

Financial Savings Monitoring Report Q4

Relevant Portfolio Holder		Cllr Ian Woodall Executive Member for Finance
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	
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, Governance and Standards Committee 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 Redditch Borough 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 3 2024/25 Finance and Performance Monitoring report was reviewed by Executive in March 2025. This reflected a £138k overspend position.
- 2.4 The Quarter 4 Outturn position is a £4k underspend. The £10.8m full year revenue budget included in the table below is the budget that was approved by Council in February 2024.

- 2.5 This is mainly due to additional fleet costs, additional costs and reduced income relating to bereavement services and additional costs of supporting the finance service in order to complete the Accounts. This compares to an overspend position of £138k at Q3 (a £144k decrease).

Service Description	2024-25 Approved Budget	2024-25 Actual Spend	2024-25 Variance
Business Transformation and Organisational Development	1,781,837	1,850,478	68,641
Community and Housing GF Services	1,742,562	1,367,045	-375,517
Corporate Services	-1,996,267	-2,834,560	-838,294
Environmental Services	2,701,088	4,082,067	1,380,979
Financial and Customer Services	2,067,408	3,169,918	1,102,509
Legal, Democratic and Property Services	2,098,369	2,399,120	300,751
Planning, Regeneration and Leisure Services	1,067,182	1,313,223	246,041
Regulatory Client	562,038	663,281	101,243
Rubicon Client	777,747	1,023,283	245,536
Grand Total	10,801,965	13,033,854	2,231,889

Service Description	2024-25 Approved Budget	2024-25 Actual Spend	2024-25 Variance
Corporate Financing	-10,801,965	-13,038,347	-2,236,382
Grand Total	-10,801,965	-13,038,347	-2,236,382
TOTALS	0	-4,494	-4,494

- 2.6 The above overspends of £2.232m are offset by additional income of £2.236m in Corporate Financing largely from additional grant income together with increased investment interest receivable and a small amount lower interest payable.
- 2.7 This includes variations as follows:

Business Transformation & Organisational Development – outturn position £69k overspend

Within Business Transformation & Organisational Development the overspend of £69k is due to:

- Human Resources overspent by £66k due to additional costs of Professional Fees (£15k), ICT Purchases (£10k), Insurance (£6k) and a reduction in Shared Service income of £35k.
- ICT overspent by £25k due to Telephone costs.

These overspends were offset by lower-than-expected costs by £22k in those areas where the Council is charged for the Shared Service arrangements in place.

Community and Housing General Fund Services - outturn position £376k underspend

Within the Community and Housing General Fund Services the underspend of £376k is due to a number of factors:

- Community Safety underspent £460k due to savings of £22k on Furniture & Equipment Maintenance, £10k of Telephones plus additional grant income of £89k. There were also higher charges by £339k within the area where the Council is charged for the Shared Service arrangement in place.
- Housing & Enabling underspent by £592k due to additional funding of £90k received, savings of £60k on Salaries due to vacant posts and increased income of £442k due to the recharges generated from the services it operates as a Shared Services.
- Community Transport (including shop mobility) overspent by £153k due to increased Salaries of £45k, drop of income against budget of £61k, additional costs on Fleet Maintenance of £25k, Electricity Costs of £6k together with a number of smaller variances of £16k.
- Housing Options overspent by £270k due to increased Salary costs of £206k and increased Grant payments of £64k.
- Lifeline overspent by £253k due to increased Salary costs of £62k, insurance of £7k, Furniture & Equipment purchase and maintenance of £45k together with unachieved Shared Service income of £139k.

Corporate Services – outturn position £838k underspend

Within Corporate Services, there is a large underspend due to the necessary reallocation of corporate provisions on salaries, inflation, and utilities. The Council is currently undergoing an establishment exercise which will ensure the correct allocation of these provisions across all services. This will now be actioned for the 25/26 budget.

Environmental Services – outturn position £1.381m overspend

Within Environmental Services, the overspend of £1.381m is due to:

- Bereavement Services overspent by £393k due to a loss of income amounting to £192k, additional expenditure on Furniture & Equipment maintenance and purchase of £103k, spend on Materials and Others of £52k and an additional spend on Professional Fees of £46k to various suppliers.
- Car Park/Civil Enforcement overspent by £15k due to £50k additional spend with Wychavon District Council offset by additional income of £24k and lower spend on Building Maintenance of £11k.
- Depot overspent by £58k due to additional Fleet Maintenance of £16k and an overspend on Equipment Maintenance and Materials of £42k.

- Engineering overspent by £143k due to £80k in Insurance claims and £63k on Shared Service Arrangements.
- Place Teams overspent by £300k due to £72k on Fleet Maintenance and Fuel, £14k loss of Income on Bulky Waste, £35k additional spend on Insurance, £11k on Materials and £168k from recharges for the Shared Service Arrangements.
- Tree & Woodland Management overspent by £152k due to additional spend on Tree Works.
- Waste Operations overspend of £320k due to an additional spend of £170k on Fleet Fuel & Maintenance and £150k from recharges for the Shared Services.

Financial & Customer Services - outturn position £1.103m overspend

Within Financial & Customer Services, the overspend of £1.103m is due to:

- Audit Services overspent by £26k due to additional Internal Audit costs.
- Benefits underspent by £131k due to saving of £76k on salaries due to vacant posts and savings on general costs of £55k.
- Finance overspent by £853k due to the recruitment of agency staff to clear the backlog of Statement of Accounts which is now complete. There are also mitigating factors as far as there are difficulties countrywide in the recruitment of staff which has now been made more difficult due to Local Government Reform. There was also an overspend on TechOne system support of £85k together with other overspends on Asset Valuations (£47k), Professional Fees (£115k on VAT support) and ICT Costs (£295k on TechOne and E-Fin licences).
- Revenues overspent by £355k including £83k on agency costs and £272k on Civica System.

Legal, Democratic and Property Services – outturn position £301k overspend

Within Legal, Democratic and Property Services there was an overspend of £301k due to:

- Business Development had an underspend of £69k due to savings on Salaries.
- Democratic Services showed an overspend of £31k due to additional Shared Service costs charged to the Council.
- Facilities Management overspent by £339k which is made up of £218k overspend on Salaries and Agency costs, Insurance of £50k, surveyors fees of £21k, Building Maintenance of £34k and Contract Payments of £16k.

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 £54k due to a drop in Planning Income.
- Economic Development overspend of £77k is due to a number of smaller variances within the service such as increased Property Income of £35k offset by increased spend on Utilities of £35k but the main overspend is due to Shared Services as a result of charges dating back over the period 2021 - 2024.
- Parks, Open Spaces and Events overspend of £81k due to £29k additional spend on Agency Costs, £27k on Insurance, £10k on Fleet Maintenance and £15k other net variations.
- Planning Policy overspend of £50k due to additional Professional Fees of £26k and Shared Services of £24k.
- Town Centre underspend of £16k due to additional Grant Income received.

Regulatory Client – outturn position £101k overspend

Within Regulatory Client, the overspend of £101k is due to additional management costs of Worcestershire Regulatory Services (WRS).

Rubicon Client – outturn position £246k overspend

Within Rubicon Client, there was an overspend of £50k on Building Maintenance due to the age of the buildings, £30k relating to VAT, £67k on Insurance and £100k in additional management charges.

2023/24 Position

2.8 The position at year end 2023/24 in terms of departmental savings was that the two Amber items still required 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 on the 24 February 2025 we have a surplus in the collection fund of £1.004m, of which £0.125m relates to Redditch Borough Council. Overall amounts for all members of the collection fund are significantly higher than expected.

- 2.9 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

- 2.10 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.
- 2.11 As has been stated in previous reports, the largest savings in recent years have been on pension cost which link to the 2023 triennial revaluation. These revised figures run for three 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.
- 2.12 The following items still 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.
 - Movement to fill the £400k Town Hall savings with new tenants. Strip out work has started on the building but securing a new anchor tenant must be a priority.
 - 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, following the closure of the 2023/24 accounts, an estimated £7.312m in General Fund Reserves to cover one off issues, and £14.868m in Earmarked Reserves for specific purposes as per the MTFP that

was approved in February 2025. 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.

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 2024/25 Budget process.

Operational Implications

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

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 2024.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Redditch Savings Monitoring 2024/25

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Ian Woodall	09/07/2025
Lead Director / Head of Service	Bob Watson	08/07/2025
Financial Services	Debra Goodall	07/07/2025
Legal Services	Claire Felton	08/07/2025
Policy Team (if equalities implications apply)	N/A	
Climate Change Officer (if climate change implications apply)	N/A	

REDDITCH BOROUGH COUNCIL

Audit, Governance and Standards Committee 24th July 2025

Appendix A – Redditch Savings Monitoring 2024/25/2

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	RAG Status	Narrative
23/4 Line Items						
Service Reviews	-140	-330	-405	-405		<p>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.</p> <p>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.</p> <p>As per the 2025/26 Council Tax Resolution the Council has a Collection Fund surplus of £1.004m of which £125k related to Redditch.</p> <p>As per the Outturn Report for 2024/25, there is a significant overspend in this area (Waste) and the envisioned partnership has not yet materialised</p> <p>This needs to be reviewed in 2025/26 budget and the impending Local Government Reorganisation.</p> <p>Not an issue for 2024/25, although over £150k is already being delivered. Issue is in the following year.</p>
Finance Vacancies	-100	-100	-100	-100		
Engage Capacity Grid (One Off)	-300	-300	0	0		
Environmental Services Partnership	0	-25	-50	-50		
Move to All Out Elections	0	0	-170	-170		
Town Hall	0	0	-400	-400		
Total 23/4 Items	-540	-755	-1,125	-1,125		
24/5 Line Items						
Utilities increase		-228	-228	-228		<p>Only 60% drawn down in 23/4 – this is the 40% remainder.</p> <p>Not drawn down in 23/4, £125k put in for 24/5</p>
23/4 Inflation Budget		-269	-274	-274		
7% increase Fees & Charges		-238	-241	-243		Significant area of difficulty highlighted in Outturn Report returns are in Bulky Waste and Bereavement Services.
2% C Tax Increase 25/6			-144	-144		This is the present allowable increase level

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2% C Tax Increase 26/7				-147		This is the present allowable increase level
2% Fees & Charges 25/6			-69	-71		This is future years
2% Fees & Charges 26/7				-74		This is future years
Gov Grant at 23/4 Levels	-148	-148		-148		As per Government Guidance
Council Tax increase to 3%	-67	-67		-67		Allowable in 2024/5
				-60		Not included in original fees and Charges. This was at 23/4 income level at 6 months but not to the level of the 25% increase.
Planning income 25%	-60	-60				
22/23 Pay Award savings	-100	-100		-100		Based on budget review in January
Impact of Budgets on Pay Award	-150	-150		-150		Based on budget review in January
Changes in other Central Grants	-244	-140		-140		As per Government Guidance
Additional Government Grant (Feb 24)	-103	-103		-103		As per Government Guidance
Total 24/5 Items		-1609	-1,725	-1,949		