

additional papers 1



Overview and Scrutiny Committee

Wed 20 Feb
2019
6.30 pm

Committee Room Two
Town Hall
Redditch

REDDITCH BOROUGH COUNCIL

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Overview and Scrutiny

COMMITTEE

Wednesday, 20th February,
2019

6.30 pm

Council Chamber - Town Hall
Redditch

Agenda

Membership:

Cllrs:

Joe Baker (Chair)
Debbie Chance (Vice-Chair)
Joanne Beecham
Michael Chalk
Andrew Fry

Pattie Hill
Anthony Lovell
Gemma Monaco
Jennifer Wheeler

4. Medium Term Financial Plan - Proposed Budget - considering scrutiny proposals
(Pages 1 - 18)

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MEDIUM TERM FINANCIAL PLAN 2019/20 - 2022/23

| | |
|----------------------------------|--|
| Relevant Portfolio Holder | Councillor Tom Baker-Price, Portfolio Holder for Finance and Enabling Services |
| Relevant Head of Service | Jayne Pickering, Executive Director Finance and Corporate Resources |
| Non-Key Decision | |

1. SUMMARY OF PROPOSALS

1.1 To enable members to consider the 2019/20 budget and council tax and to make a recommendation to Council. In addition members asked to note the position for future years 2020/21 to 2022/23.

2. RECOMMENDATIONS

2.1 Executive is asked to recommend to Full Council

2.1.1 Approve the Unavoidable costs as attached at Appendix 1:

2019/20 £373k
2020/21 £287k
2021/22 £227k
2022/23 £255k

2.1.2 Approve the Revenue Bids as attached at Appendix 2:

2019/20 £193k
2020/21 £173k
2021/22 £165k
2022/23 £165k

2.1.3 Approve the Identified Savings as attached at Appendix 3:

2019/20 £1,127k
2020/21 £841k
2021/22 £846k
2022/23 £816k

2.1.4 Approve the Capital Programme bids as attached at Appendix 4:

2019/20 £1.875m
2020/21 nil
2021/22 nil
2022/23 £1.352m

2.1.5 The approval of the Pay Policy Statement as attached in Appendix 6.

2.1.6 The approval of the Council Tax Resolutions as attached at Appendix 7 to include the increase of the Council Tax per Band D @ 2.2%

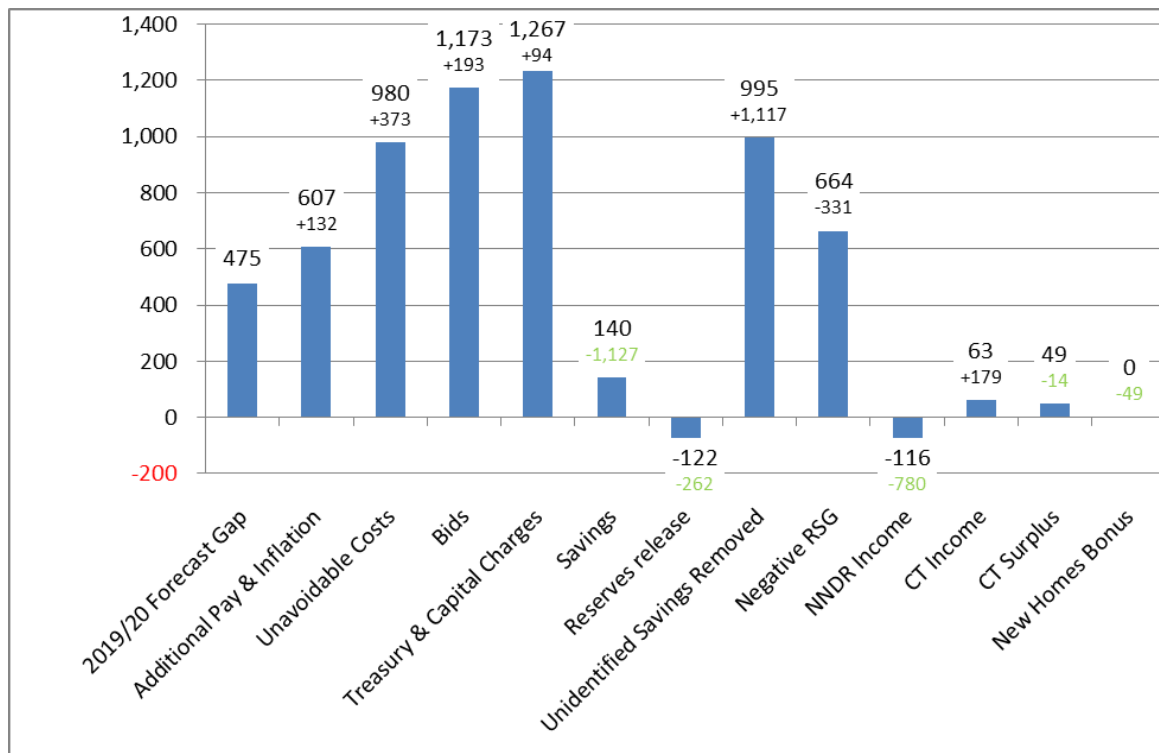
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3. KEY ISSUES

Financial Implications

- 3.1 The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made. For 2019/20 a 4 year plan is proposed to 2022/23. The plan addresses how the Council will provide financial funding to the Strategic Purposes and ensure residents receive quality services to meet their needs in the future. The Purposes that drive the financial considerations are :
- Help me find somewhere to live in my locality
 - Provide good things for me to see, do and visit
 - Help me live my life independently
 - Help me run a successful business
 - Help me be financially independent
 - Keep my place safe and looking good
- 3.2 When reviewing the budget projections officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next 4 years.
- 3.3 Over the last 12 months the Budget Scrutiny working group as established by the Overview and Scrutiny Committee has met on a regular basis to review costs, fees and charges and the capital programme and have made a number of recommendations to Executive.
- 3.4 Officers have factored in a number of assumptions into the Medium Term Financial Plan to update it in line with revised calculations and information from officers and Government.
- 3.5 The table below demonstrates the changes in the financial projections and budget gap for 2019/20 based on the original estimation of a £475k gap as presented in February 2018. Following the table there are explanations of the reasons for the changes resulting in an achieved balanced budget for 2019/20.

REDDITCH BOROUGH COUNCIL**EXECUTIVE****25th February 2019****3.6 Additional pay and inflation**

One of the pressures to the budget is the financial impact of implementing the National pay agreement in relation to increasing the spinal points attached to the current pay model as approved by Council and currently under consultation with the unions. The financials implications of this have been included in the budget.

3.7 Unavoidable Costs

When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2018/19 together with any issues that have been raised as fundamental to maintaining service provision as part of the budget process. In addition, income shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. The pressures and income shortfalls of £373k are identified at Appendix 1

3.8 Bids

In addition to the unavoidable pressures revenue bids have been identified and included at Appendix 2. Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies. The total bids for 2019/20 of £193k include funding for automation of transactional processing and funding for an apprentice

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3.9 Treasury

The increase of £94k is a result of the additional borrowing costs associated with the capital programme offset by the savings from making an upfront payment to the pension fund. No assumptions have been made for future capital receipts on surplus sites.

3.10 Identified Savings/additional income

Identified savings and additional income of £1,127k are detailed at Appendix 2. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating. This includes the income of £90k that has been generated from the service agreement to provide Lifeline services to Cannock Council.

3.11 Unidentified savings

In previous years an assessment has been made of savings and additional income that could potentially be realised by the Council. It is proposed that there are no longer any savings or income allocations that are not specifically identified and therefore there is a pressure to the budget of £1,117k to reflect the removal of the unidentified savings

3.12 Negative RSG

Whilst the final settlement has not been received the projections include the removal of the £331k negative grant payment to Government in line with the provisional settlement.

3.13 NNDR Income

For 2019/20 the Government assessed baseline for business rates is £2.171m. This is paid by the Government to Redditch as a grant following the creation of the Worcestershire Business Rate Pilot. Under the Pilot the County Council receive 75% of the business rate income and the Government receive 25%. The County Council also receive all the Section 31 grant previously received by the County and Districts. The Pilot agreement includes a commitment of nil detriment and the County Council will top up payments to Districts in addition to the baseline grant to provide an equivalent income they would have received had the previous system remained in place. For Redditch the top up payment is £0.684m. In relation to the no detriment clause it is assumed that any payment to the Birmingham LEP (estimated at £150k) will be met from the additional business rates received. Compared with the base budget assumption there has been an increase of £0.780m which reflects a mixture of

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business rate growth and additional section 31 support from the Government to compensate for national decisions that have reduced business rate income.

3.14 Council Tax

The Council is allowed to increase Council Tax by up to 2.99% without the need for a referendum. The Council will decide the level of the council tax for 2019/20 on 25th February 2019. The current projections include a 2.2% increase and therefore the demand on the collection fund to meet the Council's own needs will be £6.241m. The Council Tax relating to the Councils services will rise from £234.00 to £239.15.

Compared with the base budget assumed for 2019/20 in the medium term financial plan there has been a reduction in Council Tax and reflects fewer new dwellings

3.15 Council Tax Surplus

This is the estimated surplus based on the latest 2018/19 collection fund information.

3.16 New Homes Bonus (NHB)

3.16.1 The amount of NHB for 2019/20 has been confirmed as £754k, which is £49k more than anticipated in the MTFP. The 2019/20 income would be generated from 268 band D properties. However the 0.4% levy on growth equates to 128 properties which results in an annual reduction of £213k in New Homes Bonus received.

3.16.2 The MTFP will continue to be refreshed annually to take account of future changes in funding.

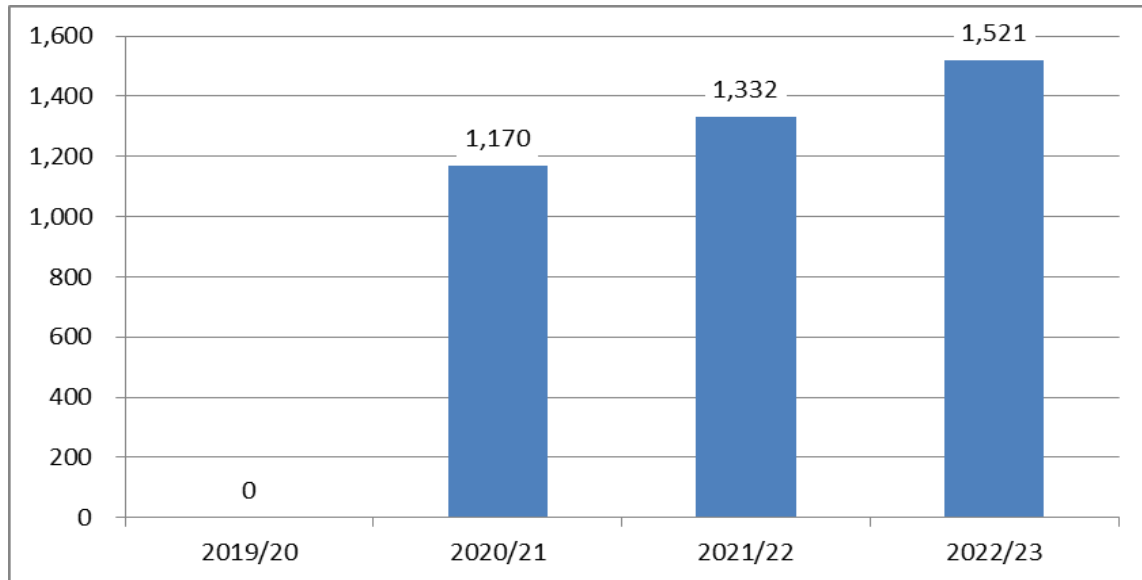
3.17 Future Years

3.17.1 Assumptions have been made in the financial plan for the following years including:

- The final year of the New Homes Bonus Scheme in 2019/20. Therefore an estimate of £208k is included in 2019/20 to continue for 4 years. There is no further funding included in the MTFP for "new" monies from 2020/21 which will result in a considerable funding gap for the Council.
- Additional costs of borrowing for the capital programme
- Financial impact of the revised pay model

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This results in a medium term financial gap as follows:



Members should be advised that there is a great level of uncertainty around the funding available from Central Government from 2020/21. The budget presented above shows the position should all new Homes Bonus be removed with no reallocation of central funding to offset this shortfall. Therefore this position is potentially the worst financially for the Council over the 4 years and this will be better informed by the outcome of the fair funding and localisation of business rates legislation

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A more detailed table is shown below:

| REDDITCH PROPOSED REVENUE BUDGET 2019/20 - 2022/23 | | | | |
|---|----------------|----------------|----------------|----------------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| | £000 | £000 | £000 | £000 |
| Departmental base budget | 9,116 | 9,173 | 9,387 | 9,388 |
| Incremental Progression/Inflation on Utilities | 132 | 206 | 281 | 483 |
| Unavoidable Pressures | 373 | 287 | 227 | 255 |
| Revenue Bids/Revenue impact of capital bids | 193 | 173 | 165 | 165 |
| Savings and Additional income | -1,127 | -841 | -846 | -816 |
| Reserve release | -262 | 0 | 0 | 0 |
| Efficiency savings rolled forwards | 1,117 | 1,271 | 1,282 | 1,282 |
| Net Revenue Budget Requirement | 9,543 | 10,269 | 10,496 | 10,757 |
| FINANCING | | | | |
| Pool | -2,855 | -2,899 | -2,941 | -2,986 |
| Council Tax | -6,241 | -6,524 | -6,857 | -7,178 |
| New Homes Bonus | -754 | -430 | -231 | -209 |
| Collection Fund Surplus (Council Tax) | -14 | 0 | 0 | 0 |
| Parish Precept | 8 | 8 | 8 | 8 |
| Parish Precept income | -8 | -8 | -8 | -8 |
| Bad Debt Provision | 50 | 50 | 50 | 50 |
| Investment Income | -661 | -952 | -1,349 | -1,673 |
| MRP (Principal) | 1,004 | 1,159 | 1,249 | 1,610 |
| Interest payable | 158 | 584 | 1,002 | 1,237 |
| Recharge to Capital Programme | -38 | -38 | -38 | -38 |
| Discount on advanced pension payment | -193 | -50 | -50 | -50 |
| Funding Total | -9,543 | -9,099 | -9,164 | -9,237 |
| General Balances | | | | |
| Opening Balances | 1,401 | 1,400 | 230 | -1,102 |
| Contribution (from) / to General Balances | -0 | -1,170 | -1,332 | -1,521 |
| Agreed in year release of balances | | | | |
| Closing Balances | 1,400 | 230 | -1,102 | -2,623 |

3.18 General Fund

3.10.1 The level of the general fund balance is currently £1.4m. The minimum level of balances recommended is £750k. It is clear that further savings are required over the period to maintain balances at the recommended level.

3.19 Collection Fund

3.19.1 The anticipated collection fund surplus is £106k, which will be distributed amongst the major preceptors using the prescribed formulae. This Councils share of the surplus payable as a one off sum is £14k.

3.20 Precepts

3.20.1 The precepts from Worcestershire County Council, the Hereford and Worcester Fire and Rescue Service and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 11th

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February. This will enable to Council to set the Council Tax on 25th February 2019 which is in advance of the 28th February deadline on precepts being received. These are included in the resolutions.

3.21 Capital Programme

3.21.1 The Capital Programme has been considered to propose any new bids required to deliver services to the community. These are included at Appendix 4 with the proposed complete Capital Programme at Appendix 5. The borrowing costs have been factored into the revenue budget for the financial plan. There are detailed business cases available for all capital projects should members wish to consider them further

3.22 Pay Policy

3.22.1 The Localism Act requires English and Welsh local authorities to produce a Pay Policy statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March each year for the subsequent financial year. The Pay Policy Statement for the Council is included at Appendix 6.

The Statement must set out policies relating to-

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between-
 - (i) The remuneration of its chief officers, and
 - (ii) The remuneration of its employees who are not chief officers.

The provisions within the Localism Act bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.

All financial implications have already been included as part of the budget setting process and posts are fully budgeted for.

The information provided is based on the approved pay model that is currently under consultation with the unions.

4 Legal Implications

4.1 As part of the budget and the Council Tax approval process, the Council is required by the Local Government Finance Act 1992 to make specific calculations and decisions in approving a balanced budget for the following financial year and setting the Council Tax Level. These will be included in the report to Executive and Council in February.

5 Service / Operational Implications

5.1 The MTFP will enable services to be maintained and, where achievable, improvements to the community.

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6 Customer / Equalities and Diversity Implications

- 6.1 The impact on the customer has been reduced due to the savings being realised by reduction of waste in the services and ensuring that all service that create value to the customer are resourced.

7 RISK MANAGEMENT

- 7.1 To mitigate the risks associated with the financial pressures facing the Authority regular monitoring reports are presented to both officers and Members to enable proactive action being undertaken to address any areas of concern. Risks include:
- Reductions in government funding leading to a reduction in the level of services delivered to the public
 - Reductions in business rates income as a result of appeals or reduction in the rateable value leading to a lower level of income for the Council.
 - Identification of sufficient and ongoing revenue savings to deliver a balanced budget.
 - Allocation of sufficient resources to meet the needs of service delivery and the Councils priorities.
 - Maintain adequate revenue and capital balances as identified in the MTFP to ensure financial stability.

The regular financial monitoring by Officers and Executive will provide a framework to mitigate the above risks.

8. APPENDICES

- Appendix 1 – Unavoidable costs
- Appendix 2 – Revenue Bids
- Appendix 3 – Identified savings
- Appendix 4 – Capital bids
- Appendix 5 – Proposed Capital programme
- Appendix 6 – Pay Policy
- Appendix 7 - Council Tax Resolutions (to follow)

AUTHOR OF REPORT

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UNAVOIDABLES - RBC

Appendix 1

| Department | Description of Pressure | 2019-20 £'000 | 2020-21 £'000 | 2021-22 £'000 | 2022-23 £'000 | Comments |
|-----------------------------|---|------------------|------------------|------------------|------------------|---|
| Business Transformation | Occupational Health Budget | 15 | 15 | 15 | 15 | To increase the level of occupational health support to previous budget level to ensure staff are supported in their health and well being. |
| Legal & Democratic Services | Increase of Election costs for RBC | 28 | 0 | 0 | 28 | To provide the additional funding required to undertake a standalone Borough election . A budget increase would not be required in 2020 as there are PCC elections to share the cost. A budget is not required in 2021 as there are only County Elections. A budget increase may not be required in 2022 as this is the next scheduled Parliamentary Election, however this will need to be reviewed if a Parliamentary Election is held in the intervening period. |
| Environmental Services | Reline of second cremator | 40 | 0 | 0 | 0 | Reline of second cremator required to maintain service. |
| Housing General Fund | Increase in out of hours standby allowance | 6 | 6 | 6 | 6 | Increase in out of hours standby allowance. |
| Housing General Fund | Increase in furniture equipment costs related to additional units | 1 | 1 | 1 | 1 | Increase in furniture equipment costs related to additional units above. |
| Housing General Fund | Two fixed term posts funded from Flexible Homeless Support Grant | 60 | 60 | 0 | 0 | Two fixed term posts funded from Flexible Homeless Support Grant. |
| Housing General Fund | Additional rent deposits budget based on current trends and increased contribution to Redditch Nightstop - funded from FHSG | 62 | 44 | 44 | 44 | Additional rent deposits budget based on current trends and increased contribution to Redditch Nightstop - funded from FHSG. |
| Housing General Fund | Additional B&B budget due to increased levels of homelessness cases - mostly offset by increase in rents charged | 5 | 5 | 5 | 5 | Additional B&B budget due to increased levels of homelessness cases - mostly offset by increase in rents charged. |
| Housing General Fund | Additional removals/storage | 6 | 6 | 6 | 6 | Additional removals/storage budget related to line above. |
| Corporate Services | Contribution to the Birmingham Local Enterprise Partnership | 150 | 150 | 150 | 150 | Potential Contribution to the Birmingham Local Enterprise Partnership - covered by additional business rates received through the Worcestershire Business Rates pilot scheme as it was agreed there would be no detriment to Redditch in joining the worcestershire pool. |
| TOTAL | | 373 | 287 | 227 | 255 | |

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NEW REVENUE BIDS - RBC

Appendix 2

| Department | Description of revenue bid | 2019-20 £'000 | 2020-21 £'000 | 2021-22 £'000 | 2022-23 £'000 | Comments |
|-------------------------------|---|------------------|------------------|------------------|------------------|---|
| Business Transformation | Legal advice specific to employment Law | 10 | 10 | 10 | 10 | To ensure the Council can draw on specific employment law advice for complex cases when required. |
| Business Transformation | Automation Resource | 15 | 15 | 15 | 15 | To support the automation of processing and system functionality to enhance efficiency. |
| Legal & Democratic Services | Members remuneration increase | 60 | 60 | 60 | 60 | Cost reflects additional funding required should members approve the remuneration. |
| Leisure and Cultural services | Parks and green spaces - 1 x post for Modern Apprenticeships within the parks and green space team to provide additional support in maintained the premier parks and gardens across Redditch (Arrow Valley Country Park and Morton Stanley Park). | 8 | 8 | 0 | 0 | Apprenticeships for Leisure's Parks and Green Space team were approved by management within the restructure in September 2017. However, budget is required as a revenue bid to support this important apprenticeship post. The additional support will help provide a quality green space and inspection team for AVCP and MS parks and play areas. |
| Leisure and Cultural services | Christmas lights | 20 | 0 | 0 | 0 | To help fund the Redditch Christmas Lights. |
| Environmental Services | Staffing increases | 80 | 80 | 80 | 80 | Net impact of additional staff and resources required for the Business Case re waste collection. |
| TOTAL | | 193 | 173 | 165 | 165 | |

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SAVINGS & ADDITIONAL INCOME - RBC

Appendix 3

| Department | Description of saving | 2019-20 £'000 | 2020-21 £'000 | 2021-22 £'000 | 2022-23 £'000 | Comments |
|-------------------------------------|--|------------------|------------------|------------------|------------------|---|
| Community Services | Lifeline - Additional Income from Cannock Chase contract | -90 | -90 | -90 | -90 | Lifeline - Additional Income from Cannock Chase contract |
| Community Services | Lifeline - Additional Income from Cannock Chase contract - SLA | -30 | -30 | -30 | -30 | Lifeline - Additional Income from Cannock Chase contract - SLA |
| Community Services | Reduction in budget following changes to the Grants to Voluntary Bodies scheme | -20 | -20 | -20 | -20 | Reduction in budget following changes to the Grants to Voluntary Bodies scheme |
| Corporate Services | Print contract | -54 | -54 | -54 | -54 | Print contract savings realised |
| Corporate Services | Savings realised on supplies and services | -2 | -2 | -2 | -2 | Savings realised on supplies and services |
| Corporate Services | Savings realised on supplies and services | -1 | -1 | -1 | -1 | Savings realised on supplies and services |
| Corporate Services | Savings realised on supplies and services | -1 | -1 | -1 | -1 | Savings realised on supplies and services |
| Corporate Services | 10 year pension liability from 2008 restructure | -84 | -84 | -84 | -84 | 10 year pension liability from 2008 restructure |
| Corporate Services | Vacancy management | -206 | -205 | -209 | -179 | 2% vacancy management saving to capture savings from vacant posts that are not requiring cover from agency. |
| Corporate Services | Transformational service redesign | -181 | -181 | -181 | -181 | Transformational service redesign |
| Customer Access & Financial Support | NNDR budget | -13 | -13 | -13 | -13 | Review of Business Rate budgets |
| Customer Access & Financial Support | Benefits - HRA Recharge for service | -40 | 0 | 0 | 0 | Benefits - recharge for locality officer |
| Customer Access & Financial Support | Property - Additional rental income | -58 | -58 | -58 | -58 | Property - Additional rental income from all commercial units |
| Customer Access & Financial Support | Audit budgets | -4 | -4 | -4 | -4 | Review of Audit budgets |
| Customer Access & Financial Support | Audit budgets | -3 | -3 | -3 | -3 | Review of Audit budgets |
| Customer Access & Financial Support | Audit budgets | -14 | -14 | -14 | -14 | Review of Audit budgets |
| Environmental Services | Additional Income from increased cremation fees | -32 | -32 | -32 | -32 | Income from increased cremation fees |
| Environmental Services | Budgets not required | -10 | -10 | -10 | -10 | Review of general budgets |
| Legal and Democratic | Land charges | -1 | -1 | -1 | -1 | Land charges |
| Legal and Democratic | Additional Income | -5 | -5 | -5 | -5 | Income for work from Rubicon Leisure |
| Leisure and Cultural Services | Reduction in forecast for ongoing systems implementation | -38 | 0 | 0 | 0 | Reduction in forecast for ongoing systems implementation |
| TOTAL | | -1,127 | -841 | -846 | -816 | |

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CAPITAL BIDS - RBC

Appendix 4

| Department | Funding Source i.e. Grant, Borrowing, Reserve, S105 | CAPITAL IMPLICATIONS | | | | Commentary (link to priorities etc) |
|-----------------------------|--|----------------------|--------------|--------------|--------------|--|
| | | 2019-20 £ | 2020-21 £ | 2021-22 £ | 2022-23 £ | |
| Environmental Services | capital receipts/Borrowing | 0 | 0 | 0 | 1,351,700 | Fleet Replacement Programme |
| Leisure & Cultural Services | S106 Funding | 79,686 | 0 | 0 | 0 | Proposal to replace existing toddler/junior play area, using S106 Play contribution, with a destination play facility to provide a greater attraction for people to see do and visit in Morton Stanley Park |
| Leisure & Cultural Services | S106 Funding | 25,633 | 0 | 0 | 0 | Proposal to improve hard and soft landscaping areas within Morton Stanley Park using S106 open space contribution to improve the existing infrastructure within this premier park |
| Leisure & Cultural Services | S106 Funding | 98,535 | 0 | 0 | 0 | Proposal for Sports Pitch improvement works using S106 contribution for Sports Facility improvement at Morton Stanley Park to provide quality pitches for use by the junior club |
| Leisure & Cultural Services | S106 Funding | 17,470 | 0 | 0 | 0 | Proposals to support Redditch Cricket Club improvement works using S106 funding for Sport within the local area to enhance the clubs facilities. |
| Leisure & Cultural Services | S106 Funding | 333,403 | 0 | 0 | 0 | Proposal to use S106 Contribution for improvements to Morton Stanley Park. This contribution will support other enhancement projects within Morton Stanley on Junior / toddler Play Areas, Open Space Infrastructure and access routes and Sports Provision. |
| Leisure & Cultural Services | S106 Funding | 60,606 | 0 | 0 | 0 | proposal for S106 funding specifically for Pumtrack in AVCP. This funding will be used to re-create the former pumtrack at AV South tp provide a free of charge facility for use by the community |

CAPITAL BIDS - RBC

Appendix 4

| Department | Funding Source i.e. Grant, Borrowing, Reserve, S105 | CAPITAL IMPLICATIONS | | | | Commentary (link to priorities etc) |
|---------------------------------------|--|----------------------|--------------|--------------|------------------|--|
| | | 2019-20 £ | 2020-21 £ | 2021-22 £ | 2022-23 £ | |
| Leisure & Cultural Services | S106 Funding | 17,271 | 0 | 0 | 0 | Proposal for S106 funding specifically for 'green car parking' improvements at AV South to enhance and improve existing provision to support the sports provision in this location. |
| Leisure & Cultural Services | S106 Funding | 21,500 | 0 | 0 | 0 | Proposal to use S106 funding specifically for Hedgerow restoration and hedgelaying with associated fencing and gates at Arrow Valley Park SHM and Arrow Valley Park North |
| Leisure & Cultural Services | S106 Funding | 146,590 | 0 | 0 | 0 | Proposal to use S106 funding specifically for Grassland habitat restoration, recreation and monitoring at Arrow Valley Park and/or Morton Stanley Park |
| Leisure & Cultural Services | S106 Funding | 17,419 | 0 | 0 | 0 | Proposal to use S106 funding specifically for Abbey Stadium sports facilities enhancements. This contribution to be allocated to Rubicon Leisure to use as per S106 agreement terms |
| Leisure & Cultural Services | S106 Funding | 51,248 | 0 | 0 | 0 | Proposal to use S106 funding specifically for Forge Mill and Bordesley Abbey play and open space enhancements. This contribution to be allocated to Rubicon Leisure to use as per S106 agreement terms |
| Leisure & Cultural Services | capital receipts/Borrowing | 26,000 | 0 | 0 | 0 | Officers request funding for pathway maintenance works following risk inspections and records. Pathway maintenance to ensure health and safety of users is maintained |
| North Worcestershire Water Management | capital receipts/Borrowing | 180,000 | 0 | 0 | 0 | Total project cost £375k Funding Secured £80k Match Funding Applied for £110k Capital Cost to RBC £180k Capital can be spread across 19/20 and 20/21 FY but depends on delivery of works. |
| Community Services | DFG Grant | 800,000 | 0 | 0 | 0 | Disabled Facilities Grants |
| TOTAL | | 1,875,361 | 0 | 0 | 1,351,700 | |

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| Description | Service | | 2019/20 Total | 2020/21 Total | 2021/22 Total | 2022/23 Total |
|--|-----------------------------|----------------------------|------------------|------------------|------------------|------------------|
| | | | £ | £ | £ | £ |
| Public Building | CAFS | borrowing/capital receipts | 250,000 | 250,000 | 250,000 | 250,000 |
| GF Asbestos | CAFS | borrowing/capital receipts | 40,000 | 40,000 | 40,000 | 40,000 |
| Home Repairs Assistance | Community Services | borrowing/capital receipts | 60,000 | 60,000 | 60,000 | 60,000 |
| Disabled Facilities Grant | Community Services | DFG grant | 800,000 | 0 | 0 | 0 |
| Vehicle replacment | Environmental Services | borrowing/capital receipts | 717,700 | 412,000 | 1,927,000 | 1,587,000 |
| Wheelie Bin purchase | Environmental Services | borrowing/capital receipts | 115,000 | 85,000 | 85,000 | 85,000 |
| Vehicle replacment dial a ride | Environmental Services | borrowing/capital receipts | 40,000 | 0 | 0 | 0 |
| Improved Parking Scheme (includes locality funding) | Environmental Services | borrowing/capital receipts | 400,000 | 400,000 | 400,000 | 400,000 |
| Car Park Maintenance | Environmental Services | borrowing/capital receipts | 25,000 | 25,000 | 25,000 | 25,000 |
| Arrow Valley Country Park - Play, Open Space and Sports Improvements. | Leisure & Cultural Services | S106 Funding | 172,000 | 0 | 0 | 0 |
| Arrow Valley Country Park - Play, Open Space and Sports Improvements. | Leisure & Cultural Services | S106 Funding | 184,000 | 0 | 0 | 0 |
| Improvement to Morton Stanley -Play Area for toddler and junior play | Leisure & Cultural Services | S106 Funding | 79,686 | 0 | 0 | 0 |
| Improvement to Morton Stanley Open Space | Leisure & Cultural Services | S106 Funding | 25,633 | 0 | 0 | 0 |
| Improvement to Sports Pitches infrastructure in Morton Stanley Park | Leisure & Cultural Services | S106 Funding | 98,535 | 0 | 0 | 0 |
| Improvement to Redditch Cricket Club Facilities | Leisure & Cultural Services | S106 Funding | 17,470 | 0 | 0 | 0 |
| Improvement to original Pump Track at AVCP | Leisure & Cultural Services | S106 Funding | 60,606 | 0 | 0 | 0 |
| Improvement of 'Green Parking' at Arrow Valley South | Leisure & Cultural Services | S106 Funding | 17,271 | 0 | 0 | 0 |
| Hedgerow Mitigation measurres by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP North | Leisure & Cultural Services | S106 Funding | 21,500 | 0 | 0 | 0 |
| Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP | Leisure & Cultural Services | S106 Funding | 146,590 | 0 | 0 | 0 |
| Pitch or sports facilities improvements at the Abbey Stadium | Leisure & Cultural Services | S106 Funding | 17,419 | 0 | 0 | 0 |
| POS/Play Improvements to Forge Mill (24,528 POS and 26,700 Play) and Bordesley Abbey Visitor Centre. PI | Leisure & Cultural Services | S106 Funding | 51,248 | 0 | 0 | 0 |
| Maintenance works to existing tarmac pathways in Morton Stanley Park | Leisure & Cultural Services | borrowing/capital receipts | 26,000 | 0 | 0 | 0 |
| Removal of 5 weirs through Arrow Valley Park | Leisure & Cultural Services | borrowing/capital receipts | 180,000 | 0 | 0 | 0 |
| Morton Stanley Play, Sport and Open Space Improvements (General) | Leisure & Cultural Services | S106 Funding | 333,403 | 0 | 0 | 0 |
| Total General Fund | | | 3,879,061 | 1,272,000 | 2,787,000 | 2,447,000 |

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REDDITCH BOROUGH COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2019/20 and each subsequent financial year, until amended. The information provided is based on a proposed model that is still subject to approval and consultation.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Managers 1 - 2, Head of Service 1, Head of Service 2, Head of Service 3, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Bromsgrove District Council.

6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 43, the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. The Council's Pay structure is set out below. This includes the increases for grade 1-11 as agreed by the National Joint Council for 2019.

| Grade | Spinal Column Points | | Nationally determined rates | |
|------------------------|----------------------|------|-----------------------------|-----------|
| | | | Minimum £ | Maximum £ |
| 1 | 1 | 2 | 17,364 | 17,711 |
| 2 | 2 | 5 | 17,711 | 18,795 |
| 3 | 5 | 9 | 18,795 | 20,344 |
| 4 | 9 | 14 | 20,344 | 22,462 |
| 5 | 14 | 19 | 22,462 | 24,799 |
| 6 | 19 | 24 | 24,799 | 27,905 |
| 7 | 25 | 30 | 28,785 | 32,878 |
| 8 | 30 | 34 | 32,878 | 36,876 |
| 9 | 34 | 37 | 36,876 | 39,782 |
| 10 | 37 | 40 | 39,782 | 42,683 |
| 11 | 40 | 43 | 42,683 | 45,591 |
| Manager 1 | Hay evaluated | 43% | 54,658 | 56,885 |
| Manager 2 | Hay evaluated | 45% | 56,885 | 59,221 |
| Head of Service 1 | Hay evaluated | 51% | 65,005 | 67,659 |
| Head of Service 2 | Hay evaluated | 61% | 78,006 | 81,190 |
| Head Of Service 3 | Hay evaluated | 68% | 87,027 | 90,212 |
| Executive Director | Hay evaluated | 74% | 94,456 | 98,171 |
| Deputy Chief Executive | Hay evaluated | 80% | 101,968 | 106,131 |
| Chief Executive | Hay evaluated | 100% | 127,461 | 132,664 |

7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the "Gauge" Job Evaluation process..
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
10. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
11. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band.

Senior Management Remuneration

12. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2019 (assuming no inflationary increase for these posts).
13. Redditch Borough council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

| Title | % of Chief executive salary | Pay range (minimum) £ | Pay range (maximum) £ | Incremental points | Cost to Redditch Borough Council £ |
|--|------------------------------------|------------------------------|------------------------------|---------------------------|---|
| Chief Executive | 100% | 127,461 | 132,664 | 3 | 65,035 |
| Deputy Chief Executive | 80% | 101,968 | 106,131 | 3 | 52,024 |
| Executive Director of Finance and Resources. (Also S151 Officer) | 74% | 94,456 | 98,171 | 3 | 48,156 |
| Head of Worcestershire Regulatory Services | 68% | 87,027 | 90,212 | 3 | <i>This is a shared post across 6 district Authorities at a cost of £14,769each</i> |
| Head of Customer Access and Financial Support | 61% | 78,006 | 81,190 | 3 | 39,799 |
| Head of Planning and Regeneration | 61% | 78,006 | 81,190 | 3 | 39,799 |
| Head of Transformation and Organisational Development | 61% | 78,006 | 81,190 | 3 | 39,799 |
| Head of Legal, Equalities and Democratic Services | 61% | 78,006 | 81,190 | 3 | 39,799 |

| | | | | | |
|---------------------------------------|-----|--------|--------|---|--------|
| Head of Environmental Services | 61% | 78,006 | 81,190 | 3 | 39,799 |
| Head of Leisure and Cultural Services | 61% | 78,006 | 81,190 | 3 | 39,799 |
| Head of Community Services | 61% | 78,006 | 81,190 | 3 | 39,799 |
| Head of Housing Services | 51% | 65,005 | 67,658 | 3 | 33,165 |

Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

16. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

Additions to Salary of Chief Officers (applicable to all staff)

17. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are

chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.

- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
- b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
- c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
- d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
- e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
- f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
- g. market forces supplements in addition to basic salary where identified and paid separately;
- h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
- i. attendance allowances.

Payments on Termination

18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
20. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

21. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:
- a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - b. Any bonuses so paid or receivable by the person in the current and previous year;
 - c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - d. Any compensation for loss of employment and any other payments connected with termination;
 - e. Any benefits received that do not fall within the above.

Lowest Paid Employees

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2019 this is £17,364 per annum.
23. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
24. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
25. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
26. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available

benchmark information as appropriate.

Accountability and Decision Making

28. In accordance with the Constitution of the Council, the Council is responsible for setting the policy relating to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. Decisions about individual employees are delegated to the Chief Executive.
29. The Appointments Committee is responsible for recommending to Council matters relating to the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer, Section 151 Officer and Chief Officers as defined in the Local Authorities (Standing Orders) Regulations 2001 (as amended);
30. For the Head of Paid Service, Monitoring Officer and the Chief Finance Officer, the Statutory Officers Disciplinary Action Panel considers and decides on matters relating to disciplinary action.