

Executive Committee

Monday, 19 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:

Tom Baker-Price, Roger Bennett, Natalie Brookes, David Bush, Michael Chalk, Anita Clayton, Matthew Dormer, Andrew Fry, Pattie Hill, Wanda King, Jane Potter, Gareth Prosser, Antonia Pulsford, Rachael Smith, Yvonne Smith, Paul Swansborough, David Thain, Jennifer Wheeler and Nina Wood-Ford

Officers:

Kevin Dicks, Claire Felton, Sue Hanley and Jayne Pickering

Committee Services Officer:

Jess Bayley

104. APOLOGIES

There were no apologies for absence.

105. DECLARATIONS OF INTEREST

There were no declarations of interest.

106. LEADER'S ANNOUNCEMENTS

The Leader announced that a copy of the Council Tax Resolutions had been tabled for Members' consideration that evening. Alongside this an additional recommendation had been tabled by Officers for Members' consideration in respect of the Council Tax Resolutions.

Members were also asked to note that the Overview and Scrutiny Committee had agreed a recommendation in respect of the Medium

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Chair

Term Financial Plan (MFTP) 2018/19 to 2021/22 at a meeting on 13th February 2018. An extract from the minutes of this meeting had been provided for Members' consideration in an additional papers pack and the recommendation would be debated alongside the MFTP.

107. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 6th February 2018 be approved as a correct record and signed by the Chair.

108. PAY POLICY 2018-19

The Executive Director of Finance and Corporate Resources presented the Pay Policy 2018/19 and in so doing explained that the report was produced in line with statutory requirements. The Council paid every Member of staff at least the foundation living wage or above. All roles were assessed via the Council's job evaluation process and more complex positions could receive a Hay grade, which was often awarded for senior roles covering shared services.

The report outlined the proportion of funding contributed by the Council in respect of the most senior officers. In the majority of cases, as these were primarily shared roles, the Council contributed 50 per cent of the costs. However, for the Head of Housing the full costs were met by the authority as Redditch Borough Council was the only local authority to retain its housing stock in Worcestershire.

The Council's pay levels meant that the multiple between the lowest paid full-time equivalent member of staff and the Chief Executive was 1:8.5. This compared well with other local authorities in the country.

RECOMMENDED that

the Pay Policy as detailed in Appendix 1 to the report be approved.

109. MEDIUM TERM FINANCIAL PLAN 2018/19 - 2021/22 AND COUNCIL TAX RESOLUTIONS

The Executive Director of Finance and Corporate Resources presented the Medium Term Financial Plan 2018/19 to 2021/22. During the presentation of this report the following matters were highlighted for Members' consideration:

- The Council Tax resolutions had to be tabled as the Council could not publish these until information had been received from all of the preceptors.
- The Council had lost over £1.7 million in Revenue Support Grant funding from the Government over the last four years.
- In 2018/19 the Council would receive only £35,000 in Revenue Support Grant.
- From 2019/20 the Council would be required to pay the Government a Negative Support Grant.
- This repayment to the Government was the subject of a review which could result in changes to local government funding in the long-term.
- There had been a reduction in New Homes Bonus (NHB) funding following changes to the length of time for payments from six to four years and the introduction of a deadweight.
- The deadweight required growth of 0.4 per cent of Band D equivalent properties in order for the Council to receive significant NHB funding.
- Unfortunately the Council had not met this deadweight as many of the properties built in the Borough were classified as Bands A – C.
- Officers had been advised that the Council would receive £22,000 in NHB funding in 2018/19 which was far lower than had been anticipated. The expected figures had been based on previous years' growth in the Borough.
- The Government had advised that the baseline for business rates would be reset from 2021. This could have negative financial implications for the Council in future years.
- Unfortunately the Worcestershire bid to participate in a Business Rates Pool had not been successful. The Government had advised that the business case had been robust but the bid had not succeeded due to the volume of bids that had been submitted around the country.
- The Government was permitting local authorities to increase Council Tax by up to 3 per cent before triggering a referendum for the next two years.
- In this context Officers were proposing that Council Tax be increased by 2.99 per cent in 2018/19 and 2019/20 and then increase by £5 each year in 2020/21 and 2021/22.
- Whilst Redditch Borough Council collected Council Tax the majority of the Council Tax that was collected was allocated to Worcestershire County Council.
- The Council had improved collection rates, with the authority receiving more in Council Tax than had been anticipated.
- The report had been structured to present figures in-year within tables in the report, in line with a request that had been received from Members some years ago.

- The Overview and Scrutiny Committee had suggested that this presentation format could be confusing and Officers indicated that it would be relatively easy to return to reporting figures on a cumulative basis within budget reports in future years.
- For 2018/19 a balanced budget had been achieved, in line with legal requirements.
- For the subsequent three years of the MTFP the budget did not yet balance, though this was not legally required.
- The Council had £1.8 million in balances and £1.8 million in reserves. The fact that these figures were the same was purely coincidental.
- £85,000 had been drawn down from balances to help balance the budget in 2018/19.

Following presentation of the report Members discussed the content in further detail. As all Members of the Council were present due to a full Council meeting taking place immediately after the Executive all Members were invited to speak on this item if they so wished.

Officers were thanked for their hard work. Some disappointment was expressed that the business rates pool bid for Worcestershire had not been successful. Similarly it was noted that the limited returns in terms of NHB funding was disappointing, given that a number of properties in Bands A – C had been developed during the period. Some concerns were expressed that due to ongoing reviews of local government funding there was continuing uncertainty about Council budgets. Difficult decisions needed to be taken to ensure that the Council's budget balanced moving forward.

There was general consensus that the recommendation which had been made by the Overview and Scrutiny Committee would help to improve the presentation of the budget reports in future years. There was therefore unanimous support for this recommendation.

(At the start of the debate on this item Councillor Brunner proposed that the matter be put to the vote to allow time for the budget to be discussed in detail at the following meeting of full Council. This procedural motion was put to the vote but was defeated and Members subsequently discussed the item in further detail).

RECOMMENDED that full Council

- 1) **Approve the additional income / efficiencies as attached at Appendix 1:**
 - 2018/19 £708k
 - 2019/20 £18k
- 2) **Approve the unavoidable pressures as attached at Appendix 2:**

2018/19 £869k

- 3) Approve the Revenue bids as attached at Appendix 3:
2018/19 £10k
 - 4) Approve the Capital Programme bids as attached at Appendix 4:
2018/19 £676k
2019/20 £560k
2020/21 £1.257m
2021/22 £2.772m
 - 5) Approve the return / release from balances of :
2018/19 £85k (release from balances)
 - 6) Approve the Increase of Council Tax by 2.99% per Band D equivalent for 2018/19
 - 7) Approve the Council Tax Resolutions at Appendix 5
- and RECOMMENDED that
- 8) the format of Medium Term Financial Plans be amended in future years to reflect cumulative savings and pressures over the four year period.

**110. OVERVIEW AND SCRUTINY COMMITTEE -
RECOMMENDATIONS IN RESPECT OF THE MEDIUM TERM
FINANCIAL PLAN 2018/19 TO 2020/21 (IF ANY)**

Members noted that the recommendation that had been made at the meeting of the Overview and Scrutiny Committee on 13th February 2018 in respect of the Medium Term Financial Plan 2018/19 to 2021/22 had been considered and approved under Minute Item No. 109.

The Meeting commenced at 7.00 pm
and closed at 7.26 pm