

BROMSGROVE DISTRICT COUNCIL
PERFORMANCE MANAGEMENT BOARD

15TH FEBRUARY 2010

DECEMBER (QUARTER 3) 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 Performance Management Board on the Council's performance and financial position at 31st December 2009.

2. RECOMMENDATIONS

- 2.1 That Performance Management Board notes that 47% of PI's for which data is available are Improving or Stable.
- 2.2 That Performance Management Board notes that 61% of PI's for which data is available are achieving their Year to Date target.
- 2.3 That Performance Management Board notes that 78% of PI's for which data is available are predicted to meet their target at year end.
- 2.4 That Performance Management Board notes the successes and areas for potential concern as set out in the 'Council Summary' below.
- 2.5 That Performance Management Board note the current financial position on Revenue and Capital as detailed in the report.
- 2.6 That Performance Management Board note the release of previously approved earmarked reserves of £687k, as set out in Appendix 5.
- 2.7 That Performance Management Board note the request for Cabinet to approve the budget virements between £15k and £100k, listed in Appendix 6.
- 2.8 That Performance Management Board note that Cabinet have requested Full Council to approve the virements in excess of £100k, as detailed in Appendix 6.

2.9 That Performance Management Board note that Cabinet request Full Council to approve that £150k be added to the Capital Programme for the CCTV improvements as agreed as part of the shared service arrangements on 16th September 2009.

2.10 That Performance Management Board notes that although complaints increased by 12% compared to quarter 2, the number of complaints is nonetheless a 30% decrease compared to quarter 3 last year. In addition compliments increased in quarter 3 compared to quarter 2 and are more than 50% up on the same quarter last year. Details are shown in Appendix 7.

3. **BACKGROUND**

3.1 This is the third integrated quarterly finance and performance report for 2009/10.

3.2 The integration of finance and performance demonstrates that the Council is taking a wider view of the impact of financial resources when performance changes and the link between the two measures.

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.

4.1.1 Overall Council Summary	Quarter 3 (December 31st) 2009/10
--------------------------------------	--

Performance Summary

No. of PI's improving (I)	18	No. of PI's meeting YTD target	28	No. of PI's where est. outturn projected to meet target	36
No. of PI's Stable (S)	6	No. of PI's missing YTD target by < 10%	10	No. of PI's projected to miss target by < 10%	4
No. of PI's worsening (W)	27	No. of PI's missing YTD target by >10%	8	No. of PI's projected to miss target by >10%	6

Achievements

- Joint Senior Management Team recruitment in place
- Shared services for ICT and CCTV approved
- WETT projects – work ongoing to support delivery
- Budget presentations and assumptions reported to Members

Issues

- The proportion of PI's improving or stable is lower than usual, at 47%. Although some of this is expected seasonal variation, this, coupled with the fact that only 61% of PI's are currently on target, presents a degree of risk to achieving targets at the year end.

Revenue Budget summary – Overall Council

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Corporate Services	824	719	677	-42	813	-11
E-Government & Customer Services	61	1,262	1,253	-9	98	37
Financial Services	1,540	1,051	1,039	-12	1,563	23
Legal, Equalities & Democratic Services	965	1,259	1,174	-85	929	-36
Human Resources & Organisational Development	-22	352	355	3	3	25
Planning & Environment Services	4,979	1,541	1,472	-69	4,968	-11
Street Scene & Community	8,457	3,539	3,590	51	8,446	-11
SERVICE TOTAL	16,804	9,723	9,560	-163	16,820	16
Interest on Investments	-166	-124	-65	59	-105	61
COUNCIL SUMMARY	16,638	9,599	9,495	-104	16,715	77

Financial Commentary

There is a marginal underspend to the end of December together with a projected deficit to the end of the financial year. The main reasons for the present and predicted overspend include:

- Impact of the downturn in the housing market on the land charges and building control income targets.
- Significant increase in printing charges compared to those originally anticipated.
- Increases in bank charges due to impact of the demand in use of card transactions together with the high cost of cash transactions processed.
- Shortfall on the income anticipated from investments due to the rates of return being less than predicted estimates. The majority of the cash is currently invested in the Debt Management Office which is paying only 0.28% interest on the funds invested.

Since September officers have been working on addressing the previously reported significant overspend to ensure that the impact of this overspend is mitigated as much as possible and with minimal effect on our service delivery.

Actions have included; a full review of all orders to ensure the essential nature of all

procurement and to only spend on areas of critical need to the Council. In addition officers have cut back on any general non-essential spend and looked to maximise income opportunities with successes in the generation of income for membership at the Dolphin Centre gym.

This has resulted in a reduced overspend of £77k which officers will continue to manage to reduce the potential impact on the Council.

Capital Budget summary April-December 2009

Department	Revised Budget 2009/10 £'000	Actual spend April - Dec £'000	Variance To date April – Dec £'000	Projected outturn £'000	Projected variance £'000
Corporate Services	75	16	-59	16	-59
E-Government & Customer Services	304	82	-222	197	-107
Financial Services	6	2	-4	6	0
Legal, Equality & Democratic Services	86	0	-86	0	-86
Planning & Environment (inc Housing)	1,500	1,152	-348	1,437	-63
Street Scene and Community	2,465	1,863	-602	2,387	-78
Budget for Support Services Recharges	133	0	-133	133	0
TOTAL	4,569	3,115	-1,454	4,176	-393

Financial Commentary

- A sum of £215k is earmarked for a new park at the Barnsley Hall site, this project has been subjected to delays and is now at the procurement stage with works due to

commence in the final quarter of this Financial Year.

- The new refuse vehicles have been delivered, there is a £40k projected underspend on this project due to savings which have been made on the purchase price of the refuse freighters.
- All of the E-Government schemes, with the exception of the Shared Services Phase 1 Scheme, which is to facilitate joint working with Redditch Borough Council, have been carried forward from 2008/09. E-Government has seen delays due to the need for actions to be completed by external bodies; this has led to expenditure not being made on many of the schemes. Review of the projects is being undertaken in January and February and spend is likely to occur before the end of the Financial Year.
- It is deemed as unlikely that the capital budget for Facilities Management will be spent in this financial year. This budget is being retained as a contingency and will remain unspent until a decision has been made on the future of the Council's facilities.

4.1.2 Street Scene & Community

Quarter 3 (December 31st)
2009/10

Performance Summary

No. of PI's improving (I)	10	No. of PI's meeting YTD target	16	No. of PI's where est. outturn projected to meet target	22
No. of PI's Stable (S)	4	No. of PI's missing YTD target by < 10%	7	No. of PI's projected to miss target by < 10%	2
No. of PI's worsening (W)	10	No. of PI's missing YTD target by >10%	2	No. of PI's projected to miss target by >10%	1

Achievements

- The missed refuse, recycling and trade waste figures have improved, due to the improved performance of the crews and more thorough checking of reports of missed collections by the Supervisors which has enabled the recording/calculation of the PI's to be improved.
- Streetscene performance continues to be consistently high, e.g. dealing with fly tipping incidents, dead animals, abandoned vehicles etc
- Bonfire Event ~ Ticket Sales Target £14,650, Ticket Sales Actual £18,429 Target exceeded by £3779. Event well attended.
- Successful Bromsgrove Christmas Fund bid for £10k from Worcestershire County Council
- Christmas Light Switch On Bromsgrove
- Christmas Light Switch on Rubery
- Christmas Carol Service
- Eco School Successes ~ 2 Schools Awarded Eco School Green Flag status in October 2009.
- Christmas Tree Recycling Competition ~ Tardebigge First School won £150 to spend on an environmental project of choice.
- The development and launch of 'Operation Ghost' - a joint operation with West Mercia Police, Hereford and Worcester Fire and Rescue Service and Worcestershire County Council's Trading Standards and Youth Support Team to tackle disorder and anti-social behaviour during the firework and Halloween festivities.
- The development and launch of the CDRP Winter Safety Plan which focuses on the

prevention of crime and disorder during the Christmas and New Year festivities and promoting key safety messages.

- Exceeded target for Dolphin Centre members. Target was 633 and we currently stand in excess of 850.

Revenue Budget summary – Street Scene & Community

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Community Safety	722	416	342	-74	685	-37
Parks & Recreation	690	218	279	61	701	11
Promotions	346	193	300	107	394	48
Sports Centres	947	424	510	86	1007	60
Sports Development	178	101	117	16	199	21
Streets & Grounds	2523	1048	1008	-40	2493	-30
Car Parks	-793	-717	-807	-90	-875	-82
Depot Misc	-44	-45	-29	16	-13	31
SS&C Mgt/admin	52	322	326	4	61	9
Transport & Waste	3342	1209	1101	-108	3221	-121
Travel Concessions	493	370	414	44	538	45
Waste Policy	1	0	29	29	35	34
TOTAL	8,457	3,539	3,590	51	8,446	-11

Financial Commentary

Community Safety

- Income from the Life Line service exceeds budget by £27k. This additional income follows the restructure of the service in early 2009 and additional activities including increased market penetration and diversification, enhanced networking and promotional activities and consultation/engagement to redefine service delivery.
- Other income is also expected to exceed budget due to additional income from CCTV monitoring services and increased Preventative Technology Grant/supporting people contract with WCC.

Parks and recreation

- The cemetery budget is forecast to show £10k lower income than budgeted for the

year.

- Higher than budgeted expenditure on Grounds maintenance, which was largely due to the cost of maintenance work on the tree stock at the Old cemetery following the tree survey by colleagues in the planning section and essential ground works in open spaces.

Promotions

- The income generated from the Civic Bonfire was higher than in any previous year but was unfortunately less than forecast creating a total overspend on this event of £15k
- The projected income from sponsorship will be £20k under budget. This is primarily due to the delay in obtaining licenses for road traffic islands resulting in a delay in promoting these services. However at present the budget target is not expected to be realised until 2010/11.
- There is also an overspend on Arts Projects due to lower than expected income generation, this situation is currently being reviewed and will be addressed for the 2010/11 programme.

Dolphin Centre

- The car parking refunds have now been factored into the centre's overall budget it is predicted that the centre will be £55k over spent in this area due to the increased membership at the new gym facility. This situation has been addressed within the MTFP.
- Due to a number of essential one off maintenance and operational requirements identified following the Dolphin Centre service restructure the premises costs will be overspent by around £35k.
- Some of these additional costs have been offset by the increased income generation achieved on site and officers continue to promote the facilities and work with colleagues within the Council to increase income generation opportunities.

Sports development

- The overspend is a result of the removal of weekly wage budgets for sessional coaches during the implementation of the single status/job evaluation scheme. This situation has been corrected in the medium term financial plan for 2010/2011.

Car Parking

- Income remains positive and ahead of target it is anticipated that the budget figures will be exceeded by £117k however due to budget pressures in other areas the overall increase will be in the region of £82k. These implications will be taken into account during the current business planning cycle and the MTFP base budget adjusted accordingly.

Travel Concessions

- This area is likely to be overspent by the end of the year, with expected expenditure of £698k, therefore making a net overspend of approximately £45k. This is due to the increased demand for the service. This has been addressed as part of the Medium Term Financial Plan.

Street scene

- The recession has brought about an increase nationally in abandoned dogs, resulting in higher kenneling costs as projected previously.

- Loss of income from Hire of Burcot room £32k, and BDHT street cleansing SLA of £50k.
- Work is continuing on sickness reduction at the depot and already showing improvement if this trend can be sustained a further £10-£20k could be saved in agency costs, reducing the current service overspend.
- All services are being reviewed to identify if any non essential expenditure exists to further reduce overspend however the inclement weather has put pressure on budgets with increased overtime and additional unavoidable spend to keep services running.
- Following the results of JE appeals one off back pay payments have distorted the outturn however stringent controls on spend are alleviating the overspend.
- Income of £50k recycling scheme incentive from WCC, negotiated mid year, therefore not previously included within projection figures.

Capital Budget summary April-December 09/10

Service	Revised Budget 2009/10 £'000	Actual spend April - Dec £'000	Variance to Date April – Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Cemeteries	26	26	-	26	-
Community Safety	54	-	-54	54	-
Parks, Play areas & Open Spaces	553	131	-422	477	-76
Leisure Centres	16	4	-12	16	-
Culture and Community General	40	39	-1	40	-
Replacement Vehicles	1059	1007	-52	1050	-9
Street Scene General	717	656	-61	724	7
TOTAL	2465	1863	-602	2387	-78

Financial Commentary:

- The £80k Capital project at Sanders Park for the multi use games area has now been completed, with the new games area open for use.
- Improvement works at the Cemeteries has also been completed. This involved essential

maintenance works on path ways and access routes to ensure that all residents could visit sites in a safer manner.

- The new park at Barnsley Hall is a £215k Capital project which has seen delays and is currently at the procurement stage, with works due to commence in the final quarter of 2009-10.
- Works at the Dolphin Centre are complete with only the retention to be paid in March 2010.
- The £360k budget for various District Wide Sports Enhancements is in the procurement stages with the majority of the works seeing delays that will push many of the schemes back to completion in 2010-11.
- The new refuse vehicles have been delivered, and a phased delivery of bins has commenced in preparation of the co-mingled recycling service starting in April.
- Two sweepers have been ordered, delivery is expected in February.
- The £40k projected under spend is due to savings made on the purchase price of the refuse freighters.

4.1.3 Planning & Environment Services

Quarter 3 (December 31st)
2009/10

Performance Summary

No. of PI's improving (I)	1	No. of PI's meeting YTD target	4	No. of PI's where est. outturn projected to meet target	2
No. of PI's Stable (S)	1	No. of PI's missing YTD target by < 10%	2	No. of PI's projected to miss target by < 10%	0
No. of PI's worsening (W)	6	No. of PI's missing YTD target by >10%	2	No. of PI's projected to miss target by >10%	2

Achievements

- Migration of Planning Surgery to the Customer Service Centre and associated rebranding in order to focus on the needs to Householders.
- Undertook a secondment of a Development Control Officer from Redditch Borough Council to assist with an extended period of Officer Sickness.
- Held a special meeting of the Planning Committee in order to consider a major affordable housing scheme in Stoke Heath.
- ATLAS have visited and acted as a facilitator in relation to long term development projects on the north western side of Bromsgrove especially in relation to housing proposals.
- We have undertaken a LEAN process review of our grants procedure and identified both cost and time saving opportunities.
- We have set up a Contract Framework with local building contractors for the installation of Level Access Showers as part of the Disabled Facilities Grant program
- 73 homeowners have been seen by the Bromsgrove and District Citizens Advice Bureau Specialist Adviser (owner occupation) who are experiencing difficulties in meeting mortgage repayments as a result of the economic situation. This post is funded by Communities and Local Government Homelessness Grant.
- Successfully worked with Bromsgrove District Housing Trust to redevelop the

decommissioned Wythall Hostel Site into five units of shared ownership accommodation.

Revenue Budget summary – Planning & Environment

Service Head	Revised Budget 2009/10 £'000	Profiled budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Building Control	29	-63	-32	31	45	16
Development Control	1,007	67	34	-33	1,022	15
Environmental Health	1,065	461	398	-63	1,016	-49
Licensing	-17	-25	-56	-31	-36	-19
Planning Administration	-30	87	180	93	50	80
Strategic Housing	2,160	559	501	-58	2,157	-3
Strategic Planning	583	372	345	-27	465	-118
Economic Development	119	92	93	1	130	11
Retail Market	63	-9	9	18	119	56
TOTAL	4,979	1,541	1,472	-69	4,968	-11

Financial Commentary

- There is a loss of income within Building Control, Land Charges and Development Control which is projected to increase and show as an overspend for year end, this is due to the current economic climate and the provision of the services by private companies.
- The current underspends are due to a number of vacancies within the department of which some have recently been filled resulting in a reduced underspend by the year end.
- There has been a receipt of Planning Deliver Grant for 09/10 which has been used to help the downward projections of the department.
- It is expected that there will be an overspend within Economic Development due to the loss of income generation for miscellaneous rents.
- Although the town centre stalls are generating income the majority of the overspend within the retail market is related to the loss of income from the market hall. Some of the overspend is also 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.

Capital Budget summary April-December 2009/10

Service	Revised Budget 2009/10 £'000	Actual spend April - Dec £'000	Variance to Date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Strategic Housing	1,157	929	-228	1,087	-70
Town Centre	343	223	-120	350	7
TOTAL	1,500	1,152	-348	1,437	-63

Financial Commentary

- There is committed expenditure of £559k on Disabled Facilities Grants, this is slightly lower than the budget of £618k, but it is hoped that the remainder of the budget will be committed by the end of the year. Any unspent budget will be requested to be carried forward into 2010-11.
- There is only £86k committed expenditure for the Discretionary Home Repair Assistance Grants compared to the budget of £125k. This is due to delays at the beginning of 2009/10 in processing orders. However after initial issues, the current system is working well and any unspent budget will be requested to be carried forward into 2010-11.
- There has been increased expenditure on Energy Efficiency grants for home insulation projects with £29k being spent to date, with a further £18k planned to be spent by the end of the year.

4.1.4 E-Government & Customer Services

Quarter 3 (December 31st)
2009/10

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)	0	No. of PI's missing YTD target by < 10%	0	No. of PI's projected to miss target by < 10%	0
No. of PI's worsening (W)	0	No. of PI's missing YTD target by >10%	0	No. of PI's projected to miss target by >10%	0

Achievements

- Performance at the CSC consistently better than target
- Successfully migrated Planning services to be delivered through CSC from October 2009
- All Benefit and Council Tax documents are being scanned at source in CSC to be sent electronically to relevant departments from November 2009
- Formed the various project groups to move the ICT shared service project forward.
- Installed CCTV cameras at Front of House and in the Spadesbourne foyer to help improve security.
- Seconded Principal ICT Officer to Principal Web Developer to create a new shared intranet between BDC & RBC.

Revenue Budget summary – E-Government & Customer Services

Service Head	Revised Budget 2009/10 £'000	Profiled budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Customer Service Centre	61	369	303	-66	-10	-71
E-Government	0	893	950	57	108	108
TOTAL	61	1,262	1,253	-9	98	37

Financial Commentary

- The underspend within the Customer Service Centre is mainly related to a number of vacancies within the department.
- The overspend within E-Government is mainly related to charges for printing together with the Revenue charges for the Spatial Project. A review is currently being undertaken to review the printing charges across the Council.
- Some of the overspend within the department is also related to the software and telephone budgets. The telephone contract is currently in negotiation.

Capital Budget summary April-December 2009/10

Service	Revised Budget 2009/10 £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
E-Government	304	82	-222	197	-107
TOTAL	304	82	-222	197	-107

Financial Commentary

- All of the E-Government schemes are carried forward from 2008-09, with the exception of the newly added Shared Services Phase 1 Scheme, which is to facilitate joint working with Redditch Borough Council.
- E-Government has seen delays due to the need for actions to be completed by external bodies, this has led to the majority of the schemes being unspent up to quarter 3. Reviews of the projects are being made within the department in January and early February and spend is likely to occur at the end of February.
- For the shared service project it is expected that the majority of this expenditure will occur in 2010-11 and a carry forward request will be made as projects related to the scheme are not due to commence until April/ May time.

4.1.5 Financial Services	Quarter 3 (December 31st) 2009/10
---------------------------------	---

Performance Summary

No. of PI's improving (I)	1	No. of PI's meeting YTD target	3	No. of PI's where est. outturn projected to meet target	4
No. of PI's Stable (S)	0	No. of PI's missing YTD target by < 10%	1	No. of PI's projected to miss target by < 10%	0
No. of PI's worsening (W)	7	No. of PI's missing YTD target by >10%	2	No. of PI's projected to miss target by >10%	2

Achievements

- CAFT: Increase in the number of successful sanctions and prosecutions for fraudulent activity and current years targets already exceeded.
- Revenues: NDR collection rate above target and Council Tax collection rate on target despite the recession.
- Benefits: Continued improvement and speedier claim processing times and well on course to exceed the yearly targets.
- Successful implementation of Benefit legislation changes and successful re-calculation of a large number of Benefit claims with the minimum of disruption to customers.
- Medium term financial plan presented to Cabinet and Scrutiny for consideration of options for funding of service delivery

Revenue Budget summary – Financial Services

Service Head	Revised Budget 2009/10 £'000	Profiled Budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Central Overheads	120	90	101	11	142	22
Accountancy	28	440	458	18	46	18
Internal Audit	0	65	86	21	19	19
Grants & Donations	89	86	88	2	89	0
Revenues & Benefits	1,303	370	306	-64	1,267	-36
TOTAL	1,540	1,051	1,039	-12	1,563	23

Financial Commentary

- Due to the significant increase in the number of gym members at the Dolphin Centre there has been an increase in the number of Direct Debits to be processed for this membership within the Finance Section, a temporary member of staff has been employed to assist with this increased demand.

- The Council is pursuing a VAT claim with Customs and Excise to address liability of prior year VAT payments (Fleming case). The value of the claim is significant and therefore there is a cost associated with bringing the case to court (£5k).
- Due to the difficulties in recruiting an internal audit manager an arrangement has been made with Worcester City to provide this support. It is proposed that the WETT programme will include Internal Audit from 2010/11 but there is a current overspend to meet the requirement of internal control across the Council.
- Within the Accountancy and Revenues and Benefits sections there has been an increase in the charges from giro bank and HSBC. The Council benefited from a period of free banking which has now been removed and this has contributed to the overspend. A comparison with other district charges has been prepared and the Head of Financial Services with the Procurement Officer is to meet with the Bank Manager to discuss our banking terms.

Capital Budget summary April-December 2009/10

Service	Revised Budget 2009/10 £'000	Actual spend April - Dec £'000	Variance to Date April – Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Finance	6	2	-4	6	0
TOTAL	6	2	-4	6	0

Financial Commentary

- Work on the introduction of the POPs system throughout the Council has now been completed, the remaining budget is required to extend the system with the development of Commitment Accounting.

4.1.6 Corporate Services Department

**Quarter 3 (December 31st)
2009/10**

Performance Summary

No. of PI's improving (I)	2	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)	0	No. of PI's missing YTD target by < 10%	0	No. of PI's projected to miss target by < 10%	0
No. of PI's worsening (W)	2	No. of PI's missing YTD target by >10%	1	No. of PI's projected to miss target by >10%	1

Achievements

- BURT continues to be well received by the public
- Dealt with a number of persistent complainants
- First draft of Business Plans completed
- Winter edition of Together Bromsgrove published and distributed
- Customer First Plan Presentations commenced
- Staff Xmas party and Awards held

- Completed lean systems review of DFGs
- Communications on Shared Services
- 2010 – 2013 Sustainable Community Strategy approved by LSP Board and Cabinet

Revenue Budget summary – Corporate Services Department

Service Head	Revised Budget 2009/10 £'000	Profiled budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Policy & Performance	123	449	404	-45	123	0
Corporate Management	686	259	252	-7	673	-13
Corporate Projects	15	11	21	10	17	2
TOTAL	824	719	677	-42	813	-11

Financial Commentary

- A stringent review of planned expenditure has resulted in September's predicted overspend within Policy & Performance being contained within the section's budgets
- Within policy & performance the funding for area committees during 2009/10 is ringfenced and unspent monies at 31 March will be transferred to an earmarked reserve to fund planned projects.
- 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. There was an expected overspend relating to the staff at the TRUNK Centre, it is now expected that Worcestershire County Council will provide extra funding to help with the funding for the staff at the centre.

Capital Budget Summary April-December 2009

Service	Revised Budget 2009/10 £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Corporate	75	16	-59	16	-59
TOTAL	75	16	-59	16	-59

Financial Commentary

A second-hand minibus has been purchased and licenses for software obtained for free, so this scheme is expected to come in considerably under budget.

4.1.7 Legal, Equalities & Democratic Services	Quarter 3 (December 31st) 2009/10
--	---

Performance Summary

No. of PI's improving (I)	0	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)	1	No. of PI's missing YTD target by < 10%	0	No. of PI's projected to miss target by < 10%	0
No. of PI's worsening (W)	0	No. of PI's missing YTD target by >10%	0	No. of PI's projected to miss target by >10%	0

Achievements

- The Standards for England Annual Review included an article highlighting BDC good practice on ethical governance.
- Total Place project (a national project) – all our property ownership details on Uniform has been successfully added to the County Council's database, and we have congratulated as being one of the first in the country to do so.
- First issue of a new Overview and Scrutiny Bulletin published to inform and raise awareness.
- New Electoral Services team in place and the two authorities' electoral management software systems fully merged.
- Successfully completed annual canvass and published new Register of Electors on 1 December 2009.
- Very successful Black History and Divali events.

Issues

- The increase in work relating to ethical standards has continued in order to process the number of complaints

Revenue Budget summary – Legal, Equalities & Democratic Services

Service Head	Revised Budget 2009/10 £'000	Profiled budget April - Dec £'000	Actual spend April - Dec £'000	Variance to date April - Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Committee & Member Services	901	359	338	-21	872	-29
Elections & Registration	167	99	46	-53	126	-41
Facilities Management	-110	477	451	-26	-100	10
Legal Services	7	324	339	15	31	24
TOTAL	965	1,259	1,174	-85	929	-36

Financial Commentary

- There have been some vacant posts within the department at the beginning of the financial year which have been filled recently.
- There has also been some savings within Facilities Management budgets for insurance and business rates.
- There is projected to be a slight underspend at year end within Legal services mainly due to vacant posts.

Capital Budget Summary April- December 2009

Service	Revised Budget 2009/10 £'000	Actual spend April – Dec £'000	Variance to Date April – Dec £'000	Projected outturn 2009/10 £'000	Projected variance 2009/10 £'000
Facilities Management	86	0	-86	0	-86
TOTAL	86	0	-86	0	-86

Financial Commentary

- At this stage, it is deemed unlikely that the capital budget for Facilities Management will be spent in this financial year. If any of the budget is spent, then it will be in Quarter 4 of 2009/10. This budget is being retained as a contingency and will remain unspent until a decision has been made on the future of the Council's facilities.

4.1.8 Human Resources & Organisational Development (HR & OD)

**Quarter 3 (December 31st)
2009/10**

Performance Summary

No. of PI's improving (I)	1	No. of PI's meeting YTD target	0	No. of PI's where est. outturn projected to meet target	0
No. of PI's Stable (S)	0	No. of PI's missing YTD target by < 10%	0	No. of PI's projected to miss target by < 10%	1
No. of PI's worsening (W)	0	No. of PI's missing YTD target by >10%	1	No. of PI's projected to miss target by >10%	0

Achievements

- Sickness absence has reduced considerably and was much better than target in the last quarter

Revenue Budget summary – HR & OD

Service Head	Revised Budget 2009/10	Profiled budget April - Dec £'000	Actual spend April - Dec	Variance to date April - Dec	Projected outturn 2009/10	Projected variance 2009/10
--------------	------------------------------	--	--------------------------------	------------------------------------	---------------------------------	----------------------------------

	£'000		£'000	£'000	£'000	£'000
Human Resources & Organisational Development	-22	352	355	3	3	25
TOTAL	-22	352	355	3	3	25

Financial Commentary

- There are remains of costs for Payroll at the beginning of the financial year, to assist Redditch with the transfer of the payroll.
- There are overspends which relate to Job Evaluation – additional staffing required and also vacancy management as the department is fully staffed.

4.2 Sundry Debtors

Sundry Debt is raised by the Council to ensure effective recovery of debts owing. The outstanding balance at 31/12/09 was £482k (balance to 30/09/09 was £386k) which includes:-

Type of Debt	Amount £'000
Car Parking Fines	50
Lifeline debts	53
Rents/Hire Charges	55
Building Regulations	16
Trade Waste and Cesspool emptying	30
Developer Contributions	82
Housing Schemes	27
Dolphin Centre Membership	20
Licensing	2
Services Provided to other organisations e.g. BDHT	130
Sponsorship	7

The age of the debt is represented as follows:

Age of Debt	Balance as at 30/09/09 £'000	Balance as at 31/12/09 £'000
Under 30 days (not yet due)	220	256
Up to 1 month	17	20
1 – 2 months	90	56
3 – 6 months	16	99
Over 6 months	43	51

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

5. **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:

Financial Asset Category	Criteria (Fitch ratings)	Maximum Investment
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 31 December 2009 short term investments comprise:

	31 March 09 £	31 Dec 09 £
Deposits with Banks/Building Societies	8,425	9,900
Deposits with Debt Management Office (DMADF)*	5,500	8,250
Total	13,925	18,150

* 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 £166k has been set for 2009/10 using a projected return rate of 1.5 – 1.75 %. During the year bank base rates have dropped to 0.5% with little expectation of any upward increase in rates in the near future.

In the period to 31 December 2009 the Council received income from investments of £65k. 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. 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 4. To date the efficiency savings total £442k for 2009/10.

7. REVENUE BALANCES AND EARMARKED RESERVES

7.1 Revenue Balances

The revenue balances brought forward at 1 April 2009 were £1.753m. Following approval of the use of balances in 2009/10, it is anticipated that the remaining balance will be £1.472m. If the overspends projected in this report are not mitigated by the actions proposed by the Heads of Service, the overspend of £77k will also have to be funded from balances reducing them further to £1.395m.

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 £687k. Details are shown in Appendix 5.

8. **CAPITAL RECEIPTS**

- 8.1 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	3,002	2,539
Actual funding to date (April – Dec)	-1,318		
Estimated use for the remainder of the year	-1,702	-1,788	-1137
Budget Virement between years	*-1,143 **273	1,143 ***-918	
Received in year	100	1,100	100
Use of Replacement Reserve	536		
Balance c/fwd	3,002	2,539	1,502

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

** Agreed approval of budget virement from the 2009/10 capital programme into 2008/9 to all for the purchase of refuse vehicles.

*** Agreed roll forward of the Capital Programme from 2009/10 into 2010/11.

- 8.2 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, with an additional £1million in financial year 2010/11 as the anticipated capital receipt from the sale of the Industrial Units at Aston Fields.
- 8.3 As part of the Use of Resources assessment the Council must demonstrate that it has a robust Capital Programme that is delivered on time and within budget.

9. **FINANCIAL IMPLICATIONS**

Covered in the report

10. **LEGAL IMPLICATIONS**

None

11. COUNCIL OBJECTIVES

None as a direct result of this report

12. RISK MANAGEMENT

Covered in the report.

13. CUSTOMER IMPLICATIONS

None as a direct result of this report

14. EQUALITIES AND DIVERSITY IMPLICATIONS

None as a direct result of this report

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 - September 2009
Appendix 2	Detail Performance report for April - September 2009
Appendix 3	Detailed figures to support the performance report
Appendix 4	Efficiency Savings 2009/10
Appendix 5	Current Position (April – December) on Earmarked Reserves
Appendix 6	Virements for approval by Cabinet
Appendix 7	Customer Feedback

CONTACT OFFICERS

Hugh Bennett, Assistant Chief Executive
Jayne Pickering, Head of Financial services
Debbie Randall Accountancy Services Manager
John Outhwaite, Senior Policy & Performance Officer