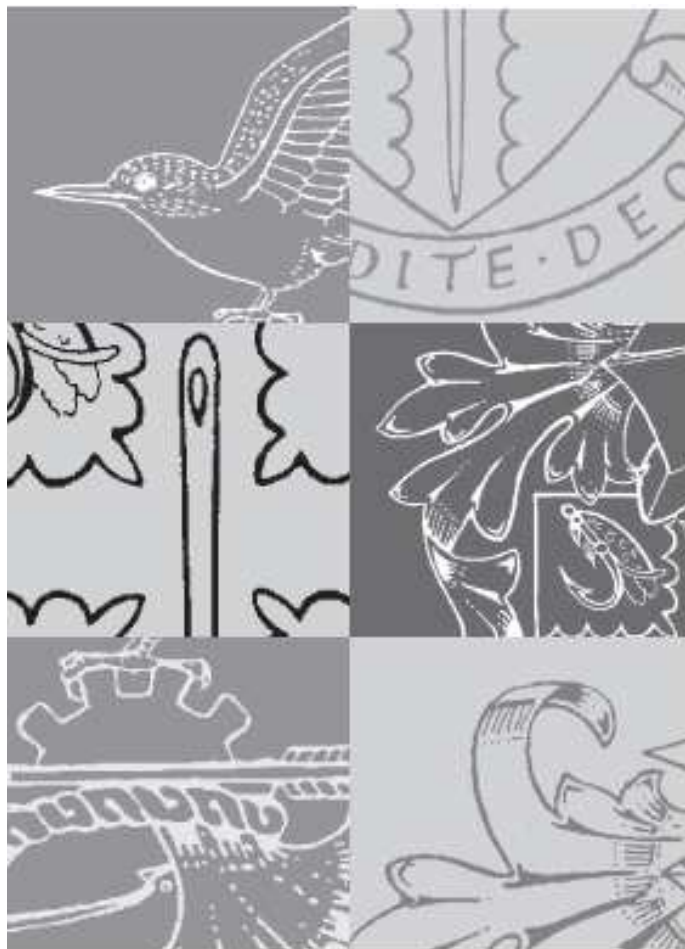




Executive Committee

Monday 24th February
2014
7.00 pm

Council Chamber
Town Hall
Redditch



www.redditchbc.gov.uk

Access to Information - Your Rights

The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Recently the Freedom of Information Act 2000, has further broadened these rights, and limited exemptions under the 1985 Act.

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- Automatic right to inspect minutes of the Council and its Committees (or summaries of business undertaken in private) for up to six years following a meeting.
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- Access, upon request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral areas of all Councillors with details of the membership of all Committees etc.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending meetings of the Council and its Committees etc.
- Access to a list specifying those powers which the Council has delegated to its Officers indicating also the titles of the Officers concerned.
- Access to a summary of the rights of the public to attend meetings of the Council and its Committees etc. and to inspect and copy documents.
- In addition, the public now has a right to be present when the Council determines “Key Decisions” unless the business would disclose confidential or “exempt” information.
- Unless otherwise stated, all items of business before the Executive Committee are Key Decisions.
- (Copies of Agenda Lists are published in advance of the meetings on the Council's Website:
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**If you have any queries on this Agenda or any of the decisions taken or wish to exercise any of the above rights of access to information, please contact
Ivor Westmore
Democratic Services**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: 01527 64252 (Extn. 3269) Fax: (01527) 65216
e.mail: ivor.westmore@bromsgroveandredditch.gov.uk**

Welcome to today's meeting.

Guidance for the Public

Agenda Papers

The **Agenda List** at the front of the Agenda summarises the issues to be discussed and is followed by the Officers' full supporting **Reports**.

Chair

The Chair is responsible for the proper conduct of the meeting. Generally to one side of the Chair is the Committee Support Officer who gives advice on the proper conduct of the meeting and ensures that the debate and the decisions are properly recorded. On the Chair's other side are the relevant Council Officers. The Councillors ("Members") of the Committee occupy the remaining seats around the table.

Running Order

Items will normally be taken in the order printed but, in particular circumstances, the Chair may agree to vary the order.

Refreshments : tea, coffee and water are normally available at meetings - please serve yourself.

Decisions

Decisions at the meeting will be taken by the **Councillors** who are the democratically elected representatives. They are advised by **Officers** who are paid professionals and do not have a vote.

Members of the Public

Members of the public may, by prior arrangement, speak at meetings of the Council or its Committees. Specific procedures exist for Appeals Hearings or for meetings involving Licence or Planning Applications. For further information on this point, please speak to the Committee Support Officer.

Special Arrangements

If you have any particular needs, please contact the Committee Support Officer.

Infra-red devices for the hearing impaired are available on request at the meeting. Other facilities may require prior arrangement.

Further Information

If you require any further information, please contact the Committee Support Officer (see foot of page opposite).

Fire/ Emergency instructions

If the alarm is sounded, please leave the building by the nearest available exit – these are clearly indicated within all the Committee Rooms.

If you discover a fire, inform a member of staff or operate the nearest alarm call point (wall mounted red rectangular box). In the event of the fire alarm sounding, leave the building immediately following the fire exit signs. Officers have been appointed with responsibility to ensure that all visitors are escorted from the building.

Do Not stop to collect personal belongings.

Do Not use lifts.

Do Not re-enter the building until told to do so.

The emergency **Assembly Area** is on **Walter Stranz Square**.



Executive

Committee

24th February 2014

7.00 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Bill Hartnett (Chair)	John Fisher
	Greg Chance (Vice-Chair)	Phil Mould
	Rebecca Blake	Mark Shurmer
	Juliet Brunner	Debbie Taylor
	Brandon Clayton	

1. Apologies	To receive the apologies of any Member who is unable to attend this meeting.
2. Declarations of Interest	To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. Leader's Announcements	1. To give notice of any items for future meetings or for the Executive Committee Work Programme, including any scheduled for this meeting, but now carried forward or deleted; and 2 any other relevant announcements. (Oral report)
4. Minutes (Pages 1 - 8) Chief Executive	To confirm as a correct record the minutes of the meeting of the Executive Committee held on (Minutes attached)
5. Medium Term Financial Plan 2014/15 - 2016/17 (Pages 9 - 26) Exec Director (Finance and Corporate Resources)	To enable Members to consider the revenue budget for 2014/15 and set the council tax. (Report attached) All Wards

6. Exclusion of the Public	Should it be necessary, in the opinion of the Chief Executive, to consider excluding the public from the meeting in relation to any items of business on the grounds that exempt information is likely to be divulged, it may be necessary to move the following resolution: “that, under S.100 I of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (<i>to be specified</i>) of Part 1 of Schedule 12 (A) of the said Act, as amended.” These paragraphs are as follows: Subject to the “public interest” test, information relating to: • Para 1 – <u>any individual</u>; • Para 2 – the <u>identity of any individual</u>; • Para 3 – <u>financial or business affairs</u>; • Para 4 – <u>labour relations matters</u>; • Para 5 – <u>legal professional privilege</u>; • Para 6 – <u>a notice, order or direction</u>; • Para 7 – the <u>prevention, investigation or prosecution of crime</u>; may need to be considered as ‘exempt’.
7. Confidential Minutes / Referrals (if any)	To consider confidential matters not dealt with earlier in the evening and not separately listed below (if any).



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11th February 2014

MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Greg Chance (Vice-Chair) and Councillors Juliet Brunner, Brandon Clayton, John Fisher, Phil Mould, Mark Shurmer and Debbie Taylor

Also Present:

Councillor Andrew Brazier

Officers:

E Baker, R Cooke, C Flanagan, S Green, S Hanley, S Horrobin, S Morgan, J Pickering and L Tompkin

Committee Services Officer:

I Westmore

125. APOLOGIES

Apologies for absence were received on behalf of Councillor Rebecca Blake.

126. DECLARATIONS OF INTEREST

There were no declarations of interest.

127. LEADER'S ANNOUNCEMENTS

The Leader advised that the comments of the Overview and Scrutiny Committee on Items 5, the Medium Term Financial Plan, and 6, the Housing Revenue Account Initial Estimates / Rent Setting 2014/15, were included in an Additional Papers pack.

The Leader expressed sympathy to all those in Worcestershire and other parts of the country who were suffering from the recent flooding and also his gratitude to workers in local government, the emergency services and the Environment Agency who were doing what they could to assist.

.....
Chair

Executive Committee

11th February 2014

Finally, the Leader wished to place on record the gratitude of the Council to Sue Horrobin, Environmental Services Manager, who was leaving the authority after more than a quarter of century of loyal and dedicated service to take up a new post in Scotland.

128. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 14th January 2014 be confirmed as a correct record and signed by the Chair.

129. MEDIUM TERM FINANCIAL PLAN

The Committee considered a report which set out the financial position for the revenue budget for 2014/15. Given the difficult financial situation in which this and other Councils found themselves, Officers were presenting a one year budget at this stage. A further report would be submitted to the Committee in September / October 2014 which would look ahead to the 2015/16 and 2016/17 financial years.

Officers highlighted the decrease in central Government funding over recent years which was, in part, being masked by the aggregation of specific grants into the overall financial settlement. Alongside this reduction in the Revenue Support Grant there were a number of other unavoidable budget pressures with which the Council was having to contend, such as pensions costs, reductions in funding from the County Council and reductions in specific revenue streams such as the Department of Work and Pensions administration subsidy. The Council was only being asked to consider a single revenue bid, that for the Eastern Gateway, which it was anticipated would result in economic development opportunities.

A number of measures had been undertaken to reduce the projected shortfall, including the redesign of a number of service areas, an increase in income through services such as CCTV and Lifeline and a proposed 1.9% increase in Council Tax for the coming year - there remained a small outstanding shortfall but Officers intended to address this prior to the next meeting of the Committee.

The Leader advised that he had written to the Government concerning the poor Financial Settlement as agreed at the previous meeting and thanked Jayne Pickering, Section 151 Officer, Sam Morgan, Deputy Section 151 Officer, and the Financial Services

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Team for their hard work in developing the current budget proposals under difficult circumstances.

Concern was expressed that specific accumulated reserves were being used to meet the current deficit with the result that the Borough would be left in a far from ideal financial situation for ensuing years and administrations. The Eastern Gateway bid was also discussed, with the use of consultants being contrasted with a previous decision to remove a budget heading for consultants. Officers confirmed that expenditure for the use of consultants was presently being met through savings on vacant posts or through budgets already available to support transformational activity.

The Committee considered the comments upon the Medium Term Financial Plan from the Overview and Scrutiny Committee and

RESOLVED that

the current position for 2014/15 be noted and Officers be requested to review the savings that can be delivered to achieve a balanced budget.

130. HOUSING REVENUE ACCOUNT INITIAL ESTIMATES / RENT SETTING 2014/15

Members considered the Initial Estimates for the Housing Revenue Account for 2014/15 and the proposed dwelling rents for 2014/15.

Officers explained that the Council was at its borrowing limit in respect of the Housing Revenue Account and that this coming year represented the final year of the rent restructuring regime. Members noted that the provision for bad and doubtful debt had doubled for the coming year to reflect concerns over the introduction of Universal Credit. In addition, the point was made that the Council's rents still represented very good value for money, given the comparative levels of rent charged by other providers and the quality of accommodation provided.

RECOMMENDED that

- 1) the draft 2014/2015 Estimates for the Housing Revenue Account attached to the report at Appendix A, be approved;**
- 2) the actual average rent increase for 2014/2015 be 5.13% (3.2% RPI plus 1.93% due to rent restructuring); and**

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- 3) **that £3.5m be transferred to a reserve as a Revenue Contribution to Capital to fund the future Capital Programme and repay borrowing.**

131. FEES AND CHARGES

The Committee considered a report setting out the proposed Fees and Charges for the Council's chargeable services for 2014/15. Officers reported that an overall 3% increase in fees and charges would be achieved through approval of the proposals and the income target for the year had been increased by £91K when compared to the previous year.

Officers highlighted that the fifth row on Page 51 of the Executive Committee report should have read 'Bulky Collection – four items or more'. It was also explained that percentage increases had not been incorporated for all charges for practical and presentational reasons. In several instances, larger than 3% increases were attributed to charges not being increased for a number of years and the practical implications of amending printed scales of charges on an annual basis where the volume of transactions did not warrant it.

RECOMMENDED that

- 1) **the fees and charges for 2014/15 as set out in Appendix 1- 9 to the report be approved; other than in cases where:-**
 - a) **fees or charges are statutory,**
 - b) **fees and charges are set externally, or**
 - c) **other Council- approved circumstances apply.**
- 2) **the Head of Leisure and Cultural Services has delegation to alter the Leisure fees and charges by a variation of up to 30%**

132. INDEPENDENT REMUNERATION PANEL FOR WORCESTERSHIRE DISTRICT COUNCILS - ANNUAL REPORT AND RECOMMENDATIONS FOR 2014/15

The Committee received the latest report and recommendations from the Independent Remuneration Panel (IRP) in respect of the level of allowances to be paid to members of Redditch Borough Council for 2014/15.

The IRP had not proposed an increase in its recommended level of allowances for the coming year, but it was noted that the Council

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had agreed a considerably lower level of allowances for 2013/14 than the IRP had recommended. The comparative figures for what was being recommended and what was being received by members was set out in the Appendix to the IRP report.

Members once again expressed their disquiet at having to make a decision on their own levels of remuneration.

RECOMMENDED that

- 1) **the Council has regard to the recommendations of the Independent Remuneration Panel;**
- 2) **the Council does not accept the recommendations of the Independent Remuneration Panel, set out in detail in Appendix 1 to its report, for the following allowances:**
 - Basic**
 - Leader**
 - Deputy Leader**
 - Portfolio Holders**
 - Executive Members without Portfolio**
 - Chair of Overview and Scrutiny Committee**
 - Members of Overview and Scrutiny Committee**
 - Chair of Overview and Scrutiny Task Groups**
 - Chair of Audit and Governance Committee**
 - Chair of Planning Committee**
 - Chair of Licensing Committee**
 - Chair of Standards Committee**
 - Political Group Leaders;**
- 3) **the Council accepts the Panel's recommendations for travel, subsistence and dependent carers allowances;**
- 4) **for 2014-15, the Basic and Special Responsibility Allowances continue at the level set for 2013-14, as set out in detail in the final column in appendix 1 to the Panel's report;**
- 5) **the Panel's recommendation relating to the Parish Council be noted.**

133. REDDITCH BOROUGH COUNCIL RESPONSE TO BIRMINGHAM DEVELOPMENT PLAN PRE-SUBMISSION CONSULTATION

The Committee considered a request to approve a response from Redditch Borough Council to the Birmingham Development Plan (BDP) Pre-Submission Draft. The response was required by 3rd March 2014.

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Members noted that the matter had previously been considered by the Planning Advisory Panel but that there was little detail of any potential impact on the Borough contained within the Plan on which to base a meaningful response.

RECOMMENDED that

the Redditch Borough Council response (attached at Appendix 1 to the report) to the BDP Pre-Submission Draft be approved to be sent to Birmingham City Council.

134. POLICY FOR SECURING REPAYMENT OF DISABLED FACILITIES GRANTS AND LIFETIME LOANS

The Committee considered a report which set out a proposal for reviewing the process for securing Disabled Facilities Grants (DFGs) and Home Repair Assistance Loans (Lifetime Loans) paid to residents for works or adaptations to their homes.

Officers explained that the present system, which was unduly onerous for customers and Officers, had been adopted in 2009 as a result of a recommendation in an internal audit report. Officers were now recommending that the registration of any charge on the Local Land Charges Register was a more than adequate means of securing the Council's financial position.

RECOMMENDED that

repayment of Disabled Facilities Grants and Home Repair Assistance Lifetime Loans should be secured by means of registration on the Local Land Charges Register.

135. OVERVIEW AND SCRUTINY COMMITTEE

The Committee received the minutes of a recent meeting of the Overview and Scrutiny Committee.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on 9th January 2014 be received and noted.

136. WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE

The Committee received the minutes of the most recent meeting of the Worcestershire Shared Services Joint Committee.

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RESOLVED that

the minutes of the meeting of the Worcestershire Shared Services Joint Committee held on 21st November 2013 be received and noted.

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

There were no minutes or referrals under this item.

138. ADVISORY PANELS - UPDATE REPORT

The regular update on the activity of the Council's Advisory panels and similar bodies was considered by the Committee.

It was noted that the Grants Assessment Panel was meeting at present and would be reporting its recommendations on the allocation of grants to the next meeting of the Committee in March.

139. ACTION MONITORING

The Committee's Action Monitoring report was considered by Members. Councillor Brandon Clayton confirmed that Officers had dealt with both the queries he had raised and which were included. Councillor Juliet Brunner noted that the action from November referring to the cost of a meeting had been removed from the list although the information had not, as yet, been forthcoming. She had discussed the matter with Officers and had been informed that the matter was in hand and the information was in the process of being compiled.

The Meeting commenced at 7.00 pm
and closed at 8.17 pm

.....
Chair

EXECUTIVE COMMITTEE

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MEDIUM TERM FINANCIAL PLAN 2014/15 – 2016/17

Relevant Portfolio Holder	John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

To enable Members to consider the revenue budget for 2014/15 and set the council tax

2. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND that

- 1) the bid for £25K for the Eastern Gateway be approved;**
- 2) the budget for 2014/15 of £11.331M be approved;**
- 3) the use of earmarked reserves of £1,196K be approved;**
- 4) the unavoidable pressures detailed in appendix 2 of £335K be approved;**
- 5) the savings detailed in appendix 3 of £786K be approved;
and**
- 6) The Council Tax is increased by 1.9% for 2014/15 with the associated formal resolutions to be approved as a result of this increase.**

3. KEY ISSUES

Financial Implications

- 3.1** The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and impact of capital spending decisions can be made. It is revised and updated on an annual basis to take into account any alterations that may be required as a result of changes that impact on the Councils services.
- 3.2** The report also details the setting of the Council Tax, An increase in Council Tax of 1.9% is recommended. This gives a Council Tax Requirement for 2014/15 is £5,264,113 for Redditch Borough Council.

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Billing Authorities must set the amounts of the tax before the 11th March in the preceding financial year.

- 3.2 As part of the budget review officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue.
- 3.3 As Members are aware there are considerable additional cost pressures facing the Council in the future as a result of a number of issues including:
- Reduction in Government Grant Settlement
 - Changes to welfare reform and the impact on the Council from residents service need
 - Cuts to County Council Funding
 - Transfer from Housing Benefit to Universal Credit
 - Impact of any reduction in Business Rates
 - Impact of the current National Economy
- 3.4 Officers have and will continue to work with our partners to identify the costs that may be associated with some of these changes and how we can best mitigate the impact of any reductions in funding on our community.

Formula Grant / Localised Business Rates

- 3.5 As Members are aware there has been a significant reduction in Central Government funding over the last 4 years. The level of grant for 2014/15 is £593k less than 2013/14 (12% cut) with a further £646k reduction proposed for 2015/16. The graph at Appendix 4 shows this in real terms.
- 3.6 From April 2013 part of the Government Grant contains this council's share of localised business rates. For 2014/15 this amounts to £1.9m. If business rates grow above the governments assessed baseline, then this council keeps a proportion of this funding. The opposite applies for any losses with the Council taking the risk on the shortfalls arising from losses.
- 3.7 The Council joined a business rates pool with a number of Councils in the Greater Birmingham and Solihull LEP to mitigate against the risk of having to fund major losses and to benefit from a wider pool of potential business rate growth.
- 3.8 The long term effect of the localisation of business rates and the benefits of being a member of the pool are still uncertain and will be reviewed annually. The treatment of appeals relating to years prior to

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the commencement of the Business Rates localisation are payable by the Council and work is ongoing with the valuation office to assess the impact of these appeals on the budget position.

- 3.9 For the purposes of 2014/15 business rates performance is assumed to be at the baseline level, adjusted to reflect any projected surpluses or losses to the position.

New Homes Bonus

- 3.10 The Council received New Homes Bonus in the current year of £673k. As agreed in the current financial plan any income received from New Homes Bonus grant will be utilised to offset the pressures facing the Council.

3.11 Council Tax

- 3.12 To ensure that necessary levels of funding are available given the large reductions in government grant highlighted above, then Council Tax increases will have to be sufficient to ensure that funding is available for the services that create value to the customer have appropriate levels of financial resource.

- 3.13 As Members may be aware the Government has offered a 1% Council Tax Freeze Grant to enable Councils to not increase Council Tax for 2014/15. This would generate approximately £52k for 2014/15 which would be lost once the grant is removed in 2016/17. The increase currently proposed by officers and included in the financial planning proposal is 1.9% which will realise over £100k pa and will provide an increase to the base each year.

Transformation

- 3.14 The significant reductions in funding are not anticipated to improve for a number of years and therefore officers have looked at alternative ways to deliver savings whilst improving services to the community. As previously reported the services provided by the Council are undergoing transformational change using a different approach to assessing the value provided by the service. This work will focus on the purpose of services to the community and will aim to realise savings and protect those services that create value to our customers.
- 3.15 As reported previously officers will continue to review the financial position of the authority within a framework of financial principles. These are:

- Reduce Waste in a system (Stop it now)
- Design a new system to reduce waste and cost

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-
- Reduce the costs associated with enabling service provision rather than those that create the value to the customer.
- 3.16 There are 3 levels of costs associated with services delivered by the Council;
- Create Value – these are the costs to deliver front line service, those which create real value to the customer
 - Add Value – these costs provide support to those services on the front line. They add value to the customer but do not directly deliver the service
 - Enable – there are a number of costs that relate to the enabling functions across the Council. These include the management and support services that provide advice and support to the services that add and create value. As part of the financial principles officers are looking at the ratio of the cost of the enabling function compared with those that create value with the aim to align resources to those that provide the most value to our customers.
- 3.17 Any additional income currently generated that delivers more than the target revenue has been built into the projections as a revised target to achieve.
- 3.18 Officers have also identified a number of budget pressures that have either been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2013/14 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. These pressures are detailed in Appendix 2 and include :
- Reduction in funding from other agencies for the delivery of Council services. These include
 - Worcestershire County Council – reduction in funding for the customer service centre (£80k)
 - DWP – cut in grant funding associated with the administration of Housing Benefit (£70k)
 - Increase in Business Rates following revaluation of Abbey Stadium (£68k)
 - Costs associated with the Independent Electoral Registration (£24k)
 - Additional costs for compliance with Government IT secure access legislation (£24k)

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Financial Position

3.19 The final summary position below includes the financial impact of the above in addition to the following assumptions:

- 1% pay award in relation to inflationary increase. This will be subject to the National negotiation that the Council is signed up to.
- General inflationary increases in relation to contract arrangements
- Includes all pension contributions as agreed with the actuary to reduce the pension fund deficit over a 21 year period
- Inclusion of the provisional settlement for 2014/15
- An overall increase of 3% in fees and charges (where appropriate)
- An estimation of the New Homes Bonus income

3.20 2014/15 Budget

	2014-15 £000
Departmental Expenditure	12,334
Unavoidable Pressures	335
Bids	25
Savings identified	-786
Net Service Expenditure	11,908
Cost of borrowing	578
Recharge to Capital Programme	-570
Bad Debt Provision	50
Vacancy Management Savings	-135
Unidentified Savings	-500
Net Operating Expenditure	11,331
Funding from Reserves	-1,196
Revenue Support Grant & Business Rate Retention	-4,169
New Homes Bonus	-673
Collection Fund Surplus (Council Tax)	-37
Council Tax	-5,256
Funding Total	-11,331

Appendix 1 details the revenue bid that has been requested to support the delivery of strategic purposes during 2014/15.

EXECUTIVE COMMITTEE

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Savings currently identified at Appendix 3 include:

- Savings resulting from transformational redesign of systems and services of £608k
- General underspends offered up as future savings £34k
- Additional income received for services delivered £144k

- 3.21 The budget proposed includes £500K of unidentified savings. Officers propose to review at the outturn savings for 2013/14 and reduce 2014/15 service budgets by these underspends where there will not be a detrimental effect on service delivery or it has not already been offered as a future year saving. This will reduce the level of unidentified savings in the financial year.

Democratic Services

- 3.22 Included within the savings from redesigning of services is £68k from Democratic Services. This includes the deletion of 2 vacant democratic services officer posts. It is proposed that there are a number of changes to Member meetings to enable this reduction in resource to be delivered whilst ensuring a Democratic process that will meet the needs of members and the community.
- 3.23 The result of transformation work within the team shows that by operating in a different way we can make savings in the democratic process without reducing the quality of decisions and governance of the Council. An example is the streamlining of the process to produce reports for Committee meetings. As part of this work the Team is also looking at ways in which support for members can be enhanced.
- 3.24 In terms of the immediate impact on members, the proposals are to:
- Bring together the Audit and Governance and Standards Committees into one body. Workload for the Standards Committee has reduced since the new regime was introduced in 2011. Both Committees deal with important governance issues and bringing the work together retains expertise whilst reducing the administration around meetings;
 - Reduce the number of Council, Executive and Overview and Scrutiny Committee meetings by two per year (currently approx. 9, 13 and 12 meetings respectively). Meetings will continue to be arranged so that statutory deadlines are met such as setting the Council tax, Annual Council etc. A quick benchmarking survey of other District level Councils showed that the majority of those surveyed held 6 or fewer Council meetings; 10 or less Executive and Overview and Scrutiny Committee meetings. The ability to hold special meetings for specific issues will remain;

EXECUTIVE COMMITTEE

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- Run a maximum of two Overview and Scrutiny task and finish groups at any one time. One of the vacant posts is allocated entirely to Overview and Scrutiny work. One post in the current structure remains to support Overview and Scrutiny. The proposal enables specific support for this important function to continue. The opportunity for short, sharp reviews in addition to the task groups will continue.
- 3.25 Officers are working on a 6 month transformational plan to review all services over this period with the aim to further reduce waste, drive out efficiencies and realign services to meet our customer demand and expectation. Whilst mindful that a 3 year plan is generally presented during the budget setting period, officers will use the plan to identify where savings can be made during 2015/16 - 2016/17 and bring a future year's financial plan in September/ October to enable early consideration of the future proposals for service redesign.

General Fund Balances

- 3.26 The level of the general fund balance is currently £918k. This level of balances is in excess of the £750k as approved by members as the required level. It is worth raising that the level of balances is close to the minimum and this level has been identified as an issue in relation to the financial resilience of the Council. There will be no ability to fund any additional costs during 2014/15 from balances. Officers will continue to review potential saving opportunities to ensure that this level of balances is maintained in the future.
- 3.27 There is no proposed use of general fund balances during this financial year; however, there is a risk that officers will not fully be able to identify the required amount of unidentified savings during 2014/15. This would force the council into using further general fund balances.
- 3.28 There are a number of requirements that the Council's Section 151 Officer (the council's designated Senior Finance Officer) has to include in the budget report. These are set out below, together with the S151 comments on each of the issues:
- a) The level and use of reserves to be formally determined by the Council must be informed by the judgement and advice of the Chief Financial Officer (CFO).

Section 151 Officer's comments:

I have proposed use of £1.2m of reserves to support the funding of the Medium Term Financial Plan for 2014/15. £500k of this relates to dilapidations which will not be carried out and can be used as a one off funding. The remaining £700k relates to reserves for future

EXECUTIVE COMMITTEE

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capital expenditure. I would recommend that where possible future reserves are set aside to reduce the level of borrowing.

- b) The CFO to report the factors that have influenced his/her judgement in the context of the key financial assumptions underpinning the budget, and ensure that his/her advice is formally recorded. Where that advice is not accepted, this should be formally recorded in the minutes of the meeting.

Section 151 Officer's comments: The main assumptions included in the calculation of the budget are included within the report. The budget updates and considerations at previous Committee meetings have been formally recorded.

- c) The report should include a statement showing the estimated opening balance of general fund reserved for the year ahead, any contributions to/from the fund and an estimated closing balance.

Section 151 Officer's comments: This is included at 3.27, there are no planned movements in general fund balances for the financial year 2014/15. It is worth stating that I appreciate the level of balances is close to the minimum level but with close management of savings during the financial year I anticipate that this balance will remain at over £900k,

- d) The report should show the extent to which reserves are financing ongoing expenditure

Section 151 Officer's comments: included in the report at 3.20 shows the council plans to use earmarked reserves totalling £1,196 to support 2014/15 revenue expenditure. As part of the 6 month transformational plan officers will identify where savings can be realised to ensure that the use of reserves is managed over the financial plan.

- e) The report should include a statement from the CFO on the adequacy of general reserves and provision both for the forthcoming year and in the context of the medium term financial plan.

Section 151 Officer's comments: The Council faces difficult times and while there are sufficient reserves to manage a 2014/15 budget, the decision to set a longer term budget has been deferred to during 2014/15 when the transformation plan will show the costs associated with the delivery of services and demonstrate how savings can be realised over the 3 year period.

- f) The report should include a statement on the annual review of earmarked reserves showing:

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- i) List of earmarked reserves
- ii) Purpose of reserves
- iii) Advice on appropriate levels
- iv) Estimated opening/closing balances
- v) Planned additions/withdrawals.

Section 151 Officers Comments: The current reserves are reported on a regular basis throughout the financial monitoring reports. A full review has also been undertaken whilst preparing this budget.

Legal Implications

- 3.29 None as a direct result of this budget update.

Service / Operational Implications

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

Customer / Equalities and Diversity Implications

- 3.31 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.

4. RISK MANAGEMENT

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.

5. APPENDICES

Appendix 1 – Revenue Bids 2014/15 – 2016/17
Appendix 2 – Unavoidable Pressures 2014/15 – 2016/17
Appendix 3 – Revenue Savings 2014/15 – 2016/17
Appendix 4 – Graph showing changes in grant funding

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NEW REVENUE BIDS 2014/15 - 2016/17

Strategic Purpose	2014-15 £'000	2015-16 Y/N (continue funding)	2016-17 Y/N (continue funding)	Comments - Link to Purpose
Help me Run a Successful Business				
Eastern Gateway - Economic Development	25	N	N	To support the feasibility study in relation to the Development of the Eastern Gateway to increase the economy of the Borough
Total Bids	25	0	0	

UNAVOIDABLE REVENUE PRESSURES 2014/15 - 2016/17

Description	2014-15 £'000	Comments
Legislative Costs / Grant reductions		
PSN Compliance	24	To ensure the Council is compliant with Government Regulations in relation to data access and security
Individual Elector Registration	14	Additional Costs associated with the Individual Elector Registration
Increases in bank , court costs and insurance charges	53	Increase in costs re credit card payment and increase in Court Costs together with insurance charges. Insurance contract currently under review with the aim to retender during 2014/15
DWP Admin Subsidy Grant	70	Reduction in the grant payable from the DWP in relation to Housing Benefit Administration
WCC Income	80	Reduction in contribution from WCC for Customer Service Centre
Increase in Business Rates levied	68	General increases in Business Rates in particular on the Abbey Stadium. Officers have requested a revaluation to ensure charge is on an accurate basis
Service Costs		
Accommodation Costs	18	Loss of income as a result of the Town Hall creche closing. Officers continuing to explore opportunities to rent the space to another organisation
Corporate Subscriptions	8	Costs associated with the LEP and other external bodies
TOTAL	335	

REVENUE SAVINGS 2014/15 - 2016/17

Strategic Purpose	2014-15 £'000	Comments General / Service Redesign / Additional Income
Enabling		
Worcestershire Regulatory Services	-20	Savings generated from the service review within WRS
Customer Access and Financial Support	-185	Service review following redesign of the service to mitigate impact of WCC cuts to funding
Audit Fees	-5	Contract reduction in Audit Fees
Council Properties	-20	Includes Net additional income generated following staff moves from Town Hall and Bromsgrove Council House (above the £100k rental already charged to BDC) together with reductions in energy costs
Financial Services ; Accountancy / Payments / Payroll	-41	Redesign of the financial services section
Legal & Democratic Services redesign	-68	Review of vacant posts and redesign of the service provided
Transformation	-12	Redesign of HR Service
Other	-112	additional savings identified following a review budgets and internal recharges

REVENUE SAVINGS 2014/15 - 2016/17

Strategic Purpose	2014-15 £'000	Comments General / Service Redesign / Additional Income
Keep my Place, Safe and Looking Good		
CCTV / Lifeline Contract to include out of hours	-124	Additional income generated from out of hours contract for CCTV and Lifeline
Environmental Services - Redesign of service delivery	-91	Redesign of the support and other services within Environmental to include; bereavement, waste collection and management
Help me live my life independently		
Dial A Ride / Shopmobility	-20	Review and redesign of service to realise savings through efficiencies
Provide Good Things for me to See, Do and Visit		
Leisure Services redesign of provision and structure to deliver service	-79	Redesign of the support and other services within Leisure and Cultural Department

REVENUE SAVINGS 2014/15 - 2016/17

Strategic Purpose	2014-15 £'000	Comments General / Service Redesign / Additional Income
Help me Run a Successful Business		
Reduction in Economic Development General Expenditure	-9	Review of general expenditure
TOTAL	-786	

Changes in Grant Funding

