

# Executive Committee

Tuesday, 6 February 2018

## MINUTES

### Present:

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

### Also Present:

Councillor Michael Chalk

### Officers:

Clare Flanagan, Chris Forrester, Sue Hanley, Mark Hanwell, Dean Piper and Judith Willis

### Democratic Services Officer:

Jess Bayley

### 91. APOLOGIES

There were no apologies for absence.

### 92. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 93. LEADER'S ANNOUNCEMENTS

The Leader advised that the following items, which had been due to be considered at the meeting, had been deferred:

- Medium Term Financial Plan 2018/19 to 2021/22. Instead the Committee would be receiving an update in respect of the Council's budget during the meeting.
- The Pay Policy Statement 2018/19.
- Redditch Business Centres Review.

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Chair

Members were asked to note that the meeting of the Executive committee immediately prior to Council on 19<sup>th</sup> February 2018 had been reinstated and would be starting at 7.00pm.

**94. MINUTES**

**RESOLVED that**

**the minutes of the meeting of the Executive Committee held on 16<sup>th</sup> January 2018 be approved as a correct record and signed by the Chair.**

**95. ECONOMIC PRIORITIES FOR REDDITCH ANNUAL REPORT 2016-17**

The Head of North Worcestershire Economic Development and Regeneration (NWEDR) presented the Economic Priorities for Redditch Annual Report 2016/17 for Members' consideration. During the presentation of this report the following matters were highlighted for Members' consideration:

- The Council's current economic priorities were agreed in 2015. Since then good progress had been achieved in delivering on these priorities.
- The local economy had performed reasonably well over the past 12 months, though was being out performed by neighbouring areas.
- In 2016 employment levels had declined when compared to 2015, though overall employment rates remained relatively positive.
- In September 2017 the NWEDR had commissioned Mr Brendan Nevin to review the economic performance of Redditch and how this fitted within the local region. This had identified a number of challenges and opportunities.
- Average earnings in Redditch were lower than the regional average.
- Links had been identified between the West Midlands economy and the economy in the Borough, with the regional economy being largely southward facing.
- Redditch Borough Council needed to work closely with the West Midlands Combined Authority (WMCA) to ensure that the economies of both prospered.
- An action plan had been developed to help improve productivity in Redditch moving forward.
- The action plan had been refreshed for Redditch and a fifth theme had been added; Connecting Redditch, to ensure the Borough was connected to the wider regional economy.

Following the presentation of the report Members discussed a number of matters in detail:

- The time taken to develop the report and action plan and the extent to which the Economic Development Theme Group and Town Centre Partnership had been engaged in this process.
- The involvement of Worcestershire County Council in developing the action plan. Members were advised that the County Council was primarily engaged through the Worcestershire Local Enterprise Partnership (LEP) and both the Worcestershire Employment and Skills Board (ESB) and the North Worcestershire ESB.
- The Council's membership of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and the WMCA.
- The choice of Redditch, as a non-constituent member of the WMCA, in which to launch the Swift Card, the West Midlands equivalent of the London Oyster Card, and the benefits of a forthcoming launch event to help promote this card.
- The recent visit of the Mayor of the West Midlands, Andy Street, to Redditch and the discussions that had been held during this visit with regards to economic development.
- The Redditch Eastern Gateway, which had recently received planning permission from Redditch Borough Council, Bromsgrove District Council and Stratford-on-Avon District Council and the opportunities for economic development potentially arising from this site.
- The Opening Doors event at the Palace Theatre, which had provided students from local schools with an opportunity to learn about careers in different industries.
- The £1.5 million investment in a centre of excellence in respect of engineering in Redditch.
- The £5 million in funding identified for regeneration works in the town centre and the extent to which the Council had definitely secured this funding. Officers advised that the funding was provisional and subject to the submission of a robust business case, though it was anticipated this would be successful as the proposals for regenerating the town centre had received an 'A' rating on strategic fit by GBSLEP and was seen as essential to the delivery of the LEP's Strategic Economic Plan. It was anticipated that the outline business case would be submitted by the end of 2018.
- The extent to which the Redditch Town Centre Partnership had been consulted about the emerging regeneration proposals for Redditch Town Centre. Members were informed that representatives of the partnership had been consulted during the process and further engagement would take place during 2018.

- The timescales in which a report in respect of the town centre regeneration would be presented for Members' consideration. Officers advised that this report would be presented for Members' consideration in 2018.
- The completion of the first phase of the public sector realm works on Alcester Street at a cost over £800k.
- The fee that had been charged for the work that had been undertaken by the consultants on behalf of the Council. Officers advised that they would check this and notify Members accordingly after the meeting.
- The number of business representatives regularly attending meetings of the Economic Development Theme Group. Officers acknowledged that engaging with the private sector in respect of the work of the group had been challenging but three local business representatives regularly attended meetings and efforts were being made to encourage more businesses to engage.
- The action that was being taken by NWEDR to encourage businesses to remain in the Borough. The Committee was informed that the NWEDR provided support to help businesses remain in Redditch.
- The approach adopted by NWEDR to encourage businesses to utilise business premises when these became available in the Borough.
- The level of public funding provided to projects detailed in the action plan and the potential for funding to be provided through private finance initiatives (PFI). Members were advised that a significant amount of funding from the private sector underpinned many of the projects detailed in the action plan, though there remained a need for leadership from the public sector.
- The Council's close working relationship with the Kingfisher Shopping Centre.
- The recent announcement that the Marks & Spencer retail outlet in the Kingfisher Shopping Centre would be one of a number across the country to close in spring 2018.
- The need for greater action to be taken to promote Redditch and the benefits of basing businesses in the Borough.
- The opportunities that could potentially arise from introducing an Enterprise Zone in Redditch and the role of the WMCA in helping the Council to make the case to the Government.
- The employment figures that had been provided for Redditch. Officers explained that these figures related to employment within the private sector only.
- The causes of a decline in employment within the Borough. The Committee was informed that there were multiple factors influencing this including improving productivity within organisations and increasing economic growth in areas neighbouring Redditch.

- The extent to which sufficient car parking spaces would be available in the town centre to support the night time economy if existing car parks were included in any redevelopment schemes. Members were advised that there were some car parks in the town centre that were open 24 hours a day.
- The location of a Recording Studio in the Borough and the positive impact that this had on the local economy.

**RESOLVED that**

- 1) **the annual report setting out progress against the delivery of the economic themes, priorities and Action Plan be endorsed;**
- 2) **the economic narrative set out at Appendix 1 to the report and the challenges and opportunities faced by the Borough be noted and endorsed;**
- 3) **the need for a 'Redditch Deal' with the West Midlands Combined Authority incorporating the proposed '10 point Action Plan' as set out at paragraphs 3.19 and 3.20 to the report be endorsed;**
- 4) **the updated Economic Themes, Priorities and Action Plan set out at Appendix 2 to the report be endorsed; and**
- 5) **an annual report be brought back to this Committee in 12 months' time.**

**96. WORCESTERSHIRE OFFICE FOR DATA AND ANALYTICS (WODA) - ENDORSEMENT OF DATA SHARING CHARTER**

The ICT Transformation Manager presented a report in respect of the Worcestershire Office for Data and Analytics (WODA). WODA had been formed in 2016 in response to work that had been undertaken by KPMG on behalf of partners in Worcestershire. The main premise of WODA was to encourage partners to share information except where there was a legal or ethical reason not to do so. The report was calling for Members to endorse the data sharing charter underpinning this data sharing arrangement.

The Worcestershire Partnership Executive Group (PEG) had initially agreed to launch a pilot. Since then a Chief Data Officer had been appointed and six business cases had been selected as the focus for data sharing. Further work needed to be undertaken in respect of staffing and infrastructure and all partners were being asked to provide a financial contribution to support WODA. The financial contribution from each partner organisation varied according to size; Redditch Borough Council was being asked to contribute

£10,000. This cost would be submitted as a budget bid in the Medium Term Financial Plan (MTFP) 2018/19 to 2021/22.

Members welcomed the report and noted that the data sharing arrangements could help partner organisations to more effectively support some of the most vulnerable members of society, such as victims of domestic violence. The committee also welcomed the application of WODA across the county, though it was noted that the base for staff would be at County Hall.

**RESOLVED that**

**Subject to the approval of the 2018/19 £10k budget bid by Council, the Worcestershire data sharing charter attached at Appendix 1 be noted and endorsed.**

**97. INDEPENDENT REMUNERATION PANEL REPORT AND RECOMMENDATIONS FOR 2018/19**

The Legal Services Manager presented the Independent Remuneration Panel's (IRP's) report and recommendations for 2018/19. Members were advised that the Council was required to take account of, though not bound by, the recommendations from the IRP. The proposals from the IRP had financial implications for the Council; if all of the Panel's proposals were accepted this would lead to an increase of £68,500 on the total projected expenditure for Members' allowances.

Members noted that the Panel comprised skilled members of the public who were completely independent from the Council. In some years the Leaders of the Council were invited to attend interviews with the Panel; this had not occurred in 2017/18. Members recognised that the allowances paid to elected Councillors at Redditch Borough Council were much lower than at other Councils in the county. However, concerns were expressed about the financial implications of approving all of the recommendations that had been made by the IRP. The Council had previously written to the Government enquiring about the possibility of allowances for Councillors being set at the national level. However, Members had been advised that this needed to be a local decision.

**RECOMMENDED that**

**having regard to the report and recommendations of the Independent Remuneration Panel (IRP):**

- 1) the Basic Allowance for 2018/19 not be increased and this continue at the current level set for 2017/18, as detailed in Appendix 1 to the IRP's report;**

- 2) the Special Responsibility Allowances remain at the current levels set for 2017/18, as detailed in Appendix 1 to the IRP's report;
- 3) travel allowances for 2018-19 continue to be paid in accordance with the HMRC mileage allowance;
- 4) subsistence allowances for 2018-19 remain unchanged;
- 5) the Dependent Carer's Allowance remains unchanged; and
- 6) the Parish Council in the Borough, if travel and subsistence is paid, is paid in accordance with the rates paid by Redditch Borough Council and in accordance with the relevant Regulations.

## 98. HRA INITIAL BUDGET 2018/19 - 2020/21

The Financial Services Manager presented the Housing Revenue Account (HRA) Initial Budget 2018/19 to 2020/21. Members were advised that £5.1 million had been allocated to the Housing Repairs Account for 2018/19. A total of £600k remained in balances within the HRA.

In 2017/18 to date 41 Council houses had been sold under right to buy. The Council's budget and three year forecast had assumed that the Council would sell 75 properties over a three year period. This trajectory in right to buy sales had financial implications for the Council in terms of lost revenue from rents. Members questioned the number of houses that had been sold during the past three years and Officers were asked to provide this information after the meeting.

The Committee was advised that 2018/19 was the third year in which rents for tenants in the social housing sector would be reducing by 1 per cent a year. It was uncertain whether the Government would continue to impose this after 2019/20 or introduce alternative arrangements. However, the reduction in rent had significant financial implications for the Council; the authority would otherwise have increased rents at the CPI rate of four per cent per annum. This equated to a loss of £900k in income.

Following the presentation Members discussed the report in detail and noted that the Council was responding to the increase in Right to Buy sales by investing in the Housing Growth Programme and Mortgage Rescue Scheme. The Council was also commissioning a

Stock Condition Survey so that the authority could take a more proactive approach to managing the housing stock.

Members noted that they had recently received through a Tenancy booklet which stated that total spend on repairs was £4.89 million rather than the £5.1 detailed in the report. Officers agreed to get back to Members to clarify this matter further.

Questions were also raised about the increase in funding for Supervision and Management when compared to the previous year. Officers advised that this increase was due to a range of factors including an increase in maintenance charges, the additional support for housing staff that had been required during the year and an increase in staffing costs. Officers agreed to provide a breakdown of the costs for Members' consideration after the meeting.

Capital spending was discussed by the Committee with questions being raised about the use of reserves. Officers explained that £12 million of reserves were earmarked for expenditure on the Housing Growth Programme. In addition, funding would need to be used to help pay the government back for the purchase of the Council's Housing Stock some years ago.

#### **RECOMMENDED that**

- 1) the draft 2018/2019 Budget for the Housing Revenue Account attached to the report at Appendix A be approved;**
- 2) the budget projection for 2018/19 incorporating the 1% rent reduction be approved;**
- 3) the actual average rent decrease for 2018/2019 be 1%;**
- 4) that a capital budget of £150k be approved for a stock condition survey to be carried out**
- 5) that £0.876k be transferred from the general reserve in 2018/19 to fund the future HRA revenue budgets**
- 6) that £5.1m be transferred from the Major Repairs Reserve to fund the HRA capital programme.**

#### **99. MEDIUM TERM FINANCIAL PLAN 2018-19 TO 2020-21 - UPDATE REPORT**

The Financial Services Manager presented an update in respect of the MTFP 2018/19 to 2021/22. Members were advised that over



the previous three years the Council had experienced a reduction of £1.7 million in funding from the Government in the form of the Revenue Support Grant. An assumption was being made in the MTFP that the Council would be subject to a negative grant from 2019/20 onwards, though this grant arrangement was currently the subject of Government consultation. Assumptions had also been made that Council Tax would increase by 2.99 per cent in 2018/19 and 2019/20 then would increase by £5 in subsequent years of the MTFP. The report had taken into account a two per cent pay rise for staff. Remaining balances were considered to be sufficient and would not be allowed to fall below £700k.

The business rates baseline for Redditch had been set at £2.3 million. Any growth over this figure could be retained by the Council. The Council had worked with other local authorities in Worcestershire to submit a bid to form a business rates pool. However, this bid had been unsuccessful and the Council therefore remained in the GBSLEP's business rates pool.

The Council had received less in terms of New Homes Bonus (NHB) funding than had been anticipated. Unfortunately the number of Band D properties built in the Borough was below the baseline that had been set by the Government for NHB funding.

Following the presentation of the report questions were raised as to whether unidentified savings had been included in the baseline and further information in respect of this was requested for Members' consideration. Members also queried the reasons why no increase had been predicted for the figures that had been provided for business rates. Officers explained that this approach was considered to be prudent.

In the report the table summarising the Council's financial position at the time of publication had not included figures for unavoidable pressures, revenue bids / revenue impact of capital bids or for savings and additional income. Officers advised that these were being built into the baseline, though further information could be provided outside the meeting.

The debate in respect of this item concluded with Members noting that the final MTFP 2018/19 to 2021/22 would be provided for Members' consideration at the following meeting of the Executive Committee on 19<sup>th</sup> February 2018.

## **RESOLVED that**

**Officers be asked to continue to review the savings and pressures with the aim to ensure the MTFP shows a balanced position for 2018/19.**

**100. OVERVIEW AND SCRUTINY COMMITTEE**

The minutes of the meeting of the Overview and Scrutiny Committee held on 11th January 2018 were considered. Officers confirmed that there were no recommendations from the Committee for Members' consideration.

**RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on 11<sup>th</sup> January 2018 be noted.**

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

The Committee was informed that there were no additional referrals or recommendations for Members' consideration at this meeting.

**102. CORPORATE PARENTING STEERING GROUP - VERBAL UPDATE**

Councillor Baker, the Council's representative on the Corporate Parenting Steering Group, advised that there were no updates to provide.

**103. ADVISORY PANELS - UPDATE REPORT**

Members considered and noted the content of the Advisory Panels Update Report.

The Meeting commenced at 7.00 pm  
and closed at 9.00 pm