

additional papers 1



Executive Committee

Mon 22 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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Executive

Monday, 22nd February, 2021

6.30 pm

Microsoft Teams

Agenda

Membership:

Cllrs:

Matthew Dormer
(Chair)
Mike Rouse (Vice-
Chair)
Greg Chance
Brandon Clayton
Bill Hartnett

Anthony Lovell
Nyear Nazir
David Thain
Craig Warhurst

- 4. Minutes** (Pages 1 - 12)
- 5. Council Tax Resolutions** (Report to follow) (Pages 13 - 20)
- 6. Overview and Scrutiny Committee** (Pages 21 - 28)

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Executive Committee

Tuesday, 16th February,
2021

MINUTES

Present:

Councillor Matthew Dormer (Chair), and Councillors Greg Chance, Brandon Clayton, Bill Hartnett, Anthony Lovell, Nyear Nazir and David Thain

Officers:

Kevin Dicks, Clare Flanagan, Chris Forrester, Kate Goldey and Sue Hanley

Democratic Services Officers:

Jess Bayley

73. APOLOGIES

An apology for absence was received on behalf of Councillor Mike Rouse.

74. DECLARATIONS OF INTEREST

There were no declarations of interest.

75. LEADER'S ANNOUNCEMENTS

The Leader advised that the Overview and Scrutiny Committee had pre-scrutinised the Medium Term Financial Plan 2021/22 to 2023/24 at a meeting held on 11th February 2021. However, the Committee had made no recommendations on the subject for the consideration of the Executive Committee.

Members were reminded that a meeting of the Executive Committee was due to take place on Monday 22nd February 2021 immediately before Council. This would provide Members with an opportunity to consider the Council Tax resolutions.

Chair

Executive Committee	<p style="text-align: right;">Tuesday, 16th February, 2021</p>
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76. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday, 19th January 2021 be approved as a true and correct record and signed by the Chair.

77. PAY POLICY STATEMENT 2021/22

The Head of Financial and Customer Services presented the Pay Policy Statement 2021/22. The Committee was advised that the report had to be prepared each year and outlined the different pay scales of staff employed by the authority, from the Chief Executive to the lowest paid staff.

RECOMMENDED that

the Pay Policy be approved.

**78. MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2024/25
(INCLUDING THE CAPITAL PROGRAMME AND HOUSING
REVENUE ACCOUNT)**

The Head of Financial and Customer Services presented the Medium Term Financial Plan 2021/22 to 2023/24. During the presentation of this report the following matters were highlighted for Members' consideration:

- The preparation of the budget had been really challenging as it had taken place during a global pandemic and at a time of significant uncertainty regarding local authority finances.
- The Council could increase Council Tax by 2.99 per cent or £5. Redditch Borough Council had opted to increase Council Tax by £5 as this would result in a slightly higher return for the authority.
- There had been a gap in the budget for the 2021/22 financial year which had needed to be addressed when balancing the budget.
- The proposed budget would result in a return of £44,000 to balances in 2021/22. However, there remained a gap in place for 2022/23 and 2023/24 which would need to be addressed moving forward.
- The Council had received a significant amount of grant funding from the Government to help manage the impact of the Covid-19 pandemic on the authority's financial position. A large proportion of this grant funding would be allocated to supporting Rubicon Leisure Limited.

Executive Committee	Tuesday, 16th February, 2021
--------------------------------	-------------------------------------

- Over £700,00 of earmarked reserves had been used to help balance the budget in 2021/22. Members were advised that these funds could not be reused in future years.
- The Council had received financial contributions from the New Homes Bonus (NHB), which had been unexpected, though this was only available for one year.
- A significant contribution to balancing the budget had also been made through the Lower Tier Services Grant, though there was uncertainty about the position of this grant moving forward.
- The budget had been balanced without falling below the minimum balances threshold for the Council. However, there was a risk that, if a similar approach was adopted to balancing the following year's budget, the Council could fall below those minimum levels.
- A significant bid for capital funding had been included for Disabled Facilities Grants, though these were not funded by the Council.
- There was also a relatively large bid for capital funding for electric vehicle charging points, though some of these costs would be offset with grant funding.
- The position of the Housing Revenue Account (HRA) had improved considerably when compared to recent years and Officers were anticipating a return of £96,000 to balances in 2021/22.
- The improving position of the HRA was partly as a result of the increase that the Council was now permitted to make to rents for Council properties.
- Efficiency savings had also been achieved by the Housing Department which had had a beneficial impact on the HRA. There had been a reduction in the turnaround time for void properties and this, together with investment in new Council houses, was resulting in an increase in rent collection for the authority.
- There had been savings in Repairs and Maintenance in 2020/21, as there had been a focus on priority work only during the Covid-19 pandemic. However, Officers recognised that any delayed work would still need to be delivered and therefore those savings had not been built into the budget moving forward.
- The Covid-19 pandemic had impacted on local businesses and the Council had distributed a significant number of business grants to companies that had been affected.
- Brexit was starting to impact on businesses in the Borough, particularly those companies involved in overseas trade. A lot of information was provided on the Council's website to help businesses that were affected. It remained unclear what impact this would have on business rate collection levels in the future.

Executive Committee	Tuesday, 16th February, 2021
--------------------------------	-------------------------------------

Following the presentation, Members discussed the report in detail. There was general consensus that the Financial Services team should be thanked for their hard work in preparing the budget, particularly at a time of significant upheaval due to the Covid-19 pandemic. Tributes were also paid to staff working in the Housing Department for their hard work that had helped to improve the position of the HRA compared to previous years.

Reference was made to the Overview and Scrutiny process and Members noted that both the Budget Scrutiny Working Group and the Overview and Scrutiny Committee had pre-scrutinised the report. It was acknowledged that scrutiny Members had raised some useful points, particularly in respect of the need for clarification on the purpose of some proposed savings and income.

The Committee also noted that the Council remained subject to a Section 24 Notice and questions were raised about the potential for this to be lifted. Officers confirmed that the external auditors were still reviewing the Council's accounts for the 2019/20 financial year and there was some uncertainty about whether the Section 24 Notice would be reissued.

Members commented that at the previous meeting of the Executive Committee reference had been made to the potential for Members to lobby the Government regarding the need for greater certainty about the financial position of local authorities, particularly district Councils, moving forward. The Leader confirmed that this issue had been raised at a central level and that the District Councils Network (DCN) was lobbying the Government on behalf of district Councils about this matter.

The Committee discussed the position with regard to collection of business rates during the Covid-19 pandemic and clarification was requested about how this was operating. Officers explained that the Council could claim 75 pence in the pound of business rates. The authority could also spread bad debt provisions over a longer period of time than usual and this took into account that the Government would step in to cover losses.

During consideration of this matter Members requested the following additional information for consideration in relation to the budget prior to the Council meeting scheduled to take place on 22nd February 2021:

- Further information about the earmarked reserves that had been used to balance the budget for 2021/22.
- Additional information about the Covid-19 grant funding that had been received by the Council from the Government to

Executive Committee	Tuesday, 16th February, 2021
--------------------------------	-------------------------------------

help manage the impact of the pandemic. Specifically, Members requested further information about the amount of grant funding that had been received and how this had been spent.

- Information about the grant funding that had been distributed to local businesses by the Council, to include the total amount distributed, the number of companies that had applied for funding, the number of businesses that received funding and the eligibility criteria.
- Further information about the amount of grant funding that the Government had provided to the Council to distribute amongst local businesses.

RECOMMENDED that

1) the Unavoidable costs be approved:

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

2) the Revenue Bids be approved:

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

3) the Identified Savings be approved:

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

4) the General Fund Capital Programme bids be approved:

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

5) the General Fund capital programme be approved:

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

6) the net general fund revenue budget be approved:

Executive Committee	Tuesday, 16th February, 2021
--------------------------------	------------------------------

2021/22 £10.496m

2022/23 £10.093m

2023/24 £10.080m

- 7) the Housing Revenue Account Budget be approved:

2021/22 £24.694m

2022/23 £24.893m

2023/24 £25.391m

- 8) the Housing Revenue Account Capital Programme be approved:

2021/22 £12.611m

2022/23 £12.167m

2023/24 £11.881m

- 9) the increase of the Council Tax per Band D at £5 for 2021/22 be approved; and

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

79. OVERVIEW AND SCRUTINY COMMITTEE

Members considered the minutes of the meeting of the Overview and Scrutiny Committee held on Monday, 18th January 2021 and noted that there were no outstanding recommendations requiring consideration.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Monday, 18th January 2021 be noted.

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

The Chair advised that there were no referrals from either the Overview and Scrutiny Committee or Executive Advisory Panels on this occasion.

81. ADVISORY PANELS - UPDATE REPORT

The following verbal updates were provided in respect of the Executive Advisory Panels and external groups:

- a) Climate Change Cross Party Working Group – Chair, Councillor Anthony Lovell

Executive Committee	Tuesday, 16th February, 2021
--------------------------------	-------------------------------------

Councillor Lovell advised that a lot of work was being undertaken to tackle climate change. Officers were investigating the potential to introduce a lower carbon fleet. Unfortunately, lower carbon vehicles tended to be more expensive than standard vehicles, though could have a positive impact on emissions.

Officers were also reviewing the potential to introduce electric vehicle charging points throughout the Borough. In addition, assessments were being undertaken of all Council buildings in respect of decarbonisation measures that could be taken.

Members were asked to note that the Council needed to take into account the potential for the Council to set a lead with building in a green friendly manner through the Council house building process. There would potentially be options to install solar panels and to explore other actions that could be taken to help reduce energy fees.

b) Constitutional Review Working Party – Chair, Councillor Matthew Dormer

Councillor Dormer explained that a meeting of the Constitutional Review Working Party was scheduled to take place on 29th June 2021.

c) Corporate Parenting Board – Council Representative, Councillor Nyear Nazir

Councillor Nazir confirmed that she had given her apologies for the last meeting of the Corporate Parenting Board. It was agreed that an update should be provided in respect of the outcomes of this meeting once the minutes had been published.

d) Member Support Steering Group - Chair, Councillor Matthew Dormer

The Committee was advised that a meeting of the Member Support Steering Group was due to take place on 2nd March 2021.

e) Planning Advisory Panel - Chair, Councillor Matthew Dormer

Councillor Dormer confirmed that there were no meetings of the Planning Advisory Panel scheduled to take place.

Executive Committee	Tuesday, 16th February, 2021	

The Meeting commenced at 6.30 pm
and closed at 7.08 pm

Appendix 1 - Executive Committee – Additional Information

At the Executive Committee meeting held on 16th February 2021 Members requested additional information in relation to the Medium Term Financial Plan 2021/22 to 2023/24. The questions that were asked have been listed below, together with the response that has been provided by Officers.

Question 1: Please could you provide Further information about the earmarked reserves that have been used to balance the budget for 2021/22?

Answer:

Reserves release breakdown as follows:

Community grants = £1.8k

Economic Growth Development = £200k

Transformational Growth = £50k

Pensions Reserve = £100k

Business Rates Retention Scheme Reserve = £350k

Question 2: Please provide additional information about the Covid-19 grant funding that has been received by the Council from the Government to help manage the impact of the pandemic. Specifically, Members requested further information about the amount of grant funding that had been received and how this had been spent.

Answer:

The Council has received 5 tranches of non-ringfenced general covid-19 grant totalling £1,952,370. There has been expenditure so far of £771,491, which has been spent on general COVID-19 supplies such as new laptops for Council officers, sanitisation stations and equipment and additional support for Rubicon Leisure Limited.

The Council has also received one quarter of ringfenced sales, fees and charges grant to try and help offset the authority's income losses of £157,725. Officers have put a claim in for the second quarter but are still awaiting confirmation of the amount and when this will be paid.

Question 3: Please provide information about the grant funding that had been distributed to local businesses by the Council, to include the total amount distributed, the number of companies that had applied for funding, the number of businesses that received funding and the eligibility criteria.

Question 4: Please provide further information about the amount of grant funding that the Government had provided to the Council to distribute amongst local businesses.

Answer:

A total of £898,000 in Closed Business Lockdown Payments have been released for payment.

In November, the Local Restriction Support Grant schemes were announced, customers are able to apply for these grants on-line and we will use their application to assess entitlement for LRSG for every period from 1st November.

In January when the new lockdown was announced the Government stated a further grant, the Closed Business Lockdown Payment, would be paid for the January lockdown. This would be in addition to the LRSG.

Our software suppliers delivered a solution for the payment of CBLP on 25th/26th January. This solution required that we:

- a) Load the CBLP grant onto the business rates account of the customer
- b) Prompt customers to complete an application for grant.
- c) The grant would then be automatically released to the customer, or held for pre-payment checks, dependant on our parameter choices.

The standard solution was not satisfactory because

- i) There was a danger that customers would not complete both the LRSG and CBLP application and would miss out on grants.
- ii) The customers who had already received payments in November would be required to make a further application
- iii) If pre-payment vetting was not in place there was a danger that customers ineligible for grants would receive the CBLP which we would later discover when assessing the LRSG that they were not eligible for
- iv) The Government provided assurances in relation to the April grants that they would meet the costs of grants paid in error, provided that appropriate steps were taken, no such assurance has been made for CBLP therefore there is a financial risk to the authority if pre-payment assurance is not in place.
- v) Claiming CBLP would only be available where the grant was loaded against the account, if we had not loaded the grant no payment would be available driving demand into the system

We have created a process whereby, when a customer claims LRSG and that claim has been assessed and paid, we are then able to

- a) extract the property reference for which they have claimed
- b) load the CBLP payment into the business rates system
- c) link this payment back to their LRSG claim and pay using the payment details held against their LRSG application.

This process was tested after the release by Civica of their software on 25th/26th January and we were ready to process payments between 8th and 12th of February, unfortunately we lost remote access to the systems due to an update to VM horizon and this removed one and half days testing and delayed the 1st Payment run.

This payment run has been paid today and £898k of CBLP has been released to customers today. We have restricted approximately 15 payments where the NNDR liability and the Grant applicant are not matching. This is mainly due to

customers using their own name on the LRSG application and the business rates account being in a limited companies name. We will run some manual checks on these payments and release them on Friday.

In all future weeks we will pay LRSG claims on Tuesdays and Fridays, we will extract details of these payments and CBLP will be paid the following week.

For information we have received 826 applications for LRSG/ARG and are working on the application in the range 450 to 500 – these were applications received on 18th and 19th January. – we have had an issue with resources on the assessment of RBC grant applications as one of the officers assigned to this task was hospitalised for a number of days due to unexplained dizzy spells, we are moving additional resources to assessment from next week.

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REDDITCH BOROUGH COUNCIL

Executive
2021

22nd February

COUNCIL TAX RESOLUTIONS 2021/22

Relevant Portfolio Holder	Councillor David Thain Portfolio Holder for Finance and Enabling Services
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester Head of Finance and Customer Services
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	Yes
Ward Councillor(s) consulted	Yes
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: -

- 1.1 Executive is asked to **NOTE** that at its meeting on 12th January 2021, the Executive Committee calculated the Council Tax Base 2021/22 as:

(a) for the whole Council area as 26,158.13 [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 367.22.

- 1.2 Executive is asked to **RECOMMEND** to Council that they approve:

1.2.1 The calculation for the Council Tax requirement for the Council's own purposes for 2021/22 (excluding Parish precepts) as **£6,517,245.77**.

1.2.2 That the following amounts be calculated for the year 2021/22 in accordance with sections 31 to 36 of the Act:

**Executive
2021****22nd February**

- (a) £47,617,501 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*)
- (b) £41,090,255 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) £6,527,246 being the amount by which the aggregate of 1.2.2(a) above exceeds the aggregate at 1.2.2(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) £249.53 being the amount at 1.2.2 (c) above (Item R), all divided by Item T (1.1(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) £10,000 being the aggregate amount of all special items (Feckenham Parish precept) referred to in Section 34 (1) of the Act.
- (f) £249.15 being the amount at 1.2.2 (d) above less the result given by dividing the amount at 1.2.2 (e) above by Item T (1.1 (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) £276.38 being the amount given by adding to the amount at 1.2.2(f), the amount of the special item relating to the Parish of Feckenham 1.2.2(e), divided by the amount in 1.1(b) above.
- (h) The amounts below given by multiplying the amounts at 1.2.2(f) and 1.2.2(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

REDDITCH BOROUGH COUNCIL**Executive
2021****22nd February**

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.

Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	184.25	166.10
B	7/9	214.96	193.78
C	8/9	245.67	221.47
D	1	276.38	249.15
E	11/9	337.80	304.52
F	13/9	399.21	359.88
G	15/9	460.63	415.25
H	18/9	552.76	498.30

- 1.2.3 It be noted that for the year 2021/22, Worcestershire County Council, Police and Crime Commissioner for West Mercia and Hereford and Worcester Fire 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	895.89	1,045.20	1,194.52	1,343.83	1,642.46	1,941.09	2,239.72	2,687.66
Police and Crime Commissioner for West Mercia	160.13	186.81	213.50	240.19	293.57	346.94	400.32	480.38
Hereford and Worcester Fire Authority	58.45	68.20	77.94	87.68	107.16	126.65	146.13	175.36

REDDITCH BOROUGH COUNCIL**Executive
2021****22nd February**

- 1.2.4. That having calculated the aggregate in each case of the amounts at 1.2.2(h) and 1.2.3 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 2021/22. for each part of its area and for each of the categories of dwellings:

Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	1,298.72	1,280.57
B	7/9	1,515.17	1,493.99
C	8/9	1,731.63	1,707.43
D	1	1,948.08	1,920.85
E	11/9	2,380.99	2,347.71
F	13/9	2,813.89	2,774.56
G	15/9	3,246.80	3,201.42
H	18/9	3,896.16	3,841.70

- 1.2.5. 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 2021 to March 2022 as detailed below:

	Precept £	Deficit on Collection Fund £	Total to pay £
Worcestershire County Council	35,152,080.00	-335,887.00	34,816,193.00
Police and Crime Commissioner for West Mercia	6,282,921.24	-57,694.58	6,225,226.66
Hereford & Worcester Fire Authority	2,293,424.78	-22,030.90	2,271,393.88

**Executive
2021****22nd February**

- 1.2.6 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 £6,464,599 being the Council's own demand on the Collection Fund (£6,517,246) and Parish Precept (£10,000) and the distribution of the Deficit on the Collection Fund (£62,647).
- 1.2.7 That the Executive Director Finance & Resources be authorised to make payments from the General Fund to Feckenham Parish Council the sums listed above (£10,000) by instalment after 1 April 2021 in respect of the precept levied on the Council.
- 1.2.8. That the above resolutions to be signed by the Chief Executive for use in legal proceedings in the Magistrates Court for the recovery of unpaid Council Taxes.
- 1.2.9 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.
- 1.2.10 That authority be delegated to the Head of Finance and Customer Services (Interim S151) following consultation with the finance portfolio holder to amend the resolution should the Hereford and Worcester Fire Authority Service not approve the estimated figure that is being used in this report. This is due to the Fire service having their approval meeting after this resolution report has been brought to Council.

2. BACKGROUND

The report is to seek approval of the appropriate formal resolutions to determine the levels of Council Tax for Redditch Borough Council for Financial year 2021/22. The levels of tax take account of the requirements of Redditch Borough Council, Worcestershire County Council, Police and Crime Commissioner for West Mercia, Hereford and Worcester Fire Authority and Feckenham Parish Council.

3. FINANCIAL IMPLICATIONS

- 3.1 It is necessary to formally set Council Tax levels throughout the area for the spending requirements of Redditch Borough Council, Worcestershire County Council, Police and Crime Commissioner for

REDDITCH BOROUGH COUNCIL**Executive
2021****22nd February**

West Mercia, Hereford and Worcester Fire Authority and Feckenham Parish Council.

- 3.2 Details have been received from the various precepting bodies to enable the Council to set the Council Tax for 2021/22. The amounts of the precepts are set out below:

	£
Worcestershire County Council	35,152,080.00
Police and Crime Commissioner for West Mercia	6,282,921.24
Hereford & Worcester Fire Authority	2,293,424.78
Redditch Borough Council	6,517,245.77
Parish precept	10,000.00
Total	50,255,671.79

- 3.3 If the Council approves the recommendations set out above the average band D Council Tax in 2021/22 will be £1,948.07, made up as follows:

Authority	2020/21 £	2021/22 £	Increase %
Redditch Borough Council	244.15	249.15	2.05
Worcestershire County Council	1,311.05	1,343.83	2.50
Police and Crime Commissioner for West Mercia	225.20	240.19	6.66
Hereford & Worcester Fire Authority	85.99	87.68	1.97
Feckenham Parish Council	27.21	27.23	0.07
Total Council Tax	1,893.59	1,948.08	2.88

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

4. LEGAL IMPLICATIONS

- 4.1 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 was previously the case.

**Executive
2021**

22nd February

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 Any impact on the customer of savings over the 4 years period will be managed via impact assessments and in discussion and consultation with the customer as to the most effective and supportive way of managing reductions in funding and potentially service delivery.

Operational Implications

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

7. RISK MANAGEMENT

- 7.1 The risks associated with the budget estimations are included in the MTFP report as presented to Executive on 16th February 2021.

**Executive
2021**

22nd February

9. REPORT SIGN OFF

Department	Name and Job Title	Date
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	



Overview and Scrutiny Committee

Thursday, 11th February, 2021

MINUTES

Present:

Councillor Joe Baker (Chair), Councillor Jennifer Wheeler (Vice-Chair) and Councillors Salman Akbar, Michael Chalk, Peter Fleming, Andrew Fry, Ann Isherwood, Mark Shurmer and Yvonne Smith

Also Present:

Councillor David Thain (Portfolio Holder for Finance and Enabling)

Officers:

Kevin Dicks, Chris Forrester, Sue Hanley, Claire Felton, Kate Goldey, Deb Poole and Judith Willis

Democratic Services Officers:

J Bayley

70. APOLOGIES AND NAMED SUBSTITUTES

There were no apologies for absence.

71. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of any Party Whip.

72. MINUTES

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Monday, 18th January 2021 be approved as a true and correct record and signed by the Chair.

73. PUBLIC SPEAKING

There were no registered public speakers on this occasion.

.....
Chair

Overview and Scrutiny Committee

Thursday, 11th February, 2021

74. MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2024/25 (INCLUDING THE CAPITAL PROGRAMME AND HOUSING REVENUE ACCOUNT) - PRE-SCRUTINY

The Head of Financial and Customer Services presented the Medium Term Financial Plan 2021/22 to 2023/24 (including the Capital Programme and the Housing Revenue Account (HRA)). During the delivery of this presentation the following matters were highlighted for Members' consideration:

- A key proposal detailed in the report was that Council Tax should be increased by £5. This would result in a slightly higher return to the Council than an increase of 2.99 per cent and was the maximum level at which Council Tax could increase.
- There had been a significant financial gap for 2021/22 which had been addressed in the report.
- This budget gap had partially been addressed through projected income and savings.
- The Council had also received funding for one year only from the New Homes Bonus (NHB), which had not been anticipated.
- There were unavoidable pressures which had had to be built into the budget.
- A key pressure on the Council's financial position was related to Rubicon Leisure Limited. A significant proportion of the Covid-19 grant funding that the Council had received from the Government would be allocated to addressing the financial pressures relating to the company.
- In excess of £700,000 of earmarked reserves had been used to help balance the budget for 2021/22.
- The capital bids included one in respect of Disabled Facilities Grants. These were not funded by the Council but were distributed by the authority.
- A capital bid had also been included for electric vehicle charging points and Officers were anticipating that the Council would receive grant funding to support this initiative.
- The capital programme had been reprofiled as a number of projects in the programme could not be delivered during the Covid-19 pandemic. This reprofiling work enabled the Council to realign the MRP (minimum revenue provision) in respect of investment income.
- The proposed budget would result in a return of £44,000 in 2021/22 to balances. However, there remained gaps in the budget for the 2022/23 and 2023/24 financial years which would need to be addressed moving forward.

Overview and Scrutiny Committee

Thursday, 11th February, 2021

- There remained some uncertainty about what would replace NHB funding for Councils in the future. There was also continuing uncertainty in relation to the Fair Funding Review and localisation of business rates.
- The impact of the Covid-19 pandemic during the period of the plan was a risk factor that was difficult to address.
- The Council had already distributed a lot of grant funding to local businesses that had been impacted by the Covid-19 pandemic.
- Another risk to the Council's future budget position was Brexit. There remained uncertainty about how Brexit would impact on local businesses, which in turn could have implications for the business rates collected by the Council.
- The position of the HRA had improved significantly when compared to recent years. This was partly due to the fact that the Council was once more able to increase rents paid by Council tenants as well as to an improvement in the turnaround times for void properties.
- The Council was intending to invest in more Council houses and this was reflected in the HRA capital programme, where capital reserves would fall from £13 million to £3 million.
- Officers were anticipating that there would be an increase in capital receipts which would have a beneficial impact on the HRA moving forward.

Following the presentation of the report, the Portfolio Holder for Finance and Enabling Services, Councillor David Thain, was invited to speak on the report. Councillor Thain commented that the Council had achieved a balanced budget for 2021/22 despite the impact that the Covid-19 pandemic had had on local authority finances. The proposed budget aligned more closely with the Council's strategic purposes and supported the green thread that ran through the Council Plan. There remained the need to make savings moving forward and further decisions would need to be taken. Councillor Thain concluded by thanking the Financial Services department for their hard work and the Budget Scrutiny Working Group, particularly the Chair, for their work during the year.

Members subsequently discussed the report in detail and welcomed the positive news about the position of the HRA. The Committee noted that the Repairs and Maintenance team had been prioritising urgent work during the Covid-19 pandemic and questions were raised about the extent to which work that had not been completed during this time had been factored into the budget. Officers clarified that it was recognised that this work would need to be completed once the threat posed by Covid-19 had receded and for this reason

Overview and Scrutiny Committee

Thursday, 11th February, 2021

the savings for this service achieved in 2020/21 had not been built into the budget for future years.

Reference was also made to the bid that had been submitted for Christmas lights and questions were raised about the need for an annual bid to be submitted in respect of this matter. Members suggested that additional funding should be requested from local businesses to help cover these costs moving forward.

The Committee noted that a significant level of reserves was being used to balance the budget in 2021/22 and Members questioned whether this was prudent and the extent to which any limits were placed on the use of reserves for this purpose. The Committee was informed that the reserves had been in place for some time but had never been used, therefore it was appropriate to use the reserves for this purpose. However, it was acknowledged that reserves could not be reused again at a later date and the budget would need to be balanced in a different way in future years.

During consideration of this item the Chair of the Budget Scrutiny Working Group, Councillor Jenny Wheeler, advised Members that the group had recently discussed the potential for tensions to arise between the resources available to the Council and the services that the authority delivered. Many Councils faced similar tensions, as local authorities needed to be able to fill gaps where there was considered to be market failure. To address these tensions, the Council needed to achieve service efficiencies moving forward in order to continue to meet the needs of residents and deliver in relation to the strategic purposes.

The financial support that had been and continued to be provided by the Council to Rubicon Leisure Limited was also discussed. Members acknowledged that the appropriate body to scrutinise the financial position of the company was the Shareholders Committee, not the Overview and Scrutiny Committee. Given the significant amount of funding involved, Members urged the Shareholders Committee to scrutinise the financial position of the company and contributions from the Council in detail moving forward.

Consideration was given to the information that had been provided in the report about proposed savings and income. Members raised concerns that there was not always sufficient detail available to enable Members and the public to assess the value of the proposals. By contrast, further detail was provided in the financial monitoring reports and this made those documents easier for Members to review. Officers acknowledged this issue and

Overview and Scrutiny Committee

Thursday, 11th February, 2021

confirmed that this would be raised for consideration at a forthcoming meeting of the Corporate Management Team (CMT).

Clarification was requested with respect to the purpose of the £8,000 savings that had been proposed for equalities. Officers explained that these savings had arisen as an Officer had requested a reduction in working hours. Clarification was also requested about the purpose of the proposed extra income for the community lottery. The Committee was advised that this related to the income from the community lottery in cases where participants did not nominate a local charity that would receive their contribution. This budget would be allocated to supporting local community groups.

RESOLVED that

the report be noted.

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

Members considered the minutes of the meeting of the Executive Committee held on Tuesday, 19th January 2021.

The latest edition of the Executive Committee's Work Programme for the period 1st March to 30th June 2021 was also considered by the Committee. The Chair commented that many of the items on the work programme had already been selected for pre-scrutiny.

RESOLVED that

- 1) the minutes of the meeting of the Executive Committee held on Tuesday, 19th January 2021 be noted; and**
- 2) the content of the Executive Committee's Work Programme for the period 1st March to 30th June 2021 be noted.**

76. OVERVIEW AND SCRUTINY WORK PROGRAMME

Members considered the content of the Overview and Scrutiny Committee's Work Programme and noted that there were no updates.

77. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - UPDATE REPORTS

Overview and Scrutiny Committee

Thursday, 11th February, 2021

The following updates were provided in respect of the work of the Scrutiny Task Groups and Working Groups:

a) Budget Scrutiny Working Group – Chair, Councillor Jenny Wheeler

Councillor Wheeler advised the Committee that the latest meeting of the Budget Scrutiny Working Group had taken place that week. During the meeting, Members had pre-scrutinised the Medium Term Financial Plan and had received a presentation on the subject of the Covid-19 grant funding that had been received by the Council during the pandemic.

The following meeting of the group was due to take place on 17th March 2021. During the meeting, Members would interview Officers about the Covid-19 grant funding, interview a representative of Black Radley regarding the Council's progress with commercialism and pre-scrutinise the third quarter monitoring update report in respect of the Council's budget.

b) Dementia Task Group – Chair, Councillor Michael Chalk

Councillor Chalk explained that the group had been unable to interview a clinician about dementia, primarily due to the pressures placed on the health service by the Covid-19 pandemic. The group would be holding a meeting the following month to discuss progress.

During consideration of this update Members were advised that it was unlikely that the group would be able to report back to the Overview and Scrutiny Committee on 18th March 2021 as originally intended. Therefore, Members agreed that the timeframes for the investigation should be extended and the group should aim to complete their review after the local elections in May 2021.

c) Performance Scrutiny Working Group – Chair, Councillor Andrew Fry

Councillor Fry advised that a meeting of the group had taken place in January 2021. During this meeting, an interview had been held with the Heads of Community and Housing Services and Environmental and Housing Property Services about the Housing Services provided by the Council. This had included consideration of information about the turn around times for

Overview and Scrutiny Committee

Thursday, 11th February, 2021

void properties and the group had agreed that the subject should be revisited for further scrutiny in 12 months' time.

Members were advised that a further meeting of the group would take place in March 2021.

d) Unicorn Hill Task Group – Chair, Councillor Peter Fleming

The Committee was informed that the following Members had been nominated to serve on the Task Group: Councillors Fleming (Chair), Baker, Beecham and Smith. Officers would be contacting Members shortly to organise the first meeting of the group.

RESOLVED that

- 1) **the deadline for the Dementia Task Group be extended to after the local elections in May 2021; and**
- 2) **the update reports be noted.**

78. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS

Councillor Michael Chalk provided a verbal update on the latest meeting of the Greater Birmingham and Solihull Local Enterprise Partnership's (GBSLEP's) Overview and Scrutiny Committee meeting. Members were advised that during that meeting the Chair of the Committee had invited Councillors to identify areas of work delivered by the LEP which would be suitable for further scrutiny. Councillor Chalk urged Members to let him know if there were any areas that they wanted him to raise with the Committee on their behalf.

During consideration of this update, clarification was requested regarding the level of young people who were employed, which had been highlighted at 9.1 per cent in the update provided in the agenda. Councillor Chalk explained that this related to the level of young people who were not in employment, education or training (NEETs) in the whole of the area covered by the LEP and not specifically to the Borough of Redditch. These figures were derived from data provided for December 2020 and there was the possibility that the levels had changed by February 2021.

Overview and Scrutiny Committee

Thursday, 11th February, 2021

The Meeting commenced at 6.30 pm
and closed at 7.25 pm