



# Executive Committee

Mon 23 Feb  
2015  
7.00 pm

Council Chamber  
Town Hall  
Redditch

**REDDITCH** BOROUGH COUNCIL

*making  
a  
difference*

[www.redditchbc.gov.uk](http://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**

**Sheena Jones  
Democratic Services Officer**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH**

**Tel: 01527 548240**

**e.mail: [sheena.jones@bromsgroveandredditch.gov.uk](mailto:sheena.jones@bromsgroveandredditch.gov.uk)**

# Welcome to today's meeting.

## Guidance for the Public

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### ***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.**





# Executive

## Committee

Monday, 23rd February, 2015

7.00 pm

Council Chamber Town Hall

### Agenda

#### Membership:

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

<b>1. Apologies</b>	To receive the apologies of any Member who is unable to attend this meeting.
<b>2. Declarations of Interest</b>	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.
<b>3. Leader's Announcements</b>	<ol style="list-style-type: none"> <li>To give notice of any items for future meetings or for the Executive Committee Work Programme, including any scheduled for this meeting, but now carried forward or deleted; and</li> <li>any other relevant announcements.</li> </ol> <p>(Oral report)</p>
<b>4. Minutes</b> (Pages 1 - 12) Kevin Dicks, Chief Executive	To confirm as a correct record the minutes of the meeting of the Executive Committee held on 3 <sup>rd</sup> February 2015.  (Minutes attached)
<b>5. Medium Term Financial Plan 2015-16 - 2017-18</b> (Pages 13 - 28) Jayne Pickering, Executive Director, Finance and Resources	To consider and recommend the revenue budget for 2015-16 and the Council tax.  <b>All Wards</b>

<b>6. Exclusion of the Public</b>	<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><b>“that, under S.100 I of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (<i>to be specified</i>) of Part 1 of Schedule 12 (A) of the said Act, as amended.”</b></p> <p><b>These paragraphs are as follows:</b></p> <p><b>Subject to the “public interest” test, information relating to:</b></p> <ul style="list-style-type: none"><li>• <b>Para 1 – <u>any individual</u>;</b></li><li>• <b>Para 2 – the <u>identity of any individual</u>;</b></li><li>• <b>Para 3 – <u>financial or business affairs</u>;</b></li><li>• <b>Para 4 – <u>labour relations matters</u>;</b></li><li>• <b>Para 5 – <u>legal professional privilege</u>;</b></li><li>• <b>Para 6 – <u>a notice, order or direction</u>;</b></li><li>• <b>Para 7 – the <u>prevention, investigation or prosecution of crime</u>;</b></li></ul> <p><b>may need to be considered as ‘exempt’.</b></p>
<b>7. Confidential Minutes / Referrals (if any)</b>	<p>To consider confidential matters not dealt with earlier in the evening and not separately listed below (if any).</p>



## 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 20<sup>th</sup> 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

# Executive Committee

Tuesday, 3 February 2015

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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

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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 13<sup>th</sup> 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

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**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



## **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

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Chair

STATEMENT SHOWS IMPACT  
OF NEW PRESSURES EACH  
FINANCIAL YEAR

<b>UNAVOIDABLE PRESSURES</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>Comments</b>
<b>ENABLING</b>				
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 &amp; 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>
<b>PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT</b>				
Increased building costs/loss of income - Leisure Services	24	-	-	<i>Increases in building costs together for Leisure facilities</i>
<b>HELP ME RUN A SUCESSFUL BUSINESS</b>				
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>
<b>HELP ME LIVE MY LIFE INDEPENDENTLY</b>				
Loss of Supporting People income/transitional from HRA	28	-	-	<i>Reduction in Supporting People income from WCC</i>
<b>TOTAL PER SUMMARY ABOVE</b>	<b>238</b>	<b>-8</b>	<b>11</b>	





## APPENDIX 2

STATEMENT SHOWS IMPACT  
OF NEW SAVINGS EACH  
FINANCIAL YEAR

<b>STRATEGIC PURPOSE SAVINGS</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>Comments</b>
<b>ENABLING</b>				
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>
<b>Sub Total</b>	<b>-516</b>	<b>-240</b>	<b>-15</b>	
<b>KEEP MY PLACE SAFE AND LOOKING GOOD</b>				
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>
<b>Sub Total</b>	<b>-194</b>	<b>-51</b>	<b>-25</b>	
<b>HELP ME LIVE MY LIFE INDEPENDENTLY</b>				
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>
<b>Sub Total</b>	<b>-100</b>	<b>-30</b>	<b>0</b>	
<b>PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT</b>				
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>
<b>Sub Total</b>	<b>-195</b>	<b>-150</b>	<b>0</b>	
<b>TOTAL TO INCLUDE NEW SAVINGS PROPOSED</b>	<b>-1,005</b>	<b>-471</b>	<b>-40</b>	

**EXECUTIVE**

**23rd FEBRUARY 2015**

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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	<b>All</b>
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 to 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 £986k  
2016/17 £1.476m  
2017/18 £1.516m

- 4) Approve the increase in Council Tax of 1.9% for 2015/16

- 5) Approve the Capital Bids as detailed in Appendix 3 of;

2015/16 £2.574m  
2016/17 £1.395m  
2017/18 £1.385m

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**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 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

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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 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.

**New Homes Bonus**

- 3.7 The Council will receive £803k in 2015/16. This has been increased based on assumptions of planning growth over the next 3 years.
- 3.8 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**

- 3.9 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 to have appropriate levels of financial resource.
- 3.10 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

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£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.

**Transformation**

- 3.11 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.
- 3.12 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.
- 3.13 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**

- 3.14 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.
- 3.15 In addition to the unavoidable pressures 3 revenue bids have been identified to continue to support the community across the Borough. These are :
- **Essential Living Fund - £30k** to provide funding for vulnerable members of the community when they need urgent financial support. County Council will provide match funding of £30k for 2015/16 and have approved a further £108k from a recent allocation from Central Government for welfare assistance and social care. This will enable funds of

REDDITCH BOROUGH COUNCIL**EXECUTIVE****23rd FEBRUARY 2015**

£168k to be made available for 2015/16. provide support to the most vulnerable residents.

- **Small Business Support - £20k** to provide levels of funding for businesses in the Borough this may be via reduced Business Rates or set up financial support.
- **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.

3.16 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

3.17 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**

3.18 The current summary position at 3.19 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

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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.

- £150k savings increasing to £300k in a full year for the delivery of alternative service provision for Leisure
- No use of balances across the 3 year plan

3.19 The revised position is shown below.

	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
Base cost of General Fund Services	<b>11,783</b>	<b>11,126</b>	<b>10,822</b>
Additional re pay award / pension / incremental progression		235	153
Pressures –unavoidable & income shortfalls	238	-8	11
Savings Proposed	-986	-490	-40
Bids	91	-41	
<b>Net Service Expenditure</b>	<b>11,126</b>	<b>10,822</b>	<b>10,946</b>
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
<b>Net operating expenditure</b>	<b>10,911</b>	<b>10,607</b>	<b>10,731</b>
New Homes Bonus	-803	-1,011	-1,015
Parish Precept	8	8	8



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	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
Business Rate Retention (per NDR1 2015/16)	-2,222	-2,186	-2,186
Surplus from Collection Fund	-55	0	0
Government Grant	-1,567	-1,499	-1,424
Assumed Council Tax	-5,397	-5,504	-5,712
Use of Reserves	-875	-	-
<b>Overall Shortfall</b>	<b>0</b>	<b>415</b>	<b>402</b>

- 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 are to undertake a full review of the capital programme and associated borrowing costs to ensure that the maximum value is achieved from the receipts we have available.

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- 3.25 The new capital bids for approval for the next 3 years are included at Appendix 3.

**Legal Implications**

- 3.26 There are a number of requirements that the Council's Section 151 Officer (the Council's designated Senior Finance Officer) has to include in the budget report. These are set out below, together with S.151 comments on each of the issues:

- a) The level and use of reserves to be formally determined by the Council must be informed by the judgement and advice of the Chief Financial Officer (CFO).

*Section 151 Officer's comments: Review of general fund balances included above in report (3.22).*

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

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

- c) The report should include a statement showing the estimated opening balance on general fund reserves for the year ahead, any contribution to/from the fund, and the estimated closing balance.

*Section 151 Officer's comments: statement included in this report (3.22)*

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

*Section 151 Officer's comments: included in the report.*

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

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*Section 151 Officer Comments: the Council holds adequate reserves to manage future liability and financial constraints as detailed in 3.23.*

- f) The report should include a statement on the annual review of earmarked reserves showing:
  - i) list of earmarked reserves
  - ii) purpose of reserve
  - iii) advice on appropriate levels
  - iv) estimated opening / closing balances
  - v) planned additions / withdrawals.

*Section 151 Officer's Comments: The current reserves are reported on a regular basis through the financial monitoring reports .*

**Service / Operational Implications**

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

**Customer / Equalities and Diversity Implications**

- 3.28 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 There is a potential risk that savings proposed will not be achieved. There is a particular risk in relation to the saving of £150k a proposed new model to delivering leisure services as this will be predicated on Members making a decision in regard to the future delivery model. It is anticipated that a report will be presented to Members in the summer for consideration.
- 4.2 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  
Appendix 3 – Capital Bids

**AUTHOR OF REPORT**

Name: Jayne Pickering – Exec Director Finance and Resources

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STATEMENT SHOWS IMPACT OF  
NEW PRESSURES EACH  
FINANCIAL YEAR

<b>UNAVOIDABLE PRESSURES</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>Comments</b>
<b>ENABLING</b>				
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 &amp; 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>
<b>PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT</b>				
Increased building costs/loss of income - Leisure Services	24	-	-	<i>Increases in building costs together for Leisure facilities</i>
<b>HELP ME RUN A SUCESSFUL BUSINESS</b>				
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>
<b>HELP ME LIVE MY LIFE INDEPENDENTLY</b>				
Loss of Supporting People income/transitional from HRA	28	-	-	<i>Reduction in Supporting People income from WCC</i>
<b>TOTAL PER SUMMARY ABOVE</b>	<b>238</b>	<b>-8</b>	<b>11</b>	

## APPENDIX 2

STATEMENT SHOWS IMPACT OF  
NEW SAVINGS EACH FINANCIAL  
YEAR

<b>STRATEGIC PURPOSE SAVINGS</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>Comments</b>
<b>ENABLING</b>				
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	-274	-157	-	<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>
<b>Sub Total</b>	<b>-497</b>	<b>-259</b>	<b>-15</b>	
<b>KEEP MY PLACE SAFE AND LOOKING GOOD</b>				
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>
<b>Sub Total</b>	<b>-194</b>	<b>-51</b>	<b>-25</b>	
<b>HELP ME LIVE MY LIFE INDEPENDENTLY</b>				
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>
<b>Sub Total</b>	<b>-100</b>	<b>-30</b>	<b>0</b>	
<b>PROVIDE GOOD THINGS FOR ME TO SEE, DO AND VISIT</b>				
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>
<b>Sub Total</b>	<b>-195</b>	<b>-150</b>	<b>0</b>	
<b>TOTAL TO INCLUDE NEW SAVINGS PROPOSED</b>	<b>-986</b>	<b>-490</b>	<b>-40</b>	





## NEW CAPITAL BIDS

Description	Funding	Department	2015/16 £'000	2016/17 £'000	2017/18 £'000	Commentary ( link to priorities etc)
SAN (Storage Area Network)	borrowing/capital receipts	Business Transformation	75	10	10	
Asbestos	borrowing/capital receipts	CAFS			40	Asbestos Surveys/Maintenance in Public Buildings
Public Buildings	borrowing/capital receipts	CAFS			250	Renewal of next 3 yr programmePublic Buildings Capital £250K per year.
Disabled Facility Grant	borrowing/capital receipts	Community	175	175	175	Renewal of next 3 year programme.
Home Repairs Assistance	borrowing/capital receipts	Community	100	100	100	Renewal of next 3 year programme.
Vehicle Replacement Program	borrowing/capital receipts	Environmental	1,541	477	193	Includes fleet replacement
Upgrade hardwired lifeline schemes	borrowing/capital receipts	Community	23	31	35	
Locality capital projects	borrowing/capital receipts		200	200	200	
New Cisco Lan	borrowing/capital receipts	Business Transformation		50		
PSN additional compliance	borrowing/capital receipts	Business Transformation	10	10	30	2017/18 is higher as 3 yr licences expire
Server Infracture	borrowing/capital receipts	Business Transformation			50	
Upgrade Backup Solution	borrowing/capital receipts	Business Transformation		40		
	<b>borrowing/capital receipts</b>		<b>2,124</b>	<b>1,093</b>	<b>1,083</b>	
Disabled Facility Grant	DFG Grant	Community	302	302	302	Assumed DFG Grant
	<b>DFG Grant Total</b>		<b>302</b>	<b>302</b>	<b>302</b>	
	Revenue					
replacement dial a ride Bus			25	0	0	To replace Dial a ride minibus due to previous vehicle being written off following an accident.Costs can be met from income generated by the Hopper service.
	<b>Revenue Total</b>		<b>25</b>	<b>0</b>	<b>0</b>	
	S106 monies					
Essential Open space improvement to North Moons Moat Scheduled ancient monument		Leisure	11	0	0	Open space improvements are required in line with English Heritage approved management plan to enhance the condition of the monument.The spend will include associated works and a written management plan to support future maintenance.
Public open space improvements to Birchensale/Terry's Field.(Sportsfields)	S106 monies	Leisure	12	0	0	RBC playing pitch strategy recommends upgrades to sports pitches and multi pitch locations

## NEW CAPITAL BIDS

Description	Funding	Department	2015/16 £'000	2016/17 £'000	2017/18 £'000	Commentary ( link to priorities etc)
Improvement to play area and infrastructure at Astwood Bank.	S106 monies		26	0	0	S106 funding to fund improvements to the Play Area at Astwood Bank park withing the locality of the development. The current play provision has the need for infrastructure improvements and to enhance the qualitative aspect of the play value of equipment to improve the experience for families and children. To be used in conjunction with Evesham Road Development.
improvement to play area in Church Hill (Big Local Scheme)	S106 monies		28	0	0	Play contritbution to be split 50% (£28,000) and allocated as match funding for the Churchill Big Local scheme for play area.
Improvement to play areas and landscaping at Astwood Bank Park	S106 monies		5	0	0	S106 funding (allocated for spend in Astwood Bank) to be used to develop and enhance infrastructure and lanscaping at Astwood Bank Park. The funding will create a landscaping design to include all areas to create a more cohesive scheme that enhances the users expierience. (To be used in conjunction with Evesham Road Development.
Improvement to play areas at Astwood Bank Park	S106 monies		35	0	0	Play Area contribution to enhance the facility at Astwood Bank. The current provision has been added to over time and has resulted in a fragmented layout. The design will provide a more coherent scheme which will enhance the residents experience and improve community cohesion. Play funding to be used in conjunction with Wellington Works Contribution.
public open space improvements at Astwood bank	S106 monies		6	0	0	Open Space contribution to enhance the POS at Astwood Bank (as proposed using the Wellington Works Contribution)
	<b>S106 monies Total</b>		<b>123</b>	<b>0</b>	<b>0</b>	
	<b>Grand Total</b>		<b>2,574</b>	<b>1,395</b>	<b>1,385</b>	