Rates
Adjustment	-427	-350	-350		Pool
Additional Grant announced on 23/1/24	-126	-126	-126		As per Government Guidance
24/5 Savings	-2,166	-2,435	-2,768		