

# additional papers 1



## Executive Committee

Mon 25 Feb  
2019  
7.00 pm

Committee Room Two  
Town Hall  
Redditch

**REDDITCH** BOROUGH COUNCIL

*making  
a  
difference*

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**If you have any queries on this Agenda please contact  
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# Executive

Committee

Monday, 25th February, 2019

7.00 pm

Council Chamber - Town Hall  
Redditch

## Agenda

### Membership:

Cllrs:	Matthew Dormer (Chair)	Bill Hartnett Gareth Prosser
	David Bush (Vice- Chair)	Mike Rouse Craig Warhurst
	Tom Baker-Price	
	Greg Chance	
	Brandon Clayton	

### **5. Medium Term Financial Plan 2019/20 to 2022/23, Including Pay Policy Statement and Council Tax Setting (Pages 1 - 14)**

Council Tax Resolutions, at Appendix 7 to the report, are attached.

Also attached are the minutes from the meeting of the Overview and Scrutiny Committee held on 20<sup>th</sup> February 2019. During this meeting Members agreed three recommendations that should be considered alongside the Medium Term Financial Plan.

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## REPORT OF THE EXECUTIVE DIRECTOR FINANCE &amp; RESOURCES

## 1.0 PURPOSE

To seek approval of the appropriate formal resolutions to determine the levels of Council Tax for Redditch Borough Council for 2019/20. The levels of tax take account of the requirements of Redditch Borough Council, Worcestershire County Council, Warwickshire and West Mercia Police and Crime Commissioner, Hereford and Worcester Fire & Rescue Authority and Feckenham Parish Council.

## 2.0 BACKGROUND

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 and requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.

## 3.0 PRECEPTS AND LEVIES

Details have been received from the various precepting bodies to enable the Council to set the Council Tax for 2019/20. The amounts of the precepts are set out below:

	£
Worcestershire County Council	32,900,532.00
Warwickshire and West Mercia Police and Crime Commissioner	5,653,926.95
Hereford & Worcester Fire & Rescue Authority	2,200,935.39
Redditch Borough Council	6,240,858.40
Parish precept	8,300.00
<b>Total</b>	<b>47,004,552.74</b>

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## 4.0 INFORMATION

It is necessary to formally set Council Tax levels throughout the area for the spending requirements of Redditch Borough Council, Worcestershire County Council, Warwickshire and West Mercia Police and Crime Commissioner, Hereford and Worcester Fire & Rescue Authority and Feckenham Parish Council. If the Council approves the recommendations set out below the average band D Council Tax in 2019/20 will be £1,823.33, made up as follows:

Authority	2018/19 £	2019/20 £	Increase %
Redditch Borough Council	234.00	239.15	2.20
Worcestershire County Council	1,212.38	1,260.75	3.99
Warwickshire and West Midlands Police and Crime Commissioner	197.07	216.66	9.94
Hereford & Worcester Fire & Rescue	81.90	84.34	2.98
Feckenham Parish Council	22.30	22.43	0.58
<b>Total Council Tax</b>	<b>1,747.65</b>	<b>1,823.33</b>	<b>4.33</b>

The % increases all relate to the change from current year levels.

The necessary formal resolutions are set out below.

**The Council is recommended to resolve as follows:**

1. that it be noted at its meeting on 8th January 2019, the Executive Committee calculated the Council Tax Base 2019/20
  - (a) for the whole Council area as 26,096.00 [Item T in the formula in Section 31B of the Local Government Act 1992, as amended (the "Act")]; and
  - (b) for dwellings in those parts of its area to which a Parish precept relates; this being Feckenham Parish as 370.10.
2. Calculate the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) is **£6,240,858.40**.
3. That the following amounts be calculated for the year 2019/20 in accordance with sections 31 to 36 of the Act:
  - (a) £50,996,528 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act (taking into account all precepts issued to it by Parish Councils) (*i.e. Gross expenditure*)

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- (b) £44,747,370 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (*i.e. Gross income*)
- (c) £6,249,158 being the amount by which the aggregate of 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £239.47 being the amount at 3 (c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £8,300 being the aggregate amount of all special items (Feckenham Parish precept) referred to in Section 34 (1) of the Act.
- (f) £239.15 being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1 (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (g) £261.58 being the amount given by adding to the amount at 3(f), the amount of the special item relating to the Parish of Feckenham 3(e), divided by the amount in 1(b) above.
- (h) The amounts below given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

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Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	174.38	159.43
B	7/9	203.46	186.01
C	8/9	232.52	212.58
D	1	261.58	239.15
E	11/9	319.70	292.29
F	13/9	377.84	345.44
G	15/9	435.96	398.58
H	18/9	523.16	478.30

4. It be noted that for the year 2019/20, Worcestershire County Council, Warwickshire and West Mercia Police & Crime Commissioner and Hereford and Worcester Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwelling in the Council's area as indicated below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Worcestershire County Council	840.50	980.58	1120.67	<b>1260.75</b>	1540.92	1821.08	2101.25	2521.50
Warwickshire and West Mercia Police and Crime Commissioner	144.44	168.51	192.59	<b>216.66</b>	264.81	312.95	361.10	433.32
Hereford and Worcester Fire and Rescue Authority	56.23	65.60	74.97	<b>84.34</b>	103.08	121.82	140.57	168.68

5. Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, that Redditch Borough Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 hereby sets the amounts shown below as the amounts of Council Tax for 2019/20 for each part of its area and for each of the categories of dwellings:



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Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	1,215.55	1,200.60
B	7/9	1,418.15	1,400.70
C	8/9	1,620.75	1,600.81
D	1	1,823.33	1,800.90
E	11/9	2,228.51	2,201.10
F	13/9	2,633.69	2,601.29
G	15/9	3,038.88	3,001.50
H	18/9	3,646.66	3,601.80

6. That the Executive Director Finance & Resources be authorised to make payments under Section 90(2) of the Local Government Finance Act 1988 from the Collection Fund by ten equal instalments between April 2019 to March 2020 as detailed below:

	Precept £	Surplus on Collection Fund £	Total to pay £
Worcestershire County Council	32,900,532.00	74,370.00	32,974,902.00
Warwickshire and West Mercia Police and Crime Commissioner	5,653,926.95	12,089.00	5,666,015.95
Hereford & Worcester Fire	2,200,935.39	5,024.00	2,205,959.39

7. That the Executive Director Finance & Resources be authorised to make transfers under Section 97 of the Local Government Finance Act 1988 from the Collection Fund to the General Fund the sum of £6,263,532.40 being the Council's own demand on the Collection Fund (£6,240,858.40) and Parish Precept (£8,300) and the distribution of the Surplus on the Collection Fund (£14,374).
8. That the Executive Director Finance & Resources be authorised to make payments from the General Fund to Feckenham Parish Council the sums listed above (£8,300) by instalment on 1 April 2019 in respect of the precept levied on the Council.
9. That the above resolutions 3 to 5 be signed by the Chief Executive for use in legal proceedings in the Magistrates Court for the recovery of unpaid Council Taxes.
10. Notices of the making of the said Council Taxes signed by the Chief Executive are given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

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# Overview and Scrutiny Committee

Wednesday, 20th February,  
2019

## MINUTES

### Present:

Councillor Joe Baker (Chair), and Councillors Salman Akbar, Michael Chalk, Andrew Fry, Pattie Hill, Anthony Lovell, Gemma Monaco, Yvonne Smith and Mark Shurmer

### Officers:

Jayne Pickering

### Democratic Services Officers:

J Bayley and F Mughal

### 89. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors Joanne Beecham, Debbie Chance and Jennifer Wheeler. It was confirmed that Councillors Salman Akbar, Mark Shurmer and Yvonne Smith were attending as their respective substitutes.

### 90. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of any party whip.

### 91. MINUTES

The minutes of the Overview and Scrutiny Committee held on 4<sup>th</sup> February, 2019 were submitted for Members' consideration.

### RESOLVED that

**the minutes of the Overview and Scrutiny Committee held on 4<sup>th</sup> February, 2019 be approved as a correct record and signed by the Chair.**

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Chair

# Overview and Scrutiny Committee

Wednesday, 20th February, 2019

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## 92. MEDIUM TERM FINANCIAL PLAN - PROPOSED BUDGET - CONSIDERING SCRUTINY PROPOSALS

The Executive Director of Finance and Resources provided Members with an update on the proposed budget in the Medium Term Financial Plan 2019/20 – 2022/23 and stated that the budget would be considered by the Executive Committee on 25<sup>th</sup> February, 2019.

Members were informed that this was a four year plan which contained a number of assumptions to update it in line with the revised calculations and information from officers and Government.

At the beginning of the year it had been assumed that there would be a £475,000 gap in 2019/20. The report set out how this gap had been addressed and how the budget had been balanced.

The Executive Director of Finance and Resources highlighted the key features as follows:

- Efficiency savings and unidentified pressures.
- There was a statutory requirement that the budgets must balance in the final year.
- Negative Revenue Support Grant – the projections included the removal of the £331k negative grant payment to Government, however, there was uncertainty about whether the Council would have to pay this in future years;
- There was an assumption that the New Homes Bonus Scheme might change. This would have a significant impact on the budget moving forward.

Members were further advised that there was a level of uncertainty around the funding available from Government from 2020/21 onwards. Members were referred to the table within the report which outlined the position should the New Homes Bonus not be available and with no reallocation of central funding to offset the shortfall of £1.1 million. Members noted that this would place the Council's finances in a very precarious position over the next four years.

Members also noted the pay policy statement. The revised pay model had been approved pending consultation with the unions. With regards to the Council Tax, Members were proposing to increase it by 2.2 per cent rather than the 2.9 per cent maximum available to the Council without triggering a referendum.

Members subsequently discussed the following points:

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- Heads of Services, together with the Portfolio Holders, were reviewing the needs of service customers and ongoing conversations with Members were being undertaken to address the Council's budget challenges. There was a major concern in respect of balancing the budget for the Council. Members were advised that the Council review the services delivered and the vision for future years.
- Clarity was sought whether Seven Trent Water contributed towards the Council's budget for the North Worcestershire Water Management service.
- Members raised concerns in respect of the increase to Members remuneration and questions were raised as to whether Members should support this due to the financial challenges facing the Council. Members were advised that the changes had been proposed by the Independent Remuneration Panel, which had conducted a thorough investigation.

Members referred to the funding of £20k which was requested to support the Christmas lights. Concerns were raised that this was a lot of money to pay for the Christmas lights, however, there was uncertainty about whether this was for the running costs of maintaining the lights during the festive period or for the event of the switching on the lights. Members expressed the view that businesses should be asked to contribute to the funding of the lights and that the Council should look at how to generate additional income. Members were advised that similar questions had been raised during the Executive Committee meeting on 5<sup>th</sup> February 2019. Officers had subsequently advised the Executive committee Members that there had been a saving made by members two years previously for £20k to be taken out of the Christmas Lights budgets for 2019/20 in the hope that external funding could be found to cover the costs. Unfortunately no funds had been forthcoming and no other budgets were available to support the lights for 2019, therefore the £20k bid had been made to support the switch on event this year. The £20k bid that had been placed for 2019 was a one year only bid with a view to revisit options for both external funding and alternative light delivery in future years.

Members acknowledged in order for the Council to address the challenges ahead, the Council needed to look at long-term planning in order to lessen the budget pressures. As part of this the council had to explore options for generating additional income, and Members suggested that this could potentially be derived from introducing charges or a voluntary contribution model for the events delivered by the Council such as the Bonfire night.

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The Executive Director of Finance and Resources stated the Council was encouraging the Government to provide more funding to local government. Responses to the Government's consultation on Fair Funding Arrangement was being submitted by the Council in partnership with a number of other local authorities. The result of this would be reported to Members in due course.

Members also raised concerns about the Redditch Community Lottery Scheme. In particular, concerns were raised around the process and the extent to which the chosen insurance company would continue to work with the Council to reimburse successful participants, should a number of customers win the maximum £25,000 jackpot. Officers agreed to obtain further information about the financial risks of the scheme to the Council.

The chair noted some concerns about the Council's preparation in respect of addressing the budget pressures over the next four years. Members concluded that the Executive Committee should be asked to note the concerns raised by the Overview and Scrutiny Committee.

## **RECOMMENDED that**

- 1) the Council should investigate the potential to introduce charges for Council events;**
- 2) the Council should review the local authority's assets and look at alternative uses of these assets to generate extra income; and**
- 3) the Executive Committee should note the Overview and Scrutiny Committee's concerns that there are aspects of the budget that haven't been thought out properly, for example the increase in Members' allowances and the long-term financial implications to the Council of the Redditch community lottery.**

## **93. EXECUTIVE COMMITTEE MINUTES AND SCRUTINY OF THE EXECUTIVE COMMITTEE'S WORK PROGRAMME - SELECTING ITEMS FOR SCRUTINY**

Members considered the minutes of the Executive Committee meeting held on 5<sup>th</sup> February, 2019 and the Executive Committee's Work Programme from 1<sup>st</sup> March to 30<sup>th</sup> June 2019, which was tabled at the meeting.

# Overview and Scrutiny Committee

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Members were informed that the Executive Committee had noted the Overview and Scrutiny Committee's concerns in relation to the Community Lottery Scheme and the recommendations outlined in the report had been endorsed. The Overview and Scrutiny committee's recommendations in respect of the Housing Revenue Improvement Plan were also endorsed by the Executive Committee.

Members also considered the latest edition of the Executive Committee's Work Programme and agreed to pre-scrutinise the New Cemetery Provision.

## **RESOLVED that**

- 1) the minutes of the Executive Committee meeting held on 5<sup>th</sup> February 2019 be noted;**
- 2) the Executive Committee's Work Programme be noted;  
and**
- 3) the following item be included in the Overview and Scrutiny Work Programme for pre-scrutiny as agreed:**
  - a) New Cemetery Provision.**

## **94. OVERVIEW AND SCRUTINY WORK PROGRAMME**

The Senior Democratic Services Officer (Redditch) presented the Overview and Scrutiny Committee's Work Programme. Members were advised that the Private Sector Home Repair Assistance Policy would now be considered by the Executive Committee in June, 2019 and therefore it made sense to delay pre-scrutiny of the report. With regards to the Select Committee Findings and new Government Guidance for Overview and Scrutiny, Members were advised that this had not yet been published. The document would be presented for Members' consideration when it was published.

## **RESOLVED that**

**subject to the amendments detailed in the preamble above, the Overview and Scrutiny Committee's Work Programme be noted.**

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## 95. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - VERBAL UPDATES

Budget Scrutiny Working Group – Chair, Councillor Andrew Fry

Councillor Fry informed Members that at the latest meeting of the Budget Scrutiny Working Group on 15<sup>th</sup> February, 2019, Members were provided with an update on the Enterprise System (the new finance system). The group had welcomed the new system and felt that this would be more efficient for the Council going forward.

The group had also considered an update on the transfer of Property Services back to the Council from the Place Partnership Ltd and the progress that had been made with this. Staff had been transferred over to the Council and no employees serving Redditch had lost their jobs.

Public consultation had been held by the group with members of the Redditch Community Panel. One of the questions in the consultation process related to the changes to the Council's grants process and another to the new Council lottery. The group had raised some concerns about both processes and had decided to revisit the feedback received in relation to the questions at meetings later in the year. The relevant officers and the relevant Portfolio Holder(s) would be invited to attend to comment on how both processes were working.

Members were advised that the group's third question had asked the public to comment on their priorities for the budget from 2020 onwards. A significant proportion of the respondents had highlighted housing as a priority, though recycling and waste collection services and business support were also popular. Unfortunately the feedback did not help to clarify which aspects of each area were causing concern, with the group recognising that housing could relate to a range of issues including the availability of affordable housing, the quality of Council houses or houses in the private rented sector or even to homelessness levels. The group had agreed to investigate the areas that had been highlighted by the community group as priorities in 2019/20 and their findings would inform recommendations in respect of the Council's budget during the year.

Members were asked to note that only 55 members of the Redditch Community Panel had responded to the group's third question in the consultation process and fewer than that to the other two questions. It was unclear whether this was a typical response rate for surveys circulated amongst members of the community, higher



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than average or lower. However, the group had noted that this was a small number of residents and that further consultation with the public might be required in future.

The committee was informed that the next meeting of the Budget Scrutiny Working Group was arranged to take place on 8<sup>th</sup> March, 2019.

### Performance Scrutiny Working Group

The Chair of the Overview and Scrutiny Committee raised concerns that the Group was not meeting frequently. And this could undermine its potential to monitor the performance of Council services. Members agreed that the frequency of the group's meeting should be reviewed, and the Chair suggested that at least six meetings should be held each year.

### **RESOLVED that**

- 1) **the update reports be noted; and**
- 2) **the Performance scrutiny working Group should review the frequency of its meetings to ensure that at least six meetings take place each year.**

### **96. EXTERNAL SCRUTINY BODIES - VERBAL UPDATE**

Councillor Chalk advised that there was no further updates to be provided since the last meeting.

The Meeting commenced at 6.30 pm  
and closed at 7.53 pm

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