

Executive Committee

Tuesday, 31 October 2017

MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Greg Chance (Vice-Chair) and Councillors Joe Baker, Juliet Brunner, Debbie Chance, Brandon Clayton, John Fisher and Pat Witherspoon

Also Present:

Councillors Michael Chalk, Matthew Dormer, Jane Potter, Antonia Pulsford, Nina Wood-Ford and S Laird (V4)

Officers:

Kevin Dicks, Clare Flanagan, Sue Hanley, Jayne Pickering, Deb Poole, Guy Revans and David Riley

Democratic Services Officer:

Jess Bayley

51. APOLOGIES

There were no apologies for absence.

52. DECLARATIONS OF INTEREST

There were no declarations of interest.

53. LEADER'S ANNOUNCEMENTS

The Leader explained that, due to the size of the agenda and the likely length of the meeting, he was tabling his announcements in writing.

Members were asked to note that, due to the attendance of representatives from an external organisation, Minute Item No. 70 would be considered early on the agenda.

54. MINUTES

RESOLVED that

.....
Chair

the minutes of the meeting of the Executive Committee held on Tuesday 12th September 2017 be approved as a correct record and signed by the Chair.

55. HOMELESSNESS SHORT SHARP REVIEW - FINAL REPORT

The Chair of the Homelessness Short, Sharp Review, Councillor Nina Wood-Ford, presented the group's final report. In doing so she highlighted the evidence that had been gathered from a range of sources during the course of the review and the conclusions that had been reached by the group in respect of homelessness in the Borough. Reference was also made to the minutes of the Overview and Scrutiny Committee meeting from 7th September when the report had been considered and Members had endorsed all of the recommendations.

Following presentation of the report Members welcomed the group's findings. The position of rough sleepers in the Borough was briefly debated. Councillor Wood-Ford explained that the group had been advised that all of the rough sleepers had either been offered accommodation or already had access to accommodation but were choosing to remain where they were. The group had found that there was a particular difficulty for single men aged over 40 with substance abuse problems securing appropriate accommodation. These people often struggled to access accommodation because generally housing providers required them to address their problems with substance abuse before they could move into a property. Housing First could help to address this by providing people in this situation with accommodation and addressing their needs once they had moved into the property.

RESOLVED that

- 1) Redditch Borough Council should take part in any opportunity to deliver Housing First in properties in the Borough. This should include applying to participate in any Housing First pilot schemes operated by the West Midlands Combined Authority;**
- 2) the Leader of the Council should write to the Secretary of State for Work and Pensions, the Rt. Hon. David Gauke MP, urging him to end the freeze on Local Housing Allowance (LHA) rates; and**
- 3) the Council's Communications and Arts and Events teams should notify the CAB of any forthcoming events in Redditch which they could attend to promote their services and heighten awareness of their services in the Borough.**

56. STAFF SURVEY JOINT SCRUTINY TASK GROUP - FINAL REPORT

The Vice Chair of the Staff Survey Joint Scrutiny Task Group, Councillor Jane Potter, presented the group's final report. The review had been established at the request of Bromsgrove Members following consideration of the staff survey results on a number of occasions. The group had investigated the low response rates to the latest survey, circulated in 2016, and had been encouraged by the action that was being taken by Officers to address this. Issues had been identified by the group, particularly in respect of the use of measures by the Council instead of targets for performance management purposes and the need for the dashboard to be regularly updated.

Following presentation of the report Members discussed the group's proposals. Concerns were raised about the group's focus on targets; the Council had adopted a systems' thinking approach to managing performance and limitations with target setting had been identified in recent years. Concerns were also raised about the proposal for the Lead Scrutiny Member and the relevant Portfolio Holder to attend staff briefings as it was suggested that this might be considered intimidating by some employees. Confirmation was provided that the trade unions had not been consulted as part of the review and Members expressed reservations about whether it would be appropriate to proceed with any of the actions proposed in the group's report without this taking place.

Reference was made to the extract from the minutes of the Overview and Scrutiny Committee meeting held on 26th October and it was confirmed that all of the group's recommendations had been endorsed. Clarification was provided that the lead scrutiny member would act like the lead member for Risk on the Audit, Governance and Standards Committee and would not have the more official responsibilities available to a Portfolio Holder or a Member Champion. The Overview and Scrutiny Committee had also had the power to determine that the Committee should receive a quarterly update on the Programme Board's Action Plan and that the Performance Scrutiny Working Group's terms of reference should be updated to take into account performance management processes. This would not change the overall arrangements for performance management at the Council. Following further debate the Committee.

RESOLVED that

Recommendation (b) from the Staff Survey Joint Scrutiny Task Group be rejected for the reasons detailed in the preamble above.

57. PERFORMANCE SCRUTINY WORKING GROUP - OVERVIEW AND SCRUTINY RECOMMENDATION

The Chair of the Performance Scrutiny Working Group, Councillor Matthew Dormer, presented a report setting out a proposal for an After Care Social Worker to be provided with a base to work at Redditch Town Hall. He explained that the group had interviewed representatives of Redditch Borough Council's Housing Department about arrangements for housing care leavers in July 2017. The group had felt that this was an appropriate subject for scrutiny in light of recent developments in respect of Children's Social Care Services. Members had learned that all of the county's After Care Social Workers were currently based in Worcester. There was office space in the Housing Options team's offices in Redditch Town Hall that could accommodate an After Care Social Worker and this would enable young people leaving care in Redditch to have access to this worker as soon as possible where needed.

During consideration of this matter Members also made reference to the minutes of the Overview and Scrutiny Committee held on 7th September when this subject had been considered and it was noted that the Committee had endorsed the recommendation.

Members welcomed this proposal as an action that could be taken to enhance the support available to young people in the Borough. Members also noted that there were social workers operating from GP Practices indicating that it was possible for staff to work from a base outside central offices in Worcester.

RECOMMENDED to Worcestershire County Council that

an After Care Social Worker should be provided with a base to work in the Housing Options team's office at Redditch Town Hall in order to work with care leavers in Redditch.

58. JOINT MUNICIPAL WASTE MANAGEMENT STRATEGY ADDENDUM

The Head of Environmental Services presented the Joint Municipal Waste Management Strategy Addendum. Redditch Borough Council had signed up to this strategy some years previously alongside all of the local authorities in Worcestershire as well as Herefordshire County Council. The Committee was advised that this addendum provided an update to the joint strategy which would be in place up to 2034.

The Committee welcomed the report and noted that, whilst the Council had not met all of the targets specified in the strategy, it was anticipated that progress would be made following adoption of the addendum. The Council was, however, in the top quartile in the country for dry recycling rates. In response to questions from Members Officers confirmed that there had been a sudden drop in landfill use and a small proportion of reuse for municipal waste disposal routes between 2000 and 2017.

RECOMMENDED that

the Addendum to the Joint Municipal Waste Management Strategy (JMWMS) for Herefordshire and Worcestershire 2004 – 2034 be adopted.

59. COMMUNITY PANEL SURVEY

The Head of Business Transformation and Organisational Development presented a report outlining proposals to introduce a Community Panel Survey for the Council. Redditch Borough Council had previously participated in the Worcestershire Viewpoint Survey which had received external funding until May 2015. When this funding had ceased to be provided Worcestershire County Council had proposed to continue to produce the survey at a cost of £2,300 to £3,500 per year per partner. Officers had concluded that this would not meet the needs of the Borough and instead a bespoke survey should be produced and circulated for the consideration of Redditch residents.

Officers confirmed that the majority of Redditch residents who had participated in the Worcestershire Viewpoint Survey had expressed an interest in being consulted about the Redditch Community Panel Survey. In addition, approximately 100 new residents had asked to participate. The survey would be produced and circulated in both electronic and paper forms in order to meet the needs of different customers.

The Committee discussed the survey and welcomed its introduction. However, Members suggested that question 34 should be rephrased to ask the respondent about their gender rather than their sex.

RESOLVED that

the proposal to have a Community Panel Survey be noted and endorsed.

60. COMMERCIALISATION AND FINANCIAL STRATEGY

The Head of Environmental Services presented the Commercialisation and Financial Strategy and in so doing explained that this strategy would underpin the Council's approach to commercialism. By adopting a commercial approach to service delivery, the local authority could help to achieve efficiency savings whilst generating income. However, this would not be addressed at the expense of meeting customer needs or maintaining quality services, which would continue to be priorities for the Council.

The strategy would apply across all departments. A Commercialism Board had been established to consider key opportunities and this was supported by three sub-groups that focused on contracts, use of land and assets and income from fees and charges. In some cases, ideas would be developed into business cases which would be presented for the consideration of Members through the decision-making process. In other cases, it was possible that small-scale initiatives could be pursued by officers under delegated powers.

RECOMMENDED that

the Commercialisation and Financial Strategy 2017 – 2020 attached at Appendix 1 be approved and adopted.

61. LOCAL COUNCIL TAX SUPPORT SCHEME

The Financial Support Manager presented the report and highlighted that the Council had adopted a Council Tax Support Scheme which enabled residents to receive up to 80 per cent support for their Council Tax liabilities. The Council had taken into account national policies when developing the scheme. A Hardship Fund was available for residents to access where they were struggling to pay their Council Tax. As this was a small discretionary fund all applicants would receive financial assessments in order to help the applicant manage their finances in the long-term.

Members noted that Universal Credit was shortly due to be rolled out across the Borough and questions were raised about the potential impact that this might have on the scheme. Officers confirmed that some amendments had already been made to the scheme in preparation for the implementation of Universal Credit and further amendments could be made in future years if evidence gathered by the Council indicated that this was required.

RECOMMENDED that

no changes are made to the Council Tax Support Scheme for 2018/19.

62. LOCAL DISCRETIONARY RELIEF SCHEME

The Financial Support Manager presented the Discretionary Non-Domestic Rates Revaluation Support Scheme and noted that the revaluation was the first to take place since 2010 resulting in businesses at a national level facing a large increase in their rates liability. The revaluation was conditional on local authorities undertaking consultation with their major precepting authorities. When this had taken place in Redditch no responses had been received. The relief was available to the rate payers that were directly affected by the revaluation.

There were a few risks to the scheme, particularly as there was a fixed amount available to provide as discretionary relief. To help address this the Council encouraged businesses in receipt of this funding to make a state aid declaration.

During consideration of this item Members noted the relevant extract from the minutes of the Overview and Scrutiny Committee meeting held on 26th October, when the scheme had been subject to pre-scrutiny. The Committee had endorsed the proposals from officers, subject to amending the second recommendation to suggest that the Executive Director of Finance and Corporate Resources should be delegated with authority to adjust the percentage relief awarded in 2018/19 after consultation with the leader of the opposition as well as the Portfolio Holder for Corporate Management. The Executive Committee rejected this proposed amendment to the recommendation.

RECOMMENDED that

- 1) the criteria for allocation of Discretionary Revaluation Support as appended to this report in Appendix 1 are adopted; and**
- 2) the Executive Director of Finance and Corporate Resources is provided with delegated authority, after consultation with the relevant Portfolio Holder, to adjust the percentage relief awarded in years 2018/19 and onwards in order to ensure that the maximum level of support is provided to businesses and that the Government funding meets the overall costs of the relief.**

63. CHILDREN AND YOUNG PEOPLE'S PLAN 2017 - 2021

The Chief Executive presented the Children and Young People's Plan and advised that this had been developed by the Connecting Families Strategic Group. The plan was not a report of Worcestershire County Council as it had been developed in partnership and was designed to help improve young people's lives and aspirations across the county. The plan had already been approved by the Worcestershire Health and Wellbeing Board and was in the process of being considered by district Councils. Appendix 4 to the report provided further information about the relevant work of Redditch Borough Council and action that could be taken by the local authority to help deliver the key objectives of the plan.

RESOLVED that

- 1) the new Worcestershire Children and Young People's Plan (CYPP) 2017 – 2021 be endorsed; and**
- 2) authority be delegated to the Head of Community Services, in so far as it is within the Council's remit to work with Worcestershire County Council and all other relevant agencies and organisations, to contribute to the drawing up of an action plan to put the CYPP into effect.**

64. MEDIUM TERM FINANCIAL PLAN 2018/19 TO 2021/22 - BUDGET ASSUMPTIONS

The Executive Director of Finance and Corporate Resources presented the Medium Term Financial Plan 2018/19 – 2021/22 - Budget Assumptions report. Members were advised that Officers were making a number of assumptions including:

- An increase in Council Tax of £5 for 2018/9 to 2021/22.
- A pay award of 2 per cent for staff.
- Superannuation savings would be achieved, due to the Council paying pension contributions up front to Worcestershire County Council.
- An assumption of 0 percent inflation for services. Officers acknowledged that inflation would be over 3 percent in this period but Heads of Services had been advised that they would be expected to meet the costs of inflation within existing budgets. The exception to this would be business rates and utilities where an assumption had been made that there would be an increase in budgets in response to inflationary pressures.

- An assumption that income would be generated from fees and charges. Heads of Service had been asked to review their charges for 2018/19 so that these were not simply increased by 3.9 percent but rather by a level that would take into account factors such as the costs of delivering the service and customer demand.

There was the potential that the Autumn Budget statement, due to be delivered on 22nd November 2017, could have implications for local authority budgets. However, at this stage it was difficult to predict what this might be and therefore officers had based their assumptions on current circumstances.

RECOMMENDED that

the revenue assumptions detailed in 3.4 to the report be incorporated into the budget setting process.

65. MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE MEETING HELD ON 7TH SEPTEMBER 2017

Members noted that all of the recommendations proposed by the Overview and Scrutiny Committee on 7th September 2017 had been considered, with decisions having been made in respect of the Homelessness Short Sharp Review group's recommendations and the After Care Social Worker during the meeting.

66. MINUTES / REFERRALS - OVERVIEW AND SCRUTINY COMMITTEE, EXECUTIVE PANELS ETC.

The Committee noted that all of the recommendations that had been proposed by the Overview and Scrutiny Committee on 26th October 2017 had been considered, with decisions having been taken in respect of the Leisure and Cultural Services Options Review and Local Discretionary Relief Scheme during the meeting.

67. CORPORATE PARENTING STEERING GROUP - UPDATE REPORT (COUNCILLOR JOE BAKER)

Councillor Joe Baker, the Council's representative on the Corporate Parenting Steering Group, advised that he had no update to report.

68. ADVISORY PANELS - UPDATE REPORT

Members noted that the latest meeting of the Planning Advisory Panel (PAP) had taken place that evening.

RESOLVED that

the report be noted.

69. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that

under S.100 I of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 (A) of the said Act, as amended:

Minute 70 – Leisure and Cultural Services Options Review

70. LEISURE AND CULTURAL SERVICES OPTIONS REVIEW

The Chair welcomed Mr Steve Laird, from V4 who delivered a presentation in respect of management options for Leisure and Cultural Services (Appendix 1). During the delivery of this presentation the following points were highlighted for Members' consideration:

- V4 had been asked to investigate the advantages and disadvantages in respect of a range of models that could be used for the delivery of Leisure and Cultural Services.
- As part of this process V4 had considered the need for any future delivery model to support the Council's strategic purposes.
- The strategic purposes had underpinned a range of criteria that had been used to assess each option in turn.
- The option that had scored the most for Redditch Borough Council had been the Local authority Trading Company (LATC) model followed by outsourcing.
- There was no correct answer in terms of the model that should be used by local authorities. The choice needed to be made through the democratic process based on local needs and priorities.
- In recent weeks there had been some developments in respect of changes to rules for VAT. Previously Councils could only keep a portion of a fee where VAT rules applied; recent case law had established that Councils could now retain the full fee.
- Partial exemption calculations needed to be taken into account. Where local authorities had exempt income, such as for Bereavement Services, the organisation could only claim up to £267,000 of VAT. There was a risk that if more than this

figure was gathered the Council would not be able to retain any of that sum.

- Depending on the model selected by Members during the meeting a more detailed business case would follow in 2018.

Following presentation of the report Members discussed the matter in further detail and raised a number of points:

- The significant number of responses that had been received from the public in respect of the future delivery of leisure and cultural services. Many residents had commented that they did not feel able to select the most appropriate model, but they were keen for the Council to retain some involvement, to have access to affordable services and for services to help address health inequalities.
- The extent to which the different models would be able to support people living in areas of multiple deprivation and which areas fell within this in the Borough. A number of areas, identified by the Office for National Statistics, were discussed, and it was suggested these areas should be clarified.
- The level of consultation that had been held with the unions to date in respect of the review. Officers advised that the unions had been provided with copies of the report. Whichever model was selected would be subject to consultation with staff and the unions would be fully engaged in this process.

During consideration of this item reference was also made to the relevant minute extract from the meeting of the Overview and Scrutiny Committee held on 26th October 2017 when this matter had been considered. Members noted that the Committee had recommended that the Council should give approval in principle to the LATC model to operate the Council's Leisure and Cultural Services.

At the end of their discussions the Committee

RECOMMENDED that

approval be given, in principle, to set up a not for profit, Teckal compliant, Local Authority trading company to operate the Council's Leisure and Cultural Services and that a further report to Executive and Council be commissioned by officers in relation to a full business case for this model to include all governance, financial and staffing implications.

[During consideration of this item Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to exclude the press and public during the course of the

Executive Committee

Tuesday, 31 October 2017

debate on the grounds that information would be revealed which relates to the financial and business affairs of the local authority].

The Meeting commenced at 7.03 pm
and closed at 9.57 pm












Management Options for Leisure and Culture

Appendix 1



Introductions



 <p>Delivered successful projects for over 120 clients across the UK – including public sector (councils, NHS, social enterprises) and private sector</p>	 <p>c.£19m annual savings via new operating models facilitated</p>	 <p>Typical payback on our fees within 6 weeks of new contract starting</p>	 <p>Our work covers all models and is tailored to meet our client's key drivers</p>	<p>100% of procurements completed without legal challenge</p>
<p>Successfully facilitated the establishment of 23 new operating models across the UK</p> 	<p>Our work resulted in the first ever licence granted to a council to trade legal services from the Solicitors Regulation Authority</p> 	<p>Finalists in CIPS 2014 and Go Excellence in Public Procurement Awards 2016 for outcomes of outsourcing projects</p> 	 <p>New operating models developed for variety of services</p>	 <p>Great references and case studies – just ask and we'll share</p>

Desired requirements



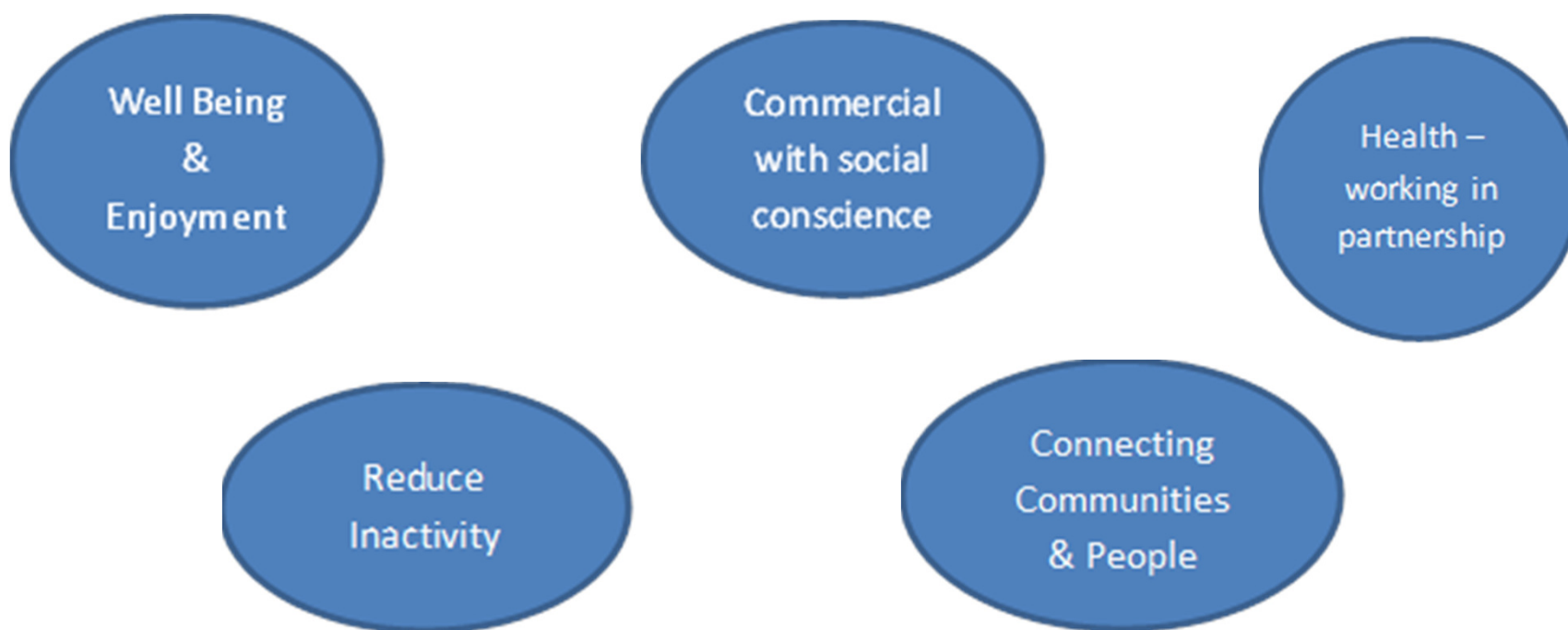
- Council retain ownership of all land and buildings
- Ability to get more people, more active, more often – for the same investment or less
- Can achieve (or exceed) the requirement to deliver a £440k saving in the financial year 2018/19, and savings in subsequent years which meet the requirements of the MTFS
- Council retains control over strategy, pricing and programming
- Governance designed to encourage performance improvement and innovation
- Staff protections in place (pensions and T&C's)
- Facilities and services within scope have synergies and benefit from being together under single management body

Our brief – the scope of work



- Which model will be best able to deliver our required strategic objectives?
- Which model will be fit for the future – and aligned to the needs of new funding partners (including health commissioners) ?
- What is possible within the new procurement regulations (2015)?
- What are the timescales for delivery?
- What are the estimated financial savings from each model?
- What is the scope to improve existing services?
- What is the potential for elements of the services capable of commercial exploitation – including catering and retail and business units.
- How can investment for assets be secured?
- How do we demonstrate that we have reflect the views of the (c.1700) respondents to the community survey.

Provide Good things to see, do and visit



Management options available?



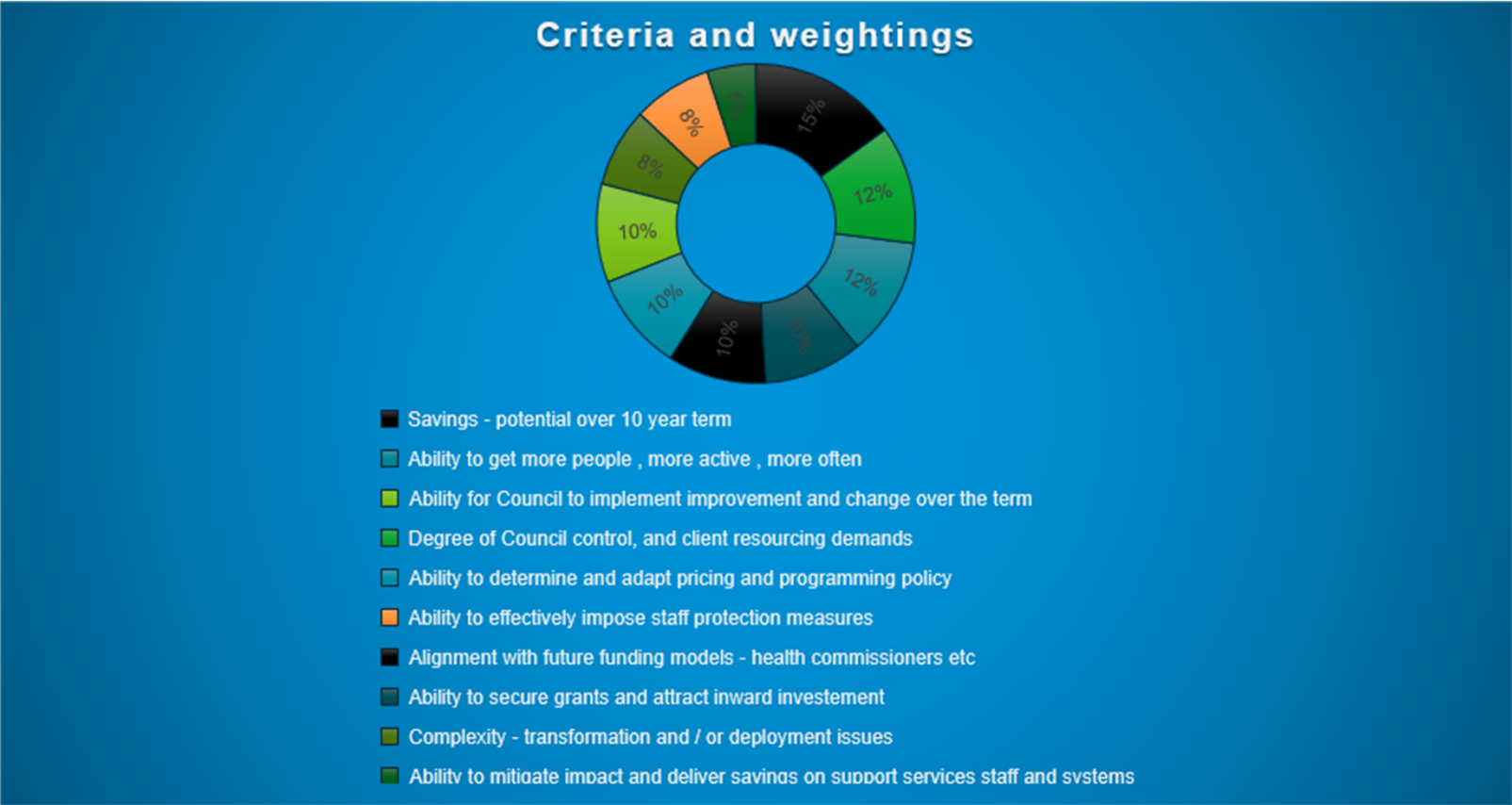
Council controlled

- In House – Status Quo
- In House – Transformed
- Local Authority Trading Company

Outsourced

- Trust /Charity
- Not for profit company / hybrid
- “Private sector”

Summary of Weightings



Summary of Options



REDDITCH BOROUGH COUNCIL 	
Option Name	Total Score
In-House Services Transformation	66.40%
Local Authority Trading Company (LATC)	82.40%
Locally Established Charitable Trust / Mutual	67.20%
Outsource to a Specialist Operator	69.40%

VAT Position



- Recent case to allow Councils to class income on sports activities as exempt
- Additional income £162k

Partial Exemption Calculation

- Allows up to 5% of the VAT reclaimed to relate to an exempt activity
- The council already has bereavement income as exempt
- Total VAT recovered £5.3m – 5% = £267k
- In 2016/17 we recovered £149k VAT on services that are exempt
- This meant the Council were £118k within the limit.
- We recover £92k VAT on leisure activities
- Therefore we would be recovering £92k + £149k = £241k (within £27k of the limit)
- If we go over this we lose all of the £267k VAT we currently have the ability to recover
- £27k VAT is a relatively minor capital programme at any of our assets
- If lose all the VAT we would gain £162k but potentially lose £267k = net loss £105k

Questions – matters arising

