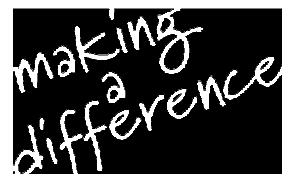


Executive Committee

Tuesday 11th March
2014
7.00 pm

Committee Room 2
Town Hall
Redditch



www.redditchbc.gov.uk

Access to Information - Your Rights

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Your main rights are set out below:-

- Automatic right to attend all Council and Committee meetings unless the business would disclose confidential or “exempt” information.
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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:
www.redditchbc.gov.uk

**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)
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 Democratic Services 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 Democratic Services Officer.

Special Arrangements

If you have any particular needs, please contact the Democratic Services Officer.

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

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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

11th March 2014

7.00 pm

Committee

Committee Room 2 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	<ol style="list-style-type: none">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; andany other relevant announcements. <p>(Oral report)</p>
4. Minutes (Pages 1 - 8) Chief Executive	To confirm as a correct record the minutes of the meeting of the Executive Committee held on 24 th February 2014. (Minutes attached)
5. Joint Property Vehicle (Pages 9 - 28) A de Warr, Head of Customer Access and Financial Support	To consider proposals for a Joint Property Initiative ["JPI"] within the public sector in Worcestershire to be delivered by a Joint Property Vehicle ["JPV"]. (Report attached) All Wards
6. Grants Programme 2014/15 (Pages 29 - 52) J Willis, Acting Head of Community Services	To consider the recommendations of the Grants Assessment Panel in awarding grants to voluntary sector organisations for 2014 – 2015. (Report attached) All Wards

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Committee

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<p>7. Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy</p> <p>(Pages 53 - 70)</p> <p>Exec Director (Finance and Corporate Resources)</p>	<p>To consider the Treasury Management Strategy, Prudential Indicators and the Minimum Revenue Provision and approve the Capital Bids.</p> <p>(Report attached)</p> <p>(No Specific Ward Relevance)</p>
<p>8. Pay Policy 2014/15</p> <p>(Pages 71 - 80)</p> <p>Exec Director (Finance and Corporate Resources)</p>	<p>To consider the Council's Pay Policy for 2014/15.</p> <p>(Report attached)</p> <p>(No Direct Ward Relevance)</p>
<p>9. Finance Monitoring Report 2013/14 - April - December (Quarter 3)</p> <p>(Pages 81 - 102)</p> <p>A de Warr, Head of Customer Access and Financial Support</p>	<p>To consider a report detailing the Council's financial position for the period April to December 2013 (Quarter 3 – 2013/14).</p> <p>(Report attached)</p> <p>(No Specific Ward Relevance)</p>
<p>10. Quarterly Monitoring of Write-offs - Third Quarter 2013/14</p> <p>(Pages 103 - 110)</p> <p>A de Warr, Head of Customer Access and Financial Support</p>	<p>To consider the action taken by officers with respect to the write off of debts during the first nine months of 2013/14 and to note the profile and/or level of outstanding debt.</p> <p>(Report attached)</p> <p>(No Specific Ward Relevance)</p>
<p>11. Customer Services - 3rd Quarter Monitoring Report</p> <p>(Pages 111 - 124)</p> <p>A de Warr, Head of Customer Access and Financial Support</p>	<p>To consider details of customer feedback data for the third quarter of 2013/14, along with transactional data relating to the Customer Service Centre.</p> <p>(Report attached)</p> <p>All Wards</p>
<p>12. Overview and Scrutiny Committee</p> <p>(Pages 125 - 132)</p> <p>Chief Executive</p>	<p>To receive the minutes of the meeting of the Overview and Scrutiny Committee held on 4th February 2014.</p> <p>There are no outstanding recommendations to consider.</p> <p>(Minutes attached)</p>

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Committee

11th March 2014

<p>13. Minutes / Referrals - Overview and Scrutiny Committee, Executive Panels etc.</p> <p>Chief Executive</p>	<p>To receive and consider any outstanding minutes or referrals from the Overview and Scrutiny Committee, Executive Panels etc. since the last meeting of the Executive Committee, other than as detailed in the items above.</p>
<p>14. Advisory Panels - update report</p> <p>(Pages 133 - 136)</p> <p>Chief Executive</p>	<p>To consider, for monitoring / management purposes, an update on the work of the Executive Committee's Advisory Panels and similar bodies, which report via the Executive Committee.</p> <p>(Report attached)</p>
<p>15. Action Monitoring</p> <p>(Pages 137 - 138)</p> <p>Chief Executive</p>	<p>To consider an update on the actions arising from previous meetings of the Committee.</p> <p>(Report attached)</p>
<p>16. Exclusion of the Public</p>	<p>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:</p> <p>“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 (to be specified) of Part 1 of Schedule 12 (A) of the said Act, as amended.”</p> <p>These paragraphs are as follows:</p> <p>Subject to the “public interest” test, information relating to:</p> <ul style="list-style-type: none">• 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>;

	<ul style="list-style-type: none">• 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’.
17. Confidential Minutes / Referrals (if any)	To consider confidential matters not dealt with earlier in the evening and not separately listed below (if any).



Executive Committee

24th February 2014

MINUTES

Present:

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

Also Present:

Councillors Joe Baker, Roger Bennett, Michael Braley, Andrew Brazier, David Bush, Michael Chalk, Andrew Fry, Carole Gandy, Adam Griffin, Pattie Hill, Gay Hopkins, Wanda King, Alan Mason, Brenda Quinney, Yvonne Smith and Pat Witherspoon

Officers:

A-M Darroch, K Dicks, C Flanagan, C Felton, S Jones, S Morgan, J Pickering

Committee Services Officer:

I Westmore

140. APOLOGIES

Apologies for absence were received on behalf of Councillor Brandon Clayton.

141. DECLARATIONS OF INTEREST

There were no declarations of interest.

142. LEADER'S ANNOUNCEMENTS

The Leader advised the Committee that the formal Council Tax resolutions had been circulated as additional papers at the end of the preceding week following receipt of precept levels from other precepting authorities.

.....
Chair

143. MINUTES**RESOLVED that**

the minutes of the meeting of the Executive Committee held on 11th February 2014 be confirmed as a correct record and signed by the Chair.

144. MEDIUM TERM FINANCIAL PLAN 2014/15 - 2016/17

The Committee considered a report which represented the culmination of the budget setting process for the 2014/15 financial year. As was clarified by Officers, the present report focussed on the initial one year period, following which a further report would be forthcoming that detailed the financial plan for the period to the end of 2016/17.

The background to the budget was explained in some detail, with a demonstration provided showing the very significant fall in central Government Formula Grant funding over recent years. This was at a time when service demand was expected to increase, in part because of the withdrawal of service provision or funding by other public sector partners. Other financial pressures were arising through factors such as the Public Sector Compliance work which the Council was having to undertake, the revaluation of the Abbey Stadium and the costs associated with the Council's Pension Fund.

Given the Council's financial circumstances, only one bid was being recommended and this was in respect of an economic development project being promoted by a number of local authorities but which would have a disproportionately positive impact on Redditch. A significant amount of money was being taken from reserves, savings were to be realised through vacancy management and further savings realised through a six month plan to drive forward transformation. The inclusion £1/2M of unidentified savings was not considered ideal and Officers echoed the concern expressed by the Council's External Auditors around the authority's financial resilience.

It was noted that 2014/15 was going to be a difficult year for public sector finance generally and the Financial Services Team was thanked by the Leader of the Council for the work it had undertaken in preparing a budget. The Committee was also advised that a Council Tax rise of 1.9% was being recommended, a level which would generate an increase in income of over £100K over the previous four years during which Council Tax had remained static. The Leader also noted that the Council would continue to provide free concessionary bus travel before 9.30am, free swimming for the under-16s and over-60s and free car-parking in Council car parks.

RECOMMENDED 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;**
- 6) **the Council Tax be increased by 1.9% for 2014/15;**
- 7) **it be noted that at its Executive Committee meeting on the 14th of January 2014 Council calculated the following amounts for the year 2014/15 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:**

a) **24,656.96**

being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year (item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the 'Act'));

b) **Feckenham Parish – 364.78**

being the amount calculated by the Council, in accordance with regulation 6 of the regulations, as the amount of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate (item TP in the formula in Section 34(3) of the Act);

- 8) **the following amounts be now calculated by the Council for the year 2014/15 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:**

a) **£88,769,043**

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 the precept issued by Feckenham Parish Council.

(2014/15 Gross General Fund Expenditure)

b) **£83,504,930**

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(2014/15 Gross General Fund Income)

c) **£5,264,113**

being the amount by which the aggregate at 2(a) above exceeds the aggregate at 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).

(2014/15 Council Tax Requirement)

d) **£213.49**

being the amount at 2 (c) above (item R) divided by the amount at 1 (a) above (item T), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of Council Tax for the year (including parish precept).

(The average amount Band D properties pay for Redditch Borough Council services)

e) **£8,300**

being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act;

(Feckenham Parish Precept)

f) **£213.16**

being the amount at 2(d) above less the result given by dividing the amount at 2(e) above by the amount at 1(a) (item T) above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of Council Tax for dwellings in those parts of the area to which no special item relates.

(The amount Band D properties pay (except within the Parish of Feckenham) for Borough Council Services)

g) **£235.91**

being the amount given by adding to the amount at 2(f) above, the amount of the special item relating to the Parish of Feckenham, divided by the amount in 1(b) above (item TP), calculated by the Council, in accordance with Section 34

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(3) of the Act, as the basic amount of its Council Tax for the year for dwellings in the Parish of Feckenham;

(The amount Band D properties pay within the Parish of Feckenham for Borough Council Services including the Parish Precept)

h)

Valuation Band	Proportion of Band D tax paid	Part of Council's area	
		Parish of Feckenham £	All other parts of the Councils area £
A	6/9	157.27	142.10
B	7/9	183.49	165.79
C	8/9	209.70	189.47
D	1	235.91	213.16
E	11/9	288.34	260.53
F	13/9	340.76	307.89
G	15/9	393.18	355.26
H	18/9	471.82	426.31

being the amounts given by multiplying the amounts at 2(f) and 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 Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands;

- 9) **it be noted that, for the year 2014/15, Worcestershire County Council, the Police & Crime Commissioner for West Mercia and Hereford and Worcester Fire and Rescue Service have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:**

Executive Committee

24th February 2014

Valuation Band	Proportion of Band D tax paid	Precepting Authority		
		Worcestershire County Council £	Police & Crime Commissioner for West Mercia £	H & W Fire & Rescue Authority £
A	6/9	706.15	121.52	50.04
B	7/9	823.84	141.77	58.38
C	8/9	941.53	162.02	66.72
D	1	1,059.22	182.28	75.06
E	11/9	1,294.60	222.78	91.74
F	13/9	1,529.99	263.29	108.43
G	15/9	1,765.37	303.80	125.10
H	18/9	2,118.44	364.55	150.11

- 10) having calculated the aggregate in each case of the amounts at 2(h) and 3 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2014/15 for each of the categories of dwellings shown below:

Valuation Band	Proportion of Band D tax paid	Part of Council's area	
		Parish of Feckenham £	All other parts of the Council's area £
A	6/9	1,034.98	1,019.81
B	7/9	1,207.48	1,189.78
C	8/9	1,379.97	1,359.74
D	1	1,552.47	1,529.72
E	11/9	1,897.46	1,869.65
F	13/9	2,242.47	2,209.60
G	15/9	2,587.45	2,549.53
H	18/9	3,104.92	3,059.41

- 11) the level of General Fund balances to be utilised in 2014/15 be zero;
- 12) the Council's relevant basic amount of Council Tax for 2014/15 is not excessive in accordance with the principles determined for the year by the Secretary of State under Section 52ZB Local Government Act 1992; and

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Committee**

24th February 2014

- 13) as the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2014/15 is excessive and the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Act 1992.

The Meeting commenced at 7.00 pm
and closed at 7.34 pm

.....
Chair

**EXECUTIVE
COMMITTEE**

11th March 2014

JOINT PROPERTY VEHICLE

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda De Warr, Head of Customer Access and Financial Support
Wards Affected	All Wards
Ward Councillor Consulted	None Specific
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 This report sets out proposals for a Joint Property Initiative ["JPI"] within the public sector in Worcestershire to be delivered by a Joint Property Vehicle ["JPV"].
- 1.2 Members are asked to consider the content of the summary Outline Business Case ["OBC"] attached at Appendix 1 and to recommend progressing the Initiative by the development of a Full Business Case ["FBC"], which will be brought back to Members in due course.

2. RECOMMENDATIONS

The Executive Committee is asked to

- 1) **consider the Worcestershire Capital and Asset Partnership Outline Business case for a Joint Property Initiative for the development of a joint Estates function across public sector organisations across the Worcestershire region, attached at Appendix 1; and**

RESOLVE that

- 2) **the development of a Full Business case, to be brought back to Members in due course, be agreed; and**
- 3) **the Executive Director for Finance and Resources and Head of Legal, Equalities and Democratic Services, following consultation with the Portfolio Holder for Finance be delegated to work with partners to support the development of the Full Business Case for a Joint Property Vehicle, to include exploring hosting and proposed governance arrangements.**

EXECUTIVE COMMITTEE

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3. KEY ISSUES

- 3.1 Redditch Borough Council entered into a shared service arrangement with Worcestershire County Council for the delivery of property services in June 2010 with a three year service level agreement, which has since been extended on an annual basis.
- 3.2 The Borough Council benefits from the estates and maintenance management functions as well as services from the risk, asset and design teams within the overall property service of WCC.
- 3.3 For some time officers have been working with partners in the Worcestershire Capital Asset Partnership (WCAP), which is made up of representatives from Redditch Borough Council, Worcestershire County Council, Worcester City Council, West Mercia Police, the NHS and the Fire Service.
- 3.4 The WCAP has been considering how to respond to the challenge of growing pressure on budgets in light of the fact that collectively the partners spend £54m per annum on property. At the same time the partners aimed to look radically at how property management could be best achieved across the public sector family.
- 3.5 Various options have been considered to date, including:
- Option 1 – Cease partnership working.
 - Option 2 – Continue current collaborative arrangements.
 - Option 3 – Enhance hosted shared service.
 - Option 4 – Outsource.
 - Option 5 – Joint Publicly owned Property Vehicle (JPV).
 - Option 6 - JPV with asset transfer.
- 3.6 In January 2013 the Partnership Executive Group (PEG) commissioned a feasibility study to develop a Joint Property Vehicle.
- 3.7 The aim was look at a new kind of organisation, outside of, but wholly owned by the local public sector. A senior property officer from West Mercia Police Authority was seconded to project-manage the work with the support of Ernst and Young and senior property professionals within each organisation.

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- 3.8 A strategic business case was presented to the PEG in September 2013. PEG agreed to proceed to a more detailed Outline Business Case.
- 3.9 The OBC was developed, with the support of Government funding and presented to PEG in January 2014. Appendix 1 is a summary of the Outline Business Case and estimated benefits to Redditch. The full proposal is available from the Head of Customer Access and Financial Support.
- 3.10 The OBC proposes that the JPV would be an arms-length Company limited by shares, wholly owned and governed by the participating public sector partners. It suggests equal partnership between the partners. The intention is to provide the right mix of public sector resource and commissioned private sector sub consultants, contractors, and developer partners. It would formalise joint working, making it sustainable for the future, driving rationalisation, service transformation, regeneration, growth and efficiencies.
- 3.11 The JPV is underpinned by a 'One Town' approach to public sector estates strategy, and operational management of the property portfolio.

Financial Implications

- 3.12 A number of financial benefits would flow from the development of the Joint Property Vehicle to the Council, which include;
- 3.13 Financial savings arising from both efficiencies that can be delivered from a larger organisation together with reduction in maintenance, facilities and staffing costs realised from greater estate rationalisation and procurement opportunities.
- 3.14 It is estimated that over £400k can be delivered in revenue savings to the Council over a ten year period. This would represent a 31% reduction. In addition there is an aim to release over £118m of capital receipts across all partners during the 10 years of which a proportion would be attributable to Redditch.
- 3.15 Whilst there are anticipated costs associated with the revised staffing structures there is no requirement for these to be funded from the partners at the present time. A full assessment of these costs will be included in the Full Business Case.

Legal Implications

- 3.16 There are no immediate Legal implications attaching to this report in that the decision now sought is whether Members accept the OBC and

**EXECUTIVE
COMMITTEE**

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support the development of a Full Business Case to move the proposal for a JPV forward, which will come back to Members in due course.

- 3.17 The OBC provides that the legal framework for the proposed JPV is for the partners to establish a trading company, limited by shares but wholly owned by public sector partners and that the governance will be "Teckal compliant".
- 3.18 EU Regulations [currently the Public Contract Regulations 2006] governing public procurement require public bodies to only award contracts over a certain value to a 3rd party (which the company would be) after an open competitive procurement process has been undertaken. So in principle, awarding the contract to this company could pose a procurement difficulty for the local authorities unless it is "Teckal compliant".
- 3.19 The Teckal case established that a contract let to a 3rd party will not count as a public service contract requiring the procurement process if the local authority exercises control over the entity which is similar to that which it exercises over its own departments and at the same time that entity carries out the essential part of its activities with the controlling local authority (or authorities). These requirements are called the "control and function tests". So as a "Teckal compliant company, the JPV proposed governance means that no procurement exercise will be required for the participating authorities to have their services delivered through the proposed company.
- 3.20 The proposed new procurement Directive provides that at least 90% of the activity of the company must be for its public sector owners. This has become the recognised lever required to satisfy the "function" test. Any "open market" activity would have to be restricted to 10% of the company activity (ie turnover).
- 3.21 The shareholding in the JPV company will be equal between members. There are references in the OBC to further development of services and partners but these will require further exploration and legal advice as part of the FBC.
- 3.22 The proposal will require a Service Level Agreement between partners and the JPV for the services to be provided back to the partners. This will supersede the current Administrative Collaboration Agreement Relating to the provision of Property Services, between Worcestershire County Council, Worcester City Council and Redditch Borough Council, which has been in place since 2011.

EXECUTIVE COMMITTEE

11th March 2014

- 3.23 There are no TUPE transfer implications for the Council as all staff within the property service are currently employed by Worcestershire County Council.

Service/Operational Implications

- 3.24 It is the aim of the partnership that by removing layers and duplication of management a JPV would deliver a streamlined property management organisation.
- 3.25 Redditch will have an equal shareholding in the JPV. It will also have access to a wider scope of professional services than through the current arrangements for a reduced overall cost. Through equality of voting rights it will have influence over decision-making, providing it with a unique opportunity to shape the future of the joint estate.
- 3.26 Other service benefits include:
- a) **Enhanced scope for revenue generation / sharing in JPV revenue generated**
Redditch has a substantial investment portfolio, which the JPV would seek to enhance, and maximise returns on the asset, working with LEP's etc. to attract new inward investment.

Any further business development will be subject to legal compliance as referred to in 3.21 above.
 - b) **Drive revenue savings**
The ability to deliver a 8% reduction in revenue base budget (13/14) in Year 1, and a total of 31% reduction over 10 years. With a 20% reduction in workforce by end of Year 1 operation.
 - c) **Maintain and protect front-line services**
The scale of savings identified would assist in protecting investment in supporting roles in localities, maintaining service to the community.
 - d) **Drive operational efficiency**
The One Town approach to strategic estate management will also be adopted and applied to operational management of the joint portfolio, i.e. single Facilities Management to take responsibility for all properties in Redditch being locally based and more responsive to requirements.
 - e) **Drive capital receipts**

EXECUTIVE COMMITTEE

11th March 2014

Through the development of a combined strategic estate strategy thus being able to release assets for disposal

- f) **Enhance quality of property portfolio.**
The ability to share property with partners will allow greater investment to maintain the quality of the property portfolio.
- g) **Drive cross organisational working and improve service integration.**
The JPV will improve and enhance the authorities' ability to work more closely with stakeholders in its area, providing innovative and strategic solutions on co-location possibilities.
- h) **Drive regeneration and growth**
The JPV will develop closer working relationships with LEP's and Economic Growth teams to ensure regeneration is planned and actioned, with public sector assets being used as catalysts to development (see Bromsgrove).
- i) **More sustainable service**
Access to a larger property team, co-owned by Redditch Borough Council with greater resources available and flexibility to respond to urgent issues.

This would include access to an energy management team to control Redditch Borough's Carbon Footprint and ensure it meets its reduction targets.
- j) **Strategic Estate Management**
Delivered through an innovative proposal maintaining services within public sector control, whilst maximising efficiencies and embracing a more commercial ethos to property management

3.26 If approved next steps will see the formation of a Shareholder Group and a Delivery/Implementation Team to take the project forward. A Final Business Case will be prepared for approval by members of the potential partners.

3.27 The intention of full implementation and staff transfer to take place on 1st April 2015.

Customer / Equalities and Diversity Implications

3.28 Joint use of public sector buildings can provide easier access to services and improved customer service.

EXECUTIVE COMMITTEE

11th March 2014

3.29 The approach could support the work of the Locality teams by increased co-location of services.

3.30 There are no specific equality or diversity issues.

4. RISK MANAGEMENT

A full risk assessment has been completed and is attached at 5.11 of the Outline Business Case. The key risks are:

- a) Savings are not delivered
- b) Service deteriorates
- c) Partners not fairly represented
- d) Service interruption during transition
- e) Lack of ability to respond to changes in partners' requirements
- f) Lack of ability to respond to legislative changes
- g) Deterioration of partners' reputation

5. APPENDICES

Appendix 1 - Joint Property Initiative Outline Business Case - Summary

6. BACKGROUND PAPERS

Held by Property Services

AUTHOR OF REPORT

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APPENDIX 1

Joint Property Initiative

An investigation into development of a single Estate function across public sector organisations in the Worcestershire Region



1

Executive Summary

Executive Summary

Strategic Context

This project builds upon the foundations of the successful Worcestershire Capital Asset Pathfinder (WCAP), which has been recognised nationally. It is a development of the principles established in the Strategic Outline Case (SOC) delivered in September 2013.

The 6 core partners who have reviewed these options are:-

- Hereford and Worcestershire Fire and Rescue Service
- Redditch Borough Council
- Warwickshire Police and West Mercia Police
- Worcester shire County Council
- Worcestershire Health and Care NHS Trust
- Worcester City Council

Significant constraints to releasing benefits are that property is largely managed separately by each individual organisation. The multiple management structures are creating ever increasing complexity.

The proposal to form a public sector owned vehicle to jointly manage the portfolio has the potential to drive transformational change in the way property is utilised.

The opportunity is recognised by the Government Property Unit and Cabinet Office in selecting this project as a national pilot.

Case for Change

This was analysed in the Strategic Outline Case, exploring the consequences of no change against alternative options. In total six options were reviewed and two preferred option were recommended to be explored further in this OBC Report:-

Option 2 – Pursue current CAP's position

Option 5 – Joint Property Vehicle (JPV) model

The benefits and requirements to change exist at Stakeholder, Property Team and Customer Level. The key objectives of the JPV model would be to;

- deliver revenue savings,
- improve customer service delivery,
- maintain and protect front line services,
- facilitate service integration,
- drive operational efficiency,
- drive capital receipts, and,
- enhance the quality of the property portfolio.

The timing and strength of case to explore further is evident, and, if not pursued by these partners, to their design, will certainly be developed by others. This will then set a model to be inherited by other public sector bodies.

Executive Summary

Economic Case

The Economic Case considers the following options in terms of their comparative costs and benefits:

- ▶ Further consideration of **Option 2** – Continuing the current CAP's collaborative arrangements as the most reasonable benchmark for comparative purposes.
- ▶ Further consideration of **Option 5** – Publicly owned Joint Property Vehicle as the preferred option, (in addition sub options are explored bringing in more private sector involvement)

The financial savings benefits over a 10 year period are identified below.

Assumptions	Option 2 (Do minimum)	Option 5 (the JPV)
Organisation resource streamlining	£4m	£20m
Procurement savings	Na	£43m
Floor space rationalisation	£29m	£48m
Capital receipts	£71m	£113m
Implementation/redundancy costs	Na	(£2.6m)

Option 2 (Current CAP's method of working) assessment:

- This option continues with the status quo which can deliver some savings in the medium-term, primarily through streamlining and rationalisation of the property portfolio.
- There is a continuing and growing budgetary pressure that poses a significant risk to the sustainability of the services, and partnership work.
- There is also limited ability of partners to maximise benefits as they operate as individual organisations working at a smaller scale, with limited standardisation, limited simplification and sharing of leading practice, and processes. There is a missed opportunity to take away constraints to singularly match demand with supply across the collective estate.

Option 5 ('JPV') assessments:

- This option provides significant cost savings to the partners through operational efficiencies and through rationalisation of the property portfolio.
- The ability of the partners to maximise benefits is enhanced through operation as a single combined entity.
- There is greater scope for financial and non-financial benefits to be achieved, with net benefits demonstrating a compelling case for the ranking of this option.
- This also reduces the risk of service failure, (as has been identified through the current CAP's working), with greater resilience.
- Implementation costs, excluding redundancy, are in the region of £1.5m until the end of year 1 of operation (15/16); however these are fully recovered through year one savings for each Partner, and offset by current government funding awards.
- The JPV also provides more opportunity to deliver the wider, qualitative benefits, such as an improved customer-centricity, scope to include innovative processes and new technology, and a greater impact on growth and regeneration through a collective approach to the local estate.

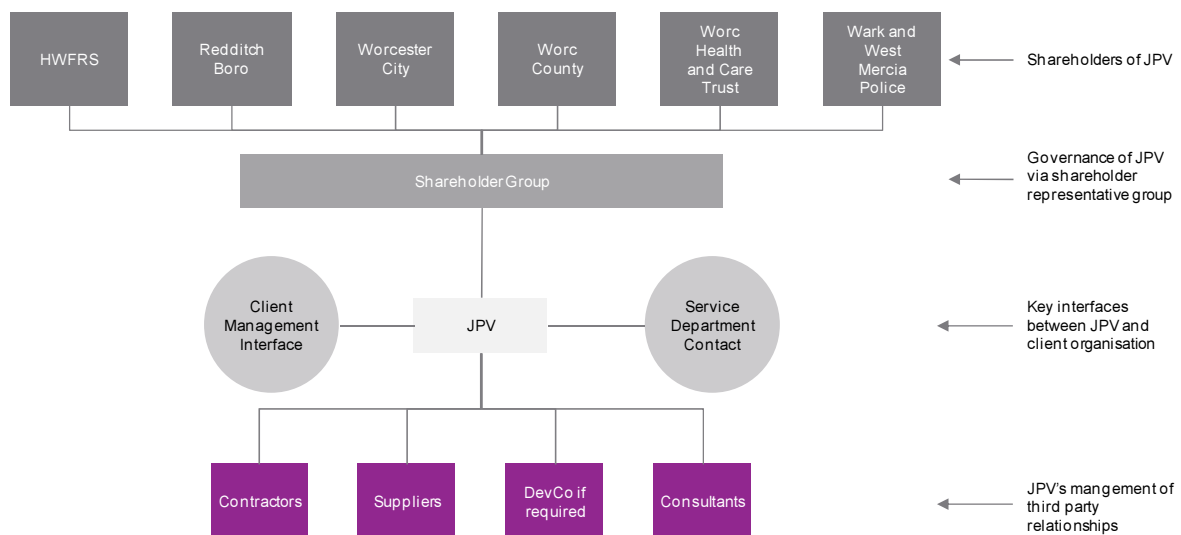
The conclusion of the Economic Case is that the JPV is the preferred option.

Executive Summary

Commercial Case

There will be a number of mechanisms in place to ensure that the JPV is robustly managed, accountabilities and responsibilities are clear and the shareholders are able to exercise their interest:-

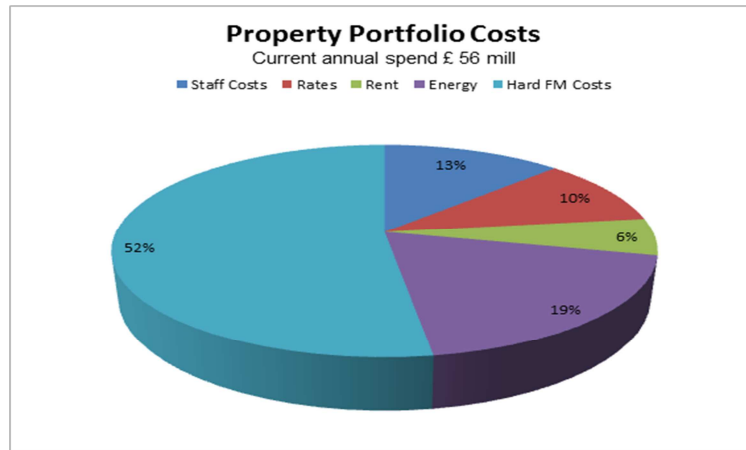
- A Shareholder Group will be established to act on behalf of the Partners in scrutinising performance against the Agreement and Business Plan, review investment plans and review risks. It will provide financial oversight and scrutiny on the financial health of the JPV, ensuring that the service provides value for money.
- Each member will have one vote each, which will ensure equality between the partners.
- It is recommended that the Shareholder Group has an independent Chair preferably from the property industry.



- The JPV will require a Management Team which oversees the business and will meet formally as a Board. The Board structure will reflect the commercial nature of the JPV. This leadership team should consist of the right degree of experience and expertise from both the public and private sectors.
- Charging mechanisms need to be fair, transparent and incentivise partners to meet rationalisation targets. In the medium term (by year 3 post-incorporation) it is proposed that the JPV moves towards a payment mechanism that varies according to volume and usage.
- It is proposed that capital receipts generated through disposals flow back to the asset owners. More efficiently utilised buildings and less floor space translates into lower charges for all occupiers through the charging mechanism.
- Based on the staff rationalisation options available to the partners, we have assumed, for the purpose of this exercise that TUPE regulations apply to this transfer. During the FBC stage this will be reviewed and challenged and prior to the point of transfer any alternative will be agreed with the Shareholder Group / Unions.

Executive Summary

Financial Case



- Gross Revenue savings generated total £14.2m p.a. (27% of base budget) by 2025.
- The JPV will generate year 1 revenue savings of approx. £ 4mill, and a further £3 mill in Year 2. Based on combined base budget of £54 million
- Release of £118 mill of capital receipts, 18% of portfolio value over a ten year period
- Charges to each partner will be based upon existing base budgets for an initial 2 year period. Any surpluses generated will be distributed in the same proportion.
- This will subsequently move to a commercially based charging mechanism which will be developed by the JPV Board and agreed by the Shareholder Group.

Implementation costs will be £1.5m and potential redundancy costs in the region of £1.1m. These costs will be shared amongst the partners to an agreed formula. These costs are recoverable in Year 1 savings, and are partially addressed by funding from the Transformational Challenge Award.

Benefits

The Strategic Benefits to be derived from the creation of a JPV are;

- deliver revenue savings,
- improve customer service delivery,
- maintain and protect front line services,
- facilitate service integration,
- drive operational efficiency,
- drive capital receipts, and,
- enhance the quality of the property portfolio
- drive cross organisational working
- drive regeneration and growth
- increase revenue generation

The proposal will achieve a 20% reduction in workforce by end of Year 1 operation

This is the partnership vision for a Joint Property Services Vehicle. The application of each of these "benefits" may not always be apparent to each individual partner, nor, will they apply with equal priority.

Executive Summary

Project Implementation

The Project Implementation stage is the development of the Full Business Case (FBC), and can only be pursued when we have an "in principle" approval to the preferred option. This will require a specific resource team to enable delivery of all detail and final approval by partners to enable the JPV to go live as a working model in April 2015.

It is not possible to resolve every detail in this OBC without having the full commitment from partners to engage with consultees and more specific detailed analysis. Therefore a series of subsequent Gateway Approval stages are mapped out for the Shareholder Group to approve.

The Project Team will be a mix of in house staff dedicated full time to the project, short term secondees and specialist external consultants. It is recommended that the Shareholder Group is established early in this stage of work.

During the last two quarters of 14/15 it will be necessary to appoint the JPV Management Team

The two year implementation costs for the project are in the region of £1.5 million. However 610k of funding has already been secured to support this work, and further bids against Government funding stream are to be pursued. However all investment cost are recovered in Year 1 savings.

Conclusion

The analysis undertaken by Ernst Young through the Economic, Commercial and Finance Cases identifies there are significant benefits to the 6 core partners from taking a single approach to property portfolio management.

The studies above have compared two options;

Option 2 – Pursue current CAP's position

Option 5 – JPV model

This work has clearly demonstrated that the JPV Option offers greater advantages to the partners. Whilst there are some risks identified with a new venture, proposals are made which will mitigate these risks through the governance structure suggested and service agreements and performance management.

The JPV model is innovative and sustainable in the current climate delivering efficiency savings from Year 1 and growing over a ten year period.

If we can achieve £100 mill saving in ten years, what would be the financial saving if this model were being replicated across the national picture in a series of regional models?

Recommendation

Each Partner is asked to consider the content of this report and assess the benefits.

The recommendation is to support the further development of the JPV Option, through the FBC, with the intention of progressing towards a "Go Live" for April 2015. All subject to the Gateway Approvals identified.

2 Benefits Analysis – Redditch

Benefits Analysis

The Strategic Objectives of the JPV are;

- To place the provision of strategic property management and support functions on to a sustainable footing and to accelerate the delivery of revenue savings from the combined property portfolio,
- improve customer service delivery,
- maintain and protect front line services, by reducing overheads,
- facilitate service integration, by removing building related limitations,
- drive operational efficiency,
- drive capital receipts,
- enhance the quality of the property portfolio,
- drive cross organisational working,
- drive regeneration and growth,
- increase revenue generation.

This is the partnership vision for a Joint Property Services Vehicle. The application of each of these "benefits" may not always be apparent to each individual partner, nor, will they apply with equal priority.

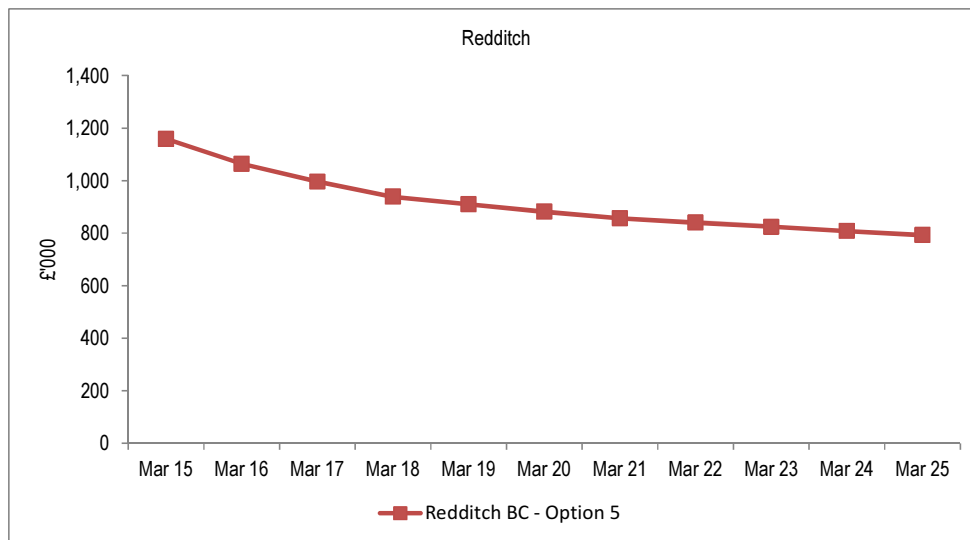
However, it is imperative that the true importance of this venture is to read as a whole, a partnership project, for the wider and greater benefits to be achieved.

Benefits Analysis

Redditch Borough Council

Organisation Specific Issues Benefits

The graph below shows forecast revenue costs for the JPV model, with a reduction in spend of £ 400,000 over ten years



Equal shareholding:

- Redditch will have an equal shareholding in the JPV despite having a low number of assets and a low running cost. It will also have access to a wider scope of professional services than through the current WETT arrangements for a reduced overall cost. Through equality of voting rights it will have influence over decision-making, providing it with a unique opportunity to shape the future of the joint estate.

Enhanced scope for revenue generation / sharing in JPV revenue generated:

- Redditch already has a substantial investment portfolio, which the JPV would seek to enhance, and maximise returns on the asset, together working with LEP's etc to attract new inward investment.
- Redditch will benefit from the possibility of revenue generation through trading with external clients and through any profit generated, as a result of the scale of opportunity that the JPV will provide. It will have access to a share of benefits from activity that it would not have had access to on its own.

Drive revenue savings.

- The ability to deliver a 8% reduction in revenue base budget (13/14) in Year 1, and a total of 31% reduction over 10 years. With a 20% reduction in workforce by end of Year 1 operation.

Maintain and protect front-line services.

- The scale of savings identified would assist in protecting investment in supporting roles in localities, maintaining service to the community.

Drive operational efficiency.

- The One Town approach to strategic estate management will also be adopted and applied to operational management of the joint portfolio, ie single FM to take responsibility for all properties in Redditch being locally based and more responsive to requirements.

Drive capital receipts

- Through the development of a combined strategic estate strategy and marriage values, being able to release asset's for disposal

Enhance quality of property portfolio.

- The ability to share property with partners will allow greater investment to maintain the quality of the property portfolio.

Drive cross organisational working and improve service integration.

- The JPV will improve and enhance the authorities' ability to work more closely with stakeholders in its area, providing innovative and strategic solutions on co-location possibilities.

Drive regeneration and growth.

- The JPV will develop closer working relationships with LEP's and Economic Growth teams to ensure regeneration is planned and actioned, with public sector asset's being used as catalysts to development (see Bromsgrove).

-

More sustainable service

- Access to a larger property team, co-owned by Redditch Borough Council with greater resources available and flexibility to respond to urgent issues
- This would include access to an energy management team to control Redditch Borough's Carbon Footprint and ensure it meets its reduction targets.

Strategic Estate Management

- Delivered through an innovative proposal maintaining services within public sector control, whilst maximising efficiencies and embracing a more commercial ethos to property management

REDDITCH BOROUGH COUNCIL**Executive Committee**11th March 2014**REDDITCH BOROUGH COUNCIL'S VOLUNTARY & COMMUNITY SECTOR GRANT PROGRAMME 2014/15 - FUNDING RECOMMENDATIONS**

Relevant Portfolio Holder	Cllr Bill Hartnett, Leader of the Council
Relevant Head of Service	Judith Willis, Head of Community Services
Wards affected	All
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 The Committee is asked to consider the recommendations of the Grants Assessment Panel in awarding grants to voluntary sector organisations for 2014 - 2015. The total budget available for grants is £241k and 35 applications totalling £312k have been received.
- 1.2 The Committee is asked to consider the recommendation from the Grants Panel that a minimum score of 29 points is set in order for applications to be recommended for funding.

2. RECOMMENDATIONS

The Committee is asked to **RESOLVE** that:

- 1) **grants be awarded to voluntary sector organisations as detailed in Section 4.3 of this report; and**
- 2) **a minimum score of 50% of the available points is approved for all applications submitted to Redditch Borough Council's Voluntary & Community Grants Programme.**

3. BACKGROUND

- 3.1 The total grant funding budget for 2014/15 is £241k. The proposed provision of £1k to deliver support and events throughout 2014/15 will leave £240k available to allocate as grants to voluntary organisations.
- 3.2 Applications for grant funding were required to address the themes recommended by the Executive Committee on 15th October 2013 and approved under the Councils Urgency procedures in October 2013. These are:
- Independent Communities –£80k & £10k

REDDITCH BOROUGH COUNCIL**Executive Committee**11th March 2014

- Community Development – £40k & £3k
- Thriving Communities- £20k
- Community Welfare – £20k
- Stronger Communities – £34k (1st round Launch Date – 27th January 2014)

3.4 The Grants Panel met on 22nd January & 6th February with the last meeting scheduled for 25th February 2014 to consider and score the applications.

3.5 The Council received 35 grant applications requesting a total of £312k

4. KEY ISSUES

4.1 The Grant Panel has recommended a total of £179k with £34k of the main grants pot still to be scored. (This information will be updated once the panel have scored the remaining applications)

4.2 Funding to the value of £8k has been recouped into the Grant programme funding pot. This funding will be allocated into the Stronger Communities Grant programme.

4.3 In line with the policy the remaining un-allocated funding will be transferred into the Stronger Communities giving element which encourages localised current project delivery by Local Community groups. This has currently set the 3 rounds of Stronger Communities grant pots at approximately £12k each. Please see appendices for details on deadlines for timescales for the Stronger Communities 2014/15 Grant programme.

4.4 Two applications were felt to be below an acceptable standard. In light of this the Grants panel have recommended that due this - these applications are high risk to the Council so they were not recommended for funding in their chosen theme.

4.5 As a consequence of the above issues the Grants panel have requested that a minimum score be set for all applications submitted to the programme in order to be eligible for funding to be approved. The Panel have recommended that this minimum be a total score of 29 on the basis that any application should achieve at least 50% of the available score.

4.6 Following the scoring of the applications the Grants Panel recommend the following grants to be awarded:

REDDITCH BOROUGH COUNCILExecutive Committee11th March 2014

Independent Communities – up to £10k each grant Total Available = £30k	£	
Organisation	Funding Requested	Project
Sight Concern	9,990	Sight Concern Community Hub
Touchstones Support CIC	10,000	Supporting Bereaved Children
IDC	10,000	Connecting Through Craft
	29,990	
Community Welfare Up to £4k each grant Total Available = £20k		
Organisation	Funding Requested	Project
Relate	2,600	Relate Counselling
SSAFA	4,000	Operating Expenses
Carers Careline	4,000	Carers Telephone Support
	10,600	
Independent Communities- £80k Grant		
Organisation	Funding Requested	Project
Citizens Advice Bureau	80,000	Redditch CAB Holistic Independent Debt Advice Service
	80,000	
Community Development Grant £40k		
Organisation	Funding Requested	Project
Redditch Play Council	40,000	Redditch Play Council
	40,000	
Thriving Communities Up to £4k each grant Total Available = £20k		
Organisation	Funding Requested	Project

REDDITCH BOROUGH COUNCIL**Executive Committee**11th March 2014

Christ Church Community Project	3,976	Christ Church Community Project - Working with Older People
JestaMinute	2,480	Acapella Rhythm Choir
NewStarts	4,000	NewStarts
The Ditch	4,000	The Ditch Film & Media Project
The Ditch	4,000	The Ditch Youth Project
	18,456	
TOTAL ALLOCATION	179,000	

5. FINANCIAL IMPLICATIONS

- 5.1 The total budget for grants to voluntary organisations for 2014 – 2015 is £240k. There is an additional £8k as stated at 4.2 which results in a total funding available £248k.
- 5.2 The total funding being recommended in this document is £179k with £35k of the pot still to be scored. (This information will be updated once the panel have scored the remaining applications).
- 5.3 The £34k remaining will be split between the 3 rounds of the Stronger Communities themes.
- 5.4 The recommended funding detailed in this report will support a total of 21 Voluntary & Community Sector Projects/Organisations. With the opportunity to fund a minimum of over 60 Voluntary & Community Sector Projects/Organisations via the Stronger Communities Grant programme.
- 5.5 See appendices 2 for details on deadlines dates for the 2014-15 rounds of the Grant programme under the Stronger Communities theme.

6. LEGAL IMPLICATIONS

- 6.1 Under Section 137 of the Local Government Act 1972, the Council has the power to incur expenditure which in its opinion is in the interest of and will bring direct benefit to its area or any part of it or all or some of its

REDDITCH BOROUGH COUNCIL**Executive Committee**11th March 2014

inhabitants. The direct benefit accruing must also be commensurate with the expenditure to be incurred.

- 6.2 There is a further power to make grants to voluntary organisations providing recreational facilities under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976.

7. POLICY IMPLICATIONS

- 7.1: The Policy for Award of Grants to Voluntary and Community Sector Organisations (Grants Policy) was approved by Full Council on the 17th October 2011.
- 7.2: Additions to the Voluntary and Community Sector Organisations (Grants Policy) are requested (see 5.2 (j) of the Policy attached – Appendices 1). This addition gives clearer guidance to both the Grants Panel & fundee's on the quality of information submitted to Redditch Borough Council's Voluntary & Community Sector Grants programme.

8. STRATEGIC PRIORITIES

See Appendices 3 for details on how the Grant Programme supports the Council's Strategic Priorities.

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

The main risks associated with the details included in this report are:

- All appropriate documentation pertaining to the Grants process to be made readily available where requested.

10. CUSTOMER IMPLICATIONS

- 10.1 By supporting the VCS organisations to successfully identify alternative/match funding we can help mitigate total reliance on Redditch Borough Council's grant programme for many VCS organisations allowing them to explore other funding streams. This will allow Redditch Borough Council's grants programme to move forward year on year.

REDDITCH BOROUGH COUNCIL**Executive Committee**11th March 2014**11. EQUALITIES AND DIVERSITY IMPLICATIONS**

- 11.1 The Grants process facilitates engagement with and support for more marginalised people and promotes equality and diversity issues within the local authority.
- 11.2 Value can be added to the local VCS by ensuring transparency of grant-giving practices thus promoting fairness and diversity.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

- 12.1 Selection of successful applications was made by following the approved scoring criteria to ensure value for money is achieved.
- 12.2 Training and awareness of the process will be built into the support package.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

None identified.

14. HUMAN RESOURCES IMPLICATIONS

None identified.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

- 15.1 Members of the Grants Panel will be required to attend quarterly panel meetings.
- 15.2. All successful grant applicants are required to attend quarterly monitoring meetings with a requirement that a minimum of one member of the organisation is in attendance at any training/workshop sessions provided under the Training & Support programme.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

None identified.

REDDITCH BOROUGH COUNCIL**Executive Committee**11th March 2014**17. HEALTH INEQUALITIES IMPLICATIONS**

None identified.

18. LESSONS LEARNT

There is a on-going need in the sector for opportunities to enable up-skilling of VCS staff/volunteers in areas of:

- **Project management/planning**
- **Funding Strategy**
- **Bid writing for grants**

Redditch Borough Council's Grant Team will be working with BARN (Bromsgrove and Redditch Network) who were successful in bidding for the 3 Year Training & Support programme funding to ensure that the training programme reflects the needs of local VCS.

18 COMMUNITY AND STAKEHOLDER ENGAGEMENT

18.1 Coffee morning

18.2 Speed Networking event

- Funding Fair
- Full programme of training BARN
- Speed Networking Event
- One to One sessions with Grants Officer

20. APPENDICES**Appendix 1: Policy****Appendix 2: Deadlines for the Stronger Communities Grant programme****Appendix 3: Strategic Purpose's document**

REDDITCH BOROUGH COUNCIL

Executive Committee

11th March 2014

21. **BACKGROUND PAPERS**

Redditch Borough Council's Voluntary and Community Sector Grants Policy

22. **KEY**

VCS – Voluntary and Community Sector.
LSP – Local Strategic Partnership
BARN – Bromsgrove and Redditch Network

AUTHOR OF REPORT

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VOLUNTARY AND COMMUNITY SECTOR GRANTS POLICY

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1. Introduction

- 1.1 Redditch Borough Council supports Voluntary and Community sector organisations because we believe that a vibrant Third Sector is vital to our community. The Council is committed to supporting organisations that deliver projects and activities which have a beneficial impact on the local community.
- 1.2 Under Section 137 of the Local Government Act 1972, the Council has the power to incur expenditure which in its opinion is in the interest of and will bring direct benefit to its area or any part of it or all or some of its inhabitants. The direct benefit accruing must also be commensurate with the expenditure to be incurred.
- 1.3 There is further power to make grants to voluntary organisations providing recreational facilities under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.4 This policy is written in conjunction with the “Let’s Do It Smarter – Worcestershire Compact: Funding and Procurement Code of Good Practice”. The Compact is a commitment to improve relationships between public and voluntary and community sector organisations, with a mutual objective of ‘delivering high quality, good value services and support to the local community’.

2. Scope

- 2.1 This policy applies only to the allocation of grants to voluntary and community sector organisations. It does not apply to any other means of financial support from the Council that may be available under other schemes.
- 2.2 This policy applies to all grant funding from Redditch Borough Council to voluntary and community sector organisations. This includes grants made available from individual service budgets.

3. Funding Framework

- 3.1 The Council uses the *Investing and Giving* funding framework
- 3.2 **Investing:** refers to the Council providing funding to develop the capacity of the voluntary and community sector. This may include making funding contributions to voluntary and community sector infrastructure support services, or making funding available for training or business development activities within organisations. ***This element of the funding stream will be aligned to the overall strategy of Redditch Borough Council, thus ensuring a strategic investment in VCS in order to skill up and strengthen front line VCS organisations to deliver value for money services and give a platform for the delivery of projects that strengthen and support the local communities. Themes and the percentage of funding***

allocated for this element will be set prior to November by the Executive Committee for projects commencing after the 1st April of the following year. If this element is undersubscribed at the end of the Grant application process the remaining funding will be transferred into the giving element in order to support the Stronger Communities priority.

- 3.3 Giving: refers to the Council providing funding to voluntary and community sector organisations to support work that contributes to the Council's aims, but which the Council does not have a statutory duty to provide. Awarding grants to the VCS is a key opportunity for the Council to reinforce its community leadership role. Small grants to local community groups (a maximum of £500.00 per application) can generate a significant amount of community activity and positive impact. Percentage of funding allocated for this element will be set prior to November by the Executive Committee for projects/events commencing after the 1st April of the following year. The percentage for this element may increase if the funding allocations from the investing element are undersubscribed through the Grant application process. These groups will not need to be formally constituted but will need to have a recognised role within the community they serve.**

The giving element will consist of 3 rounds of grant making: with the total percentage of funding allocated to the giving element evenly distributed to each round. Head of Community Services, in consultation with the Grants Panel, to agree the allocation of community grants under the Local Strategic Partnership 'Stronger Communities' theme.

- 3.5** This policy applies to grants made to support the *Investing* and *Giving* elements of the Council's funding framework. For the purposes of this policy, a **grant** is a financial contribution to an activity designed and delivered by a voluntary and community sector organisation which the Council has chosen to support because it is broadly aligned with the Council's own objectives. A grant can be given either to contribute towards organisational costs, or to wholly or partly fund a specific piece of work. A grant is a financial contribution with an expectation of mutually agreed, clearly defined outcomes. These outcomes are specified in a grant funding agreement, and monitoring arrangements are commensurate with the value of grant given.

- 3.6** *The giving element is regarded as sums of up to and including £500.00 and the investing element is regarded as sums valued at over £500.00. These limits will affect risk considerations (section 7), grant assessment criteria (section 9) and monitoring requirements (section 11).*

4. Purpose of Grant Funding

The Council provides grants to assist the development of a vibrant voluntary and community sector that delivers projects and activities of value to the local community.

Funding will only be provided where it can be demonstrated that a defined impact will be made. Organisations should demonstrate an outcomes focus in applications for funding.

The Council will require that all grant awards support Council objectives. The specific objectives to be supported will be made clear in all publicity relating to each grant opportunity. Demonstrating support of Council objectives may include:

- a) *linking grant awards to an approved list of Council priorities, (please see Website for the current list of priorities). The Council also reserve the option of including LSP or other priorities as identified by Redditch Borough Council*
- b) the Council choosing one or more specific outcomes in advance that will be achieved with the grant award. This will be particularly appropriate for individual departments wishing to make grants available to support the delivery of a particular service aim.

5. Which Organisations are eligible to apply for a Grant?

5.1 In order to be eligible to apply for a grant, an organisation must be able to prove that:

- a) it is voluntarily run, non-profit making and operated with no undue restrictions or limitations on membership;
- b) it has a democratic structure and can demonstrate effective management of the organisation's business;
- c) it has a bank account that requires the authorisation of at least two people who are unrelated to each other to make payments or withdrawals of any kind from the account;
- d) it operates in the Borough of Redditch on behalf of Borough residents;
- e) it can demonstrate the need for financial assistance. An organisation will not normally be eligible for grant assistance if it holds reserves in excess of six months' average expenditure, unless the Council is satisfied that this position is justified by the organisation's reserves policy. Reserves are defined as those assets in the unrestricted funds of an organisation that can be made available for all or any of the organisation's purposes, once

known commitments and planned expenditure have been provided for;

- f) it can demonstrate the service it is providing by giving details of its activities and the number of people it is in contact with;
- g) it meets all applicable legal requirements;
- h) it actively promotes equality issues within its structure and operations;
- i) all previous grants received from Redditch Borough Council have been spent in accordance with the grant award conditions attached to them.
- J) must reach a minimum score of 29 on the scoring matrix to be recommended for grant funding via the Voluntary & Community Sector Grants Programme.

5.2 The Council will not make grants to any organisation that it deems to be a political party, has the nature of a political party, or is engaged in campaigning for a political purpose or cause.

5.3 The Council will not provide funds for the furtherance or propagation of a faith promoted by any organisation which is, or is deemed by the Council to be, of a religious nature. This will not preclude religious organisations applying for assistance to provide social or welfare work connected with their organisation and which do not directly promote a religious aspect.

6. What will and will not be funded by a grant

6.1 Grant aid will only be considered for work that will be undertaken in the Borough of Redditch, and/or will be wholly or principally for the direct benefit of residents of the Borough of Redditch.

6.2 Grants cannot be used for retrospective funding; that is to replace money that has already been spent, or to cover items or services that have already been bought, **this will include consultancy and brokering fees.**

6.3 Any grant awarded must only be spent for the approved purpose, i.e. applicants must be able to demonstrate that the funding has been spent as outlined in the grant application form as amended by the final grant offer letter for example by providing receipts.

6.4 Full cost recovery will not be considered for any grant awarded for projects under £5,000.

6.5 Redditch Borough Council does not part fund Voluntary & Community Sector Grant applications.

7. Risk considerations in grant giving

- 7.1 The Council has a duty to ensure that best use is made of its resources. This section considers risk in grant giving related to failure to achieve best use of Council resources. It does not consider risk assessment of, for example, items related to health and safety, which should form part of the grant assessment criteria as outlined in paragraph 9.6.
- 7.2 The Council acknowledges that the creativity and innovation of the voluntary sector can carry risks for non-delivery, for example where a new idea does not work out as intended.
- 7.3 The Council uses the general principle of requiring a lower level of risk the higher the amount of funding provided. Maximum levels of funding will only be provided where the risk of non-delivery is very low.
- 7.4 In order to achieve an appropriate balance between managing risk and supporting innovative ideas or new organisations, a grant limit of £5,000 will apply to:
- a) organisations that have been in existence for less than one year;
 - b) organisations that do not have audited accounts;
 - c) organisations that are not registered with either the Charity Commission or Companies House, or other appropriate government regulator;
 - d) innovative pieces of work testing a new approach to service delivery.
- 7.5 Assessment of all voluntary and community sector grants made by the Council will look more favourably on applications that:
- a) have a strong evidence base of need;
 - b) provide strong evidence that the proposed approach is likely to achieve the desired outcomes;
 - c) do not contain high revenue costs that cannot be sustained;
 - d) demonstrate how a lasting benefit will be achieved.
- 7.6 The higher the sum of money applied for, the greater the need for applications to:
- a) be from organisations with a good track record of delivery;
 - b) be from organisations with a range of funding streams;
 - c) meet wider aims and objectives of the Council;
 - d) support delivery of Redditch Sustainable Community Strategy or other appropriate document;
 - e) demonstrate co-operative working relationships with other organisations.

- 7.7 Payment schedules will balance the need for the Council to ensure proper accountability for use of public money with appropriate recognition of cash-flow issues that may be experienced by voluntary and community sector organisations. The general principle will be that payment is made in advance of project delivery, with instalment frequency and size commensurate with the overall size of the grant awarded. General guidelines for payment schedules are:
- a) Grants of a total of £1,000 or less will be paid in full in advance of the project being delivered, payment will be made to successful applicants within 1 month of the submission deadline date, with monitoring information required following the project; **unless the projects delivery timescales dictate the funding be paid in full.**
 - b) Grants of between £1,000 and £10,000 will be paid in two instalments of 50% each. The first instalment will be paid in advance of the project being delivered. The second instalment will be paid after satisfactory monitoring information has been supplied on the progress of the project. For projects lasting one year, the second instalment will usually be due to be paid six months after the start of the project.
 - c) Grants in excess of £10,000 will be paid by quarterly instalments in advance of project activity. Each instalment will only be released after satisfactory monitoring information has been supplied on progress of the project.
 - d) **Grant applications to the Voluntary & Community Grant Programme will not be part funded.**

8. Grant Conditions

- 8.1 Information on the conditions that will apply to a grant will be made available to applicants before they apply.
- 8.2 Monitoring information will be required on all grants, as outlined in section 11.
- 8.3 All grant offers will be subject to the grant recipient accepting the grant conditions. A full set of grant conditions and monitoring requirements will be agreed with grant recipients before the final grant award is made. No changes will be made after this time.
- 8.4 **Monitoring will be signed off by Grants Officer before each quarter payment is due, with any concerns being discussed with Chair of Grants Panel or Head of Service.**

9. Assessment Process

- 9.1 Themes and the percentage of funding allocated for the 'Investing' and 'Giving' elements will be set prior to November by the executive Committee for projects commencing after the 1st April of the following year.
- 9.2 All opportunities for Voluntary and Community Sector grant funding from Redditch Borough Council will be openly advertised using a minimum of:
- Notice of the opportunity on the 'Voluntary Sector Support' section of the Redditch Borough Council website;
 - Notice of the opportunity circulated among an appropriate network or infrastructure organisation.
- 9.3 In addition to the minimum requirements outlined in paragraph 9.1, other advertising may be undertaken to promote grant opportunities as openly as possible.
- 9.4 Information provided to grant applicants will include as a minimum:
- The amount of money that is available in total;
 - The minimum and maximum amount of money that is available to each applicant;
 - Clear information on the purposes for which funding is offered;
 - Clear information on eligibility criteria;
 - Details of the full assessment criteria against which applications will be judged;
 - A full list of conditions that will apply to the grant, including payment schedules and required monitoring information;
 - The deadline by which applications must be submitted;
 - The date by which applicants will be informed of the outcome of their application.

Grant application forms will be made available in paper and electronic formats.

- 9.5 Applicants must complete a Standard Application form and provide relevant supporting documents. This is to ensure objective assessment of all grant applications. The Council will not award any grant to an organisation whose application has not been formally assessed.
- 9.6 All grant applications will be assessed using pre-selected assessment criteria. The details of the assessment criteria will be made available to all applicants before they apply for funding. The assessment criteria will be chosen as relevant for the funding opportunity, but as a minimum will include:

- Clear outline of how the purposes for which the grant is made available will be met;
 - The outcome(s) that the proposal will achieve;
 - The structure and delivery plan that will support the achievement of the stated outcomes;
 - The clarity of the proposal's financial outline;
 - The organisation's ability to successfully manage finance, evidenced by submission of accounts, bank statements and cash flow forecasts as appropriate;
 - The approach to health and safety, duty of care, and other appropriate best practice requirements, and the organisation's ability to successfully manage these on the project;
 - The sustainability of work after the period of grant aid.
- 9.7 All assessment criteria will be based on meeting need within the community. There will be no pre-determined demographic allocation of funds. Some funding opportunities may be restricted to a particular delivery area, e.g. to a specific ward, but only where this is to address a specific identified need.
- 9.8 Full cost recovery is the process of sharing an organisation's core costs proportionately between its projects and areas of work. The Council supports the principle of full cost recovery for all grants over £5,000. However, applicants must provide clear explanations and justification for all calculations related to full cost recovery, which will be judged on a case by case basis.
- 9.9 All grant applications will be assessed by the Council's Grants Panel. The Grants Panel will consist of a minimum of five elected Members, with a minimum of three Members required to make decisions regarding grant awards. Conflicts of interest will be recorded, and members with a conflict of interest for a particular grant round will not participate in the assessment of any application in that grant round.
- 9.10 The Grants Panel will receive appropriate training in grant assessment, and will be supported by at least one officer with appropriate knowledge and expertise in the area for which the grant is being offered.
- 9.11 The Grants Panel will report its recommended decisions on grant applications to the Council's Executive Committee for approval.
- 9.12 Unsuccessful applicants will be offered feedback on the strengths and weaknesses of their application.
- 9.13 Appeals against the process used to award a grant will be dealt with using Redditch Borough Council's complaints procedure. ***The Head of***

Community Services will handle the initial complaint. There is no right of appeal as to the decision itself.

- 9.14 All applications to the Stronger Communities Grants will be assessed by the Grants Panel with the Head of Community Services having final approval of applications to the Stronger Communities Grants.

10. Assessment Timescales

- 10.1 Other opportunities may be made available to apply for grants, for example from individual Council services seeking to deliver a specific objective. In all cases, there will be a minimum of three weeks from announcement of the grants opportunity to the closing date for applications, and a maximum of 12 weeks from the closing date for applications to applicants receiving notification of the outcome. The length of the bidding process will be proportionate to the type and value of the grant.
- 10.2 Approval timescales will be indicated year on year in conjunction with launch & deadline timescales for the current Grants programme. These will apply to projects commencing 1st April of the following year – allowing successful applicants to place the project into their delivery calendar and to apply for match funding grants and giving unsuccessful applicants feedback and enough time to secure funding from alternative channels.

11. Monitoring

- 11.1 All grant funded projects will be regularly monitored with applicants obliged to submit details of how the project is progressing. Monitoring requirements that will apply to a grant will be commensurate with the amount of money awarded, and will be agreed with the funded organisation before final confirmation of a grant award is made.
- 11.2 **All Grant panel members will be offered a training support package to ensure they are up to date with current trends and policies within the grant giving arena that affect the VCS.**
- 11.2 **All grant recipients will be required to attend Quarterly monitoring workshops. These will be delivered to gauge the outcomes and effectiveness of the funding is consistent with the Funding application.**
- 11.3 **A quarterly breakdown of the funding expenditure is submitted to the Grants team for review.**
- 11.4 Receipts and other monitoring information must be submitted to the Council as proof of spend within six months of the grant being received by the organisation (till slips, credit card vouchers, photocopied or altered receipts will not be accepted).

- 11.5 The Council reserve the right to withhold future payments and reject any further applications if they are dissatisfied with how grants funds have been used.

12. Collaborative Working

- 12.1 The Council recognises the potential benefits of working collaboratively with other funders. The Council will investigate all opportunities for working with other funders where this will provide a better use of Council resources.

12.2 *Working with Economic Development the Grants Officer will work with the Local VCS to highlight and advertise all tendering and procurement opportunities available to the Sector.*

12.3 *The Grants Officer will engage with the VCS to initiate partnership working with the Sector itself.*

12.4 *To enable the collaborative working to take place with both external funders and our local VCS organisations/groups, it will be agreed on a year on year basis for a fund of £2000.00 to be allocated from the grants fund for the Grants team to enable delivery of:*

- ***Workshops, Networking and promotional events***
- ***Advertising and communication support***
- ***Newsletters: and***
- ***Support packages***

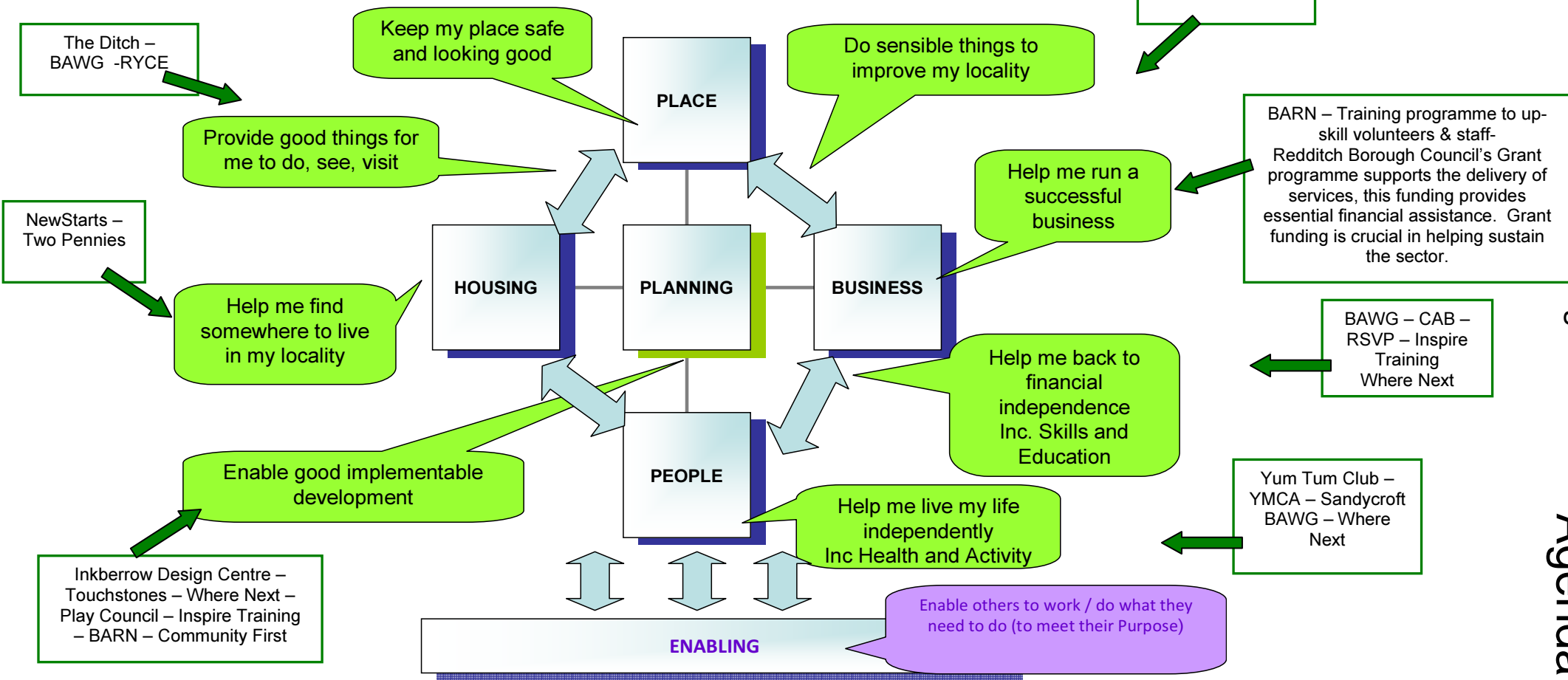


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Diary Dates for Stronger Community Grant programme	Timescale
Launch – 1 st Round	Monday 27 th January 2014
1 st Round Application deadline	4pm Friday 28 th February 2014
Launch – 2 nd Round	Monday 5 th May 2014
2 nd Round Application deadline	4pm Friday 6 th June 2014
Launch – 3 rd Round	Monday 4 th August
3 rd Round Application deadline	4pm Friday 5 th September
Assessment of applications	Within 14 working days of deadline
Successful and unsuccessful applicants informed	Within 21 working days of deadline

The chart below highlights how all of funded groups for 2013/14 are delivering services that support and add value to the Councils strategic purposes

Strategic Purposes - RBC



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TREASURY MANAGEMENT STRATEGY, PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION POLICY FOR 2014/15

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering, Executive Director, Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Key Decision	

1. SUMMARY OF PROPOSALS

To enable members of the Executive Committee to scrutinise the Treasury Management Strategy, Prudential Indicators and the Minimum Revenue Provision and approve the Capital Bids.

2. RECOMMENDATIONS

The Executive Committee is asked to RESOLVE that

- 1) subject to any comments, the Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy for 2014/15, be approved; and**
- 2) the Capital Bids detailed in Appendix A to the report be approved.**

3. KEY ISSUES

Treasury Management Operation

- 3.1 The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA TM Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.
- 3.2 In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.
- 3.3 This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

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- 3.4 The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
- 3.5 Treasury Management is defined as-
- "the management of the local authority's cash flows, its bankings, money market and capital market transactions and loan management; the effective control of the risks associated with those activities; and the pursuit of the optimum performance consistent with those risks".
- 3.6 The approved activities of the Treasury Management operation are as follows:-
- a) Cash flow (daily balances and long term forecasting).
 - b) Investing surplus funds in Approved Investments.
 - c) Borrowing to finance cash deficits.
 - d) Funding of capital expenditure through borrowing, capital receipts, grants or leasing.
 - e) Management of debt (including rescheduling and monitoring)
 - f) Interest rate exposure management.
 - g) Dealing procedures with brokers, banks, building societies and the Public Works Loans Board.

External Context

Economic background

- 3.7 The Bank of England's Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping base rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates. Unemployment was 7.7% in August 2013, but is not forecast to fall below the threshold until 2016, due to the UK's flexible workforce.
- 3.8 The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.0% in December 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.
- 3.9 Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2 and 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the

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broader economic backdrop. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual.

Credit outlook

- 3.10 The credit risk of banking failures has diminished, but has not gone away altogether. Regulatory changes are proposed to move away from the bank bail-outs of previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. Diversification of investments between creditworthy counterparties to mitigate risk will become even more important in the light of these developments.

Interest rate forecast

- 3.11 The bank base rate has remained at 0.5% since 5th March 2009. Forecasts indicate that the Bank Rate will not increase until late 2016, in spite of recent data and market expectations for an increase in Q4 2014.
- 3.12 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.46%, and that new long-term loans will be borrowed at an average rate of 0.40%.

Local Context

- 3.13 The Authority currently has £115.4m of borrowing and £3m of investments. Forecast changes in these sums are shown in the balance sheet analysis below.

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Table 1: Balance Sheet Summary and Forecast

	31.3.13 Actual £'000	31.3.14 Estimate £'000	31.3.15 Estimate £'000	31.3.16 Estimate £'000	31.3.17 Estimate £'000
General Fund Capital Financing Requirement	16,614	19,129	20,605	20,255	19,844
HRA Capital Financing Requirement (excluding settlement figure)	23,229	23,229	23,229	23,229	23,229
HRA Capital Financing Requirement Settlement	98,929	98,929	98,929	98,929	98,929
Total Capital Financing Requirement	138,772	141,287	142,763	142,413	142,002
Less external borrowing	121,640	121,640	121,640	121,640	121,640
Internal borrowing	17,132	19,647	21,123	20,773	20,362
Less: Usable reserves	-19,379	-20,447	-21,222	-22,251	-23,551
Less: Working capital	746	-200	-901	-522	-311
Investments	1,501	1,000	1,000	2,000	3,500

3.14 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

3.15 The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £0.7m over the forecast period.

3.16 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2014/15.

Borrowing Strategy

3.17 The Authority currently holds £115 million of loans, a decrease of £6 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect make additional external borrowing in 2014/15. The Authority may borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £160 million.

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- 3.18 The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 3.19 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 3.20 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.
- 3.21 The approved sources of long-term and short-term borrowing are:
- Public Works Loan Board
 - UK local authorities
 - any institution approved for investments (see below)
 - any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
 - UK public and private sector pension funds
 - Internal (capital receipts and revenue balances)
- 3.22 The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

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Debt Rescheduling

3.23 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

Investment Strategy

3.24 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £1 and £7 million, and similar levels are expected to be maintained in the forthcoming year.

3.25 Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

3.26 The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

Table 2: Approved Investment Counterparties

Counterparty		Cash limit	Time limit
Banks, Building Societies and other organisations and securities whose lowest published credit rating from Fitch Ratings is:	F1+	£2.5m each	1 year
	F1		1 year
	F2	£0.5m each	3 months
The Authority's current account bank Lloyds plc if it fails to meet the above criteria (reviewed daily)		£2.5m	Next day
UK Central Government (irrespective of credit rating)		unlimited	1 year
UK Local Authorities (irrespective of credit rating)		unlimited	1 year
Other UK public bodies such as Universities		£2.5m each	1 year
"AAA" rated Money market funds		£2.5m each	1 year

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There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the *Banking Reform Act 2014* and the *EU Bank Recovery and Resolution Directive* are implemented.

Current Bank Account

- 3.27 The Authority's current accounts are held with Lloyds plc which is currently rated at the F1- rating in table 2. Should the credit ratings fall below F2-, the Authority may continue to deposit surplus cash with Lloyds plc providing that investments can be withdrawn on the next working day, and that the bank maintains a credit rating no lower than F3- (the lowest investment grade rating).

Risk Assessment and Credit Ratings

- 3.28 The Authority uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody's Investment Services and Standard & Poor's Financial Services to assess the risk of investment default. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria no further investments will be made, any existing investments that can be recalled will be, and full consideration will be given to the recall of all other existing investments with the affected counterparty.
- 3.29 Where a credit rating agency announces that a rating is on review for possible downgrade so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made until the outcome of the review is announced.

Specified Investments

- 3.30 The CLG Guidance defines specified investments as those:
- denominated in pounds sterling
 - due to be repaid within 12 months of arrangement
 - not defined as capital expenditure by legislation
 - invested in the UK government, a UK local authority, or a body or investment scheme of "high credit quality".
- 3.31 The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK.

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Non-specified investments

- 3.32 The Authority does not intend to make any investments not meeting the definition of a specified investment.

Liquidity Management

- 3.33 The Authority monitors cash flow on a daily basis to determine the maximum period for which funds may prudently be committed.

Treasury Management Indicators

Interest Rate Exposures

- 3.34 This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as proportion of principal borrowed will be:

	2014/15	2015/16	2016/17
	%	%	%
Upper limit on fixed interest rate exposure	100	100	100
Upper limit on variable interest rate exposure	50	50	50

Maturity Structure of Borrowing

- 3.35 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
	%	%
Under 12 months	100	0
12 months and within 24 months	100	0
24 months and within 5 years	100	0
5 years and within 10 years	100	0
10 years and above	100	0

Principal Sums Invested for Periods Longer than 364 days

- 3.36 The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its

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investments. The limits on the total principal sum invested beyond the period end will be:

	2014/15 £m	2015/16 £m	2016/17 £m
Limit on principal invested beyond year end	0.0	0.0	0.0

Policy on apportioning interest to the HRA

- 3.37 On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. At that point in time all existing long term loans were attributable to the HRA. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured annually and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Investment Advisers

- 3.38 The Authority does not have an appointed treasury management adviser. When required specific advice on investment, debt and capital finance issues will be commissioned from appropriately qualified advisers.

Investment Training

- 3.39 The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff attend training courses, seminars and conferences provided by Arlingclose Limited and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA and other appropriate organisations.

Prudential Indicators

- 3.40 The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential

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Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure

3.41 The Authority's planned capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
General Fund	4,273	3,280	1,500	1,500
HRA	8,004	7,552	8,000	8,000
Total Expenditure	12,227	10,832	9,500	9,500
Capital Receipts	1,028	1,566	1,500	1,500
Government Grants	309	756	500	500
Reserves	7,559	5,986	6,500	6,500
Revenue	-	-	-	-
Borrowing	3,381	2,524	1,000	1,000
Total Financing	12,227	10,832	9,500	9,500

Estimates of Capital Financing Requirement

3.42 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.14 Revised £m	31.03.15 Estimate £m	31.03.16 Estimate £m	31.03.17 Estimate £m
General Fund	19,129	20,605	20,255	19,844
HRA	23,229	23,229	23,229	23,229
HRA settlement	98,929	98,929	98,929	98,929
Total CFR	141,287	142,763	142,413	142,002

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3.43 The CFR is forecast to increase by £1m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement

3.44 In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.14 Revised £m	31.03.15 Estimate £m	31.03.16 Estimate £m	31.03.17 Estimate £m
Borrowing	121,640	121,640	121,640	121,640

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt

3.45 The operational boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring.

Operational Boundary	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Borrowing	150,000	155,000	160,000	165,000

Authorised Limit for External Debt

3.46 The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

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Authorised Limit	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Borrowing	155,000	160,000	165,000	170,000

Ratio of Financing Costs to Net Revenue Stream

3.47 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income

Ratio of Financing Costs to Net Revenue Stream	2013/14 Revised %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
General Fund	3.7	5.7	8.8	9.2
HRA	39.9	39.4	38.6	37.8

Incremental Impact of Investment Decisions

3.48 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

Incremental Impact of Capital Investment Decisions	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
General Fund- increase in annual band D Council Tax	7.16	12.16	2.43
HRA – increase in average weekly rent	-0.14	0.00	0.00

Adoption of the CIPFA Treasury Management Code

3.49 The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition*.

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Annual Minimum Revenue Provision Statement 2014/15 (MRP)

- 3.50 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.
- 3.51 The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 3.52 The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.
- 3.53 MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years. (*Option 3 in England and Wales*).
- 3.54 No MRP will be charged in respect of assets held within the Housing Revenue Account.
- 3.55 Capital expenditure incurred during 2014/15 will not be subject to a MRP charge until 2015/16

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3.56 Based on the Authority's estimate of its Capital Financing Requirement on 31st March 2014, the budget for MRP has been set as follows:

	31.03.2014 Estimated CFR £'000	2014/15 Estimated MRP £'000
General Fund assets	19,129	1,048
Assets in the Housing Revenue Account	23,229	Nil
HRA subsidy reform payment	98,929	Nil
Total Housing Revenue Account	122,158	Nil
Total	141,287	1,048

Capital Bids

- 3.57 There are 3 capital bids detail in Appendix 1, these are essential capital spend.
- 3.58 There is a bid for £250K per annum for Public Buildings, this is the funding required to maintain our buildings based on the 2009 Condition Survey. There is a detailed plan of works over the next 3 years.
- 3.59 A further bid for Public Buildings to complete the asbestos management survey and remove where necessary the remaining public buildings that are low risk due to the construction age and adhoc shop units as they become vacant. The cost of this over 3 years totals £80K.
- 3.60 A bid has also been received for the upgrade to our IT applications and infrastructure to meet the Public Sector Network (PSN) requirements.. This totals £130K over a two year period.

Financial Implications

- 3.61 The financial implications are contained throughout the report.

Legal Implications

- 3.62 Under Section 151 of the Local Government Act 1972, the authority has to make arrangements for the proper administration of its financial affairs. The Council has previously resolved to comply with the

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Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA TM Code).

- 3.63 The CIPFA TM Code requires the Authority to approve a treasury management strategy before the start of each financial year.
- 3.64 In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.
- 3.65 The 2011 CIPFA Prudential Code (as amended 2012) requires the Authority to set prudential indicators.
- 3.66 This is a statutory report under the Local Government 2003.

Service/Operational Implications

- 3.67 The Council's policy regarding borrowing and investments is contained in its Treasury Management Strategy.
- 3.68 This report will determine the Council's policy on making a MRP for 2014/15.

Customer / Equalities and Diversity Implications

- 3.69 There are no implications identified.

4. RISK MANAGEMENT

- 4.1 The Council needs to ensure that the risks associated with the treasury function have been properly identified and evaluated. The risks include interest rate exposure, counterparty or credit risk, liquidity (insufficient cash to meet liabilities) risk, funding (inability to repay or replace loans) risk, and the failure of internal controls.
- 4.2 The Council would be failing in its legal obligations under the Local Government Act 2003 if it failed to agree a set of Prudential Indicators for the forthcoming financial year and if it failed to prepare an annual statement of policy on making a MRP.

AUTHOR OF REPORT

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CAPITAL BIDS

Service Area	2014/15 £ 000	2015/16 £ 000	2016/17 £ 000	Comments
Asbestos Management in Public Buildings	40	20	20	Asbestos Management surveys and removal from various sites To carry out repairs, Maintenance and improvements to public buildings
Public Buildings	250	250	250	
IT Services	33	97	0	Funding required to enable the authority to Meet PSN Compliance
	323	367	270	

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PAY POLICY STATEMENT 2014/15

Relevant Portfolio Holder	Cllr John Fisher
Portfolio Holder Consulted	yes
Relevant Head of Service	Jayne Pickering, Executive Director, Finance and Resources
Ward(s) Affected	n/a
Ward Councillor(s) Consulted	n/a
Key Decision / Non-Key Decision	Non key

1. SUMMARY OF PROPOSALS

To enable Members to approve the Pay Policy for 2014/15

2. RECOMMENDATIONS

**The Executive Committee is requested to RECOMMEND that
the Pay Policy as detailed in Appendix 1 to the report be approved.**

3. KEY ISSUES

- 3.1 The Localism Act requires English and Welsh local authorities to produce a Pay Policy statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March 2014 for the financial year 2014/15. The Pay Policy Statement for the Council is included at Appendix 1.

The Statement must set out policies relating to-

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

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

Financial Implications

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

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Legal Implications

3.3 These are already included in the report

Service / Operational Implications

3.4 There are no implications in relation to this report

Customer / Equalities and Diversity Implications

3.5 There are no implications in relation to this report

4. RISK MANAGEMENT

There are no implications in relation to this report

5. APPENDICES

Appendix 1 - Pay Policy 2014/15

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2014 – 2015 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

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

Pay Structure

5. The Council’s current pay and grading structure comprises grades 1 – 6, S01 – S02, and M01 – M04. There are also grades for Managers 1 - 4, Head of Service 2, Head of Service 1, Director, Executive Director, Deputy Chief Executive and Chief Executive; all of which arise from the introduction of shared services with Bromsgrove District Council and which specifically accommodate the joint management team for shared services.
6. Within every grade there are a number of salary / pay points (spinal column points). Up to and including spinal column point 49 (at scale M04) the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. This current complete pay structure is set out below.

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	4	11	12,266	14,880
2	11	13	14,880	15,589
3	14	17	15,882	16,998
4	18	21	17,333	19,317
5	22	25	19,817	21,734
6	26	28	22,443	23,945
SO1	29	31	24,892	26,539
SO2	32	34	27,323	28,922
MO1	34	37	28,922	31,160
MO2	38	41	32,072	34,894
M03	42	45	35,784	38,422
M04	46	49	39,351	42,032
Manager 1	Hay evaluated	42%	51,500	53,600
Manager 2	Hay evaluated	43.7%	53,600	55,800
Manager 3	Hay evaluated	45.6%	55,800	57,750
Manager 4	Hay evaluated	47.1%	57,750	60,600
Head of Service 2	Hay evaluated	50%	61,250	63,750
Head of Service 1	Hay evaluated	60%	73,500	76,500
Director	Hay evaluated	67%	82,000	85,000

Executive Director	Hay evaluated	72.5%	89,000	92,500
Deputy Chief Executive	Hay evaluated	80%	98,000	102,000
Chief Executive	Hay evaluated		122,500	127,500

7. All Council posts are allocated to a grade based on the application of a Job Evaluation process. Posts on grades 1 – 6, S01 – S02, and M01 – M04 (the majority of employees) are job evaluated under a different scheme to posts on grades Manager 1- 4, Head of Service 2, Head of Service 1, Director, Executive Director, Deputy Chief Executive and Chief Executive. These latter posts are evaluated by an external assessor using the Hay Job Evaluation scheme. This scheme identifies the salary for these posts based on a percentage of Chief Executive salary. Where posts are identified as being potentially too 'large' and 'complex' for the majority scheme, they are double tested under the Hay scheme, and where appropriate, are taken into the Hay scheme to identify levels of pay.
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. There have been no increases in the national pay spine since April 2013. There have been no increases to the pay rates for the Chief Executive or Chief Officers since April 2008.
10. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
11. The Council is currently undergoing consultation with the unions to implement a new Job Evaluation scheme, along with a new pay and grading model. This will replace the current majority scheme. The intention is to implement this fully during 2014-15. This would not change the overall approach to remuneration as outlined above.
12. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

13. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band, which can be made subject to satisfactory performance.

Senior Management Remuneration

14. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2013.
15. Redditch Borough Council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils excluding the Head of Housing as this post does not provide support to Bromsgrove District Council and is therefore fully charged to Redditch Borough Council.

Title	% of Chief executive salary	Pay range (minimum)	Pay range (maximum)	Incremental points	Cost to Redditch Borough Council
Chief Executive	100%	£122,500	£127,500	3	£62,500
Director of Leisure, Environment and Community Services. (Also Deputy Chief Executive / Executive Director (Council 'lead officer'))	80%	£98,000	£102,000	3	£50,000
Director of Planning and Regeneration, Regulatory and Housing Services	72.5%	£89,000	£92,500	3	£45,375
Director of Finance and Resources. (Also section 151 Officer and Council 'lead' officer)	72.5%	£89,000	£92,500	3	£45,375
Head of Housing Services	50%	£61,250	£63,750	3	£63,750

Head of Customer Access and Financial Support	60%	£73,500	£76,500	3	£37,500
Head of Planning and Regeneration	60%	£73,500	£76,500	3	£37,500
Head of Transformation and Organisational Development	60%	£73,500	£76,500	3	£37,500
Head of Legal, Equalities and Democratic Services	60%	£73,500	£76,500	3	£37,500
Head of Environmental Services	60%	£73,500	£76,500	3	£37,500
Head of Leisure and Cultural Services	60%	£73,500	£76,500	3	£37,500
Head of Community Services	60%	£73,500	£76,500	3	£37,500

Recruitment of Chief Officers

16. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

17. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

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

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

19. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
 - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
 - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
 - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
 - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
 - f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
 - g. market forces supplements in addition to basic salary where identified and paid separately;
 - h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
 - i. attendance allowances.

Payments on Termination

20. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
21. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

22. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

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

Lowest Paid Employees

24. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2013, this is £12,266 per annum, which relates to the lowest point within the current grading structure. The grading will be subject to the implementation of the revised job evaluation scheme and pay model.
25. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
26. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
27. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
28. The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive as [1:10.5] and; between the

lowest paid employee and average chief officer as [1:5.8]. The multiple between the median (average) full time equivalent earnings and the [Chief Executive] is [1:6.7] and; between the median (average) full time equivalent earnings and average chief officer is [1:3.8].

29. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Accountability and Decision Making

30. In accordance with the Constitution of the Council, the Executive Committee and Overview and Scrutiny Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

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FINANCE MONITORING REPORT 2013/14 - APRIL – DECEMBER (QUARTER 3)

Relevant Portfolio Holder	Councillor John Fisher, Portfolio Holder for Corporate Management.
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non Key Decision	

1. SUMMARY OF PROPOSALS

This report details the Council's financial position for the period April to December 2013 (Quarter 3 – 2013/14).

2. RECOMMENDATIONS

The Executive Committee is asked RESOLVE that

- 1) the current financial position on Revenue and Capital, as detailed in the report, be noted; and**
- 2) identified savings be used to offset the savings requirement that has not been fully identified, where available in discussion with Heads of Service**

3. KEY ISSUES

- 3.1 This report provides details of the financial information across the Council. The aim is to ensure Officers and Members can make informed and considered judgement of the overall position of the Council. This report now includes additional information in relation to the current position for each department to enable members to have a more detailed consideration of the financial projections for the Council.

Financial Implications

- 3.2 The Council set a balanced budget in February 2013 for the financial year 2013/14. Within the budget were included savings of £550K which were not fully identified. These included savings relating to Shared Services, Transformation, and general vacancies within the Council.

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- 3.3 It is estimated that all the unidentified savings will be realised by the end of the financial year.

Revenue Budget summary Quarter 3 (April – December) 2013/14 – Overall Council

- 3.4 The current financial position for services delivered within the Borough is detailed in the table below.
- 3.5 Internal recharges have not been included in these figures to allow comparison for each service area.

Service Head	Budget 2013/14 £'000 (a)	Budget April - Dec £'000 (b)	Actual Spend April – Dec £'000 (c)	Variance to date April – Dec £'000 (c-b=d)	Projected Outturn 2013-14 £'000 (e)	Variance 2013-14 £'000 (e-a=f)
Environmental Services	3,241	2,573	2,351	-222	2,981	-260
Community Services	2,273	1,394	1,411	17	2,282	9
Regulatory Services	571	413	399	-13	556	-15
Leisure & Cultural Services	3,360	2,499	2,469	-30	3,323	-36
Planning & Regeneration	1,785	1,177	1,206	29	1,820	35
Customer Access & Financial Support	2,815	1,697	1,666	-31	2,784	-31
Financial Services	2,257	1,729	1,735	6	2,358	101
Legal, Equalities & Democratic Services	892	622	585	-37	861	-31
Business Transformation	1,757	1,336	1,169	-167	1,593	-164
Head of Housing Services (GF)	975	733	728	-5	970	-5
Corporate Services	903	740	686	-54	753	-150

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SERVICE TOTAL	20,830	14,911	14,400	-511	20,281	-547
Savings to be found	-550	-413	-	413		550
Total for Quarter & Projected	20,280	14,499	14,400	-99	20,281	3

Capital Budget summary Quarter 3 (April - December) 2013 /14 – Overall Council

Department	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Services	4,199	3,157	2,019	-1,138	3,284	-915
Community Services	878	878	235	-643	878	0
Regulatory Services	121	9	9	0	60	-61
Leisure & Cultural Services	443	45	46	1	100	-343
Planning and Regeneration	55	55	0	-55	55	0
Financial Services	35	26	28	2	35	0
Property Services	370	223	69	-154	370	0
Business Transformation	9	7	0	-7	0	-9
TOTAL	6,110	4,400	2,406	-1,994	4,782	-1,328

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Environmental Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Sep £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Bereavement Services	-284	-154	-155	-1	-286	-2
Cleansing	830	636	629	-7	819	-11
Climate Change	17	12	10	-3	12	-5
Environmental services Management	677	509	512	3	678	1
Highways & Drainage (inc civil parking)	585	442	439	-2	559	-26
Landscape & Grounds Maintenance	-4	29	24	-6	-11	-7
Manager supplies & Transport	-112	-103	-102	1	-110	2
Waste Management - Refuse & Recycling	1,323	993	994	1	1322	-2
Waste Management Policy	6	4	0	-4	0	-6
Allocation of unidentified savings	204	204	0	-204	0	-204
TOTAL	3,241	2,573	2,351	-222	2,981	-260

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Financial Commentary:

- At quarter 2, projected end of year savings were identified of £204k due to vacant post savings and reductions in contract prices.
- Officers have restricted spend within their service areas in quarter 3 to achieve an additional £18k saving.
- North Worcestershire Waste Management have reported that there will be a £20k saving on drainage works within the Land Drainage shared service.

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April - Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Crematorium Enhancement	1,058	794	880	86	1,058	0
Crematorium Extension	35	26	24	-2	35	0
Crossgate Depot Imps 2010	30	22	10	-12	30	0
Solar Panels	35	35	31	-4	31	-4
Estate Enhancements	681	510	461	-49	681	0
Footpath Improvements	20	15	18	3	20	0
Foxlydiate Crescent Lighting	25	19	0	-19	0	-25
Improved Parking Scheme	250	188	187	-1	250	0
Land Drainage schemes	222	166	15	-151	222	0
Landscape Improvement Programme	200	150	125	-25	200	0
Recycling Project	67	50	12	-38	67	0

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Town Centre Landscape Scheme	450	337	16	-321	450	0
Vehicle replacement programme	1,101	826	240	-586	240	-861
Woodland Schemes	25	19	0	-19	0	-25
TOTAL	4,199	3,157	2,019	-1,138	3,284	-915

Financial Commentary:

- The majority of the work has taken place for the Crematorium Enhancement and extension. Officers request that any remaining budget be moved into 2014/15 to carry out further remedial works
- Vehicle replacement programme - due to re-scheduling of vehicle procurement, £861k to be moved to 2014/15 as most of the expenditure will take place after April.
- Solar Panels – scheme is now complete with a saving of £4k
- Estate Enhancement work continues – any balance at year end is requested to be moved to 2014/15
- Land Drainage Schemes – Wyre Forest/NWWM at part of their service level agreement oversee the Land Drainage capital schemes – most works will be completed by 31/3/14. NWWM will inform of any potential savings nearer to year end.
- Woodland Schemes – Officers have asked for the budget to be moved into 2014/15 to carry out works in Oakenshaw Woods

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Community Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April – Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Community Services	1,879	1,115	1,164	48	1,926	47
Control Centre Manager	344	235	204	-31	310	-34
Care & Repair	50	43	43	0	46	-4
TOTAL	2,273	1,394	1,411	17	2,282	9

Financial Commentary:

- The reduction in projected over spend from quarter 2, is due to the introduction of essential spend only on supplies and services.

Capital Budget summary

Service	Revised Budget 2013/14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Disabled Facilities Grant	575	575	195	-380	575	0
Energy & Efficiency Installs	94	94	0	-94	94	0

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HMO Grants	20	20	7	-13	20	0
Home Repairs Assistance	150	150	21	-129	150	0
Housing Needs Assessment	4	4	0	-4	4	0
Strat Hsg Research & Dev	10	10	0	-10	10	0
Warmer Worcs Insul Scheme (£40k)	25	25	12	-13	25	0
TOTAL	878	878	235	-643	878	0

Financial Commentary:

- There has been a reduction in new applications for Disabled Facilities Grants, however the authority has approved grants to the value of £150k, work is in progress.

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Regulatory Services	Quarter 3 (April - December) 2013 /14
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**Revenue Budget summary Quarter 3 (April – December) 2013 /14 –
 Regulatory Client**

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Environmental Health	586	438	435	-3	583	-3
Licensing	-177	-149	-151	-2	-181	-4
Support Charges	153	115	115	0	153	0
Allocation of unidentified savings	8	8	0	-8	0	-8
TOTAL	570	412	399	-13	555	-15

Financial Commentary:

- No significant variances

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Worcestershire Enhanced Two Tier Programme (WETT)	121	9	9	0	60	-61
TOTAL	121	9	9	0	60	-61

Financial Commentary:

- The expenditure is jointly funded by all partners in accordance with the business case. The budget for 13/14 is £503k, RBC share at 11.31% £56k.

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Leisure and Cultural Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Business Development	149	106	100	-6	141	-8
Cultural Services	969	698	703	5	974	5
Leisure & Cultural Manage.	149	111	112	1	149	0
Parks & Open Spaces	1,182	879	879	0	1,178	-4
Sports Services	880	674	676	2	882	2
Allocation of unidentified savings	32	32	0	-32	0	-32
TOTAL	3,361	2,500	2,470	-30	3,324	-37

Financial Commentary:

- The projected underspend within Business Development is due to the following reasons:
 - Income from roundabouts sponsorship has exceeded the budget.
 - The Christmas Lights have been procured at a lower price and installed by existing staff rather than contractors.

- The overspend within Cultural Services is due to unforeseen repairs & maintenance costs to bring Matchborough East Community Centre up to standard before it was leased to an external provider.

- The projected underspend within Parks & Open Spaces is from the Play Area maintenance budget, as existing Section 106 receipts have been utilised.

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- The projected overspend within Sports Services is due to ongoing security costs at Hewell Road prior to its disposal.

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Abbey Stadium	350	4	4	0	4	-346
Hewell Rd Pool Works	0	0	1	1	1	1
Kingsley Sports Centre	37	37	37	0	37	0
Greenlands Pub Open Space	8	0	0	0	8	0
South Street S106 Fund	48	4	4	0	50	2
TOTAL	443	45	46	1	100	-343

Financial Commentary:

- At this point Officers are waiting to settle the final account for the Abbey Stadium but it is likely that it will not be paid until the next financial year. Therefore, it is requested that the budget is carried forward into 2014/15.

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Planning and Regeneration	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Building Control	230	173	209	36	256	26
Development Management	165	123	132	9	197	32
Economic Development	255	74	72	-2	262	7
Planning Policy	1135	807	793	-14	1105	-30
TOTAL	1,785	1,177	1,206	29	1,820	35
Financial Commentary:						
<ul style="list-style-type: none"> • A building hiatus within the Redditch Borough has resulted in a reduction of Planning Applications and consequently Building Controls services affecting the income achievable. 						

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Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Town Centre Development	55	55	0	-55	55	0
TOTAL	55	55	0	-55	55	0
Financial Commentary:						
<ul style="list-style-type: none"> • Funding from Section 106 to finance Town Centre Development. 						

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Customer Access & Financial Support	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Asset & Property Management	1,006	861	885	24	1,053	47
Customer Services	467	357	357	0	473	6
Revenues & Benefits	1,230	367	425	58	1,258	28
Allocation of unidentified savings	112	112	0	-112	0	-112
TOTAL	2,815	1,697	1,666	-31	2,784	-31

Financial Commentary

- The variance for Asset & Property Management is mainly attributable to a reduction in rent income (£29,000) and NNDR on Threadneedle House (£15,000).
- The variance for Customer Services is mostly attributable to the extension on the Cash Receipting system.
- There is a financial risk associated with the benefit subsidy return as this cannot be calculated until the end of the financial year due to uncertainty around benefit demand.

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Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
GF Asbestos	49	36	3	-33	49	0
Public Building	250	187	66	-121	250	0
Small Area Improvements	46	0	0	0	46	0
Energy Management	25	0	0	0	25	0
TOTAL	370	223	69	-154	370	0
Financial Commentary:						
<ul style="list-style-type: none"> Asbestos and Public Building spend are awaiting recharges from WCC and will be on budget. 						

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Financial Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April – Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Financial Services and Procurement	990	884	890	6	1,091	101
Corporate Management and Audit	1,267	845	845	0	1,267	0
TOTAL	2,257	1729	1,735	6	2,358	101

Financial Commentary:

- Overspend on Financial Services are severance costs following the recent Head of Service Restructure.

Capital Budget summary

Service	Revised Budget 2013 /14 £'000	Budget April – Dec £'000	Actual Spend April – Dec £'000	Variance to date April – Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Income Replacement System	35	26	28	2	35	0
TOTAL	35	26	28	2	35	0

Financial Commentary:

- No significant variance.

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Legal, Equalities and Democratic Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April – Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Democratic Services & Member Support	351	253	344	91	356	4
Elections & Electoral Services	174	124	296	172	174	0
Legal Advice & Services	335	242	240	-1	331	-3
Allocation of unidentified savings	32	32	0	-32	0	-32
TOTAL	887	651	880	229	861	-31

Financial Commentary:

- The variances within Legal, Equalities & Democratic Services are predominantly due to the redundancy costs following the service review earlier in the year.

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Business Transformation	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Corporate Strategy	85	64	63	-1	84	-1
Business Transformation	833	570	568	-1	830	-3
Human Resources	502	358	334	-25	483	-19
IT Services	196	203	204	1	196	0
Allocation of unidentified savings	141	141	0	-141	0	-141
TOTAL	1,757	1,336	1,169	-167	1,593	-164

Financial Commentary:

- At Quarter 2 savings were identified within IT services and Business Transformation due to vacancies in the departments.
- In Corporate strategy a small saving has been identified within the Equalities budget.
- A further saving has been identified in the Business Transformation budget for the cost of internet services

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Capital Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Members IT Facilities	9	7	0	-7	0	-9
TOTAL	9	7	0	-7	0	-9

Financial Commentary:

- Currently no expenditure to date on this project.

Housing Services (General Fund)	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Housing general fund	970	728	728	0	970	0
Allocation of unidentified savings	5	5	0	-5	0	-5
TOTAL	975	733	728	-5	970	-5

Financial Commentary:

- No significant variances

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Corporate Services	Quarter 3 (April - December) 2013 /14
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Revenue Budget summary

Service Head	Revised Budget 2013 /14 £'000	Profiled Budget April - Dec £'000	Actual Spend April - Dec £'000	Variance to date April - Dec £'000	Projected Outturn 2013/14 £'000	Projected Variance 2013/14 £'000
Corporate Admin / Central Post / Printing	843	680	686	6	848	5
Allocation of unidentified savings	60	60	0	-60	-95	-155
TOTAL	903	740	686	-54	753	-150
Financial Commentary:						
<ul style="list-style-type: none"> Savings made from Shared Services and a vacant Directors post. Further savings to be allocated across the departments in quarter 4. 						

Treasury Management

3.21 The Council's Treasury Management Strategy has been developed in accordance with the Prudential Code for Capital Finance prudential indicators and is used to manage risks arising from financial instruments. Additionally treasury management practices are followed on a day to day basis.

Credit Risk

3.22 Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Credit risk is minimised by use of a specified list of investment counterparty criteria

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and by limiting the amount invested with each institution. The Council receives credit rating details from its Treasury Management Advisers on a daily basis and any counterparty falling below the criteria is removed from the list.

- 3.23 At 31st December 2013, short-term investments comprise:

	31 th December 2013 £000
Deposits with Banks/Building Societies	1,400

Income from investments

- 3.24 An investment income target of £25k has been set for 2013/14 using a projected rate of return of 0.75% - 1.50%. During the past financial year, bank base rates have remained at 0.50% and current indications are projecting minimal upward movement for the short-term.
- 3.25 In the 6 months to 31st December, the Council earned income from investments of £7k. The Council is not likely to achieve the budgeted income due to a reduction in the rate now provided by the call account. It is probable that the £10k shortfall will be negated by the fall in borrowing costs.

General Fund Balances

- 3.26 The General Fund Balance as at the 31st March 2013 is £1m; a balanced budget was set in February 2013, should the unidentified savings not be achieved during the year or any unexpected expenditure occur this would be funded from Balances.

Legal Implications

- 3.27 No Legal implications have been identified.

Service/Operational Implications

- 3.28 Sound performance management and data quality are keys to achieving improved scores in the use of resources judgement. This performance report supports that aim.

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Customer / Equalities and Diversity Implications

3.29 Performance Improvement is a Council objective.

4. RISK MANAGEMENT

Risk considerations are covered within the report.

5. APPENDICES

None

6. BACKGROUND PAPERS

None.

AUTHOR OF REPORT

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MONITORING OF WRITE OFFS – APRIL – DECEMBER 2013

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda de Warr, Head of Customer Access & Financial Support
Wards Affected	All
Non-Key Decision	

1. SUMMARY OF PROPOSALS

Members are requested to consider the action taken by officers with respect to the write off of debts during the first nine months of 2013/14 and to note the profile and/or level of outstanding debt.

2. RECOMMENDATIONS

The Executive Committee is requested to RESOLVE that

- 1) subject to any comments, the contents of the report be noted; and**
- 2) an amendment is made to the Write Off Policy to allow for annual reporting of the write offs rather than quarterly.**

3. KEY ISSUES

3.1. In 2010/11 members approved a revised Write-Off Policy which changed the process for the reporting and approval process for the writing off of debts due to the Council. The revised Policy requires officers to report to members of the actual level of write offs and the profile of outstanding debt.

3.2. The current bad debts provisions are as follows:

	£000's
Council Tax	252
Housing Revenue Account	576
Sundry Debtors	100
Benefits	206
Total	<u>1,134</u>

3.3 As much of the information contained within the report can only be provided at the end of the financial year, or is an annual rather than quarterly position, such as the Council Tax and Non Domestic Rates arrears it is considered that an annual report may be more appropriate. Therefore members are asked to consider a small amendment to the Write Offs Policy to this affect.

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Financial Implications

- 3.4 The current bad debt provisions are adequate in relation to level of write offs and the level of outstanding debt.
- 3.5 Details of written off debts during the period for Council Tax, Non Domestic Rates, Sundry Debts, Former Tenant Arrears and Overpaid Housing Benefit are attached at Appendix 1. A total of £292,613 of unrecoverable debt was written off during the first three quarters of 2013/14.
- 3.6 An age profile of the outstanding sundry debts and former tenant arrears is attached at Appendix 2.
- 3.7 An analysis of Council Tax and Non Domestic Rates arrears is attached at Appendix 3. It is important to note that outstanding arrears reduce over the course of the year and therefore figures for 2013/14 cannot be reported until after the end of the financial year.
- 3.8 As from 1st April 2013 the local authority is required to make arrangements for the way it accounts for bad debt provision in respect of Non Domestic rates. Prior to this date Non Domestic rates were collected on behalf of Central Government and redistributed back to local authorities after taking this into account. These arrangements are not due to be completed until the end of the current fiscal period; therefore the financial implications cannot be fully stated at this time.
- 3.9 It is not possible to state in this quarter whether or not the Council Tax provision is adequate and the financial implications cannot be fully stated until quarter 4.

Legal Implications

- 3.10 There are no legal implications.

Service / Operational Implications

- 3.11 The authorisation for write off of debt will continue to be referred to Executive Committee in cases where the write off would have a significant and material impact on the financial standing of the authority or where the decision to write off the debt is exceptional and the debt management and write off policy does not provide guidance.

Customer / Equalities and Diversity Implications

- 3.12 No direct implications.

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4. RISK MANAGEMENT

There are no risks identified.

5. APPENDICES

Appendix 1 – Write offs April – December 2013

Appendix 2 - Aged Debt Profile for Sundry Debts and Former Tenant
Arrears

Appendix 3 – Council Tax Arrears and Business Rates Arrears as at 31st
December 2013.

6. BACKGROUND PAPERS

Executive Committee report and amended Write-Off Policy, 28th July
2010.

AUTHOR OF REPORT

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Appendix 1

**Write Offs of Council Tax and Non-Domestic Rates
 April – December 2013**

Council Tax	Amount (£)
Gone away	35,529.68
Deceased no funds in estate	2,049.67
Bankruptcy	31,130.95
Uneconomical to pursue	684.46
Admin Order/IVA	-40.57
Automatic w/o +1/-1p	0.00
Balance under £5.00	24.84
Other	330.64
Credits - unable to refund	-14,601.99
Total	55,107.68

NDR	Amount (£)
Gone away	23,744.84
Liquidation/Winding up	77,249.83
Uneconomical to pursue	-1449.88
Credits - unable to refund	-15,793.62
Total	83,751.17

**Write Offs of Sundry Debts and Former Tenant Arrears (HRA)
 April – December 2013**

Sundry Debts	Amount (£)
Gone away	11,096.94
Imprisonment	49.85
Liquidation/Bankrupt	1,572.50
Statute Barred	2,107.39
Uneconomical to pursue	27,060.52
Debtor deceased	565.60
Total	42,452.80

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Former Tenant Arrears	Amount (£)
Gone away	26,025.00
Bankrupt	1,506.48
Statute Barred	5,114.08
Uneconomical to pursue	41,925.74
Tenant deceased	13,048.73
Total	87,620.03

Write off of Overpaid Housing Benefit – April to December 2013

Housing Benefit Write-Offs as at 31/12/2013		
Reason	Amount £	No. of cases
Possible Write back	1008.09	2
Deceased	1128.91	3
Debt Relief Order	2294.55	3
IVA	0.00	0
Bankruptcy	0.00	0
Not reasonable to recover	3957.42	12
Uneconomic to recover	405.40	11
No prospect of recovery	7128.01	12
Compassionate	7760.81	2
Totals	23683.19	45

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Appendix 2

**Aged Debt profiles for Sundry Debts and Former Tenant
Arrears – as at 31st December 2013**

Sundry Debts

Age	Arrears as at 31/12/2012	Arrears as at 31/08/2013	Arrears as at 31/12/2013
0 - 3 months	958,640	786,257	618,070
3 - 6 months	106,739	191,632	116,544
6 - 12 months	184,868	134,740	218,004
12 - 24 months	256,879	232,022	219,702
24 months and over	580,517	640,277	619,273

Former Tenants

Age	Arrears as at 31/12/2012	Arrears as at 31/08/2013	Arrears as at 31/12/2013
0 - 3 months	25,536	37,741	31,845
3 - 6 months	31,982	37,060	40,506
6 - 12 months	30,247	51,521	67,241
12 - 24 months	79,426	58,740	47,186
24 months and over	172,949	156,027	149,016

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Appendix 3

Council Tax Arrears

Year	Arrears Total as at 31/03/2013	Arrears Total as at 31/08/2013	Arrears Total as at 31/12/2013
1993/94	0	-453	-2
1994/95	0	-631	0
1995/96	0	-607	0
1996/97	583	-168	382
1997/98	1,052	520	1,052
1998/99	2,243	1,602	2,017
1999/00	4,972	4,073	4,350
2000/01	9,523	8,730	8,397
2001/02	16,311	13,405	13,349
2002/03	20,924	18,712	18,002
2003/04	33,471	31,312	29,969
2004/05	51,373	47,985	45,417
2005/06	71,654	65,117	60,491
2006/07	115,180	105,166	98,279
2007/08	146,041	136,542	128,437
2008/09	176,534	164,123	154,918
2009/10	206,990	187,775	176,806
2010/11	278,183	254,208	234,111
2011/12	380,751	325,632	283,884
2012/13	832,499	598,868	486,716

Business Rates Arrears

Year	Arrears Total as at 31/03/2013	Arrears Total as at 31/08/2013	Arrears Total as at 31/12/2013
2000/01	0	-5,080	1,000
2001/02	125	-3,353	36
2002/03	8,990	8,990	8,989
2003/04	12,449	12,449	12,449
2004/05	18,273	18,073	14,417
2005/06	19,934	19,234	18,081
2006/07	29,643	28,617	25,473
2007/08	75,459	73,068	67,721
2008/09	72,892	65,400	64,133
2009/10	38,599	49,552	39,644
2010/11	108,928	90,150	84,736
2011/12	174,919	169,534	117,763
2012/13	484,696	362,220	322,091

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MAKING EXPERIENCES COUNT – QUARTERLY CUSTOMER SERVICE REPORT – QUARTER 2, 2013/14

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda de Warr – Head of Customer Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

This report provides Members with details of customer feedback data for the third quarter of 2013/14, along with transactional data relating to the Customer Service Centre.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that:

the contents of the report be noted.

3. KEY ISSUES

- 3.1 The Report, attached as Appendix 1, sets out details of customer feedback, including complaints and outcomes, compliments, Local Ombudsman complaints and other customer satisfaction. It gives information on how well we have handled complaints against our agreed timescales.
- 3.2 It also provides some transactional data for the Customer Service Centre and One Stop Shops.

Financial Implications

- 3.3 There are no direct financial implications, although failure to deal appropriately with complaints can lead to financial recompense being necessary.

Legal Implications

- 3.4 There are no legal issues arising from this report. Any legal issues arising from complaints are dealt with on a case by case basis.

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Service/Operational Implications

- 3.5 The Every Customer Every Time, Customer Service Strategy was launched in March 2011 and sets out our vision for excellent customer service provision and improving the customer experience when having contact with the council.
- 3.6 As an authority committed to improving customer care customer feedback and demand data is used to measure what is happening in our systems, and to inform improvements
- 3.7 Quarterly reporting is intended to ensure Members of the Council and customers are updated in respect of customer feedback, especially complaints made in respect of service provision.
- 3.8 Good customer service has improved value for money by reducing failure demand. Improvements to the way we handle complaints has resulted in less officer time spent chasing responses and re-investigating.

Customer / Equalities and Diversity Implications

- 3.9 It is important to monitor aspects of customer service to ensure that we are improving and developing. Customers need to know that we respond properly to complaints and act on the issues raised to reduce the possibility of them happening again.

4. RISK MANAGEMENT

It is important to use the Council's complaints or compliments to measure how well the system is meeting its purpose and to act on those complaints to fix the system where it is failing

5. APPENDICES

Appendix 1 - Quarterly Customer Feedback Report Quarter 3
2013/2014

6. BACKGROUND PAPERS

The details to support the information provided within this report are held by Head of Customer Services.

AUTHOR OF REPORT

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Tel: 01527 64252 ext 3851



**EVERY CUSTOMER, EVERY TIME -
“Everybody Matters”**

Making Experiences Count

Quarterly Customer Service Report

REDDITCH BOROUGH COUNCIL

1st October 2013 – 31 December 2013



1. Introduction

This report provides some of the key customer service information for the organisation, including:-

- Analysis of the complaints and compliments received during this quarter and any other relevant feedback, and
- Customer Service Centre management information, including transactional statistics for information.

2. Customer Feedback Analysis

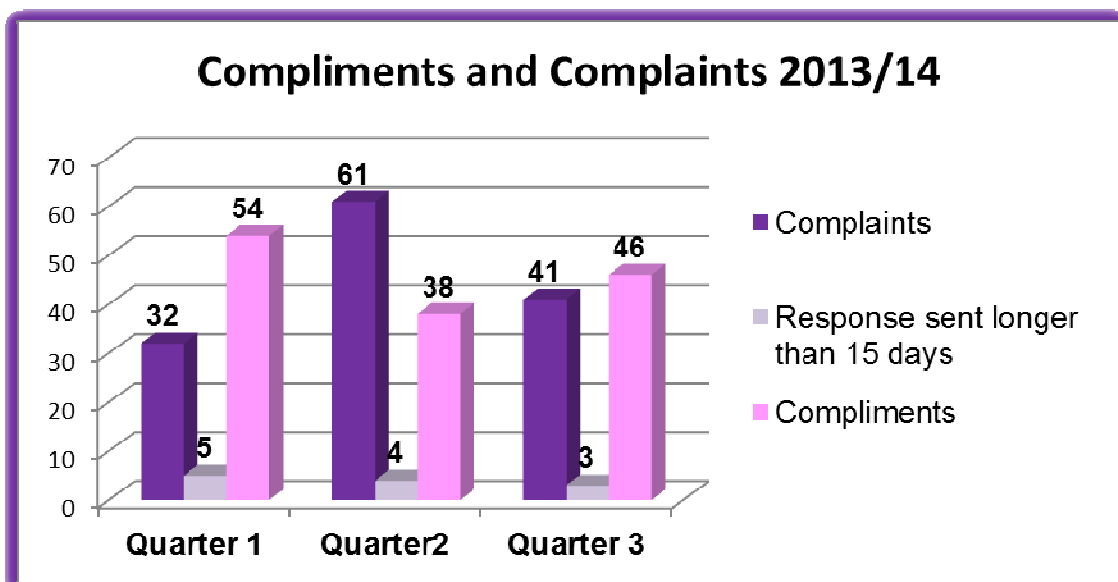
41 complaints were received during this quarter because we did not meet the customer's expectations, or failed to meet our own standards, or the customer was unhappy with an outcome.

32 complaints (78%) were answered in 15 working days or less. **6** complex complaints are still open at the time of reporting - 4 Housing complaints, 1 complaint about a planning application and 1 about a repair.

3 complaints took longer than 15 working days to respond to and details of these complaints are listed below.

We also received **46 compliments**.

This chart shows number of complaints and compliments for Quarter 1, 2 and 3. We will continue to chart this as a comparison through the year.



Complaint figures have reduced since last quarter when we received **61** complaints across the Council.

There has been a marked decrease in complaints about waste collections from **11** in quarter 2 to **4** this quarter. Refuse Crews have worked hard and adopted new processes to make the new collection service work and it seems that customers are appreciating this.

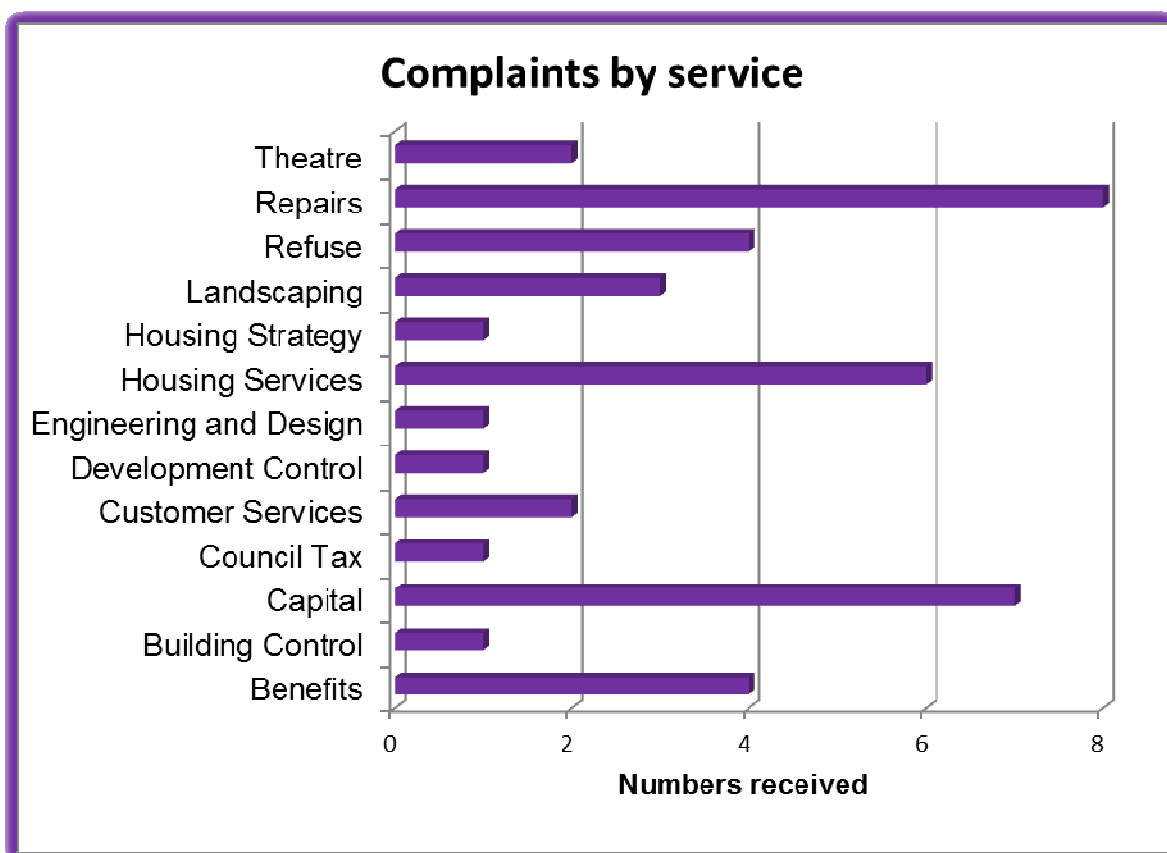
Complaints for services such as leisure and landscaping do normally reduce in the autumn/ winter period and that is evident this quarter.

Although the complaint numbers were low there were some common themes in the complaints received. These include:

- Not contacting customers when we had promised to do so
- Staff being unhelpful.
- Not explaining fully our processes and what we require from customers.
- Unacceptable delays in taking action.
- Not keeping customers informed of scheduled repairs.

Number of complaints by service (detailed)

The following chart provides a breakdown of complaints by service.



Time taken to respond to complaints

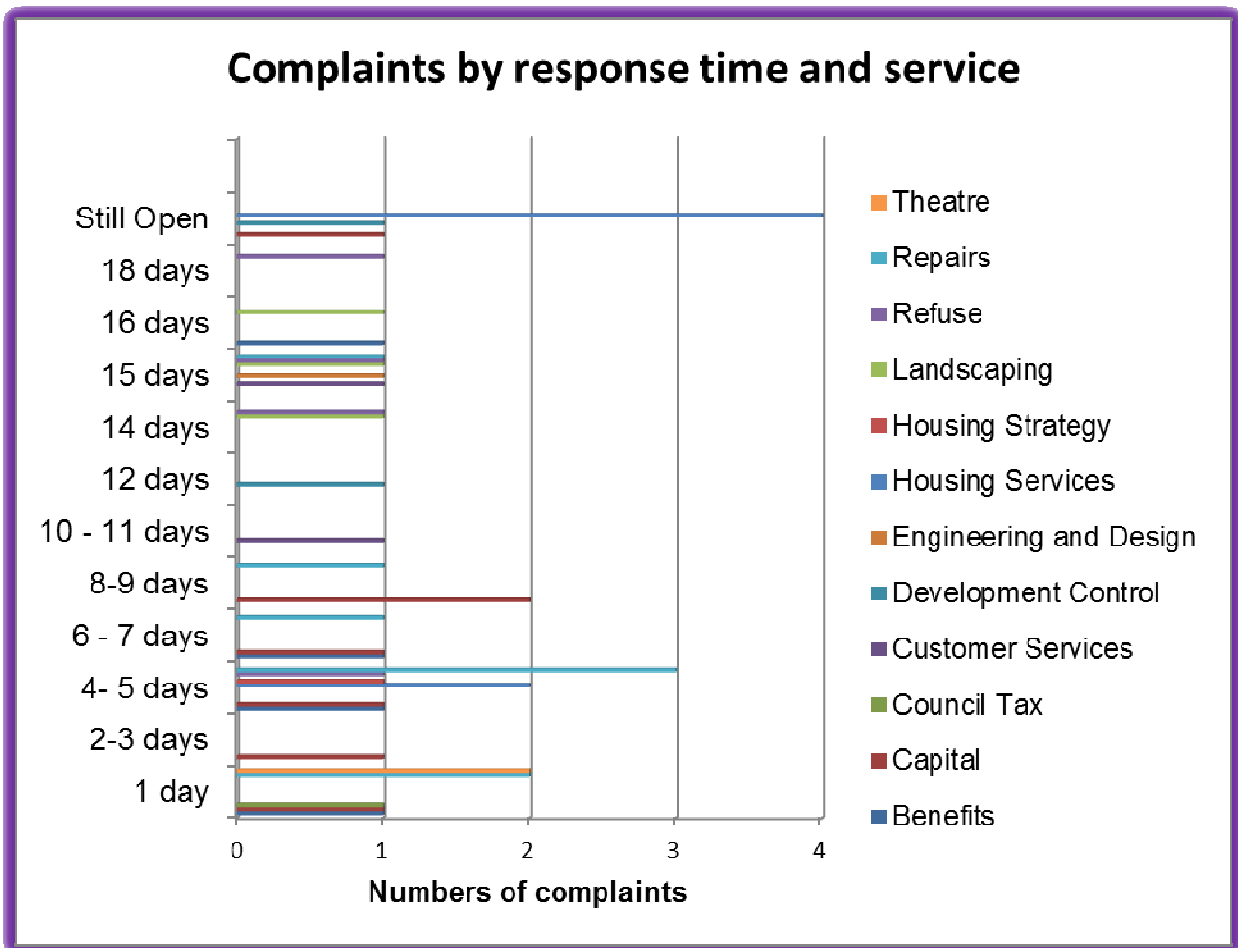
We aim to respond to customer complaints within 15 working days and **78%** of complaints received during this quarter were dealt with within that timeframe. In the 3 cases where it has taken us longer to respond than expected customers were kept informed of the progress of their complaint.

The following table details the complaints which took longer than 15 working days to deal with and why.

Complaint details	Days taken to respond	Action taken	Outcome update from Head of Service
Benefits			
Customer felt that the Benefits Advisor wasn't very helpful when dealing with her claim	16	Several calls were made to the customer to no avail. She phoned the office and her claim was explained to her. She was advised that she needed to bring in confirmation of earning so we could complete the claim for her.	No evidence of the advisor being unhelpful. Still waiting for earnings confirmation and cannot resolve claim without it.
Landscaping			
Customer has complained about tree removal at rear of property. It has taken a long time for us to act and now we have only removed one tree, despite saying we would remove them all. Her fence is damaged. Looking for compensation for cost of fence and neighbours fence.	16	Although we have carried out a lot of work, there were delays. The work requested has been carried out now and an apology given to the customer. The fence would not have been affected by the delay to the tree removal.	Claim passed to Finance Department for insurance investigation.
Refuse			
Customer unhappy that service has changed to wheelie bins. When he purchased his house from the Council there was a covenant in place forbidding owners to place bins in view of the road and he would like to know why we are disregarding our own covenant.	18	Discussions on going with our Legal department as to the lawfulness of the covenant.	Legal services are currently working with Service Managers regarding the covenant. The resident is being kept informed.

Time taken to respond to complaints by service.

This chart shows the breakdown of all complaints by response time. Data suggests that the end to end time for responding to complaints is generally based on the nature of the service and/or complaint rather than any one service dealing with complaints in an unsatisfactory way. We have seen a significant improvement in both response times and outcomes due to increasing direct contact with the customer and discussing the case in more detail.



“You said – we listened” – what did we change as a result of complaints?

Some of the changes made as a result of complaints include:-

- Refresher training in housing back office systems to improve information given to customers.
- Repairs Manager is looking at ways to improve communication between Council, contractors and customers
- New process underway to track equipment/repairs orders with Contractors.

Number of complaints escalated to Head of Customer Services

There was one complaint escalated to the Head of Customer Services for further investigation or action during this quarter.

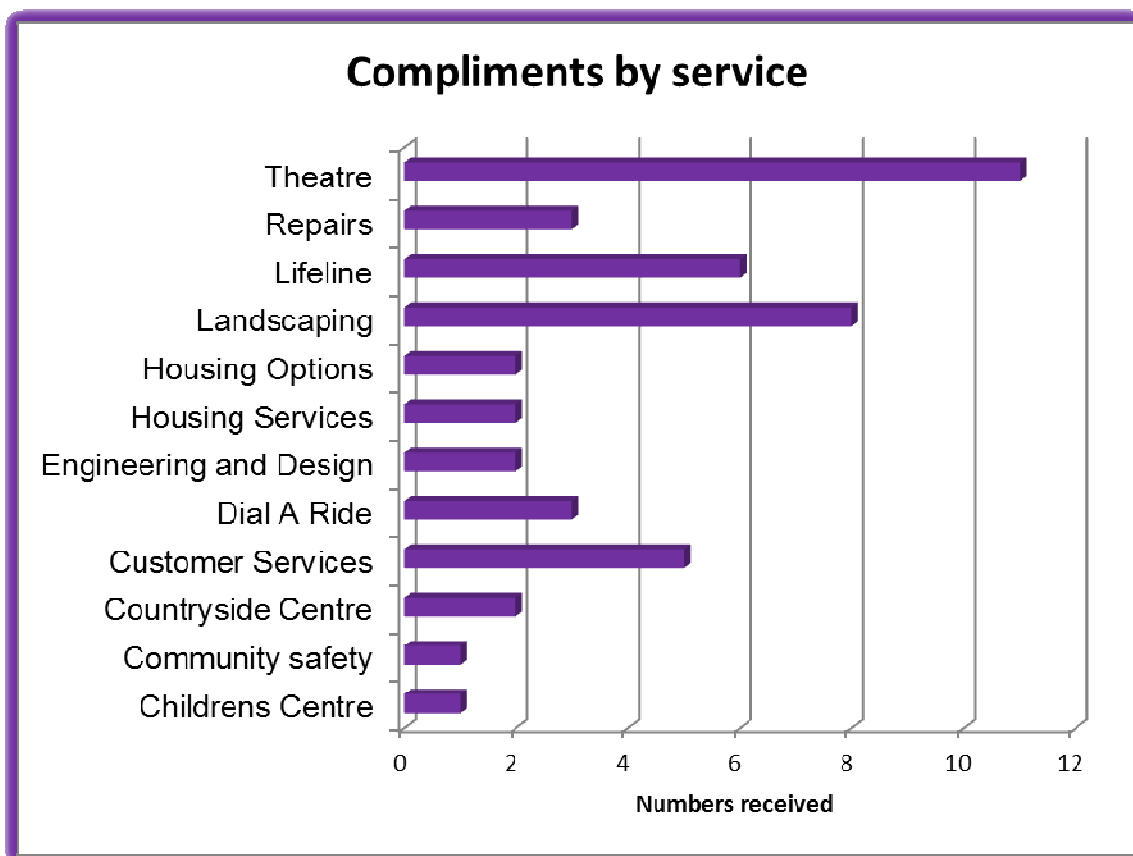
Development Control

Customer wrote to complain that we had breached his confidentiality. He feels that we have covered up a breach of confidentiality.

After a lengthy investigation and several discussions with the customer and the enforcement officer involved, no evidence of a breach of data and confidentiality could be found. However, there were delays in contacting the customer and some of his questions were not responded to which may have led him to be suspicious of our motives.

Happy Customers!

From the 46 compliments received we can see that customers appreciate the range of services the Council provides, especially when we deal with their requests in a timely and professional manner.



Here are details of some of the compliments we have received for information.

Team	Compliment Detail
Life Line	Customer called to say that she never felt alone with Lifeline by her side.
Children's Centre	Customer put on facebook – "Want to say big thank you to everyone at the children centre for looking after my children"
Dial a Ride	Customer rang to say that Dial-a-ride had changed her life since registering with the service. For 30 years she has been unable to lead a normal life due to a fear of not been able to leave her home and other issues that this has caused. With the help of dial-a-ride she has gained her confidence to leave her home and travel to workshops for her phobia. She is very grateful to everyone in the department and has now been able to book her first driving lesson
Engineering and Design	Feedback form completed to confirm very happy with the improvements to the car parking in the area
Landscaping	The work landscape has completed on my garden is brilliant- Thank you.
Landscaping	Customer wanted to thank Colin Pitts and his work colleagues for the excellent job being done on hedgerows and grass verges. Said it has created a lot more space and looks a lot tidier. Work was carried out from Breeches Lane and Frankton Close
Housing Options	Customer was booked in to see Housing Options and Claire Stead interviewed him. Afterwards he came back to reception to say that Claire was 'a diamond'.
Housing Services	A School Early Intervention Officer phoned to say how pleased a customer is with the support he is receiving from his support worker.
Repairs	Customer phoned to thank repairs for quick response to changing lock on front door yesterday after daughters keys stolen and in particular wanted to thank the operative who did the work in such an efficient manner
Events	Customer sent email to say "I want to say a big thank you for tonight's fireworks display at Arrow Valley lake. It was definitely the best display so far and I have seen them all. Please pass on thanks also to the bands who entertained us and the firework display team who had the fireworks and music in perfect sync.I look forward to next years"
Theatre	Customer completed form to say "Can I just say how impressed I was with the Christmas Panto. Absolutely fab! My 5 year old son was clapping along and shouting out the cast, which was lovely to see. Will definitely be booking for next year."
Theatre	Customer completed form to say "We had a fantastic evening at Redditch Palace Theatre on Saturday night. The theatre was rocking. I hope you've had good feedback from your staff. They all seemed to love it. Have to say what a lovely theatre it is and how clean it is too. The girls in the show commented on how lovely and clean all the changing rooms and toilets were"

3. Local Government Ombudsman Complaints

There were no complaints referred to the Ombudsman this quarter:

4. Customer Service Centre Information

This section provides some statistical information in respect of the amount of customer demand received via the telephones, face to face and through our payment channels.

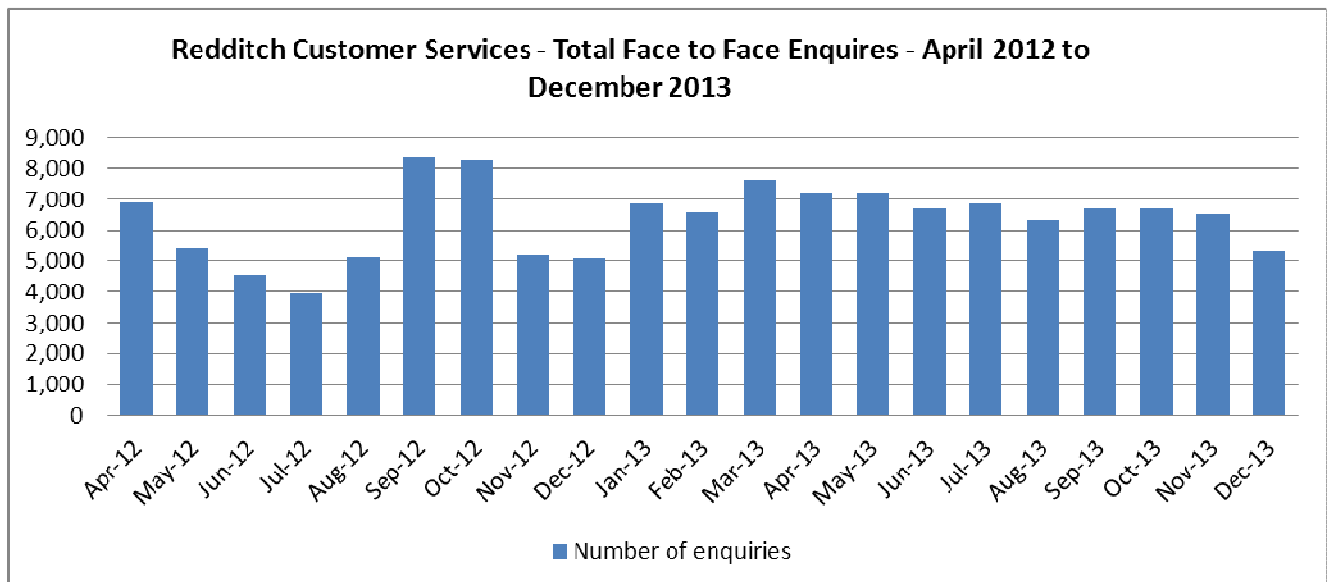
The operational purpose of the Customer Services Team is “Help me get the support I need with my issue or problem”. Most customer demand is now passed to expert teams and the customer service staff act as a filter to ensure that the customer gets to see or speak to the right expert.

We use this information to help us understand the demand on all council services.

The following tables and charts show the number of customer transactions recorded and trends over time.

Face to face demand at the Customer Service Centre

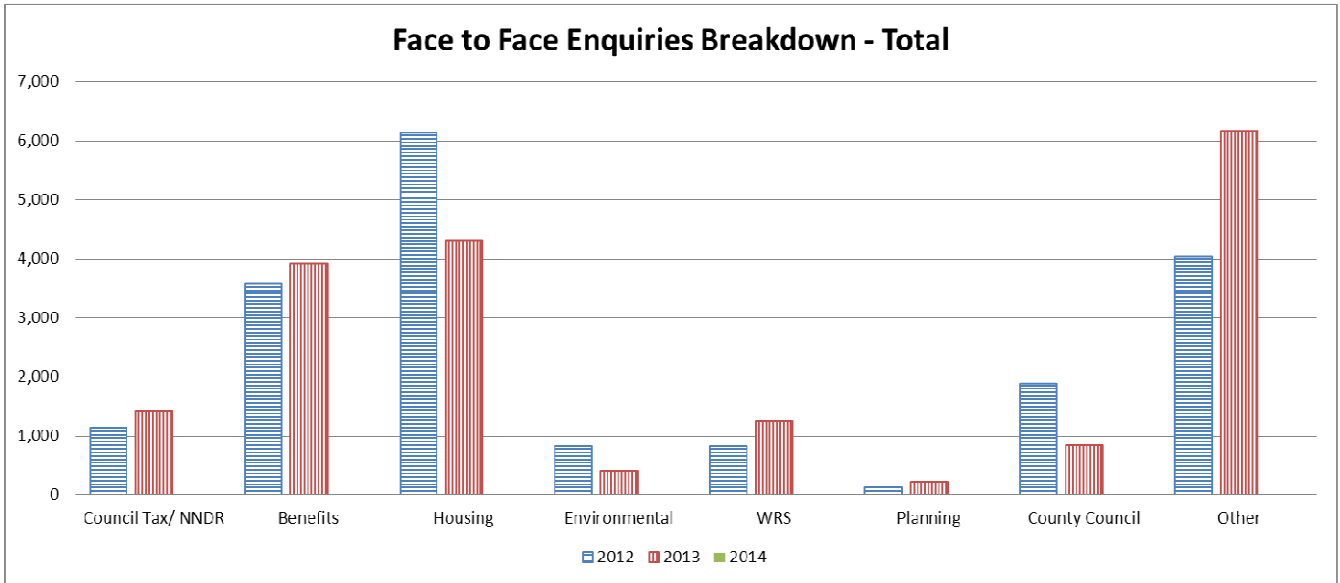
The following chart shows the total face to face enquiries being dealt with at the customer service centre and One Stop Shops on a month by month basis from April 2012 to December 2013. This shows a consistent volume of enquiries through from January 13 to December 13.



The following chart shows the breakdown of face to face enquiries received during the 3rd quarter of 2013/14, compared with the same period last year. We changed how we were recording numbers of enquiries, therefore the data during 2012/13 the data cannot be used as a comparison, only as an indicator of the spread of volumes.

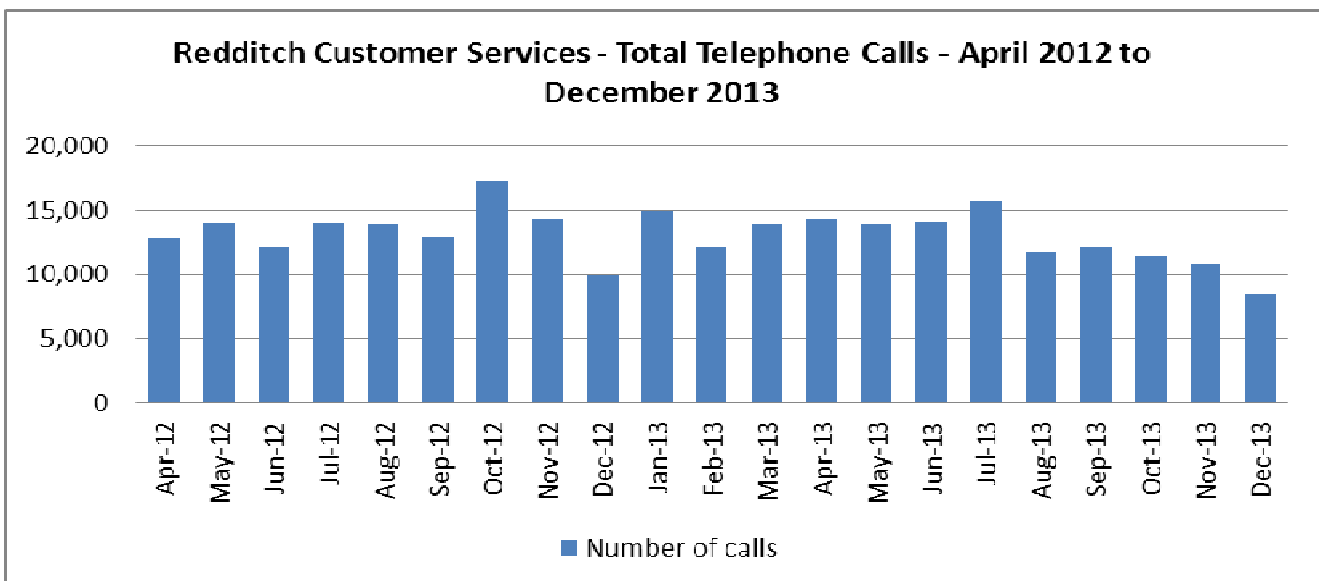
We are seeing a reduction in the number of County Council enquiries since October 2013 when County changed access to Blue Badge, Concessionary Fares and Waste Permits to online access.

The number of "Other" includes enquiries taken by reception in the Town Hall. These enquiries are not always council enquiries but can relate to external organisations, therefore logged as "other". It also includes visitors, car parking, contractors and deliveries which are not always service specific so are logged as "other".



Telephone Demand Received

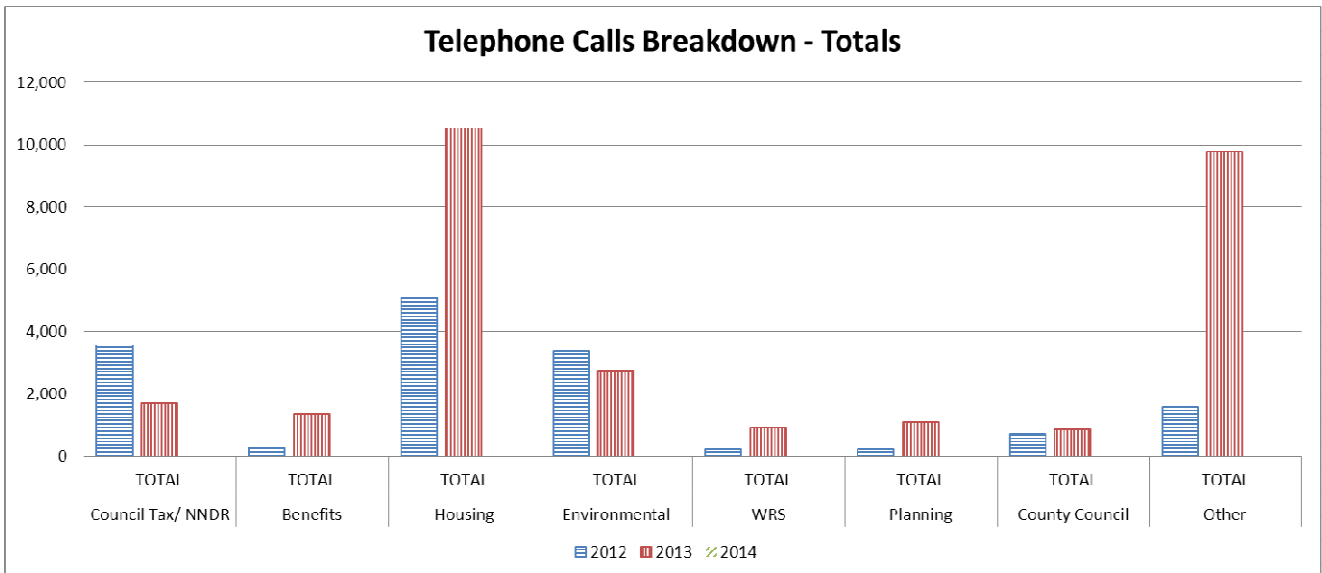
The following chart shows the total telephone calls recorded on the customer service systems from April 2012 until the end of December 2013. The volume of calls through this channel are reducing. This is due to more calls going directly to services but we do not currently have access to that data.



The following chart shows the breakdown of calls received via the switchboard and customer service centre phone lines by department during the quarter. (Calls made to direct dial lines are not recorded and therefore not included.) The 2012 data does not include switchboard calls which accounts for the significant difference when comparing years.

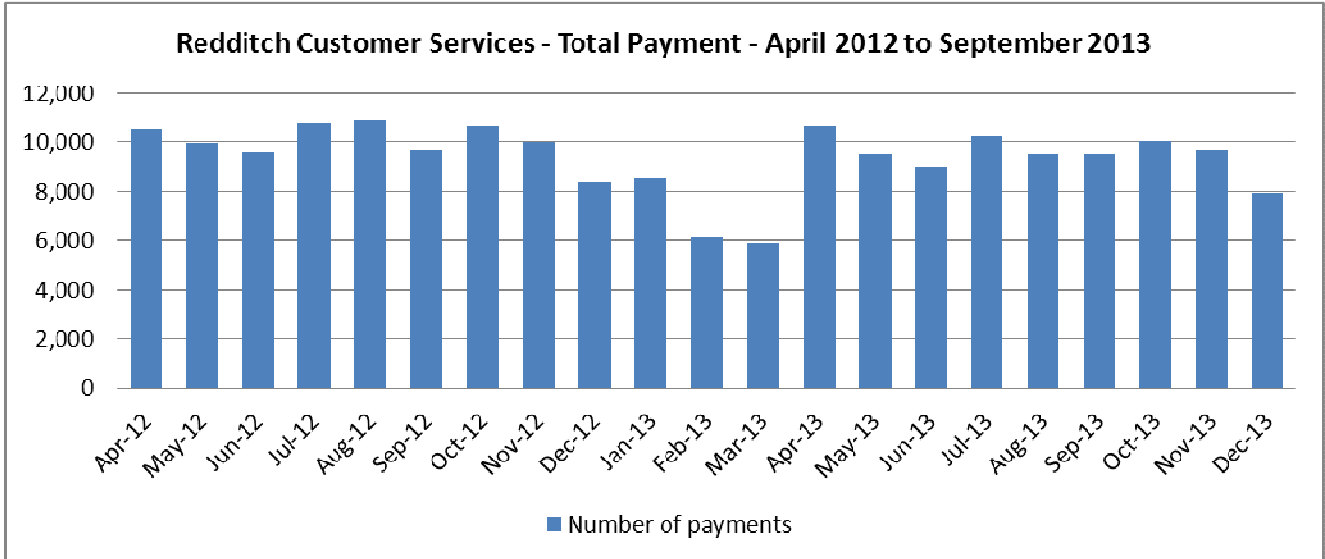
Revenues and Environmental services both opened service specific contact centre's during 2013, so the majority of their calls now go through directly to the offices direct, not through switchboard .The direct calls are not now recorded in Customer Service data.

From October to December 2013 we have identified what staff are recording as "other" and found a significant number of calls are customers wanting general information such as telephone numbers, opening times, address of outside organisations etc. There are also a number of calls logged as "other" when they do relate to a specific service, but staff are not able to quickly identify which one, and staff are working to improve this situation. In December we have seen a decrease in the number of calls recorded as "other" which we expect will continue.

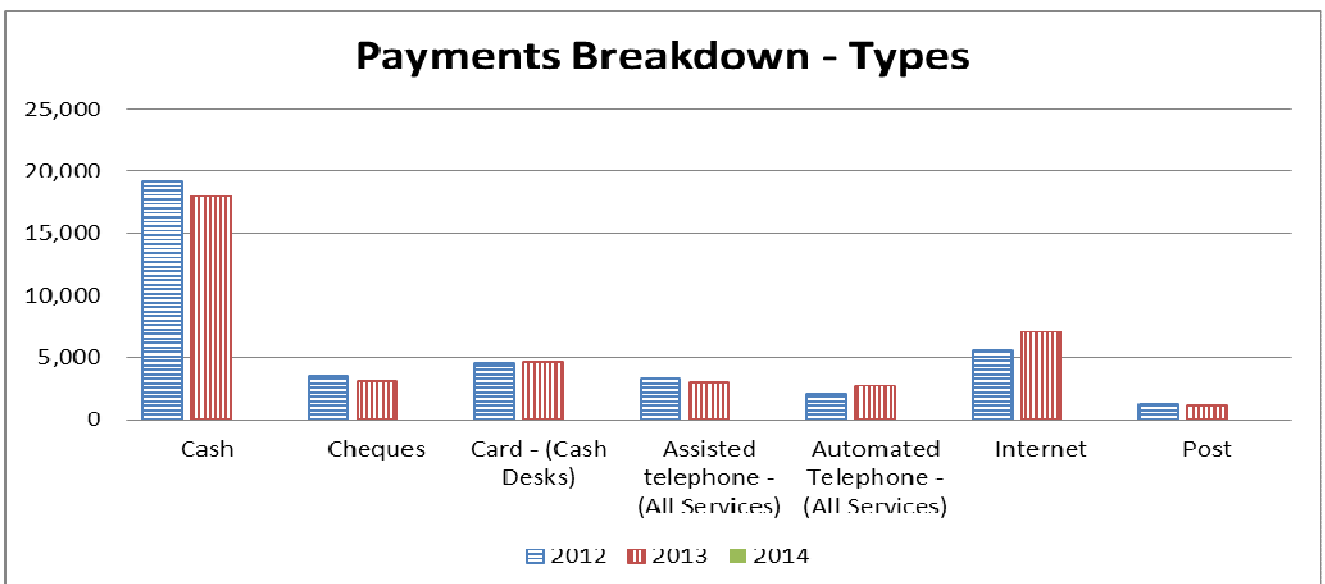


Payments

The following chart shows a month on month comparison of payments received by the cash offices and customer services staff during the period April 2012 to end of December 2013.



This chart shows the breakdown of payments across all payment channels and continues to evidence a reduction of payments made by cash, and a consistent increase in the use of automated payments channels, online and on the telephone.



Lynn Jones
 Customer Services Manager
 January 2014



Overview and Scrutiny Committee

Tuesday, 4th February, 2014

MINUTES

Present:

Councillor David Bush (Chair), Councillor Gay Hopkins (Vice-Chair) and Councillors Andrew Brazier, Simon Chalk, Andrew Fry, Roger Hill, Alan Mason, Yvonne Smith and Pat Witherspoon

Also Present:

Councillor Michael Braley

Officers:

S Horrobin, J Pickering, D Wheeler and J Willis

Democratic Services Officers:

J Bayley and A Scarce

96. APOLOGIES AND NAMED SUBSTITUTES

An apology for absence was received from Councillor Carol Gandy. Councillor Roger Hill attended the meeting as her substitute.

97. DECLARATIONS OF INTEREST AND OF PARTY WHIP

Councillor Fry declared an other discloseable interest in item 5 the Medium Term Financial Plan due to his personal family connection to the acting Head of Community Services.

98. MINUTES

It was highlighted that there was a typographical error on page eight of the agenda pack, Appendix 1 and it was noted that the cumulative reduction for 2014/15 should read £2.389m.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on 9th January 2014 be confirmed as a correct record and signed by the Chair.

.....
Chair

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

99. LIVING WAGE REPORT

Officers provided Members with an update in respect of the Living Wage and highlighted the following areas:

- Due to the on-going Job Evaluation work there were currently 91 members of staff who were paid the minimum wage of £6.31 per hour (the living wage being £7.65 per hour).
- Following the completion of Job Evaluation there would be no staff members earning below £7.65 per hour.

It was confirmed that following discussions over the last six months with Unison a couple of issues had been raised. Officers had considered the issues in detail and were due to meet shortly with UNISON representatives to discuss the matter further. Officers explained that they were committed to arriving at a collective agreement with UNISON and would report back to members and staff as soon as possible. It was also confirmed that reserves had been set aside to cover the potential cost of Job Evaluation. Unfortunately Officers were unable to provide Members with an end target date as the negotiations continued to be carried out.

RESOLVED that

the presentation on the Living Wage be noted.

100. MEDIUM TERM FINANCIAL PLAN

Officers presented the Medium Term Financial Plan 2014/15 – 2016/17 and explained that the report would be considered by the Executive Committee at its meeting to be held on 11th February 2014 with further consideration being given, together with the setting of the Council Tax at the Executive and full Council meetings on 24th February 2014. The following areas were highlighted for Members' consideration:

- Officers confirmed that there was currently a shortfall of £97,000 in the Council's budget.
- There were additional cost pressures as a result of various reductions in and changes to Government grants, for example, a reduction in the Grant Settlement and Business Rates and the introduction of Universal Credit.
- The New Homes Bonus grant would be used to offset the pressures facing the Council.
- There was the option of the Council Tax Freeze Grant available to the local authority, though the Council would be

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

asked to consider an increase in Council Tax of 1.9%. Members were advised that there was the possibility of a Government cap on any increase.

- Unavoidable budget pressures included funding from other agencies for the delivery of Council services, including Worcestershire County Council (WCC) and cuts in grant funding from the Department for Work and Pensions (DWP) associated with the administration of Housing Benefit.
- There had been an increase in Business Rates following revaluation of the Abbey Stadium. Officers confirmed that an appeal had been lodged in respect of this.
- The cost of borrowing, funding from reserves, bad debt provision and unidentified savings were also discussed in detail.

Members were informed that it was anticipated that the maintenance work at Threadneedle House would not now be carried out and that the building would be put up for sale within the following two weeks and would include the Post Office as a sitting tenant. Officers confirmed that there would be a reserve price on the property. Members questioned whether the loss of income from the Post Office rental charges had been taken into account within that reserve and Officers were asked to address this and the process for the sale of the building in a short report for the consideration of the Committee at a future meeting.

Officers highlighted the work which was being carried out in respect of service transformation and the need to reduce the costs associated with delivering enabling services due to focus on maintaining frontline services at an appropriate level. The suggested savings from the Democratic Services team and the affect these would have on the Committee were discussed in detail. It was confirmed that the current Task Groups would continue until their scheduled deadlines. However in future there could only be two Task Groups taking place at any one time. Whilst the Committee raised concerns about the reduction in support, the need for Members to make changes was acknowledged. It was also agreed that it was important that Members did not lose sight of the role of Overview and Scrutiny in holding the Council to account.

Members also raised concerns in respect of the reduction in Executive Committee and Council meetings as it was felt that this could lead to much lengthier meetings with much larger agendas. Officers confirmed that they were looking at different ways to report information to members that may not need specific decisions. It was

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

therefore not anticipated that the workload of the meetings would increase.

Members were informed that whilst the report detailed budget proposals for the following 12 months the budget process for 2015/16 would commence in six months' time, when the Council's financial position would be more clear particularly in respect of the unidentified savings. This six monthly report would be considered by Overview and Scrutiny, the Executive and full Council.

Officers explained that there was one budget bid for consideration. This was in respect of the economic development of the Eastern Gateway. A contribution of £25,000 had been requested in order to support a feasibility study. The Economic Development team hoped to complete as much of this work as possible, but consultants may be engaged for more specialist elements of the work needed. Members agreed that it was important that the Council had input and the opportunity to influence any development of this area.

RECOMMENDED that

the current position for 2014/15-2016/17 be noted and Officers be requested to review the savings that can be delivered to achieve a balanced budget.

101. FEES AND CHARGES 2014/15 REPORT

Officers presented the Fees and Charges Review 2014/15 report and in doing so highlighted the following:

- The delegated powers for the Head of Leisure and Cultural Services in order for the fees and charges to be altered by a variation of up to 30% and the circumstances under which this would be applied. Members requested a report outlining when this delegation had been exercised during the year.
- An overall average increase of 3% had been applied. Heads of Service had been encouraged to apply an increase of 2.5-3%.
- The Dial A Ride service had not had an increase for the last two years. The Older Peoples' Forum had been consulted and had been happy for an increase to be applied.
- The increase in charges for local community centres and the implications, if any, on the use of them by voluntary and community sector groups.
- The rationale behind the off peak and peak time increase for squash courts.

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

- The increase in charges for swimming lessons and adult entrance fees, together with the allocation for free swimming for those aged under 16 years and over 65 years.
- Concessionary charges and the use of the Reddicard.
- The merits of the bulky waste collection service.

RESOLVED that

the Fees and Charges Review 2014/15 Report be noted.

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

Officers presented the report on Housing Revenue Account Initial Estimates and rent setting for 2014/15 and in doing so highlighted the following areas:

- This was the final year of rent restructuring to bring the process in line with the Registered Social Landlords (RSL).
- The rent increase for 2014/15 would be 5.13% with an average rent of £78.59 per week (this was for a three bedroomed property).
- The Major Repairs Reserve was briefly discussed and Members were advised that there had been budgetary transfers from the Housing Revenue Account into this account in 2011/12.
- It was confirmed that the provision for bad debts had increased due to concerns around the Universal Credit system when housing benefit would be paid directly to the householder rather than to the Council.

Members discussed concerns around some residents being unable to cope with the responsibility which would arise following the introduction of the Universal Credit system and what steps, if any, could be taken to support those residents. Officers confirmed that there were particular circumstances where the money could be paid directly to the Council and that all Benefits and Housing staff were being provided with appropriate financial training to support residents. The Citizens Advice Bureau and Two Pennies also provided support with financial issues and received funding from the Council.

RECOMMENDED that

- 1) the draft 2014/2015 Estimates for the Housing Revenue account attached to the report at Appendix A, be approved;**

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

- 2) the actual average rent increase for 2014/015 be 5.13% (3.2% RPI plus 1.93% due to rent restructuring); and
- 3) the £3.5m be transferred to a reserve as a Revenue Contribution to Capital to fund the future Capital programme and repay borrowing.

103. EXECUTIVE COMMITTEE MINUTES AND SCRUTINY OF THE EXECUTIVE COMMITTEE'S WORK PROGRAMME

The Committee received the minutes of the Executive Committee meeting held on 14th January 2014 together with the most recent edition of the Executive Committee's Work Programme.

RESOLVED that

the minutes of the Executive Committee held on 14th January 2014 and the latest edition of the Executive Committee Work Programme be noted.

104. OVERVIEW AND SCRUTINY WORK PROGRAMME

There were no updates in respect of the Overview and Scrutiny Work Programme.

RESOLVED that

the Committee's Work Programme be noted.

105. TASK GROUPS - PROGRESS REPORTS

The following updates in respect of current Task Group reviews were provided:

- a) Abbey Stadium Task Group – Chair, Councillor Carole Gandy

Officers informed Members that the group had met with both Leisure and Cultural Services and Finance Officers to discuss the feasibility and financial implications of a number of draft recommendations. Members were informed that the café at the Abbey Stadium was now open and had been visited by some members of the Group. A visit to Stratford Leisure Centre had been arranged for 12th February 2014.

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

b) Football Provision within the Borough Task Group – Chair, Councillor David Bush

Councillor Bush informed Members that the group had held its first meeting and a number of further dates had been confirmed with a schedule of work being agreed. Membership of the group was confirmed as Councillors Pat Witherspoon, Andrew Fry, Pattie Hill, Carole Gandy and Andrew Brazier.

c) Joint Worcestershire Regulatory Services Scrutiny Task Group – Redditch member, Councillor Alan Mason

As Councillor Mason had been unable to attend the previous meeting of the Task Group Officers provided an update.

As the work involved in investigation had proved to be more involved than originally anticipated, Members of the Task Group had agreed to put back the completion of the final report to June 2014. Two meetings had been held since the last report and had involved interviews with a representative of the Management Board as well as with the Chief Executive and Section 151 Officer of the host authority. The Members had been grateful for the open and honest manner in which witnesses had responded to questioning. A visit to the WRS base at Wyatt House in Worcester had been arranged for the forthcoming week.

d) Landscaping Task Group – Chair, Councillor Gay Hopkins

Councillor Hopkins informed Members that the group expected to complete their investigations by their deadline. Members had recently visited the place intervention team in Winyates and had received positive feedback from three new workers to the project. The group had explored the commercial aspect from such materials as bark and logs, had reviewed the impact of tree roots on pavements and had explored the legal implications of disputes about landscaping issues involving private properties. The group had reached a stage where they were concentrating on recommendations and the final report.

e) Voluntary Sector Task Group – Chair, Councillor Pat Witherspoon

Councillor Witherspoon informed Members that the investigations of the group had been more in depth than expected. As they needed to visit two further projects she requested that an extension be granted until July 2014.

Overview and Scrutiny Committee

Tuesday, 4th February, 2014

The group had held a successful visit to The Space and planned to visit both the Sandycroft Centre and the Bromsgrove and Redditch Network (BARN). Members already had a number of potential recommendations in mind in order to make improvements. The group had noted the large number of volunteers involved in supporting Council services, the value they brought to the local authority and the benefits of this volunteering to local communities.

RESOLVED that

the update reports be noted.

106. HEALTH OVERVIEW AND SCRUTINY COMMITTEE

Councillor Witherspoon informed Members that the recent meeting of the Health Overview and Scrutiny Committee (HOSC) had been a very forthright one with the local County Councillors asking some very pertinent questions in relation to the hospital review.

The HOSC had received a report from the Health and Wellbeing Board in respect of its mental health and suicide plan, which had brought home some of the issues in the Borough, particularly in respect of a bridge which had unfortunately been the location for a number of suicides in recent months and the preventative work which could be carried out to address this. The financial implications were a big issue, though it was felt that the placing of a notice at the location was not a sufficient deterrent to people considering committing suicide. Following discussions the Health and Wellbeing Board had agreed to monitor suicides across the County. Whilst the bridge referred to was acknowledged as a "hot spot" Members agreed that it was disappointing that further action was not forthcoming in relation to this location.

The YMCA and housing for the vulnerable had also been discussed. Councillor Witherspoon confirmed that specific reference to people with depression and how this was dealt with by GPs had not been discussed. Instead, the debate had focused more on issues around support in the community.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**11th March 2014**ADVISORY PANELS, WORKING GROUPS, ETC - UPDATE REPORT**

Relevant Portfolio Holder	Councillor John Fisher, Portfolio Holder for Corporate Management
Relevant Head of Service	Claire Felton, Head of Legal, Equalities and Democratic Services
Non-Key Decision	

1. SUMMARY OF PROPOSALS

To provide, for monitoring / management purposes, an update on the work of the Executive Committee's Advisory Panels, and similar bodies which report via the Executive Committee.

2. RECOMMENDATIONS

The Committee is asked to **RESOLVE** that

subject to Members' comments, the report be noted.

3. UPDATES**A. ADVISORY PANELS**

	<u>Meeting :</u>	<u>Lead Members / Officers :</u> (Executive Members shown <u>underlined</u>)	<u>Position :</u> (Oral updates to be provided at the meeting by Lead Members or Officers, if no written update is available.)
1.	Climate Change Advisory Panel	Chair: <u>Cllr Debbie Taylor</u> / Vice-Chair: Cllr Andy Fry Kevin Dicks	Last meeting – 15 th May 2013
2.	Economic Advisory Panel	Chair: <u>Cllr Greg Chance</u> / Vice-Chair: <u>Cllr John Fisher</u> Georgina Harris	Last meeting – 4th December 2013

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**11th March 2014

3.	Housing Advisory Panel	Chair: <u>Cllr Mark Shurmer</u> / Vice-Chair: Cllr Pat Witherspoon Liz Tompkin	Next meeting – Date to be established
4.	Planning Advisory Panel	Chair: <u>Cllr Greg Chance</u> / Vice-Chair: <u>Cllr Rebecca Blake</u> John Staniland / Ruth Bamford	Next meetings – 11 th March, 8 th April 2014

B. OTHER MEETINGS

5.	Constitutional Review Working Party	Chair: <u>Cllr Bill Hartnett</u> / Vice-Chair: <u>Cllr Greg Chance</u> Sheena Jones	Next meeting – Date to be established.
6.	Member Support Steering Group	Chair: <u>Cllr John Fisher</u> / Vice-Chair: <u>Cllr Phil Mould</u> Sheena Jones	Next meeting – 11 th March 2014.
7.	Grants Panel	Chair: Cllr David Bush / Vice-Chair: <u>Cllr Greg Chance</u> Donna Hancox	Last meeting – 3 rd March 2014
8.	Procurement Group	Chair: <u>Cllr Bill Hartnett</u> / Vice-Chair: <u>Cllr Greg Chance</u> Jayne Pickering	In abeyance pending Transformation.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**11th March 2014

9.	Independent Remuneration Panel	Chair: Mr R Key / Sheena Jones	Last meeting – 27 th November 2013
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AUTHOR OF REPORT

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Tel: (01527) 64252 (Extn. 3269)

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**11th March 2014**ACTION MONITORING**

Portfolio Holder(s) / Responsible Officer	Action requested	Status
26th November 2013		
Cllr Mould / Cllr Fisher S Jones / C Felton	Redditch United Football Club – Ground Relocation Councillor Brunner requested information on the cost of holding the meeting to consider the proposal for ground relocation by Redditch United Football Club.	Officers are carrying out work around the cost of democracy.
14th January 2014		
Cllr Fisher / K Dicks / J Pickering	Impact of Worcestershire County Council Budget Proposals Officers undertook to bring back to the Executive Committee further details around costs and likely impact of changes on Lifeline service.	
Note:	<i>No further debate should be held on the above matters or substantive decisions taken, without further report OR unless urgency requirements are met.</i>	Report period: 26/11/13 to present

