

# Additional papers 1



## Overview and Scrutiny Committee

Thu 11 Feb  
2021  
6.30 pm

Microsoft Teams

**REDDITCH** BOROUGH COUNCIL

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**If you have any queries on this Agenda please contact  
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# Overview and Scrutiny

Thursday, 11th February, 2021

6.30 pm

During the Covid-19 outbreak  
Committee meetings are  
taking place on Microsoft  
Teams

## Agenda

### Membership:

Cllrs:

Joe Baker (Chair)  
Jennifer Wheeler  
(Vice-Chair)  
Salman Akbar  
Michael Chalk  
Peter Fleming

Andrew Fry  
Ann Isherwood  
Mark Shurmer  
Yvonne Smith

5. Medium Term Financial Plan 2021/22 to 2024/25 (including the Capital Programme and Housing Revenue Account) - Pre-scrutiny (Pages 1 - 32)

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**MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24**

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester
Report Author	Name: Kate Goldey Job Title: Senior Business support accounting technician Contact email: k.goldey@bromsgroveandredditch.gov.uk Contact Tel: 01527 881208
Wards Affected	none
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

**1. RECOMMENDATIONS**

**The Executive Committee RECOMMEND that Full Council: -**

**1) Approve the Unavoidable costs as attached at Appendix 1:**

**2021/22 £1.393m  
2022/23 £58k  
2023/24 £65k**

**2) Approve the Revenue Bids as attached at Appendix 2 and Appendix 4:**

**2021/22 £230k  
2022/23 £244k  
2023/24 £224k**

**3) Approve the Identified Savings as attached at Appendix 3:**

**2021/22 £1.163m  
2022/23 £524k  
2023/24 £545k**

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- 4) Approve the General Fund Capital Programme bids as attached at Appendix 4:

2021/22 £1.064m  
2022/23 £999k  
2023/24 £904k

- 5) Approve the General Fund capital programme at Appendix 5:

2021/22 £4.269m  
2022/23 £6.147m  
2023/24 £4.149m

- 6) Approve the net general fund revenue budget.

2021/22 £10.496m  
2022/23 £10.093m  
2023/24 £10.080m

- 7) Approve the Housing Revenue Account Budget at Appendix 6:

2021/22 £24.694m  
2022/23 £24.893m  
2023/24 £25.391m

- 8) Approve the Housing Revenue Account Capital Programme at Appendix 7:

2021/22 £12.611m  
2022/23 £12.167m  
2023/24 £11.881m

- 9) Approval the increase of the Council Tax per Band D @ £5 for 2021/22.

- 10) Approve the transfer to Balances of £44k for 2021/22.

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**2. BACKGROUND**

To enable members to consider the Medium-Term Financial Plan for the period 2021/22 – 2023/24 to include General Fund Revenue and Capital together with the Housing Revenue Account budget proposals. The report includes recommendations to Council to enable a balanced budget to be set for 2021/22 and the proposed Council Tax for 2021/22. In addition, members are asked to note the position for future years 2022/23-2023/24. The recommendations will then be presented to Council on 22<sup>nd</sup> February 2021 together with the resolutions once we have received all the precepting bodies Council Tax calculations.

**3. 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. 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:

- Run and grow successful business
- Finding somewhere to live
- Aspiration, work & financial independence
- Living independent, active & healthy lives
- Communities which are safe, well maintained & green

- 3.2 As Members are aware, following the audit for 2018/19, Grant Thornton issued the Council with a Statutory recommendation made under section 24 of the Local Audit and Accountability Act 2014. Grant Thornton concluded that it was appropriate for them to use their powers to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position. At this point in time the audit of the 2019/20 accounts is still on going so it is not yet clear if another Section 24 notice will be issued. The Council has undertaken a significant amount of work to address the issues raised and made some hard decisions to ensure that it is on a more stable financial footing.

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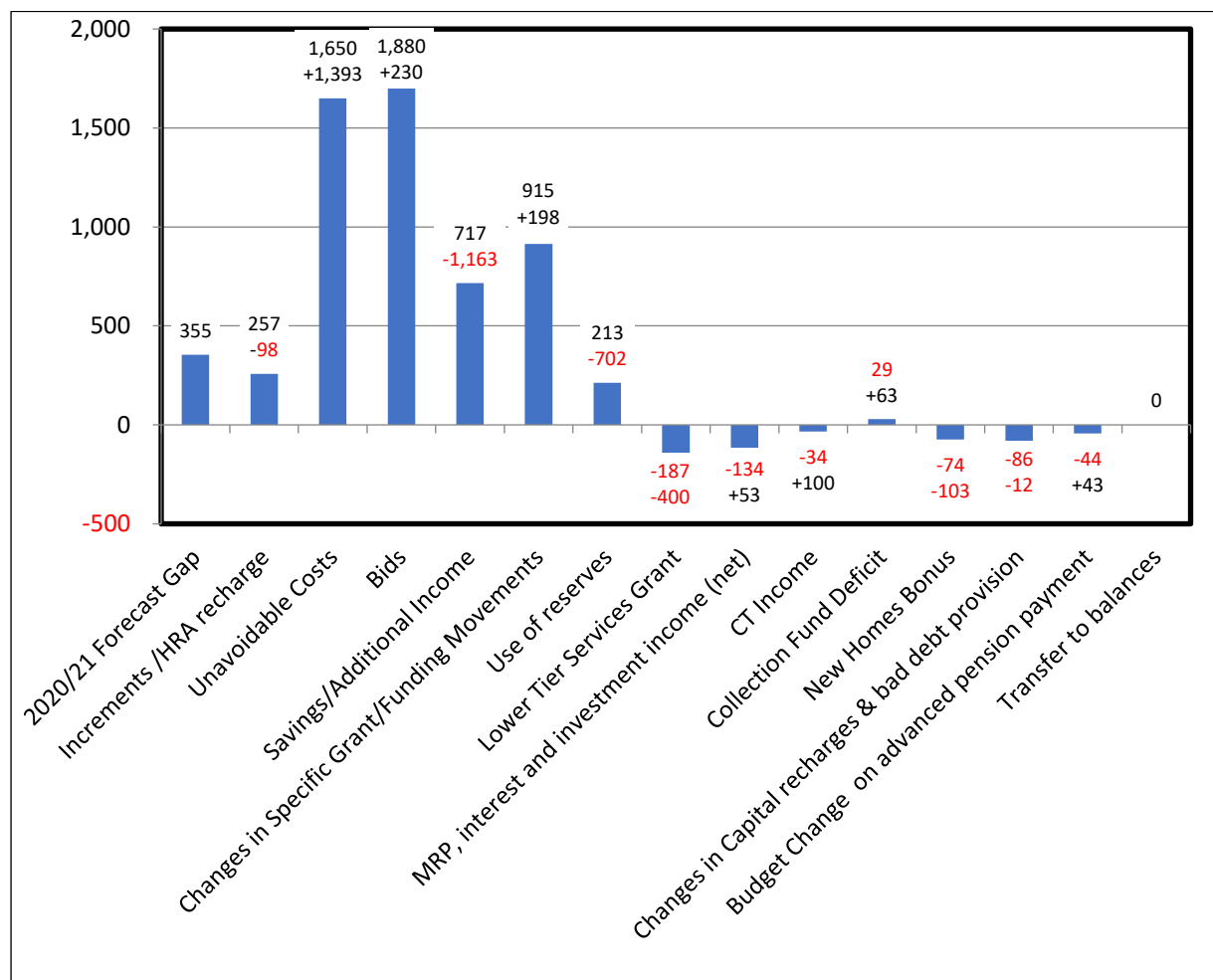
- 3.3 Members and officers have reviewed the services provided by the Council over the last 6 months to consider the levels of funding available to the Council and identified where potential savings can be made or additional income generated.
- 3.4 In addition, a financial framework was approved to enable an overarching strategy to be in place to support the future financial position of the Council. Considering the financial pressures, the Council faces the strategy aims to provide a framework through which the Council can become financially sustainable whilst delivering the priorities to our communities. The key objectives are:
- To ensure resources are directed to the council's strategic purposes.
  - To set financially sustainable budgets over the 3-year period for General Fund and HRA
  - To maintain balances of at least at £1.5m in the General Revenue Fund.
  - To maximise income opportunities whilst supporting the vulnerable.
  - Identify and disinvest in non-priority areas.
  - To ensure all savings are achievable and developed with robust data.
  - To reduce overheads & direct costs over the 3-year period
  - To maximise use of assets and disinvest surplus or non-performing assets.
  - To further develop the commercial culture within the Council
  - To consider and adapt to the uncertain future financial climate.
  - To work with the public, members and staff to engage and inform partners on the impact of the financial pressures of the Council.
- 3.5 The Council has made these difficult decisions in light of the financial challenges it faces, and it is clear that further savings are required over the longer term to address the financial pressures of the Financial Plan as shown in Table at 3.25 Whilst addressing the position for 2021/22 it is clear that further savings are required to ensure the Council has a financially sustainable position in the future in light of the potential changes to Borough Council funding and service demands in the future. There is a need to consider how these savings can be made and there are potential areas for review included later in this report which will need to be explored with officers and members to ensure the Council is financially sustainable in the longer term.



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- 3.6 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 several recommendations to Executive.
- 3.7 Officers have factored a number of assumptions into the Medium-Term Financial Plan to update it in line with revised calculations and information from officers and Government.
- 3.8 The table below demonstrates the changes in the financial projections and budget gap for 2021/22 based on the original estimation of a £355k gap as presented in February 2020. Following the table there are explanations of the reasons for the changes resulting in a balanced budget for 2021/22.



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**Incremental progression and HRA recharge (£98k)**

- 3.9 One of the pressures to the budget is general inflation on utility costs along with additional costs in relation to pay. The costs relating to pay inflation are above that initially anticipated. The original budget included a 1% pay award however the final agreed pay award was 2.75% which is therefore included in the estimated position above. This in turn has been netted off against the increase therefore to the recharge the General Fund receives from the HRA.

**Unavoidable Costs (£1,393k)**

- 3.10 When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. These unavoidable pressures include the ongoing effects of pressures identified during 2020/21 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 £1,391k are identified at Appendix 1. These include additional support for Rubicon Leisure Limited. This is as a result of the projected net loss of income following the forced closure of the sites due to the Government legislation during the COVID-19 pandemic. The Shareholder Committee receives financial and performance reports to enable the Council to understand the Company financial position.

**Bids (£230k)**

- 3.11 In addition to the unavoidable pressure's revenue bids have been identified and included at Appendix 2 (and appendix 4). Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies.

**Identified Savings/additional income (£1,163k)**

- 3.12 Identified savings and additional income of £1,163k are detailed at Appendix 3. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating. This includes an amount to offset against the additional support needed to support Rubicon Leisure Limited which we have been

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able to use from our general COVID-19 grant. This was received in 2020/21 and is held in general reserves.

### **Changes in Specific Grant/Funding Movements (£198k)**

- 3.13 An assessment of the council's pension liabilities has seen an increase to the pensions added years payments for this financial year.

3.14 **Reserves (£702k)**

This figure relates to a number of reserves that can be released this financial year as they have been confirmed they are no longer required.

### **Lower Tier Services Grant (£400k)**

- 3.15 The finance settlement in December announced we are due to receive a new grant called the Lower Tier Services Grant in 2021/22. This grant is intended to compensate those local authorities whose core spending power did not increase because in the finance settlement. In Redditch Borough Councils case this was due to the expected reduction in New Homes Bonus. Core Spending Power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government finance settlement.

### **MRP, interest costs and investment income (net) £53k**

- 3.16 This change is due to a re-profiling of the capital programme to reflect more accurately planned spend which has moved expenditure into future years. There was also a reduction in budgeted spend at outturn for 2019/20 which has moved MRP and borrowing costs into future years. The investment income has also been revised to take account of the actual spend this financial year, 2020/21.

### **Council Tax (£100k)**

- 3.17 As part of the Financial Settlement the Council can increase Council Tax by up to 2% or £5 whichever is higher without the need for a referendum. This is less than the previous assumption of 2.99% and therefore there is a projected loss of income for 2021/22 – 2023/24. The current

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projections include £5 increase for 2021/22 and the demand on the collection fund to meet the Council's own needs will be £6.517m. The Council Tax relating to the Council's services will rise from £244.15 to £249.15.

- 3.18 In addition the Council pay a parish precept estimated at £8k which is funded from Council tax income from the specific parish area.

### **New Homes Bonus (NHB) (£103k)**

- 3.19 The amount of NHB for 2021/22 has been confirmed as £344k, which is £103k more than anticipated in the MTFP. This is due to the Government funding an additional year of New Homes Bonus. However, the financial settlement stated this would be for one year only and would not attract future legacy payments.

### **Council Tax Deficit (£63k)**

- 3.20 This is the estimated deficit based on the latest 2020/21 collection fund information.

### **NNDR Income – no change**

- 3.21 The Council is currently participating in a pan-Worcestershire Business Rates Pool (WBRP) pilot for the 75% Business Rate Retention for the 2020-21 financial year. This one year arrangement is at no detriment to our financial position in comparison to if we had not entered the pool. As part of the Finance Settlement approval was granted for the Council to be a member of a Worcestershire Pool for 2021-22 that also includes the Fire Authority. Again there is no detriment to the Council in joining this pool and whilst the position for the Council has been projected at a baseline from the current position for future years it is expected that additional growth may be generated which will be reported in the quarterly financial reports. The position in relation to further appeals and resultant uncertainty due to the impact on performance of the Pool remain a concern; this is being managed by the S151 Officer in conjunction with the other treasurers within the Pool.

### **Future Years**

- 3.22 As expected a one-year provisional local government settlement was announced on 17 December 2020 following the October announcement of a one-year Spending Review. The Government will seek to find a new

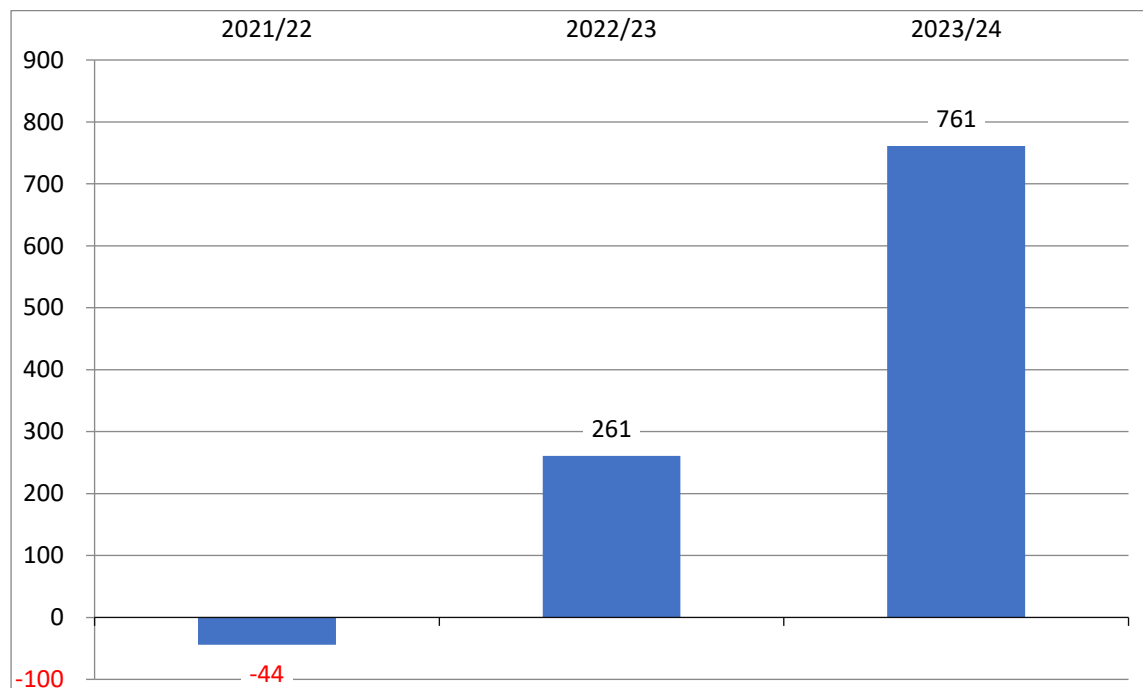
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consensus for broader reforms for local government when the post-COVID future is clearer. We can hopefully expect multi-year settlements from 2022-23 but the Government will need to consider the economic circumstances.

In response to the Covid-19 pandemic, the Council received £1.456m Covid-19 Emergency funding and a further 5th tranche of this grant will be paid in 2021/22 of £496k. Officers are working through how to ensure this is allocated in the coming months and into the new financial year to ensure the Council has a robust action plan of recovery.

3.23 The medium-term financial gap to 2023/24 is as follows:



3.24 Whilst it is important to see the steep improvement in the budget projections for 2021/22 there remain significant savings to be made over the Financial Planning period. There is a need to consider how these savings can be made and it is proposed that officers consider the following areas to present options available to reduce costs and grow income to Members in the Autumn. The areas to consider include:

- Improving income through commercial activities and income from regeneration investments
- Increase in income and reduction in spend on Environmental Services

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### General Fund

3.25 The proposed budget is summarised in the table below:

	2021-22 £000	2022-23 £000	2023-24 £000
<b>Departmental base budget</b>	9,907	10,142	10,358
Incremental Progression/HRA recharge	-98	-57	-355
Unavoidable Pressures	1,393	58	65
Revenue Bids/Revenue impact of capital bids	230	244	224
Savings and Additional income	-1,163	-524	-545
Changes in Specific Grant/Funding Movements	198	200	304
<b>Net Revenue Budget Requirement</b>	<b>10,467</b>	<b>10,064</b>	<b>10,051</b>
<b><u>FINANCING</u></b>			
Reserve release	-702	-100	0
Lower Tier Services Grant	-400	0	0
Business Rates Net Position	-2,940	-2,985	-2,985
Council Tax	-6,517	-6,746	-6,941
Collection Fund Deficit (Council Tax)	63	0	0
New Homes Bonus	-334	-209	0
Investment Income	-812	-912	-1,012
MRP (Principal)	955	1,035	1,288
Interest payable	355	415	420
Discount on advanced pension payment	-179	-301	-60
<b>Funding Total</b>	<b>-10,511</b>	<b>-9,802</b>	<b>-9,290</b>
<b><u>General Balances</u></b>	<b>2021-22 £000</b>	<b>2022-23 £000</b>	<b>2023-24 £000</b>
Estimated opening balances 21/22 (projected)	1,831	1,875	1,613
Contribution (from) / to General Balances	44	-261	-761
<b>Closing Balances</b>	<b>1,875</b>	<b>1,613</b>	<b>852</b>

### Collection Fund

3.26 The anticipated collection fund deficit is £478k, which will be distributed amongst the major preceptors using the prescribed formulae. The Councils share of the deficit payable as a one-off sum is £63k.

### Precepts

3.27 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 8<sup>th</sup>

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February. This will enable the Council to set the Council Tax on 22<sup>nd</sup> February 2021. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Executive and Council on 22<sup>nd</sup> February.

### **Capital Programme**

- 3.28 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.

### **4. Housing Revenue Account**

- 4.1 The Housing Revenue Account is a ring-fenced account holding transactions relating to Council dwellings. It is a separate account within the General Fund but receives income from Council rents.
- 4.2 For the four financial years up to and including 2019/20 there has been a national requirement to reduce rents by 1% per annum and this has put severe pressure on the housing revenue account. From 2020/21 rents were able to increase by the consumer price index plus 1%. The rent increase for 2021/22 was approved by the Executive on 12<sup>th</sup> January 2021. Over the next three years the rent increases will start putting the housing revenue account into a positive position.
- 4.3 Appendix 7 provides a summary of the housing revenue account including the latest forecast for 2020/21. It is estimated we will be in a surplus position for the next three years and therefore returning to earmarked reserves which will enable the HRA to fulfil its forecasted acquisitions and developments.
- 4.4 Appendix 8 provides the HRA Capital Programme and Appendix 9 the reserves and capital receipts position taking account of the capital programme and revenue use of reserves.

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**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 resolutions and presented to Executive and Council on 22<sup>nd</sup> February 2021.
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**5. STRATEGIC PURPOSES - IMPLICATIONS**

**Relevant Strategic Purpose**

- 5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our MTFP and strategies are integrated within all of our Strategic Purposes.

**Climate Change Implications**

- 5.2 The green thread runs through the Council plan. The MTFP has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

**6. OTHER IMPLICATIONS**

**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.

**Operational Implications**

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



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### **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 provides a framework to mitigate the above risks.

### **Covid-19**

Throughout 2020/21 the Council has received several Government grants to manage the impact that the pandemic has had on the Borough. These grants were to offset the additional costs and income shortfalls over the last year due to the impact of Covid-19. The Council has also distributed significant sums in the form of the local business support grants, funded by central Government. These have been provided to give financial support to businesses severely impacted by the loss of trade due to the national lockdowns we have faced.

It is certain that we will face a continuation of restrictions going into 2021/22. The Council will endeavour to continue to support local businesses although it is difficult to assess when the economy of the Borough will be back to pre-pandemic levels. With uncertainties in the level of business rate support and relief that will be given to business over the next 12 months it is important that the Council ensures sufficient funding is in place to provide appropriate financial support.

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### **Brexit**

There are a number of areas in which the Brexit deal may affect local government finances however there is no clarity as to what the associated costs will be. Whilst the Brexit deal mitigates a number of the challenges that may have been faced by the changes in legislation, the current economic crisis continues to obscure the situation and therefore the impact of the Country leaving the EU remains very uncertain. The impact of Brexit is included in the Council's Corporate Risk Register and whilst the uncertainties remain the Council will support businesses and its communities to meet future challenges.

### **Other Risks:**

#### **Risk Management - Chief Financial Officer (CFO) Opinion on the Estimate Process and Reserve Levels.**

Section 25 of the Local Government Act 2003 requires the CFO to report to the Council when it is making the statutory calculations required to determine its Council Tax or precept.

Government guidance states, '*The authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. What is required is the professional advice of the CFO on these two questions. Both are connected with matters of risk and uncertainty. They are interdependent and need to be considered together.*'

#### **Section 25: Report of the CFO - Robustness of the Estimates**

The Chief Financial Officer's opinion is that the estimates are robust, although there are a number of risks and uncertainties as set out below. Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff and Management Team prior to submission to Members.

The Council's revenue and capital budgets are 'joined up', both for next year's budget and for the longer term. This means that the full cost of the proposed Capital Programme is reflected in the revenue estimates. Both revenue and capital budgets include the funding needs of the Council.

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The main risks in the 2021/22 budget relate to:

- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental risk registers to ensure managers are aware of any variances to budget.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates income. It is difficult to predict the likely income with accuracy. It will be affected by many variables beyond the Council's control, for example, the level of appeals by ratepayers against their rating assessments. The funding mechanism gives a degree of in year protection against volatility, but this only defers the impact of variances to future years.
- Central Government Funding – the MTFP shows income from NHB reducing to zero in 2023/24. The provisional local government finance settlement announced New Homes Bonus Year 11 allocations and legacy payments from Years 8 to 9 giving a total payable to Redditch Borough Council of £334k in 2021/22. It is expected that a final New Homes Bonus payment will be made the following year in relation to legacy payments for Year 9 and then will cease and this is reflected in the MTFP. There is currently no information about a replacement scheme.
- Potential overspends within the HRA Budgets. This will be managed by monthly financial monitoring meetings with the housing and finance teams.

### **Adequacy of Reserves**

- 3.4 The Financial Framework proposed a level of balances at £1.5m for General Fund activity and £600k in the Housing Revenue Account over the next 3 years. Since the pandemic, the Council has largely been able to mitigate losses through Government funding however the medium- and long-term effect on council tax and business rates is still unknown and it would be prudent to set aside any windfall revenue into reserves to cover any future shortfalls.

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The reserves position will allow the Council to be robust and make coordinated plans to address the deficit position.

Taking account of the above, and the level of risk within the budget, the S151 Officer judges that reserves are at an appropriate level throughout the period of the MTFP. This will need to be reviewed if there are any major unplanned calls on reserves, for example, to fund capital expenditure.

### **8. APPENDICES and BACKGROUND PAPERS**

- Appendix 1 - Unavoidable costs
- Appendix 2 - Revenue Bids
- Appendix 3 - Identified savings
- Appendix 4 - Capital bids
- Appendix 5 - Proposed Capital programme
- Appendix 6 - Housing Revenue Account Budget 2021/22 and medium-term financial plan to 2023/24
- Appendix 7 - Housing Revenue Account Capital Programme 2021/22 to 2023/24
- Appendix 8 – HRA reserves and capital receipts position

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**9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	David Thain, Portfolio Holder for Finance and Enabling	Various
Lead Director / Head of Service	Chris Forrester, Head of Finance and Customer Services	Various
Financial Services	Chris Forrester, Head of Finance and Customer Services	Various
Legal Services	Claire Felton	Various
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

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## UNAVOIDABLE PRESSURES - RBC

Appendix 1

Department	Strategic Purpose	Description of Pressure	2021-22 £'000	2022-23 £'000	2023-24 £'000
Environmental Services	Communities which are safe, well maintained and green	Footpath maintenance budget	25	25	25
Environmental Services	Communities which are safe, well maintained and green	Sreet lighting budget	3	3	3
Environmental Services	Communities which are safe, well maintained and green	Funding of Joint Role as part of Joint Herefordshire and Worcestershire Waste Strategy to influence and implement changes to services arising from proposed Environment Bill.	8	8	8
Democratic Services	Enabling the Authority	Members Allowances	27	0	0
Democratic Services	Enabling the Authority	Members National insurance	5	5	5
Shopmobility	Living independent, active & healthy lives	Loss of income at shopmobility due to Covid - Offset by grant received	26	0	0
Dial-A-Ride	Living independent, active & healthy lives	Loss of income at Dial-A-Ride due to Covid - Offset by grant received	29	0	0
Rubicon Client Services	Living independent, active & healthy lives	Support for Rubicon Leisure Company	1,259	0	0
Regulatory Services - Redditch	Communities which are safe, well maintained & green	Worcestershire Regulatory Services (WRS) Salary Pressures	11	17	24
<b>TOTAL</b>			<b>1,393</b>	<b>58</b>	<b>65</b>

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## NEW REVENUE BIDS - RBC

Appendix 2

Department	Strategic Purpose	Description of revenue bid	2021-22 £'000	2022-23 £'000	2023-24 £'000
Democratic Services	Enabling the Authority	Members ICT Training	2	2	2
Planning & Regeneration	Communities which are safe, well maintained & green	Redditch Local Plan	150	180	182
ICT	Enabling the Authority	Member Support Officer	22	23	0
ICT	Enabling the Authority	Corporate GIS	32	23	23
Leisure Services	Communities which are safe, well maintained & green	Town Centre Permanent Lighting - Funded from S106 monies	9	1	2
Leisure Services	Communities which are safe, well maintained & green	Town Centre Christmas lights	15	15	15
TOTAL			230	244	224

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## SAVINGS & ADDITIONAL INCOME - RBC

Appendix 3

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000
Building Control	Communities which are safe well maintained and green	Shared service recharge changes	-2	0	0
CCTV/Lifeline	Living independent, active & healthy lives	Various amendments overall budgets - reduction of general supplies budgets	-16	-16	-16
Community & Housing GF	Run and grow successful business / Communities which are safe, well maintained & green	Lottery - New Income budget	-5	-5	-5
Corporate Services	Enabling the Authority	Loss of sales, fees and charges income from MHCLG	-39	0	0
Corporate Services	Enabling the Authority	Management review savings	0	-125	-125
Corporate Services	Enabling the Authority	Future Operating Model / Alternative Services Delivery	0	-75	-75
Development Management	Communities which are safe well maintained and green	Mileage savings	-1	-1	-1
Development Management	Communities which are safe well maintained and green	Various amendments overall budgets - reduction of general supplies budgets	-1	-1	-1
Elections	Enabling the Authority	Individual Electoral registrations (IER) Budget savings	-24	-24	-24
Environmental	Communities which are safe, well maintained & green	Hedgecutting Vehicle Hire Savings	-20	-20	-20
Environmental	Communities which are safe, well maintained & green	Land Drainage Furniture & Equipment budgets savings	-1	-1	-1
Environmental	Communities which are safe, well maintained & green	Land Drainage Other Fees budgets savings	-1	-1	-1
Environmental	Communities which are safe, well maintained & green	Stores Vehicle Hire budget savings	-1	-1	-1
Environmental	Communities which are safe, well maintained & green	Waste Collection Vehicle Hire budget savings	-14	-14	-14
Environmental	Communities which are safe, well maintained & green	Hedge Cutting agency staff saving	-20	-20	-20
Equalities	Enabling the Authority	Salary Savings	-8	-8	0
Human Resources	Enabling the Authority	Salary Savings	-30	-30	-30
Human Resources	Enabling the Authority	Mileage budgets savings	-1	-1	-1
Human Resources	Enabling the Authority	Professional fees budgets savings	-2	-2	-2
ICT	Enabling the Authority	ICT Savings	-15	-15	-15
Leisure Services	Communities which are safe, well maintained & green	Town Centre Permanent Lighting - To be funded from S106 monies	-9	-1	-2
Parks and open spaces	Living independent, active & healthy lives	Salary Savings	-4	-4	-4
Parks and open spaces	Living independent, active & healthy lives	Play areas and playing fields general supplies budgets savings	-1	-1	-1

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000
Parks and open spaces	Living independent, active & healthy lives	Parks grounds maintenance budgets savings	-14	-14	-14
Parks and open spaces	Living independent, active & healthy lives	Allotments additional income	-4	-4	-4
Parks and open spaces	Living independent, active & healthy lives	parks and open spaces general supplies budgets savings	-11	-11	-11
Parks and open spaces	Communities which are safe well maintained and green	Income Generation	-123	-123	-123
Policy	Enabling the Authority	Salary Savings	-4	-4	0
Rubicon Client	Living independent, active & healthy lives	Funding to support Rubicon Leisure Services from General Covid grant	-785	0	0
Sports development	Living independent, active & healthy lives	External funding received to fund part a post in the team	-5	0	0
Sports development	Living independent, active & healthy lives	Mileage	-1	-1	-1
Starting Well	Enabling the Authority	Last year of new contract support service recharge	0	0	-32
TOTAL			-1,163	-524	-545

**CAPITAL BIDS - RBC**

Appendix 4

Department	Strategic Purpose	Description	Funding Source i.e. Grant, Borrowing, Reserve, S106	Capital Implications			Revenue implications		
				2021-22 £'000	2022-23 £'000	2023-24 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Environmental Services	Communities which are safe, well maintained and green	New Rolling Road Brake Tester	Borrowing	40	0	0	0	0	0
Leisure services	Communities which are safe, well maintained and green	Widen Access Road to 5m Arrow Valley Country Park	Borrowing	0	25	0	0	0	0
Strategic Housing	Help me Find Somewhere to Live	RBC Housing Assistance -HMO Lifetime Loan	Borrowing	25	25	25	0	0	0
Strategic Housing	Help Me Live My Life Independently	RBC Housing Repair Assistance Lifetime Loan	Borrowing	0	0	40	0	0	0
Strategic Housing	Help Me Live My Life Independently	RBC Disabled Facilities Grant	Govt Grant	839	839	839	0	0	0
Strategic Housing	Living independent, active & healthy lives	Energy Efficiency Installation (Redditch Energy Efficiency Fund)	Borrowing	0	110	0	0	0	0
Strategic Housing	Communities which are safe, well-maintained and green	RBC 7kW electric vehicle charge-points	Borrowing £100k / grant £60k	160	0	0	0	0	0
<b>TOTAL</b>				<b>1,064</b>	<b>999</b>	<b>904</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Description	Department	Strategic purpose	Detailed funding	2021/22 Total £'000	2022/23 Total £'000	2023/24 Total £'000
Home Repairs Assistance	Community & Housing GF Services	Living independent, active & healthy lives	Long Term Debtors	40	40	40
Disabled Facilities Grant	Community & Housing GF Services	Living independent, active & healthy lives	DFG grant	839	839	839
HMO Grants	Community & Housing GF Services	Living independent, active & healthy lives	Borrowing	25	25	25
Energy & Efficiency Installs.	Community & Housing GF Services	Living independent, active & healthy lives	Borrowing	0	110	0
New Digital Service	Community & Housing GF Services	Living independent, active & healthy lives	Borrowing	50	50	50
7kw electric vehicle charge points	Community & Housing GF Services	Communities which are safe, well maintained and green	Borrowing / £60k grant	160	0	0
Improved Parking Scheme ( includes locality funding)	Environmental Services	Living independent, active & healthy lives	Borrowing	400	400	0
Vehicle replacement	Environmental Services	Communities which are safe, well maintained and green	Borrowing	315	2,258	1,195
New Rolling Road Brake Tester	Environmental Services	Communities which are safe, well maintained and green	Borrowing	40	0	0
Wheelie Bin purchase	Environmental Services	Communities which are safe, well maintained and green	Borrowing	85	85	0
Car Park Maintenance	Environmental Services	Communities which are safe, well maintained & green	Borrowing	25	25	0
Public Building	Finance & Customer Services	Run & Grow a successful business	Borrowing	250	250	0
GF Asbestos	Finance & Customer Services	Run and grow a successful business	Borrowing	40	40	0
Regeneration Fund	Finance & Customer Services	Enabling the Authority	Borrowing	2,000	2,000	2,000
Widen access road to Arrow Valley Country park	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	Borrowing	0	25	0
Total current Capital programme				4,269	6,147	4,149

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## Housing Revenue Account (HRA) 2020/21 to 2024/25

	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24
	Budget	Revised budget	Forecast Outturn	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>INCOME</u></b>						
Dwelling Rents	23,083	23,083	22,925	23,494	23,953	24,391
Non-Dwelling Rents	537	537	537	545	556	567
Tenants' Charges for Services & Facilities	667	667	598	677	691	704
Contributions towards Expenditure	44	44	54	45	46	46
<b>Total Income</b>	<b>24,331</b>	<b>24,331</b>	<b>24,114</b>	<b>24,760</b>	<b>25,246</b>	<b>25,709</b>
<b><u>EXPENDITURE</u></b>						
Repairs & Maintenance	6,038	6,038	5,768	6,044	6,103	6,187
Supervision & Management	8,249	8,249	7,969	8,232	8,267	8,482
Rent, Rates, Taxes & Other Charges	294	294	215	208	214	219
Provision for Bad Debts	182	182	182	186	189	193
Depreciation & Impairment of Fixed Assets	5,715	5,715	5,715	5,845	5,941	6,131
Interest Payable & Debt Management Costs	4,179	4,179	4,179	4,179	4,179	4,179
<b>Total Expenditure</b>	<b>24,657</b>	<b>24,657</b>	<b>24,028</b>	<b>24,694</b>	<b>24,893</b>	<b>25,391</b>
<b>Net Operating Expenditure</b>	<b>326</b>	<b>326</b>	<b>-86</b>	<b>-66</b>	<b>-353</b>	<b>-317</b>
Interest Receivable	-118	-118	-118	-30	-27	-24
Transfer to/(from) general reserves	0	0	204	0	0	0
Transfer to/(from) Earmarked Reserves	-208	-208	0	96	379	341
<b>(Surplus)/Deficit on Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0</b>	<b>-0</b>	<b>-0</b>
<b><u>HOUSING REVENUE ACCOUNT BALANCE</u></b>						
Forecast Balance as at beginning of year	743	743	743	947	947	947
Surplus/(deficit) for year	0	0	204	0	0	0
Forecast Balance as at end of year	<b>743</b>	<b>743</b>	<b>947</b>	<b>947</b>	<b>947</b>	<b>947</b>

## HRA Capital Programme and Financing

	Outturn 2020/21	2021/22	2022/23	2023/24
	£	£	£	£
<b>Major Repairs Reserve</b>				
Capital - Gas CH	416,000	416,000	416,000	416,000
Capital - Electric Heating	42,000	42,000	42,000	42,000
Capital - Kitchen Renewals	180,000	180,000	180,000	180,000
Capital - Bathroom Renewals	105,000	105,000	105,000	105,000
Capital - Windows	100,000	100,000	100,000	100,000
Capital - Electrics	888,000	888,000	888,000	888,000
Capital - Electrics - Catch up works	624,000	624,000	286,000	0
Capital - Door Renewals	20,000	20,000	20,000	20,000
Capital - Door Access Systems	72,000	72,000	72,000	72,000
Capital - Roofs	270,000	270,000	270,000	270,000
Capital - Balcony Replacements	150,000	150,000	150,000	150,000
Capital - Fencing Replacements	90,000	90,000	90,000	90,000
Capital - Asbestos Removal	400,000	400,000	400,000	400,000
Capital - structural	30,000	30,000	30,000	30,000
Capital - Water Supply	50,000	50,000	50,000	50,000
Capital - Hard Wire Installation	378,000	378,000	378,000	378,000
Capital - Damp & Mould	38,400	38,400	38,400	38,400
Capital - Fire Safety	81,600	81,600	81,600	81,600
Capital - works on buy backs	270,000	270,000	270,000	270,000
Capital - Compartmentation Works	1,800,000	1,800,000	1,800,000	1,800,000
Capital Design	300,000	300,000	300,000	300,000
	<b>6,305,000</b>	<b>6,305,000</b>	<b>5,967,000</b>	<b>5,681,000</b>
<b>Capital Receipts</b>				
Capital - Stock Condition Survey	0	0	0	0
Capital - New Housing System	469,000	106,000	0	0
Capital - Excellent Estates	350,000	350,000	350,000	350,000
Capital - Bin Stores	200,000	200,000	200,000	200,000
Capital - disabled adaptations	700,000	700,000	700,000	700,000
	<b>1,719,000</b>	<b>1,356,000</b>	<b>1,250,000</b>	<b>1,250,000</b>
<b>Acquisitions</b>	2,700,000	4,950,000	4,950,000	4,950,000
	<b>10,724,000</b>	<b>12,611,000</b>	<b>12,167,000</b>	<b>11,881,000</b>
<b>Financed by</b>				
Major Repairs Reserve	6,305,000	6,305,000	5,967,000	5,681,000
Capital Receipts	1,719,000	1,356,000	1,250,000	1,250,000
Capital Receipts earmarked for acquisition	810,000	1,485,000	1,485,000	1,485,000
HRA Capital Reserve	1,890,000	3,465,000	3,465,000	3,465,000
	<b>10,724,000</b>	<b>12,611,000</b>	<b>12,167,000</b>	<b>11,881,000</b>

## HRA Reserves Position 2020/21 to 2024/25

	2020/21	2021/22	2022/23	2023/24
	£	£	£	£
<b>Major Repairs Reserve</b>				
Balance 1st April	9,542,031	8,951,724	8,491,968	8,465,972
Contributions in year	5,714,693	5,845,244	5,941,004	6,028,730
Applied in year	-6,305,000	-6,305,000	-5,967,000	-5,681,000
<b>Balance 31st March</b>	<b>8,951,724</b>	<b>8,491,968</b>	<b>8,465,972</b>	<b>8,813,702</b>
<b>Capital Receipts</b>				
Balance 1st April	2,446,403	1,859,254	2,154,024	2,597,199
Contributions in year	1,131,851	1,650,770	1,693,175	1,736,438
Applied in year	-1,719,000	-1,356,000	-1,250,000	-1,250,000
<b>Balance 31st March</b>	<b>1,859,254</b>	<b>2,154,024</b>	<b>2,597,199</b>	<b>3,083,637</b>
<b>Capital Receipts earmarked for acquisition</b>				
Balance 1st April	4,381,681	4,539,650	4,405,280	4,305,605
Contributions in year	967,969	1,350,630	1,385,325	1,420,722
Applied in year	-810,000	-1,485,000	-1,485,000	-1,485,000
<b>Balance 31st March</b>	<b>4,539,650</b>	<b>4,405,280</b>	<b>4,305,605</b>	<b>4,241,327</b>
<b>HRA Capital Reserve</b>				
Balance 1st April	15,258,727	13,368,727	9,999,727	6,913,727
Applied in year for revenue - net zero	0	96,000	379,000	341,000
Applied in year for capital	-1,890,000	-3,465,000	-3,465,000	-3,465,000
<b>Balance 31st March</b>	<b>13,368,727</b>	<b>9,999,727</b>	<b>6,913,727</b>	<b>3,789,727</b>
	9,246,878	8,721,846	8,478,970	8,639,837
	2,152,829	2,006,639	2,375,612	2,840,418
	4,460,666	4,472,465	4,355,443	4,273,466
	14,313,727	11,684,227	8,456,727	5,351,727
<b>Average Balances in year</b>	<b>30,174,099</b>	<b>26,885,177</b>	<b>23,666,751</b>	<b>21,105,448</b>

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