



Council

Mon 23 Feb
2015

7.10 pm or at the
conclusion of the
Executive Committee
meeting, if later

REDDITCH BOROUGH COUNCIL

*making
a
difference*

www.redditchbc.gov.uk

Council Chamber
Town Hall
Redditch

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Democratic Services
Democratic Services**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: (01527) 548240
e.mail: sheena.jones@bromgroveandredditch.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.

Further Information

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

Fire/ Emergency instructions

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

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

Do Not stop to collect personal belongings.

Do Not use lifts.

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

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



Council

Monday, 23rd February, 2015

7.10 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Pat Witherspoon (Mayor) Pattie Hill (Deputy Mayor) Joe Baker Roger Bennett Rebecca Blake Michael Braley Andrew Brazier Natalie Brookes Juliet Brunner David Bush Greg Chance Brandon Clayton John Fisher Andrew Fry Carole Gandy	Bill Hartnett Gay Hopkins Wanda King Alan Mason Phil Mould Jane Potter Mark Shurmer Rachael Smith Yvonne Smith Paul Swansborough Debbie Taylor David Thain John Witherspoon Nina Wood-Ford
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1. Welcome	The Mayor will open the meeting and welcome all present.
2. Apologies	To receive any apologies for absence on behalf of Council members.
3. Declarations of Interest	<p>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.</p> <p>Please note that under Section 106 of the Local Government Finance Act 1992, any Councillor who is 2 or more months in arrears with their Council Tax payments cannot participate in any item at the Council meeting concerning the budget. This statutory provision overrides any dispensation granted.</p>
4. Minutes (Pages 1 - 6) Kevin Dicks, Chief Executive	<p>To confirm as a correct record the minutes of the meeting of the Council held on 26th January 2015.</p> <p>(minutes attached)</p>

<p>5. Announcements</p>	<p>To consider any exceptional announcements under Procedure Rule 10:</p> <ul style="list-style-type: none">a) Mayor's Announcementsb) Leader's Announcementsc) Chief Executive's Announcements. <p>(Oral report)</p>
<p>6. Executive Committee (Pages 7 - 28) Kevin Dicks, Chief Executive</p>	<p>To receive the minutes and consider the recommendations and/or referrals from the following meetings of the Executive Committee:</p> <p><u>3rd February 2015</u></p> <ul style="list-style-type: none">• Medium term financial plan 2015-16 – 2017-18. <p><u>23rd February 2015</u></p> <ul style="list-style-type: none">• Medium Term Financial Plan 2015-16 – 2017-18. <p>Minutes, decisions and reports from the meeting held on 3rd February are attached. The report to the meeting on 23rd February are included with the agenda papers for that meeting of the Committee.</p> <p>Note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation or Council tax at a budget decision meeting of the Council.</p> <p>Under Section 106 of the Local Government Act 1992, any Councillor who is 2 or more months in arrears with their Council tax payments cannot participate in any item at the Council meeting concerning the budget. This statutory provision overrides any dispensation granted.</p>
<p>7. Urgent Business - Record of Decisions Kevin Dicks, Chief Executive</p>	<p>To note any decisions taken in accordance with the Council's Urgency Procedure Rules (Part 6, Paragraph 5 and/or Part 7, Paragraph 15 of the Constitution), as specified.</p> <p>(None to date).</p>

<p>8. Urgent Business - general (if any)</p>	<p>To consider any additional items exceptionally agreed by the Mayor as Urgent Business in accordance with the powers vested in her by virtue of Section 100(B)(4)(b) of the Local Government Act 1972.</p> <p>(This power should be exercised only in cases where there are genuinely special circumstances which require consideration of an item which has not previously been published on the Order of Business for the meeting.)</p>
<p>9. 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 rounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (<i>to be specified</i>) of Part 1 of Schedule 12 (A) of the said Act, as amended.”</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 – <u>the identity of any individual</u>;• Para 3 – <u>financial or business affairs</u>;• Para 4 – <u>labour relations matters</u>;• Para 5 – <u>legal professional privilege</u>;• Para 6 – <u>a notice, order or direction</u>;• Para 7 – <u>the prevention, investigation or prosecution of crime</u>; <p>may need to be considered as ‘exempt’.]</p>

Council

Monday, 23rd February, 2015

10. -

(Note: Anyone requiring copies of any previously circulated reports, or supplementary papers, should please contact Committee Services Officers in advance of the meeting.)



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COUNCIL

26th January 2015

MINUTES

Present:

Councillor Pat Witherspoon (Mayor) and Councillors Pattie Hill (Deputy Mayor), Joe Baker, Roger Bennett, Rebecca Blake, Michael Braley, Andrew Brazier, Natalie Brookes, Juliet Brunner, David Bush, Greg Chance, Brandon Clayton, Andrew Fry, Carole Gandy, Bill Hartnett, Gay Hopkins, Wanda King, Alan Mason, Phil Mould, Jane Potter, Mark Shurmer, Rachael Smith, Yvonne Smith, Debbie Taylor, John Witherspoon and Nina Wood-Ford

Officers:

Kevin Dicks, Sue Hanley, Claire Felton, Amanda Scarce and Kelly-Louise Johnson

Democratic Services Officer:

Amanda Scarce

59. APOLOGIES

Apologies for absence were received on behalf of Councillors John Fisher, Paul Swansborough and David Thain.

60. DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

61. MINUTES

RESOLVED that

The minutes of the meeting of the Council held on 8th December 2014 be agreed as a correct record and signed by the Mayor.

62. ANNOUNCEMENTS

a) Mayor

The Mayor invited the Reverend Paul Lawlor, her chaplain for her year in office to speak.

.....
Chair

COUNCIL

Committee

26th January 2015

Former Mayor Dot Dudley

The Mayor formally advised the Council of the death of the former Mayor Dot Dudley and Members observed a minute's silence as a mark of respect. Members were then invited to say a few words in memory of her.

The Leader commented that former Mayor Dot Dudley, who had 2 daughters and 2 sons, had been a councillor for 11 years and had represented Batchley, where she had lived all her life. She had not courted publicity but had worked tirelessly for her community. A letter of condolence had been sent to the family.

The Leader of the Opposition passed on condolences to former Mayor Dot Dudley's family, friends and Labour colleagues.

Councillors Fry, Gandy and Shurmer also paid tribute to the work the former Mayor had done for her community and Redditch as a whole.

The Mayor gave a summary of some of the events she had attended since the previous meeting:

- The Alexandra Hospital on Christmas Day
- Wychavon District Council Civic Service
- Headless Cross Golden Age Club
- ROWL – AGM
- Holocaust Memorial Event – this had been well attended and a very interesting and moving service.
- Redditch Special Olympic Awards
- Touchstones Charity Talk – this was a counselling service for bereaved children.

The Mayor's forthcoming engagements included:

- Mayoral Charity Indian Banquet Evening
- RBC Play Rehearsal re Debt
- Wyre Forest Winter Supper Evening
- Stourport Council Talent Show
- Worcester City Civic Service
- Worcestershire County Civic Dinner
- Mayoral Charity Skittle Evening
- Kidderminster Council Charity Ball

The Mayor also thanked Councillor Pattie Hill for standing in for her on those occasions when she had been unable to attend an event.

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26th January 2015

b) Leader's Announcements

The Leader paid tribute to Ken Banks, the husband of former Mayor Kath Banks and confirmed a letter of condolence had been sent by the Leader and Mayor.

The Leader of the Opposition acknowledged the tribute and passed on the former Mayor's thanks for the kind thoughts.

Since the last meeting the Leader had attended the following events:

- Various Christmas community events
- The pantomime, Cinderella at the Palace Theatre
- Pride of Redditch Awards organised for the second year by Councillor Rebecca Blake and Ian Dipple from the Redditch Standard. It was noted that local businesses had attended for the first time.
- Polish School Nativity Play
- Redditch Guru Nanak Gudwara, a Sikh temple held at Ridgeway School.
- Holocaust Memorial Day Event – this was the 70th anniversary year and the Council had been awarded one of the 70 candles which was lit by the 91 year old holocaust survivor, Iby Knill. The event had included a talk by Iby, together with a performance from the Polish Saturday School, the Kerela Cultural Association and Astwood Bank First School.

The Leader had also written to both the local mosque (a letter of thanks had been received) and Pakistan High Commissioner in light of the recent events in Pakistan. He also thanked Tanweer Dean for arranging a gathering outside St Stephen's Church in order for residents to pay respects if they so wished.

The Leader welcomed Laura Marries, Zoe Gardner and Fiona Davidson to the meeting and explained that Laura, with the support of her manager, Zoe, had arranged various fund raising events, including having her head shaved, for a Cancer charity, raising in total £3,100. Laura had raised the funds on behalf of Fiona and she was invited to say a few words of thanks.

Paul Mitchell was also welcomed and the Leader explained that Paul was an Aerospace Engineer who had won a regional apprentice award for advanced apprenticeship Graduate of the Year Award, which had taken place at a ceremony in Coventry. The Leader congratulated Paul and said that the Council were keen

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26th January 2015

to promote and support apprenticeships in the town. Paul was invited to say a few words.

Bella Williams, who was 6 years old, was welcomed to the meeting and the Leader explained that she had, of her own instigation, spent the Christmas school holidays collecting litter in her local road. The Leader and Mayor thanked her for her hard work and presented her with a goody bag and encouraged her to keep up the good work.

Finally, the Leader presented Councillor Wanda King with a number of gifts from the Redditch Special Olympic Awards, which he and the Deputy Mayor had collected on her behalf at the recent Awards evening. He explained that Councillor King's chosen charity had been the Special Olympics when she had been Mayor the previous year and they had been most grateful for the funds they had received.

63. QUESTIONS ON NOTICE

The Leader responded to a question submitted in accordance with Procedure Rule 9.2 from Councillor Juliet Brunner.

Councillor Brunner asked the following question:

“What advice would the Leader of the Council give to any Councillor who was contacted by a resident who did not live in their ward and asked to deal with an issue?”

The Leader referred Members to the relevant section of the Council's Constitution and advised that this matter would be raised at the Constitutional Working Party meeting to be held on 27th January 2015 and if Members of that Working Party agreed it was appropriate, the necessary amendments would be made.

Councillor Brunner raised a number of points within her supplementary question including “what would the Leader suggest if a resident requested their matter be dealt with by a Councillor from the Political Party they had voted for or they preferred to deal with a female Councillor? And how would matters be dealt with which were raised during political campaigns?”

In response the Leader reiterated that this was a matter that would be discussed at the Constitutional Working Party meeting.

64. MOTIONS ON NOTICE

No motions had been submitted.

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65. EXECUTIVE COMMITTEE

Members considered the minutes of the Executive Committee meeting of 16th December 2014.

Members consider the minutes of the Executive Committee meeting of 20th January 2015.

Independent Remuneration Panel Report

It was highlighted that the IRP had not proposed an increase in the level of allowances compared to the previous year and the Council continued to pay less than that recommended by the Panel. This had been debated at Executive Committee and it was felt that in the current times of austerity it would not be appropriate for these allowances to be increased.

Housing Revenue Account Initial Estimate

The Executive Committee had received a report which presented the initial estimates for the Housing Revenue Account and proposed dwelling rents for 2015/16 and Council was requested to endorse the recommendations in order for the relevant teams to continue the good work which had been carried out to date.

RESOLVED that

- (a) The Minutes of the meeting of the Executive Committee held on 16th December 2014 be received and adopted; and**
- (b) The Minutes of the meeting of the Executive Committee held on 20th January be received and all recommendations adopted.**

66. REGULATORY COMMITTEES

The Council received the minutes of the recent meetings of the Licensing Committee and the Planning Committee.

RESOLVED that

- (a) The minutes of the meeting of the Licensing Committee held on 3rd November 2014 be received and adopted; and**
- (b) The minutes of the meeting of the Planning Committee held on 10th December 2014 be received and adopted.**

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Committee

26th January 2015

67. URGENT BUSINESS - RECORD OF DECISIONS

There were no urgent decisions to note.

68. URGENT BUSINESS - GENERAL

There were no separate items of urgent business to consider at this meeting.

The Meeting commenced at 7.00 pm
and closed at 7.50 pm



Executive Committee

Tuesday, 3 February 2015

MINUTES

Present:

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

Also Present:

Councillor Pat Witherspoon

Officers:

Clare Flanagan, Sue Hanley and Jayne Pickering

Committee Services Officer:

Sheena Jones

96. APOLOGIES

Apologies for absence were received from Councillor Yvonne Smith.

97. DECLARATIONS OF INTEREST

There were no declarations of interest.

98. LEADER'S ANNOUNCEMENTS

The Leader did not have any announcements for this meeting.

99. MINUTES

RESOLVED that

The minutes of the meeting of the Executive Committee held on 20th January 2015 be agreed as a correct record and signed by the Chair.

100. MEDIUM TERM FINANCIAL PLAN 2015-16 TO 2017-18

The Committee considered a report which set out the current financial position for the revenue budget 2015-16 – 2017-18.

.....
Chair

In presenting the report the Executive Director Finance and Resources highlighted the following points:

- The Council had not yet received confirmation of the reduction in government grant for 2015-16, although it was unlikely to change much from the indicative figure received just prior to Christmas. A 5% reduction in the level of grant had been built into the assumptions for the medium term;
- Risks for the medium term included the outcome of the Comprehensive Spending Review following the election in May and the potential for the New Homes Bonus scheme to change so that the authority would cease to receive proceeds from this;
- The planned use of capital receipts to reduce borrowing costs;
- A typographical error in paragraph 3.22 of the report which it was confirmed should read “The current projections do **not** include any use of balances over the 3 year plan period”;
- A proposed Council Tax increase of 1.9%. Government grant was available to meet the costs of keeping an increase in Council tax to 1% but this restricted the base for future years.

The following were the main points raised by members during consideration of the report:

- Whether the Council owned sufficient assets to enable the savings predicted from the asset review to be realised. It was noted that Redditch would be the first locality review undertaken under the proposed Joint Property Vehicle. This would seek to establish the most efficient use of the Council’s and other public authority assets in the Borough. Arising from this item, the Executive Director Finance and Corporate Resources undertook to let Councillor Brunner have a list of the Borough Council’s assets.
- Whether the level of savings projected resulting from the proposed review of how Leisure Services were delivered were achievable and how any shortfall would be made up. Officers responded that if Councillors agreed the proposed changes then significant savings could be achieved in the 2015-16 financial year. If during the year it became apparent that the full £150k would not be achieved, the management team would seek to meet the shortfall corporately.
- Details were provided of the revenue bids for the Essential Living Fund – which should be match funded by Worcestershire

Executive Committee

Tuesday, 3 February 2015

County Council; small business support, to be delivered through the Economic Theme Group, and energy management “spend to save” proposals.

At the conclusion of the debate Councillors thanked the officers, especially in the finance team, for their hard work in delivering the information necessary for the Financial Plan to be considered at this meeting. Members also thanked officers for their continued efforts to deliver savings so that residents could continue to receive services from the Council.

Members requested that officers work immediately to identify where savings would be made to meet the shortfalls predicted for the second and third year of the Plan.

RECOMMENDED that

- 1) **The bids of £91k for 2015-16 as set out in the report relating to Essential Living Fund, Small Business Support and the spend to save funds for energy management be approved;**
- 2) **The unavoidable pressures as detailed at appendix 1 to these minutes be approved as follows:**

**2015/16 £238k
2016/17 £230k
2017/18 £241k**
- 3) **The savings as detailed at appendix 2 to these minutes be approved as follows:**

**2015/16 £1.005m
2016/17 £1.476m
2017/18 £1.516m**
- 4) **That the increase in Council tax of 1.9% for 2015-16 be approved.**

101. OVERVIEW AND SCRUTINY COMMITTEE

The Committee received the minutes of the meeting of the Overview and Scrutiny Committee held on 13th January 2015.

RESOLVED that

The minutes of the meeting of the Overview and Scrutiny Committee held on 13th January 2015 be received and noted.

**Executive
Committee**

Tuesday, 3 February 2015

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

There were no outstanding referrals for the Committee to consider.

103. ADVISORY PANELS - UPDATE REPORT

RESOLVED that

The report be noted.

104. ACTION MONITORING

It was noted that the Head of Customer Access and Financial Support had e-mailed the information requested regarding land at Easemore Road to members.

RESOLVED that

The position be noted.

The Meeting commenced at 7.00 pm
and closed at 7.57 pm

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Chair

STATEMENT SHOWS IMPACT
OF NEW PRESSURES EACH
FINANCIAL YEAR

UNAVOIDABLE PRESSURES	2015/16 £'000	2016/17 £'000	2017/18 £'000	Comments
ENABLING				
Customer Access & Financial Support	73	-8	-	<i>Increased cost of building/reduction in income/ impact of concessionary rent scheme</i>
Parish Council & Neighbourhood Referendum	3	-	-	<i>Additional cost to be incurred in respect of Parish Election & Neighbourhood Referendum</i>
Provision of Funding to ensure the Council can support the implementation of the Living Wage to staff	70	-	-	<i>To implement the Living Wage to staff for 2015/16</i>
Postage - additional postage costs	4	-	-	<i>Additional postage costs incurred to meet demand for information being sent across the Borough</i>
Land Charges	-	-	11	<i>Changes to Land Charges scheme will impact on income received</i>
PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT				
Increased building costs/loss of income - Leisure Services	24	-	-	<i>Increases in building costs together for Leisure facilities</i>
HELP ME RUN A SUCCESSFUL BUSINESS				
Car Parking Income - reduced income from enforcement	36	-	-	<i>There is a projected shortfall in income relating to enforcement as drivers are now parking in a more compliant way</i>
HELP ME LIVE MY LIFE INDEPENDENTLY				
Loss of Supporting People income/transitional from HRA	28	-	-	<i>Reduction in Supporting People income from WCC</i>
TOTAL PER SUMMARY ABOVE	238	-8	11	

**STATEMENT SHOWS IMPACT
OF NEW SAVINGS EACH
FINANCIAL YEAR**

STRATEGIC PURPOSE SAVINGS	2015/16 £'000	2016/17 £'000	2017/18 £'000	Comments
ENABLING				
Customer Access & Financial Support - Service Review Fraud / Customer Services / General savings	-143	28	-	<i>Savings delivered from structure reviews / reduced building costs/ locality working / fraud staffing changes due to Single Fraud initiative/</i>
Enabling Services; Legal & Democratic, Finance, Corporate Management , HR	-293	-138	-	<i>Savings delivered from structure reviews and general efficiencies within the services</i>
WRS Savings	-	-50	-	<i>Savings from further efficiencies in WRS</i>
JPV	-	-	-15	<i>Savings realised from the Joint Property Vehicle project</i>
Contract Savings / efficiencies	-50	-20	-	<i>Savings to be achieved from reviewing and renegotiating contracts</i>
Asset review	-30	-60	-	<i>Savings from reviewing assets across the organisation and to manage energy costs more efficiently</i>
Sub Total	-516	-240	-15	
KEEP MY PLACE SAFE AND LOOKING GOOD				
Parking Services	-30	-	-	<i>Reduction in costs associated with civil parking enforcement</i>
Place Review - Environmental/Community Services savings	-164	-26	-	<i>Reduction in costs following the review of services delivered across the locality</i>
Staffing Reviews across the Strategic Purpose	-	-25	-25	<i>Savings estimated as a result of a review across the Strategic Purpose within a locality</i>
Sub Total	-194	-51	-25	
HELP ME LIVE MY LIFE INDEPENDENTLY				
Shopmobility / Dial a Ride	-20	-30	-	<i>Savings estimated as a result of a review into the efficiency and operation of Dial A Ride and Shopmobility Services</i>
Staffing Review across the Strategic Purpose	-20	-	-	<i>Savings estimated as a result of a review into the resource supporting the strategic purpose</i>
Building Control	-60	-	-	<i>To revise the charging mechanism for Building Control Shared Service to allocate costs based on activity</i>
Sub Total	-100	-30	0	
PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT				
Leisure Services	-150	-150	0	<i>Potential savings that could be delivered from a review of how Leisure Services are delivered</i>

Community Centres	-45	0	0	<i>Review of the operation and management of the community centres has delivered savings</i>
Sub Total	-195	-150	0	
TOTAL TO INCLUDE NEW SAVINGS PROPOSED	-1,005	-471	-40	

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100. MEDIUM TERM FINANCIAL PLAN 2015-16 – 2017-18**RECOMMENDED that**

- 1) The bids of £91k for 2015-16 as set out in the report relating to Essential Living Fund, Small Business Support and the spend to save funds for energy management be approved;
- 2) The unavoidable pressures as detailed at appendix 1 to these minutes be approved as follows:

2015/16 £238k
2016/17 £230k
2017/18 £241k
- 3) The savings as detailed at appendix 2 to these minutes be approved as follows:

2015/16 £1.005m
2016/17 £1.476m
2017/18 £1.516m
- 4) That the increase in Council tax of 1.9% for 2015-16 be approved.

EXECUTIVE

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MEDIUM TERM FINANCIAL PLAN 2015/16 – 2017/18

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

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider the current financial position for the revenue budget 2015/16 – 2017/18.

2. RECOMMENDATIONS**2.1 Executive is asked recommend to Full Council:**

- 1) Approve the bids of £91k for 2015/16 as detailed within the report in relation to Essential Living Fund , Small Business Support and the spend to save funds for energy management.

- 2) Approve the unavoidable pressures as detailed in Appendix 1 of;

2015/16 £238k

2016/17 £230k

2017/18 £241k

- 3) Approve the savings as detailed at Appendix 2 of ;

2015/16 £1.005m

2016/17 £1.476m

2017/18 £1.516m

- 4) Approve the increase in Council Tax of 1.9% for 2014/15

3. KEY ISSUES**Financial Implications**

- 3.1 As Members are aware the Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made. As part of the budget process for 2014/15 a one year budget was agreed by Members. This was to enable officers and Members to review the costs associated with the delivery of services across the Borough to make informed proposals on future years spending plans. The Medium Term Plan included within

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this report is for a 3 year period and provides sustainable financial funding to the Strategic Purposes and ensure residents receive quality services to meet their needs in the future. The Purposes that drive the financial considerations are :

- Help me find somewhere to live in my locality
- Provide good things for me to see, do and visit
- Help me live my life independently
- Help me run a successful business
- Help me be financially independent
- Keep my place safe and looking good

Formula Grant / Localised Business Rates

- 3.2 The provisional settlement that was received recently by the Council for 2015/16 was as indicated previously at £3.580m. However this confirms the £652k reduction in the grant allocated for 2014/15. The grant includes a number of allocations that were previously received as separate funding streams and therefore the cut is across all funding received by Central Government.
- 3.3 Forecasting Government funding beyond 2015/16 is challenging, the key issue will be the outcome of the next Comprehensive Spending Review (CSR), due for publication after the General Election in May 2015. Recent Government and opposition announcements indicate that the austerity measures are set to continue into future years, in line with the Government's objective of achieving a budget surplus. Further estimated reductions on Formula Grant are therefore factored into the MTFP, in line with previous estimates. Reductions have been included at 5% of the Revenue Support Grant (£1.567m) element of the main settlement.
- 3.4 The budget for 2015/16 – 2017/18 includes a Council Tax increase of 1.9% p.a. It is worth noting that the Government has continued to provide a Council Tax Freeze Grant of up to 1% as part of the settlement for 2015/16. It is proposed that the Council does not take up this grant due to the impact it has on the future Council Tax income rises.
- 3.5 The new localised regime on Business Rates (BR) took effect in April 2013. Redditch is part of the Greater Birmingham and Solihull Business Rates Pool, set up as a mechanism to retain more BR growth funding within the area, and to manage risk on BR losses on a shared basis.
- 3.6 In the first year of this new regime, all members of the pool benefited financially from being in the pool. The net financial growth across all the Pool Partners was £750k. This would have been returned to

REDDITCH BOROUGH COUNCIL**EXECUTIVE****3rd FEBRUARY 2015**

Central Government had the Pool not existed. From this £750k Redditch received £203k for 2013/14 as the Council saw decline in its Business Rates Baseline Income and had to make a number of payments as a result of nationally agreed appeals by businesses. We therefore reached a “safety net” level whereby a payment was made to mitigate the effect of the decline in income. This was a one off payment for 2013/14 as part of the Pooling Agreement. Of the remaining £547k, funding of £307k was set aside for LEP projects and £240k returned to the 3 Councils that generated growth in their Business Rates position.

- 3.7 Despite the “safety net” being reached in 2013/14 officers are confident that the effect of prior year appeals will not impact in future years and therefore a £200k growth income has been included in the financial plan for the 3 year period.

New Homes Bonus

- 3.8 The Council will receive £803k in 2015/16. This has been increased based on assumptions of planning growth over the next 3 years.
- 3.9 As Members are aware all income received from New Homes Bonus grant is currently used within the General Funds of the Council and is utilised to offset the pressures facing the Council over the medium term. At present there are no proposed changes to the funding mechanism for New Homes Bonus by Central Government but it is a funding stream that could be revised in the future and therefore impact on the budget position moving forward.

Council Tax

- 3.10 To ensure that necessary levels of funding are available given the large reductions in government grant highlighted above, the Council Tax increases will have to be sufficient to ensure that funding is available for the services that create value to the customer have appropriate levels of financial resource.
- 3.11 The government have offered a grant equivalent to a 1% rise in Council Tax for 2015/16 for councils who freeze their Council Tax in the next financial year. Acceptance of this freeze grant will cost the Council £101k pa once the grant ceases (assuming Council Tax would otherwise rise by 1.9% in 2015/16). It is proposed that the freeze grant is not accepted due to the impact on future years funding.

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Transformation

- 3.12 The significant reductions in funding are not anticipated to improve for a number of years and therefore officers have looked at alternative ways to deliver savings whilst improving services to the community. As previously reported the services provided by the Council are undergoing transformational change using a different approach to assessing the value provided by the service. This work will focus on the purpose of services to the community and will aim to realise savings and protect those services that create value to our customers.
- 3.13 Members will be aware of the recent review to the provision of some services across a locality /place and the significant savings that have been identified whilst improving and enhancing the services to the community. In addition the work across customer services and departments continues to develop to ensure that an expert is on hand to support our residents. There are a number of savings that are estimated to be delivered as a result of transformation over the next 3 years.
- 3.14 Officers are focused on reducing costs of services that do not provide front line services to support the Strategic Purposes and will continue to drive out waste and redesign provision to reduce costs.

Financial Projections

- 3.15 Officers have also identified a number of budget pressures that have been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2014/15 together with any issues that have been raised as fundamental to maintaining service provision as part of the budget process. In addition income shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. These pressures are detailed in Appendix 1.
- 3.16 In addition to the unavoidable pressures 2 revenue bids have been identified to continue to support the community across the Borough. These are :
- Essential Living Fund - **£30k** to provide support to the most vulnerable residents, through the provision of:
 - Short term help to pay energy costs;
 - Emergency food, clothing or other essentials; and
 - basic furniture and/or electrical goods where a critical need has been identified.
 - Small Business Support - **£20k** to provide levels of funding for businesses to set up in the Borough

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- Energy Management - **£41k** to provide funding for the Council to work with the County Council to review our energy efficiency / carbon footprint and to work to ensure the Council reduces its energy cost in the future. The £41k is for one year only and will realise savings of £60k per annum by 2017/18.
- 3.17 Officers have spent time reviewing the way that our services are delivered and have proposed savings that can be realised as a result of the financial principles that the Council agreed in relation to the budget:
- Reducing the cost of enabling services
 - Reducing the cost of waste in the services
 - Redesigning the service to meet customer need whilst reducing cost
- 3.18 Officers have reviewed service delivery across the Council and considered how to reduce waste and support front line services. The savings proposed have been assessed in a robust way to ensure that they are sustainable and that resulting costs meet the Strategic Purposes of the Council. The schedule at Appendix 2 details the savings proposed.

Financial Position

- 3.19 The current summary position at 3.20 includes the financial impact of the above in addition to the following assumptions:
- 2.2% pay award in relation to the National Agreement in place
 - General inflationary increases in relation to contract arrangements
 - An estimation of the reduction for 2016/17 (5%) & 2017/18 (5%) in Central Government Grant
 - 3% increase in fees and charges (where appropriate)
 - An estimation of the New Homes Bonus income
 - Additional growth income estimated in relation to the Business Rates receivable by the Council
 - Use of reserves of £875k. In previous years there have been drawdowns from reserves to fund the revenue budget. The majority of the use of reserves for 2015/16 (£755k) will be replaced by Capital receipts already received and therefore not impact on the level of reserves available for future funding requirements. In addition a review has been undertaken of all reserves and any no longer required are to be released to support the revenue budget.
 - No use of balances across the 3 year plan

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3.20 The revised position is shown below.

	2015/16 £'000	2016/17 £'000	2017/18 £'000
Base cost of General Fund Services	11,783	11,107	10,822
Additional re pay award / pension / incremental progression		235	153
Pressures – unavoidable & income shortfalls	238	-8	11
Savings Proposed	-1,005	-471	-40
Bids	91	-41	
Net Service Expenditure	11,107	10,822	10,946
Borrowing to fund capital programme	1,057	1,057	1,057
Investment Income	-484	-484	-484
Recharge to capital programme	-598	-598	-598
Vacancy Management	-190	-190	-190
Net operating expenditure	10,892	10,607	10,731
New Homes Bonus	-803	-1,011	-1,015
Parish Precept	8	8	8
Business Rate Retention	-2,003	-2,003	-2,003

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Net Business Rate Growth	-200	-200	-200
Surplus from Collection Fund	-55	0	0
Government Grant	-1,567	-1,499	-1,424
Assumed Council Tax	-5,397	-5,504	-5712
Use of Reserves	-875	-	-
Overall Shortfall	0	398	385

3.21 As shown in the table above there remain shortfalls over the 3 year. Officers are committed to realise these future years savings through transformation and redesigning systems and services within the Council to support the Strategic Purposes. Therefore we will continue to work with staff to enable services to be delivered at a reduced cost whilst meeting the demands of the community.

General Fund Balances

3.22 The level of the general fund balance is currently £1.1m. The current level of balances is sufficient but it is recommended that these should not drop below £750k. The current projections do include any use of balances over the 3 year financial plan.

3.23 The estimated level of government funding over the MTFP will reduce more rapidly than the increase in Council Tax revenues. Consequently, there will be a continuing focus on transforming service delivery to reduce waste and to ensure that the funding available is aligned to the services that create value to the community of Redditch.

Capital Programme

3.24 The Capital Programme is a 3 year rolling programme and officers have calculated the associated borrowing costs of the programme as part of the MTFP. Officers will ensure that costs are managed to mitigate the impact of borrowing on the revenue fund.

Legal Implications

3.25 None as a direct result of this budget update. The Council has a statutory responsibility to set a balanced budget for the following financial year when it set the Council Tax by March 1st.

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Service / Operational Implications

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

Customer / Equalities and Diversity Implications

- 3.27 The impact on the customer has been reduced due to the savings being realised by reduction of waste in the services and ensuring that all service that create value to the customer are resourced.

4. RISK MANAGEMENT

- 4.1 To mitigate the risks associated with the financial pressures facing the Authority regular monitoring reports are presented to both officers and Members to enable proactive action being undertaken to address any areas of concern.

5. APPENDICES

Appendix 1 – Unavoidable Pressures (including income shortfalls)

Appendix 2 – Savings Proposed

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STATEMENT SHOWS IMPACT
OF NEW PRESSURES EACH
FINANCIAL YEAR

UNAVOIDABLE PRESSURES	2015/16 £'000	2016/17 £'000	2017/18 £'000	Comments
ENABLING				
Customer Access & Financial Support	73	-8	-	<i>Increased cost of building/reduction in income/ impact of concessionary rent scheme</i>
Parish Council & Neighbourhood Referendum	3	-	-	<i>Additional cost to be incurred in respect of Parish Election & Neighbourhood Referendum</i>
Provision of Funding to ensure the Council can support the implementation of the Living Wage to staff	70	-	-	<i>To implement the Living Wage to staff for 2015/16</i>
Postage - additional postage costs	4	-	-	<i>Additional postage costs incurred to meet demand for information being sent across the Borough</i>
Land Charges	-	-	11	<i>Changes to Land Charges scheme will impact on income received</i>
PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT				
Increased building costs/loss of income - Leisure Services	24	-	-	<i>Increases in building costs together for Leisure facilities</i>
HELP ME RUN A SUCCESSFUL BUSINESS				
Car Parking Income - reduced income from enforcement	36	-	-	<i>There is a projected shortfall in income relating to enforcement as drivers are now parking in a more compliant way</i>
HELP ME LIVE MY LIFE INDEPENDENTLY				
Loss of Supporting People income/transitional from HRA	28	-	-	<i>Reduction in Supporting People income from WCC</i>
TOTAL PER SUMMARY ABOVE	238	-8	11	

**STATEMENT SHOWS IMPACT
OF NEW SAVINGS EACH
FINANCIAL YEAR**

STRATEGIC PURPOSE SAVINGS	2015/16 £'000	2016/17 £'000	2017/18 £'000	Comments
ENABLING				
Customer Access & Financial Support - Service Review Fraud / Customer Services / General savings	-143	28	-	<i>Savings delivered from structure reviews / reduced building costs/ locality working / fraud staffing changes due to Single Fraud initiative/</i>
Enabling Services; Legal & Democratic, Finance, Corporate Management , HR	-293	-138	-	<i>Savings delivered from structure reviews and general efficiencies within the services</i>
WRS Savings	-	-50	-	<i>Savings from further efficiencies in WRS</i>
JPV	-	-	-15	<i>Savings realised from the Joint Property Vehicle project</i>
Contract Savings / efficiencies	-50	-20	-	<i>Savings to be achieved from reviewing and renegotiating contracts</i>
Asset review	-30	-60	-	<i>Savings from reviewing assets across the organisation and to manage energy costs more efficiently</i>
Sub Total	-516	-240	-15	
KEEP MY PLACE SAFE AND LOOKING GOOD				
Parking Services	-30	-	-	<i>Reduction in costs associated with civil parking enforcement</i>
Place Review - Environmental/Community Services savings	-164	-26	-	<i>Reduction in costs following the review of services delivered across the locality</i>
Staffing Reviews across the Strategic Purpose	-	-25	-25	<i>Savings estimated as a result of a review across the Strategic Purpose within a locality</i>
Sub Total	-194	-51	-25	
HELP ME LIVE MY LIFE INDEPENDENTLY				
Shopmobility / Dial a Ride	-20	-30	-	<i>Savings estimated as a result of a review into the efficiency and operation of Dial A Ride and Shopmobility Services</i>
Staffing Review across the Strategic Purpose	-20	-	-	<i>Savings estimated as a result of a review into the resource supporting the strategic purpose</i>
Building Control	-60	-	-	<i>To revise the charging mechanism for Building Control Shared Service to allocate costs based on activity</i>
Sub Total	-100	-30	0	
PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT				
Leisure Services	-150	-150	0	<i>Potential savings that could be delivered from a review of how Leisure Services are delivered</i>

Community Centres	-45	0	0	<i>Review of the operation and management of the community centres has delivered savings</i>
Sub Total	-195	-150	0	
TOTAL TO INCLUDE NEW SAVINGS PROPOSED	-1,005	-471	-40	