



# Council

Mon 20 February  
2017

7.10 pm or at the end of  
the Executive Committee  
meeting, whichever is  
later.

**REDDITCH** BOROUGH COUNCIL

*making  
a  
difference*

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

Council Chamber  
Town Hall  
Redditch

**If you have any queries on this Agenda please contact  
Democratic Services**

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



# Council

Monday, 20th February, 2017

7.10 pm

Council Chamber Town Hall

## Agenda

### Membership:

Cllrs:	Joe Baker (Mayor)	Bill Hartnett
	Jennifer Wheeler	Pattie Hill
	(Deputy Mayor)	Gay Hopkins
	Tom Baker-Price	Wanda King
	Roger Bennett	Jane Potter
	Natalie Brookes	Gareth Prosser
	Juliet Brunner	Antonia Pulsford
	David Bush	Mark Shurmer
	Michael Chalk	Rachael Smith
	Debbie Chance	Yvonne Smith
	Greg Chance	Paul Swansborough
	Anita Clayton	David Thain
	Brandon Clayton	Pat Witherspoon
	Matthew Dormer	Nina Wood-Ford
	John Fisher	
	Andrew Fry	

<b>1. Welcome</b>	The Mayor will open the meeting and welcome all present.
<b>2. Apologies</b>	To receive any apologies for absence on behalf of Council members.
<b>3. 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>4. Minutes</b> (Pages 1 - 14)	To confirm as a correct record the minutes of the meeting of the Council held on 30 <sup>th</sup> January 2017.
<b>5. Announcements</b>	To consider any exceptional Announcements under Procedure Rule 10:  a) Mayor's Announcements  b) The Leader's Announcements  c) Chief Executive's Announcements.  (Oral report)

## 6. Executive Committee Medium Term Financial Plan and Council Tax Resolutions

(Pages 15 - 82)

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.

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.

To receive the minutes and consider the recommendations from the meeting of the Executive Committee held on 7<sup>th</sup> February. The reports to the meeting of the Executive Committee on 7<sup>th</sup> February are enclosed with this agenda, together with the minutes of the meeting. Also to consider any recommendations arising from the meeting of the Executive Committee immediately before the Council meeting.

The Executive Committee makes recommendations to the Council on the following:

### Meeting of the Executive on 7<sup>th</sup> February:

Minute no. 86 – Shopmobility Service

Minute no. 87 – Medium Term Financial Plan

### Meeting of the Executive on 20<sup>th</sup> February:

The Committee is likely to recommend to the Council:

The Pay Policy Statement.

Council tax resolution - the Council Tax resolution will follow.

The Overview and Scrutiny Committee is considering the Medium Term Financial Plan at its meeting on 14<sup>th</sup> February and may make recommendations to the Executive Committee.

**All Councillors have been provided with a copy of the agenda and reports for the Executive Committee meeting on 20<sup>th</sup> February. Please bring these with you to the Council meeting.**

# Council

Monday, 20th February, 2017

<p><b>7. Treasury Management Strategy Statement and Investment Strategy 2017/18 - 2019/20</b></p> <p>(Pages 83 - 110)</p>	<p>To consider the recommendations from the Audit, Governance and Standards Committee meeting of 2<sup>nd</sup> February 2017. The recommendations and the report are enclosed with this agenda.</p>
<p><b>8. Redditch Polling Places Amendment</b></p> <p>(Pages 111 - 114)</p>	<p>To consider the enclosed report setting out where changes may need to be made to a Polling Place in advance of the May Elections.</p> <p><b>(Central Ward)</b></p>
<p><b>9. Urgent Business - Record of Decisions</b></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><b>10. Urgent Business - general (if any)</b></p>	<p>To consider any additional items exceptionally agreed by the Mayor as Urgent Business in accordance with the powers vested in him 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>





## Council

Monday, 30 January 2017

## MINUTES

### Present:

Councillor Joe Baker (Mayor), Councillor Jennifer Wheeler (Deputy Mayor) and Councillors Tom Baker-Price, Natalie Brookes, Juliet Brunner, David Bush, Michael Chalk, Debbie Chance, Greg Chance, Anita Clayton, Brandon Clayton, Matthew Dormer, John Fisher, Andrew Fry, Bill Hartnett, Pattie Hill, Gay Hopkins, Wanda King, Jane Potter, Gareth Prosser, Antonia Pulsford, Mark Shurmer, Rachael Smith, Yvonne Smith, Paul Swansborough, David Thain, Pat Witherspoon and Nina Wood-Ford

### Officers:

Ruth Bamford, Kevin Dicks, Mike Dunphy, Claire Felton, Alison Grimmett, Sue Hanley, Louise Jones and Sheena Jones

### Democratic Services Officer:

Debbie Parker-Jones

### 50. WELCOME

The Mayor opened the meeting and welcomed all present, including a number of members of the public for the 17th January 2017 Executive Committee's recommendations in relation to the Borough of Redditch Local Plan No.4.

### 51. APOLOGIES

Apologies for absence were received on behalf of Councillor Roger Bennett.

### 52. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 53. MINUTES

**RESOLVED that**

.....  
Chair

# Council

Monday, 30 January 2017

---

**the minutes of the meeting of the Council held on 21st November 2016 be agreed as a correct record and signed by the Mayor.**

## 54. ANNOUNCEMENTS

### a) The Mayor

The Mayor advised that he had attended a number of events over the Christmas period, which had included:

- carol concerts at Winyates, Woodrow and Churches Together in Redditch;
- a Stourport Choral Society 1960's and 1970's themed event;
- Matchborough Luncheon Club;
- the Council's Christmas Lights Switch On;
- the Mayor's first ever Bake Off competition; and
- the Mayor's Christmas Quiz.

The Mayor had also attended the town's Holocaust Memorial Day event the previous Saturday, and expressed his thanks to Councillor Wheeler for standing in for him at the unveiling of the Spring Sculpture in Walter Stranz Square earlier in the month.

### b) The Leader

The Leader reiterated the Mayor's comments in respect of a number of local community events which they had both attended.

The Redditch Holocaust Memorial Day on 28th January had been a very moving day, with the Leader expressing his thanks to the Kerala Cultural Association Redditch (KCAR), the Redditch Polish Youth School, Astwood Bank First School and the Redditch Community Gospel Choir for their involvement with this.

He and several other Members had attended various additional celebrations including 'Yule by the School' in Batchley, Church Hill Christmas Fayre, the town Carol Service at St Stephen's Church, the Redditch Polish Saturday Youth School children's St Nicholas party and the KCAR Christmas and New Year celebrations. Other events had included the opening of the new dance studios at the Abbey Stadium and Polish WOSP Children's Charity event held at the Railway Inn which had raised almost £5,000.

Councillor Hartnett made reference to various other matters/events which he had been involved with in his capacity as Leader, which included:

- the '#LeadersSayNo' project as part of the 16-day White Ribbon Campaign to end domestic violence against women



by men. The Leader had posted a short video on Twitter for this during the first weekend of the Campaign. Other Members had made similar videos and around 8000 pledges nationally had been made during the first day of the Campaign;

- a Polish post-Brexit meeting involving a question and answer session which had taken place with Polish Embassy officials at the Polish Club in Redditch on 10th December;
- the Health Commission meetings which had taken place on 12th, 14th and 19th January. The meetings had been attended by approximately 100 people over the 3 days and the Commission's findings would be reported to special meetings of the Executive and full Council on 2nd March, in advance of the Council submitting its response to the three Worcestershire Clinical Commissioning Groups;
- the Save the Alex Campaign Group had now disbanded, although there would still be some online activity for information only. Thanks were expressed to Neal Stote for 11 his years of campaigning as Chair of the Group;
- the Mayor and Leader had written to the Mayor of Berlin and the Polish Embassy following the tragic events at the Christmas Market in Berlin. A reply had been received from the Polish Embassy in London thanking the Council for its good wishes and letter;
- Whilst not confirmed at this stage, it was highly likely that the bike race would take place in the town in May;
- following an invitation from the Mental Health Commissioner and discussions with Officers, the Leader had signed up to the West Midlands Mental Health Commission Concordat; and
- the sad passing of Reverend Mike Herbert in December was noted. The Leader had sent a letter of condolence to Reverend Herbert's widow Elizabeth and daughter Anne Griffin and some Members had attended Reverend Herbert's funeral.

#### **55. BOROUGH OF REDDITCH LOCAL PLAN NO.4 - EXECUTIVE COMMITTEE RECOMMENDATIONS**

The Mayor advised that the 17th January 2017 Executive Committee recommendations in relation to the Borough of Redditch Local Plan No. 4 (BORLP4) – which were listed for consideration at Agenda Item 8 (Executive Committee) – would be dealt with as the next item of business in the light of the public interest in this.

In accordance with the comments made at Executive Committee, members thanked the Strategic Planning Officers for their hard work on the Plan to date. Further thanks were expressed to the various stakeholders and groups involved in the consultation process, and to elected Members for their participation.

# Council

Monday, 30 January 2017

---

In proposing adoption of the Plan, Councillor Greg Chance referred to a very lengthy process, following which the evidence-based Plan had been adjudged sound by the Planning Inspector. The Plan had been examined in public by the Inspector. Proposed modifications to the Plan had also been subject to public consultation. Members noted that Bromsgrove District Council had also recently approved their Plan.

The importance to the Council of having an adopted plan and the many benefits of this, as detailed in the original report to Executive, were noted. This included providing a clear planning framework to deliver the vision and development for the future of the area to 2030. The lack of an up to date plan would make the town vulnerable to ad hoc planning and “planning by appeal”, with the Council’s control over development within the Borough being of vital importance.

Some Members did not support the Plan and stated that they believed it to be flawed. Strong views were expressed that all new house build should take place in the Bordesley area, which it was felt was supported by a better road system and would therefore not create the same traffic issues for residents. The division of new housing on one side of the town and employment on the other was also not felt to make sense. Reference was made to the Council’s existing ‘Employment Land Review’, which involved cross-boundary agreement with Bromsgrove District Council and Stratford-on-Avon District Council in relation to the use of surrounding land for employment purposes, which was felt to be out of date and inaccurate. It was also suggested that the potential employment opportunities from the “Eastern Gateway” were less than had been quoted.

In accordance with Council Procedure Rule 17.5, the recommendations on the adoption of the BORLP4 were the subject of the following named vote:

Members voting FOR the resolutions below:

Councillors Natalie Brookes, Debbie Chance, Greg Chance, John Fisher, Andrew Fry, Bill Hartnett, Pattie Hill, Wanda King, Mark Shurmer, Rachael Smith, Yvonne Smith, Jennifer Wheeler, Pat Witherspoon and Nina Wood-Ford (14)

Members voting AGAINST the resolutions below:

Councillors Tom Baker-Price, Juliet Brunner, David Bush, Michael Chalk, Anita Clayton, Brandon Clayton, Matthew Dormer, Gay Hopkins, Jane Potter, Gareth Prosser, Antonia Pulsford, Paul Swansborough and David Thain (13)

# Council

Monday, 30 January 2017

---

Accordingly, the recommendations were approved and it was

**RESOLVED that**

- 1) **the content of the Borough of Redditch Local Plan No 4 Planning Inspectorate's Report set out in Appendix 1 to the Executive Committee report, and the associated Schedule of Main Modifications set out in Appendix 2 of the report be noted;**
- 2) **the Borough of Redditch Local Plan No 4 as submitted and subsequently amended by the modifications set out in Appendices 2 and 3 of the report be adopted;**
- 3) **the Borough of Redditch Local Plan No 4 Policies Map as submitted and subsequently amended by the modifications set out in Appendix 3 of the report be adopted;**
- 4) **the Borough of Redditch Local Plan No 4 Adoption Statement and Strategic Environmental Assessment and Sustainability Appraisal Adoption Statement which form Appendices 4 and 5 of the report be noted; and**
- 5) **authority be delegated to the Head of Planning and Regeneration to undertake further minor editorial changes deemed necessary in preparing the adopted Borough Plan for publication, following consultation with the Portfolio Holder for Planning.**

**56. QUESTIONS ON NOTICE**

The Leader responded to two questions submitted in accordance with Council Procedure Rule 9.2 from Councillors Juliet Brunner (which had been deferred from the Council meeting on 21st November 2016) and Paul Swansborough. The question from Councillor Brunner had been included in with the agenda papers and the question from Councillor Swansborough was tabled at the meeting.

a) Staff Survey Results

Councillor Juliet Brunner asked the following question:

I'm sure the Leader will agree with me that performance management and appraisals are an important part of supporting staff in continuing professional development. Would he comment on the results from latest the Staff Survey and inform this Council why 43% of staff do not feel supported and haven't had a status meeting?

**Council**Monday, 30 January 2017

---

The Leader replied as follows:

Thank you for your question.

The question is a little confused or not quite accurate as the results from the Survey questions do not reflect those matters raised in your question as I will explain during the answer.

For background, 246 employees responded to the staff survey across both Councils (so it is actually 43% of the respondents, not all staff, and it was from across both Councils) which is 25% of all staff. We have approximately 800 staff across both Councils.

The question from the Survey on one-to-one/update and status meetings is Question 36, which says “I have regular one-to-one meetings/status updates with my line manager/supervisor”. The results were:

	<u>2016</u>	<u>2013</u>
Yes	57.0%	54.3%
No	43.0%	45.7%

So the “Yes” figure is up and the “No” figure is down. There is no difference between one-to-one meetings and status meetings.

We want to do more and steps are being taken. In fact a joint Redditch and Bromsgrove Staff Survey Members’ Task Group has been set up. Officers have attended discussions with the Group to explain the planned actions around the work streams detailed below.

The Actions are:

A Staff Survey Programme Board (chaired by Kevin Dicks, Chief Executive, and consisting of a Head of Service, HR Representatives and the Trade Unions) has been set up to progress areas of concern highlighted in the staff survey. Heads of Service have been tasked with developing action plans to look at the top three positives and top three negatives from the Survey for their service areas. Heads of Service were asked to present the action plans to the Board who will be monitoring progress on their delivery. Three key corporate areas have also been identified and are being headed up by senior Officers. The three key work streams are:

- People Management – headed by Deb Poole, Head of Transformation & Organisational Development;

**Council**Monday, 30 January 2017

---

- Meeting Our Customers' Needs – headed by Amanda Singleton, Head of Customer Access & Financial Support; and
- Organisational Culture – headed by Sue Hanley, Deputy Chief Executive.

The three Lead Officers have drawn up corporate action plans and presented them to the Board who will be monitoring the delivery of the actions.

A new System Performance Framework has also recently been developed and is currently being implemented across both Councils. The Framework is designed to support constructive and supportive one-to-one discussions between employees and managers, as well as providing guidance on how to conduct the annual appraisal.

The requirement is that all managers use the framework to ensure that a consistent approach is used across the organisation.

Details of the Staff Survey action plans and the System Performance Framework have also been to both Councils' Executive and Cabinet meetings recently to ensure Members are kept briefed.

The Chief Executive and the Directors have also mentioned the Staff Survey at the recent staff briefings to ensure staff know that actions are being picked up.

As I suggested, the question isn't necessarily accurate as the results from the questions below indicate that staff do feel supported by their managers, even though the instances of one-to-ones is low in some parts of the organisation. There are pockets across the organisations that need a little improvement but hopefully the actions above and the joint Members' Task Group are a clear indication that the findings of the Survey are taken seriously by the organisation as a whole and by the senior Officers in particular.

Question 40 (242 replies), which says "I get the support I need from my line manager". The results were:

	<u>2016</u>	<u>2013</u>
Yes	76.4%	74.9%
No	23.6%	25.1%

So again the "Yes" support figure is up and the "No" figure is down.

**Council**Monday, 30 January 2017

---

And the other question on support is Question 41 (243 replies), which says “I get the support I need from my colleagues”. The results were:

	<u>2016</u>	<u>2013</u>
Yes	91.8%	86.2%
No	8.2%	13.8%

And again the “yes” figure is up and the “No” figure is down.

A supplementary question was raised by Councillor Brunner asking if the Leader would explain to the Council why the Chief Executive Officer had not had a review or target set for the last three years.

The Leader replied that he disagreed with this and that this was in progress.

b) Financial Impact – construction of new housing and business premises on land within neighbouring districts

Councillor Paul Swansborough asked the following question:

Considering the proposal from Her Majesty’s Government to significantly reduce our revenue support grant, could the leader clarify what the financial benefit is to this Council by strategically facilitating the construction of new housing and business premises on land within neighbouring districts resulting in the loss of crucial income that could be generated through Council Tax, Non-domestic Rates and the New Homes Bonus.

The Leader replied as follows:

Thank you for your question.

Any possible financial benefit to a council from the location of new development is not a material planning matter.

Good planning should not have regard to administrative boundaries.

The New Homes Bonus grant included in the Medium Term Financial Plan is based on averages from the previous 3 years.

As Members will be aware, the New Homes Bonus Scheme has been amended significantly to reduce the amount payable to councils to include a 0.4 baseline reduction together with a reduction of years payable from 6 years to 4 years, effective from 2017/18.

Therefore the current financial plan does not depend on any sites that may be developed outside of the Borough.

The Localisation of Business Rates proposals have not yet been confirmed by Central Government and therefore we are unable to predict the future impact of any changes to the current scheme.

A prudent estimation of the growth in business has been made and included in the finance plan.

A supplementary question was raised by Councillor Swansborough asking if the Council allowed the cross-boundary projects to go ahead, would the Leader ask the people of Redditch to increase their council tax by 18%; the estimated figure advised by Officers to plug the £3m shortfall, or would he explore an alternative corporate strategy that would bring tax receipts back to Redditch rather than benefitting Bromsgrove and Stratford-upon-Avon District Councils.

The Leader responded that consideration of the Budget would take place at the next meeting of the Council.

## **57. MOTIONS ON NOTICE**

### **a) Scrutiny of Executive Decisions**

A Notice of Motion had been submitted by Councillor Jane Potter proposing changing the day when Overview and Scrutiny Committee meetings were held to allow extra time to pre-scrutinise reports to Executive Committee meetings. She reported that as Chair of the O&S Committee, she had asked for more time to scrutinise Executive reports and this had not been given. As such, she felt it appropriate to make the request more formal, in order to make for a more open and transparent Council. The Motion was seconded by Councillor Tom Baker-Price.

In proposing the Motion Councillor Potter stated that the Council supported open transparent scrutiny of the Executive decision-making body. However, under current arrangements the Overview and Scrutiny (O&S) Committee had only 24 hours in which to scrutinise the reports that were sent to the Executive Committee for a recommendation or decision. In order to aid the O&S Committee in allowing them more time to scrutinise such reports, it was recommended that in the next municipal calendar O&S Committee meetings be moved back to Thursday.

A number of Members spoke against the Motion. It was stated that whilst all O&S Members had agreed that they wanted more time to

# Council

Monday, 30 January 2017

---

digest Executive papers, the Motion was very unfortunate and politically driven. Members also suggested that the motion was unnecessary given that if Members had any concerns regarding meeting dates set out in the Calendar of Meetings they could raise these with the appropriate Officer(s).

In support of the Motion, Members stated that in the interests of openness and fairness 24 hours was insufficient to read what were often very detailed papers, such as the Budget. As Members had agreed at O&S to look into the possibility of changing the day on which they met, Councillors should support the Motion now before them.

Other Members stated that the Motion was not politically-driven. O&S made important checks and balances and the limited time available to scrutinise papers made it difficult for O&S Members to have a considered opinion. The Motion was a pragmatic solution to avoid having to change the Council's Constitution.

On being put to the vote the Motion was declared lost.

b) No Confidence in Portfolio Holder for Housing

A Notice of Motion had been submitted by Councillor Brandon Clayton proposing a vote of no confidence in Councillor Mark Shurmer, Portfolio Holder for Housing, and calling for Councillor Shurmer's resignation following issues which had arisen in relation to gas safety tests. This was seconded by Councillor David Thain.

In proposing the Motion Councillor Clayton stated that the role of Portfolio Holder held a lot of responsibility. When it was reported that the statutory gas safety tests had not been completed on Council properties on time he was concerned for Council tenants' safety, and the confusion, worry and inconvenience caused in this regard. He stated that this was a whole-Council problem with Councillors being corporately responsible should the worst have happened. Councillor Thain seconded the Motion.

Councillor Brunner stated that whilst she took no pleasure in supporting the Motion, Portfolio Holders were given a Special Responsibility Allowance for the additional work and responsibility involved with their roles, and that there was a clear expectation that this work would be undertaken. She referred to a damning report from the Homes and Communities Agency and tenants having been exposed to possible serious harm. She further stated that despite safeguards and promises further issues had arisen in 2016, with the cost to the Council totalling £68k. She expressed concern at the wider implications of this for both the Council's reputation and tenants' loss of confidence in the Council. She felt that Councillor Shurmer should resign and a new Portfolio Holder for Housing appointed.



# Council

Monday, 30 January 2017

---

The debate then turned to what was understood to be a second breach in late 2016, following the earlier gas safety test issues in 2015. It was queried whether lessons had been learned and assurances were called for this to never happen again. A query was raised as to whether the Health and Safety Executive (HSE) had dealt with all of the alleged breaches. Concerns were also raised that the original contractor was allowed to continue with the contract following the first breach.

Councillor Hartnett stated that when the initial issues had become apparent the Council had reported the matter to the HSE. A full process had then been followed to rectify the situation. He did not feel that anyone could categorically state that there would never be any issues in the future.

It was suggested that all Members understood the seriousness of this matter, and that there was a corporate responsibility to ensure that all possible measures were put in place to avoid any possible problems arising in the future. The view was also expressed that it was unfair to blame any single Portfolio Holder.

Councillor Shurmer responded on the issues raised. In relation to the alleged second breach, he stated that this was not a breach as such. In November 2016 data had showed that there were some deficiencies with the then gas contractor, which mainly related to the capping of gas pipes. The contract had duly been terminated and it was Councillor Shurmer's understanding that the situation had been resolved.

Councillor Shurmer reported that he had worked closely with Officers following the disclosure of issues and had been open and transparent throughout the process. The Council had self-reported to the HCA and all-Member briefings had been arranged and the press informed. Monitoring had shown deficiencies with the contractor in November 2016 and they had been replaced, with there having due diligence throughout. He received regular updates and briefings from Officers and there were currently no gas safety checks outstanding. He stated that both he and Officers continually looked to improve the service and that he would not be resigning.

Following a show of hands the Motion was declared lost.

## **58. EXECUTIVE COMMITTEE**

Members considered the minutes of the Executive Committee meetings of 13th December 2016 and 17th January 2017.

# Council

Monday, 30 January 2017

---

## 13th December 2016

In relation to the Fees and Charges recommendation, a number of members stated that they did not support this and made particular reference to the significantly increased legal fees and the bereavement fees.

It was noted that the average increase in fees and charges was 3% but that some had risen on a cost-recovery basis, with bereavement fees still falling within the bottom quartile of fees nationally after the proposed increases.

In accordance with Council Procedure Rule 17.5, the fees and charges recommendation was the subject of the following named vote:

### Members voting FOR the recommendation:

Councillors Natalie Brookes, Debbie Chance, Greg Chance, John Fisher, Andrew Fry, Bill Hartnett, Pattie Hill, Wanda King, Mark Shurmer, Rachael Smith, Yvonne Smith, Jennifer Wheeler, Pat Witherspoon and Nina Wood-Ford (14)

### Members voting AGAINST the recommendation:

Councillors Tom Baker-Price, Juliet Brunner, David Bush, Michael Chalk, Anita Clayton, Brandon Clayton, Matthew Dormer, Gay Hopkins, Jane Potter, Gareth Prosser, Antonia Pulsford, Paul Swansborough and David Thain (13)

## 17th January 2017

It was noted that the recommendations contained in Minute No. 67 in relation to the Borough of Redditch Local Plan No. 4 had already been dealt with earlier in the meeting (Minute No. 55 above refers).

In relation to the Corporate Performance Strategy recommendation, some Members expressed concerns in relation to money spent by the Council on consultants, systems thinking and Officer time. The view was expressed that the new dashboard was ineffective and that alignment of Key Performance Indicators to new targets was impossible.

In response, other members suggested that continual improvement was reported to be taking place in the Council's processes, which in turn resulted in value for money for the Borough's residents. The Overview and Scrutiny function also gave all members the opportunity to scrutinise the Council's activity and performance.

Regarding the Housing Revenue Account (HRA) Initial Budget 2017/18 – 2019/20, it was noted that Officers had not provided

**Council**Monday, 30 January 2017

---

details of the £19m reserves position which they had confirmed at Executive Committee would be included in the final report to Council. Officers apologised that these details were not included and agreed to update the HRA Budget to reflect this.

**RESOLVED that**

**the minutes of the meetings of the Executive Committee held on 13th December 2016 and 17th January 2017 be received and all recommendations adopted.**

**59. REGULATORY COMMITTEES**

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

In response to a Member query, the Chair of the Planning Committee provided clarification in relation to the 9th November 2016 Planning Committee's decision on Application 2016/109/FUL (Johnsons Cars Ltd, Clive Road, Enfield – application from McCarthy and Stone Retirement Lifestyle Ltd).

**RESOLVED that**

- 1) the minutes of the meeting of the Licensing Committee held on 7th November 2016 be received and adopted; and**
- 2) the minutes of the meetings of the Planning Committee held on 9th November 2016 and 14th December 2016 be received and adopted.**

**60. APPOINTMENT TO OUTSIDE BODIES - GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP AND WORCESTERSHIRE LOCAL TRANSPORT BOARD**

The Council noted the appointment of Councillor Ian Hardiman, Wyre Forest District Council, as substitute Member to the Greater Birmingham and Solihull Local Enterprise Partnership and Worcestershire Local Transport Board, who had replaced Councillor Tracy Onslow.

**61. URGENT BUSINESS - RECORD OF DECISIONS**

There were no urgent decisions to note.

**62. URGENT BUSINESS - GENERAL (IF ANY)**

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

# Council

Monday, 30 January 2017

---

The Meeting commenced at 7.00 pm  
and closed at 9.00 pm

.....  
Chair

**COUNCIL**

---

20<sup>th</sup> February 2017

**EXECUTIVE COMMITTEE 7TH FEBRUARY 2017**

**86. SHOPMOBILITY SERVICE CHARGING STRUCTURE**

**RECOMMENDED that**

**2.1 Charges for the Shopmobility Service as set out at 3.14 be approved and implemented from 1<sup>st</sup> April 2017.**



REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017**REPORT TITLE: Future Delivery of Shopmobility**

Relevant Portfolio Holder	Councillor Greg Chance
Relevant Head of Service	Judith Willis, Head of Community Services
Ward(s) Affected	All
Key Decision / Non-Key Decision	Non-key decision

**1. SUMMARY OF PROPOSALS**

- 1.1 To implement a charging structure for users of the Shopmobility service and to consider the options for the delivery of the service to ensure a sustainable service for the future.

**2. RECOMMENDATIONS**

- 2.1 **Charges for the Shopmobility Service as set out at 3.14 be approved and implemented from 1 April 2017; and**
- 2.2 **Officers explore opportunities for additional financial contributions to the delivery of the service with the Kingfisher Shopping Centre and Town Centre Partnership;**
- 2.3 **Subject to approval of 2.1, a further report on the operation of the Shopmobility report be brought to the Committee within 12 months and to report on the options for its future delivery.**

**3. KEY ISSUES**Background

- 3.1 The Redditch Shopmobility service was one of the first such schemes to be launched in the country. The service has over 15,000 customer visits each year and is the fourth largest scheme in the country, out of approximately 250 Shopmobility services across the UK. The average visits per month are 1,270. For comparison touchwood is 458, Luton 875, Bullring 440 and Bromsgrove 250.
- 3.2 The Shopmobility service is available from 9.00am to 5.00pm Monday to Saturday. There is greater demand for the service mid-week. Previously the service was made available for use on a Sunday but there was limited demand.
- 3.3 The majority of customers use the Shopmobility service to access shopping facilities and appointments in the town centre, particularly within the Kingfisher Shopping Centre. However, the service is also used by customers to access services elsewhere in the Town Centre, such as for GP appointments.
- 3.4 The service operates from car park 3 and provides motorised scooters, power chairs and manual wheelchairs alongside an 'assisted shopping' service. The

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017

service is staffed by 1 full time supervisor, 5 part time staff, 1 casual employee and 2 volunteers.

3.5 The service helps to address three of the Council's strategic purposes: help me live my life independently; helps me run a successful business; and provide me with good things to do, see and visit.

3.6 The Scheme has been jointly funded by Redditch Borough Council and the Kingfisher Shopping Centre since 1989. This was originally 50:50 split of the direct running cost but this was capped at £40,000 for 2009/10, a reduction of £26,000 on previous arrangements. This was further reduced in 2010 to £30,000 per annum for which there is currently an Agreement in place until April 2018. The Kingfisher Shopping Centre provides the accommodation at a peppercorn rent and covers the cost of utilities.

3.7 The Shopmobility scheme is a discretionary service that currently operates at an annual cost to the Council, excluding support services costs, as follows:

Direct service costs	£110,000
Income (fund raising and donations)	- £11,000
Kingfisher Shopping Centre contribution	- £30,000
Actual cost to the Council	£69,000

3.8 Based on 15,000 visits per year, the unit cost to the Council for each visit is £4.60

3.9 As part of the work of the O&S Budget Working Group, they reviewed the Shopmobility service and presented a report to Executive Committee on 13 December 2016. The Committee resolved that the Head of Community Services considers and works through the various options for the future delivery of the Shopmobility service and reports back to Members in due course.

3.10 The Budget Working Group was advised that the following options were available:

Option 1: To grow the service by exploring options to generate further income. This could involve introducing charges for the service, sponsorship, equipment sales and loans enhancing marketing opportunities.

Option 2: Sustaining the service through investigating supervision arrangements, working more closely with the Dial a Ride Service, sharing services, reviewing opening times and streamlining booking systems.

Option 3: Transferring the service to an external third sector organisation to operate. The group were informed that fewer than 30 per cent of Shopmobility schemes in the UK are managed by a local authority with the remainder run



REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017

primarily by a Voluntary and Community Sector (VCS) organisation. Only a small proportion of schemes are operated within the private sector.

Option 4: The Council could cease to provide or fund the service.

Officers were asked not to investigate Option 4 as Members believed that the service is invaluable and should continue to operate in Redditch in some form.

**Financial Implications**

3.11 The Redditch Shopmobility service is provided to customers free of charge. This arrangement applies to both Redditch residents and customers visiting from outside the Borough. Research shows that 75 per cent of all Shopmobility schemes in the UK charge their customers for use of their service. Charging arrangements vary and can include charging annual membership fees and daily fees for each visit. Some schemes charge non-residents a higher fee to use their schemes than local residents.

3.12 Customers of the Redditch Shopmobility Service were surveyed from September to November 2016 (a copy of the survey results are attached as Appendix 1). The survey included questions about the possibility of introducing a fee for the service and provides the following data:

- If a service charge were to be introduced the majority of services users said they would be prepared to pay between £1 and £3 (80%) each visit. Further analysis shows 33.8% said £1 - £2 and 46.3% said £2 - £3.
- 74.4% of respondents preferred to 'pay as you go'
- 13.6% of respondents preferred an annual membership fee with reduced hire fee and 12% preferred a higher annual membership fee with no hire costs.
- Non-residents were more likely to say they would pay a higher charge than residents.

3.13 Research on charges by other Shopmobility shows:

Scheme	Annual fee	Daily charge	other	Visitors
Redditch	0	0		0
Solihull	£10.00	£1.00		£3-5.00 per day
Bull Ring	£12.00		£2-3 based on type	N/A
Bognor Regis	£5.00	£3.00		£3.00
Luton	£10.00		£1 per hour	£2.00 per hour
Merry Hill	£12.00		£6 per session	N/A
Bromsgrove	0	0		0

3.14 Officers propose that the following charges are considered for the Shopmobility service, this includes a lower charge for Redditch residents in recognition of the Council's financial contribution to the service:

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017

- An annual registration fee of £10 to cover administrative costs, specialised insurance and officer time training customers on equipment
- A hire charge for registered users of £2 for Redditch residents
- A hire charge for registered users of £3 for Non-Redditch residents
- A £5 charge for customers who do not wish to register as a member or if they only need to use the service once or for a short period

Whilst the survey results were in favour of a pay as you go scheme and higher user fee, Officers recommend the membership fee as the service already requires a registration process due to the value of the equipment. The fee would recoup these costs and would enable the lower charge per visit to be introduced.

- 3.15 Based on current usage of 15,000 visits and 75% of the current registered users the above charges would generate the following income:

		Customer count	Est. visits	Est. revenue
Annual Membership				
Fee:	£10.00	1650	N/A	£16,500
Membership per-visit charge Resident:	£2.00	N/A	10,000	£20,000
Membership per visit charge Non-residents	£3.00	N/A	5,000	£15,000
Pay as you Go charge	£5.00	N/A	100	£500
			<b>Total:</b>	<b>£52,000</b>

Based on the experience of when the Kingfisher Shopping Centres started to charge users for car parking, Officers anticipate that there will be an initial drop in visitors numbers that may take around 12 -18 months to recover to current numbers. It is also highly likely that the donations will reduce, however, the team will continue with fund raising activities throughout the year.

- 3.16 There is a cash collection procedure, Securicor collects cash fortnightly. However, a review and more robust process would be put in place should charging be agreed by increasing the visits of Securicor and installing a larger safe. The cost implications would be an additional £260 per annum.
- 3.17 There is also the possibility that customers would be willing to purchase associated equipment when visiting the Shopmobility service such as mobility aids and to hire wheelchairs. This could further help to enhance service income. Whilst there are legal restrictions which would not make this a viable proposal (see 3.18 below), Officers could explore this further with the Kingfisher Shopping Centre and the Town Centre Partnership

**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017

---

**Legal Implications**

- 3.18 As a Discretionary Service, charges may be made to cover the cost of the service but as it is currently running at a loss there are no legal implications for the Council in the introduction of these charges.
- 3.19 Included in Option 1 of the Budget Working Group report was suggestion that the sale of disability adaptations to users of the Shopmobility Service. The Council is prohibited from directly competing in the market in direct competition with local businesses. The only way that sales could be made would be through a trading company. This would not be a viable option for this service as the costs, governance and staffing arrangements involved in establishing such a company would far outweigh the likely income from sales particularly where the service is subsidised by the Council.

**Service / Operational Implications**

- 3.20 From the recent survey a total of 69.9% travel in by car and tend to use the equipment for 2 – 3 hours. Based on 9,569 visits by car per year and with a stay of 1-2 hours this provides the Kingfisher Shopping Centre with an income of £14,353 from Shopmobility users.
- 3.21 The recent survey also provides an indication of how much Shopmobility customers are spending in the town. It shows that 56% spend over £30 on each visit and this rises to 70% of the non-resident customers. If on average all customers spent £15 per visit at 15,000 visits per year this equates to £225,000 spend within the Town Centre. This highlights the value of the service to not only the Kingfisher Shopping Centre and the retailers, but our strategic purpose 'Help me Run a Successful Business'.
- 3.22 With the combined spend from customer car parking and shopping being in the region of a £250,000, Officers propose that the Kingfisher Shopping Centre and Town Centre Partnership be approached to explore what additional financial contributions can be made towards the service.
- 3.23 In respect of Option 1 set out in section 3.10, if the Council was to introduce charges for the service and generate the predicted income of £52,000 the direct cost to the Council would reduce from £69,000 to £17,000. However the current level of donations/fundraising of £11,000 pa is expected to reduce by 75% giving a more realistic direct cost of £25,250. It should be noted that in the short term the usage figures may reduce and this would affect the potential income.
- 3.24 In respect of Option 2 set out in section 3.10, the team have undertaken transformation work within the service. Consequently a revised staffing structure has been developed to meet the peaks and troughs in service demand and new streamlined booking system is in place. This has achieved financial savings of £9,585.

**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017

---

- 3.25 In respect of Option 3 set out in 3.10, research shows that 80 per cent of Shopmobility schemes in the country receive some form of financial support from their local authority. The level of funding required ranges from £100,000 to £4,000, with the average being £30,000. Nationally there is recognition that Shopmobility itself is economically unviable and requires funding support. Officers therefore recommend that the option to transfer the service to a third sector organisation be reviewed over the next 12 months with the portfolio holder once the impact of charging can be assessed.

**Customer / Equalities and Diversity Implications**

- 3.26 The service is primarily used by customers with restricted mobility to access shops and appointments in the town. Many of the service's customers are elderly and / or have physical disabilities and may rely on the service in order to continue to maintain personal independence. National statistics show that 8 per cent of the population in Redditch have a long-term health problem that could limit their day to day activities and they may benefit from having access to the service.
- 3.27 Due to the potential vulnerable nature of the users the proposed changes may cause some distress. Therefore Officers will ensure that there is clear communication with users and their family/carers and staff support provided during the introduction.
- 3.28 Data collected by the service found that in 2012 approximately 40 per cent of Shopmobility customers were non-residents. Data from the current registrations shows that approximately 30% of users are non residents.
- 3.29 Section 3.15 of the report recommends that there is a 'pay as you go' fee so that we do not discriminate against people who only need to use the service once or for a short period.

**4. RISK MANAGEMENT**

- 4.1 The amount of potential income to be generated from introducing a charging schedule is based on current customer numbers. If the introduction of charges has a significant affect on these numbers the income predicted may not be realised.

**5. APPENDICES**

Appendix 1 – Shopmobility survey

**EXECUTIVE COMMITTEE**7<sup>th</sup> February 2017

---

**6. BACKGROUND PAPERS**

Report to Executive Committee on 13 December 2016 titled Budget Scrutiny Working Group Proposals.

**AUTHOR OF REPORT**

Name: Judith Willis

email: [judith.willis@bromsgroveandredditch.gov.uk](mailto:judith.willis@bromsgroveandredditch.gov.uk)

Tel.: 01527 64252



Shopmobility Survey – Autumn 2016

Staff and volunteers of Shopmobility carried out a face to face survey (Appendix A) of Shopmobility customers between 12 September 2016 and 18 November 2016. The survey was carried out in 2 tranches with 85 responses in tranche one (12 September 2016 – 3 November 2016) and a further 51 responses in tranche 2 (4 to 18 November 2016) resulting in a total of 136 surveys completed. The survey shows:

- there were a total of 136 respondents; 96 are residents of Redditch (71%) and the remaining 29% were from outside of the Borough, primarily Bromsgrove and parts of Birmingham
- the majority (68%) of people use Shopmobility on at least once each week, arriving by car with family members and use the equipment for 2-3 hours
- the top three reasons for visiting the town are:
  - 1) retail (97%),
  - 2) food and drink (87.5%)
  - 3) banking (52.9%)with the majority (56%) spending £30+ each visit
- if a service charge were to be introduced the majority of service users said they would be prepared to pay between £1 and £3 (80% (33.8% saying £1-£2 and, 46.3% saying £2-£3)) each visit to hire the equipment
- 68% of respondents prefer to 'pay as you go'

Further analysis

Of the 136 respondents, 95 (71.4%) say they travel to Shopmobility by car. Of these 61 (64.2%), use the service at least once each week and of those, nearly a third live outside of Redditch.

When considering how much Shopmobility customers spend within the town, it can be seen that the 56% spend over £30 on each visit. Of the non-resident Shopmobility users, this rises to 70%.

Consideration was given to imposing a charging structure for the use of Shopmobility and users were asked if a charge were to be imposed, what they would be willing to pay. The majority of respondents said they would prefer to hire the equipment on a 'pay as you go' basis rather than pay a membership fee.

Question 15 asked 'If a charge were to be introduced to ensure the continuation of the service, how much would you be prepared to pay to hire equipment?' followed by question 16 'Would you consider any of the following? (tick all that apply)' to which respondents were given the following options:

- Annual membership fee and reduced hire fee
- Higher annual membership and no hire fee
- Pay as you go hire fee

In total there were 135 respondents to these two questions.

When asked how much they would be prepared to pay to hire equipment (question 15), 135 people provided a single response (see chart 1).

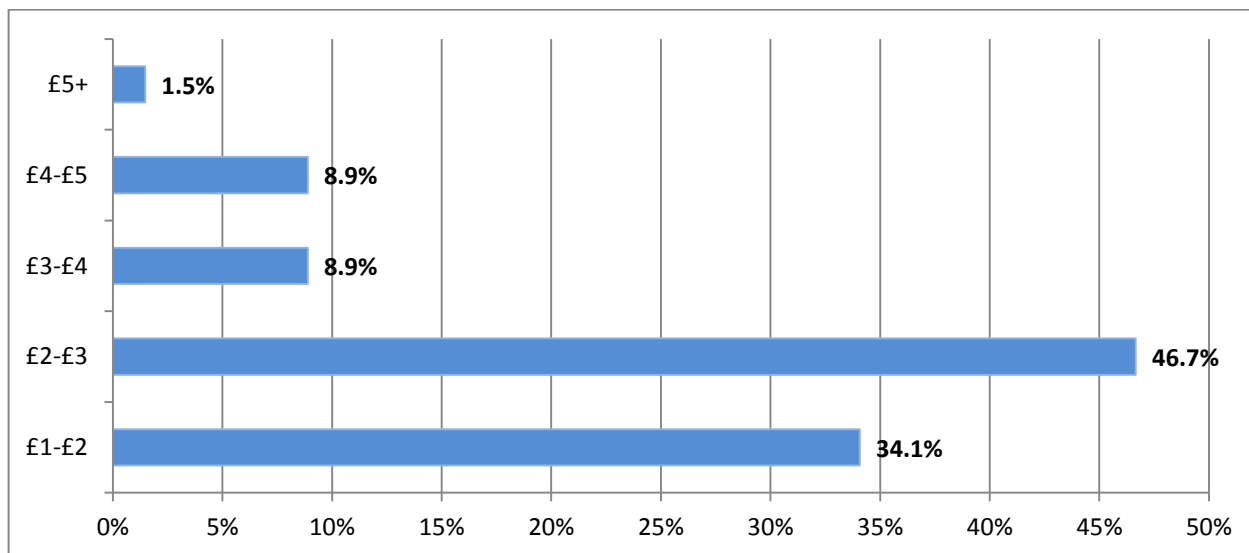


Chart 1 – Q15: 'How much would you be prepared to pay to hire equipment?'



When comparing how much a person would be prepared to pay to hire equipment it can be seen that non-residents were more likely to say they would pay a higher charge than residents. The majority of non-residents (65%) said they would pay £2 - £3, however this figure dropped to just below 39% for residents. The majority of residents said they would pay £1 - £2, however this was only 2.1 percentage points higher than those who would pay £2 - £3.

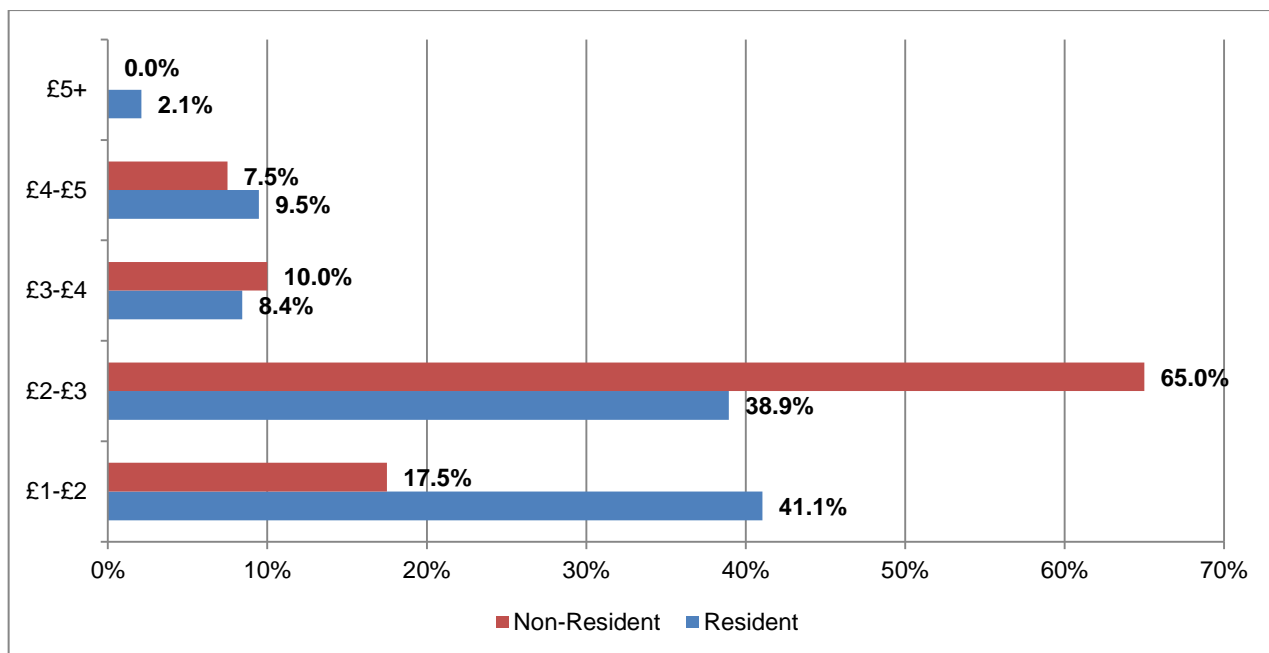


Chart 2 – Q15: 'How much would you be prepared to pay to hire equipment?' by resident / non-resident

Question 16 asks - 'would you consider any of the following options?'

- 1) Annual membership fee and reduced hire fee
- 2) Higher annual membership and no hire fee
- 3) Pay as you go

Of the 136 respondents to the survey, 125 people provided a single response (chart 3). One person didn't answer the question and the remaining 10 commented as follows:

- 5 would consider all options
- 2 didn't like any of the options
- 2 chose two of the options (annual membership fee & reduced hire fee, and, pay as you go) and,
- 1 person said it would depend on what the charges were before they could make a decision

A little over 74% would prefer to 'pay as you go'. (chart 3)

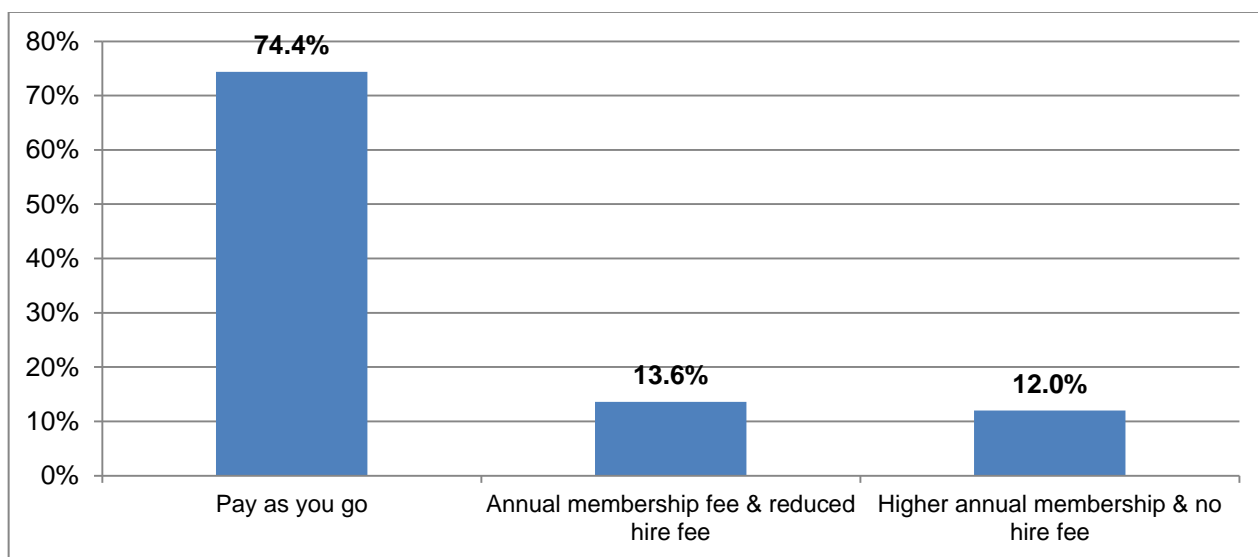


Chart 3 – Q16: 'Would you consider any of the following?'

If we compare the responses between residents and non-residents, whilst a higher percentage of non-residents would prefer to pay a higher annual membership fee and no hire fee, there was still a large majority who preferred the 'pay as you go' option as can be seen in chart 4 (below).

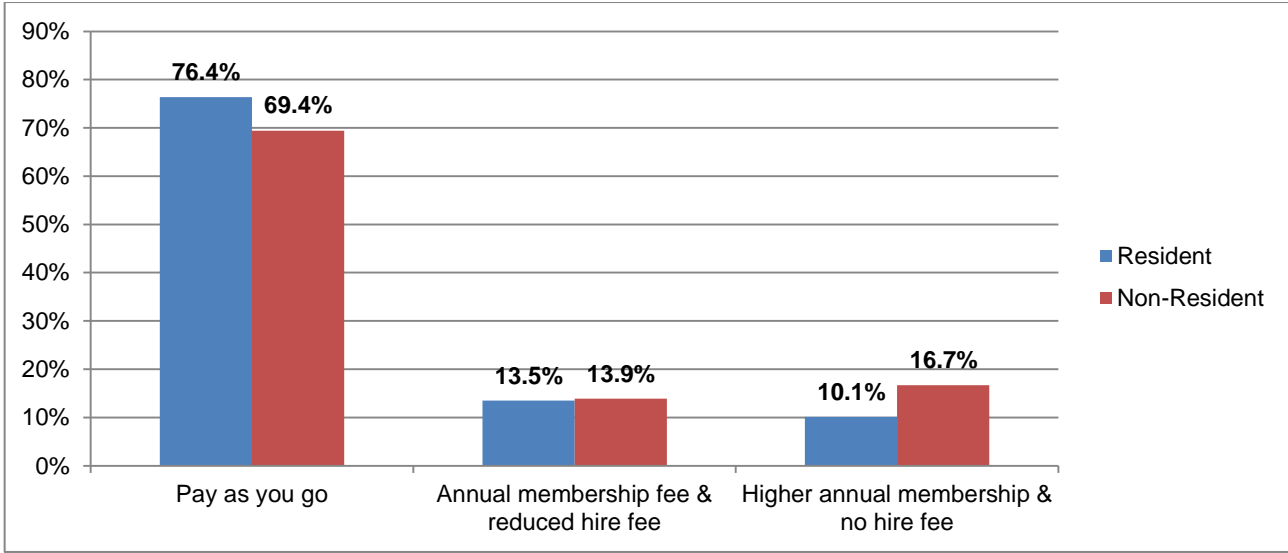


Chart 4 – Q16: 'Would you consider any of the following?' by resident/non-resident

When asked what reasons Shopmobility users visited the town centre there were a variety of responses with majority of people saying they came for the retail offer and food and drink. For full responses see chart 5, below.

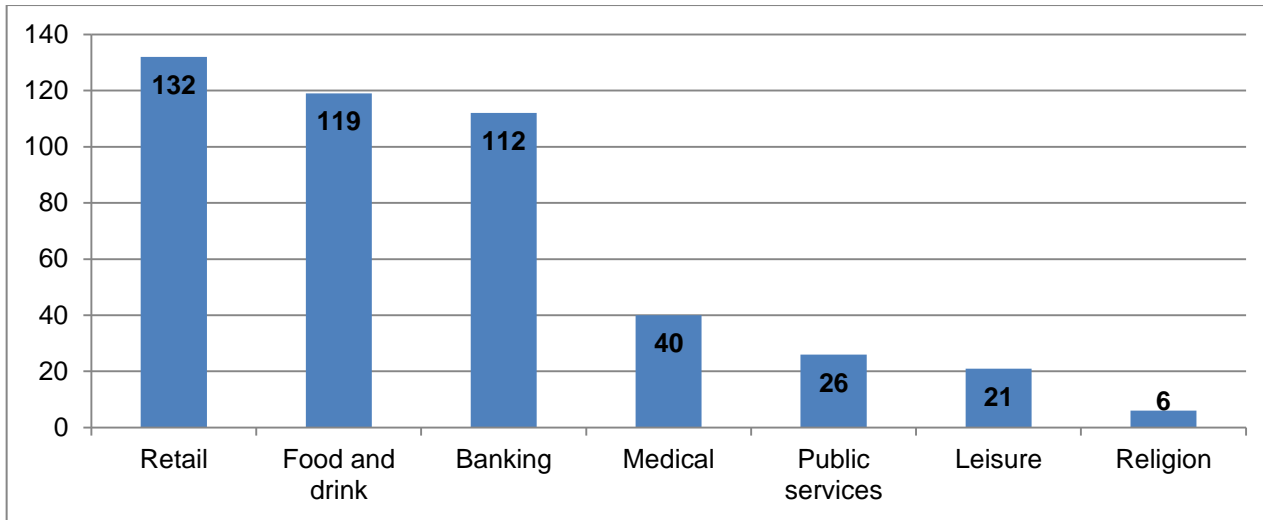


Chart 5 – Q6: 'When using Shopmobility, what facilities do you use in Redditch Town Centre (tick all that apply)'

Of the 136 respondents, 6 only tend to visit the town centre for a single reason; four of these were for retail with the others saying leisure or religion. In contrast, 20 respondents visited for 5 or more reasons including retail, food & drink, and banking.

Respondents were also asked, on average, how much they spent each time they visited the town centre. Of the 134 people who responded to the survey, the majority (56.7%) say they tend to spend over £30. When comparing residents (51.1%) and non-residents (70%), there are approximately one quarter more non-residents spending in excess of £30 per visit.

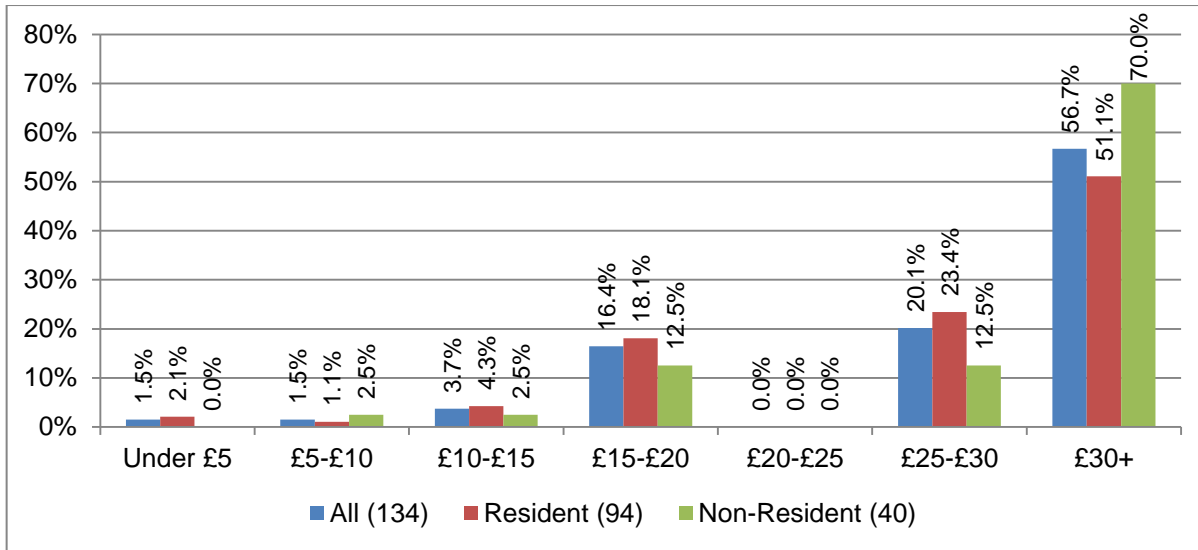


Chart 6 – Q10: 'When using Shopmobility, on average, how much do you spend in the Town Centre per visit?'

The survey further asked how respondents travel to Redditch when using Shopmobility, who they travel with, if anyone and how long they hire equipment for.

A total 69.9% of Shopmobility users arrive by car; 60.4% of residents and 92.5% of non-residents. Those who arrive by car tend to use the equipment for between 2 and 3 hours (36.8%) and a further 21.3% use the equipment for varying times between 3 and 5 hours. The majority of people arrive by car with family.

The top line figures for each question can be found in Annex A

A survey of Shopmobility customers was carried out from 12 September 2016 to 18 November 2016. The survey was carried out amongst visitors to the Shopmobility unit. There were a total of 136 respondents.

	Question	Response	# responses
Q1 (136)	Are you ...	Service user	133
		Other	3
Q2 (136)	Are you a resident of Redditch? If yes, please provide postcode. If no, please state where you live	B96	5
		B97	28
		B98	63
		If no, please state where you live:	
		Alcester	3
		Birmingham	8
		Castle Bromwich	1
		Dorridge	1
		Edgbaston	1
		Kings Norton	3
		Northfield	3
		West Heath	2
		Bromsgrove	10
		Barnt Green	1
		Hollywood	1
		Hopwood	1
Droitwich	1		
Henley in Arden	2		
Kidderminster	1		
Warwick	1		
Q3	How often do you use	Daily	1

(136)	Shopmobility	2-3 times week	29
		Weekly	64
		Fortnightly	11
		Monthly	26
		Less often	5
Q4 (136)	When using Shopmobility, how do you usual travel into Redditch Town Centre?	Bus	5
		Car	95
		Dial-a-ride	18
		Train	0
		Taxi	18
		Other	0
Q5 (136)	When using Shopmobility, who do you usually come to Redditch Town Centre with?	Come alone	48
		Family	68
		A carer	9
		Friends	11
		Other-please state:	
		Come alone > with family	9
		Family > friends	1
Q6 (136)	When using Shopmobility, what facilities do you use in Redditch Town Centre (please tick all that apply)	Retail	132
		Food and drink	119
		Leisure	21
		Banking	112
		Religion	6
		Public services	26
		Medical	40
Q7 (134)	What equipment do you use?	Assisted wheelchair	8
		Power chair	18
		Scooter	103

		Wheelchair	5
Q8 (136)	On average, how long do you use the equipment for?	Under 1hr	1
		1-2 hrs	20
		2-3 hrs	60
		3-4 hrs	32
		4-5 hrs	23
		5-6 hrs	0
		6+ hrs	0
Q9 (136)	Are you satisfied with the range of equipment available?	Yes	136
		No (please state why)	0
Q10 (134)	When using Shopmobility, on average, how much do you spend in the Town Centre per visit?	Under £5	2
		£5-£10	2
		£10-£15	5
		£15-£20	22
		£20-£25	0
		£25-£30	27
		£30+	76
Q11a (85)	Are you satisfied with these opening times?	Yes	133
		No (please state why):	3
		Sunday opening	2
		Late nights	1
Q12 (136)	Overall, are you satisfied with the current service provided by Shopmobility?	Very satisfied	131
		Satisfied	5
		Neither	0
		Dissatisfied	0
		Very dissatisfied	0
Q13 (134)	Have you recommended Shopmobility?	Yes	116
		No	18



Q14 (133)	How did you find out about Shopmobility?	Advert	4
		Internet search	0
		Leaflet	0
		Word of mouth	106
		Blank	0
		Other (please state)	-
		Family used	2
		Found it	15
		Saw them around the town centre	4
		Health and Social Care Professionals	2
Q15 (135)	If a charge were to be introduced to ensure the continuation of the service, how much would you be prepared to pay to hire equipment?	£1-£2	46
		£2-£3	63
		£3-£4	12
		£4-£5	12
		£5+	2
Q16 (135)	Would you consider any of the following? (tick all that apply)	Annual membership fee & reduced hire fee	17
		Higher annual membership & no hire fee	15
		Pay as you go hire fee	93
		Other:	-
		All options	5
		Annual membership & reduced hire fee / Pay as you go	2
		None	2
		Want guide due to budget	1
Q17 (76)	Please let us know if you have any additional comments you would like to make about the service (max words 250)	Good service / satisfied with service	38
		Concern about having to pay	2
		Staff are helpful / friendly	28
		Need service	18
		Other:	0

		Think a membership fee should be charged	1
		Sunday service, particularly up to Xmas (extra charge)	1
		Need more scooters with tubes (but on side for bags)	1
Q18 (134)	What is your gender?	Female	98
		Male	35
		Prefer not to say	1
Q19 (136)	What is your age group?	0-18yrs	0
		19-24yrs	1
		25-34yrs	3
		35-44yrs	10
		45-54yrs	10
		55-64yrs	20
		65-74yrs	44
		75-84yrs	34
		85+ yrs	13
		Prefer not to say	1
Q20a (104)	Do you consider yourself to have a disability?	Yes (please state below)	87
		No	8
		Prefer not to say	9
		Blank (29 gave details)	32
Q20b (104)	If yes, please state	Physical impairment (please state)	52
		Sensory impairment (please state)	0
		Long term illness (please state)	28
		Mental health condition	2
		Learning disability or difficulty	0
		Blank	21
		Other (please state)	1
Q21	What is your race?	<b>White</b>	3

(136)	British, English, Northern Irish, Scottish or Welsh	127
	Irish	1
	Gypsy or Irish traveller	0
	Any other white background, please specify	0
	<b>Mixed or multiple ethnic groups</b>	
	White and Black Caribbean	0
	White and Black African	0
	White and Asian	0
	Any other mixed or multiple ethnic background, please specify	0
	<b>Asian or Asian British</b>	
	Indian	1
	Pakistani	0
	Bangladeshi	0
	Chinese	0
	Any other Asian background, please specify	0
	<b>Black, African, Caribbean or black British</b>	
	Caribbean	0
	African	0
	Any other black British, African or Caribbean background, please specify	0
	<b>Other ethnic group</b>	
	Arab	0
Any other ethnic group, please specify	0	
<b>Prefer not to say</b>	4	



**COUNCIL**20<sup>th</sup> February 2017**EXECUTIVE COMMITTEE 7TH FEBRUARY 2017****87. MEDIUM TERM FINANCIAL PLAN****RECOMMENDED that****the following be approved:****2.1 the savings and additional income that do not impact on service delivery for**

- 2017/18 £1.032m
- 2018/19 £56k

**2.2 the revenue bids for**

- 2017/18 £80k
- 2018/19 £5k

**2.3 the Capital bids of:**

- 2017/18 £136k,
- 2018/19 £70k
- 2019/20 £1.508m
- 2020/21 £1.490m

**2.4 the unavoidable pressures for**

2017/18	£112k
2018/19	£27k
2019/20	£83k
2020/21	£25k

**2.5 the release from balances (as amended) of:**

2017/18	£103k
2018/19	£87k
2019/20	£105k
2020/21	£136k

**2.6 the increase in Council Tax for 2017/18 of £5 per Band D equivalent;**

**COUNCIL**

20<sup>th</sup> February 2017

---

- 2.7            **that the budget savings and pressures for 2018/19 – 2020/21 be subject to change due to the potential impact of changes to service delivery and the localisation of Business Rates together with any changes to New Homes Bonus.**

REDDITCH BOROUGH COUNCIL**EXECUTIVE**7<sup>th</sup> February 2017**MEDIUM TERM FINANCIAL PLAN 2017/18 – 2020/21**

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 officer recommendations for the General Fund revenue and capital budget 2017/18 to 2020/21.

**2. RECOMMENDATIONS**

The Committee is asked to RECOMMEND ;

- 2.1 the savings and additional income that do not impact on service delivery for

- 2017/18 £1.032m
- 2018/19 £56k

- 2.2 the revenue bids for

- 2017/18 £80k
- 2018/19 £5k

- 2.3 the Capital bids of:

- 2017/18 £136k,
- 2018/19 £70k
- 2019/20 £1.508m
- 2020/21 £1.490m

- 2.4 the unavoidable pressures for

2017/18 £112k  
 2018/19 £27k  
 2019/20 £83k  
 2020/21 £25k

- 2.5 the release / return to balances of :

2017/18 £13k ( release)  
 2018/19 £43k (return)  
 2019/20 £25k (return)  
 2020/21 £6k ( release)

- 2.6 the increase in Council Tax for 2017/18 of £5 per Band D equivalent

**EXECUTIVE**7<sup>th</sup> February 2017

- 2.7 that the budget savings and pressures for 2018/19 – 2020/21 are subject to change due to the potential impact of changes to service delivery and the localisation of Business Rates together with any changes to New Homes Bonus.

**3. KEY ISSUES****Financial Implications**

- 3.1 Over the last 2 years the Council has faced a reduction in Government funding of £681k in Revenue Support Grant with further cuts faced in the future as detailed below. The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made over a 4 year period. The plan addresses how the Council will provide 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
- 3.2 When reviewing the budget projections officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next 4 years. The recommendations included within the current financial position at 3.16 are those assessed by officers as being areas where cost saving can be made to enable a balanced budget over the 4 year financial planning period. These potential service changes to realise savings are therefore included in the current projections for members consideration.
- 3.3 As Members are aware there continue to be considerable pressures facing the Council over the next 4 years as a result of a number of issues including:
- Potential further reductions in New Homes Bonus Grant
  - Impact of Negative Revenue Support Grant
  - Impact of the Localisation of Business Rates scheme
  - Transfer from Housing Benefit to Universal Credit



**REDDITCH BOROUGH COUNCIL****EXECUTIVE**7<sup>th</sup> February 2017

- 3.4 Officers will continue to work with our partners to identify the costs that may be associated with some of these changes.

**Government Funding****3.5 Settlement**

- 3.5.1 The provisional settlement was announced in mid December 2016. A number of issues were included within the information, including;

- Confirmation of continuing cuts to Revenue Support Grant
- Updated Core Spending Power
- Projections of Council Tax income increased on 2016/17 Settlement
- Additional flexibility on Social Care
- New approach to distributing New Homes Bonus
- Shift in funding from Lower to Upper Tier services in particular the creation of the Improved Better Care Funding
- Ability to increase Council Tax by 2% of £5, whichever is the greater, without triggering a referendum

**3.6 Formula Grant**

- 3.6.1 This Council in common with virtually every other Council in the country signed up to the government offer of a four year funding settlement. This brought more certainty to the funding figures but not complete certainty or protection from changes to the funding levels as described below.

- 3.6.2 The formula grant provisional settlement for 2017/18 was notified to all Councils in December. This represents a 60% decrease when compared with our grant for 2016/17 as shown in the table below:

<b>Financial Year</b>	<b>Actual £</b>	<b>Actual % Reduction</b>
2016/17	901,000	
2017/18	363,000	60

- 3.6.3 Within the current projections there is an assumption that a repayment will be made to Government in 2019/20. This is due to the calculated core spending power for the Council being less than the estimated funding received. For 2019/20 the provisional settlement provides for a £331k repayment. Officers have projected that this will continue into 2020/21.

**3.7 Business Rates**

REDDITCH BOROUGH COUNCIL**EXECUTIVE**7<sup>th</sup> February 2017

- 3.7.1 For 2017/18 the government assessed baseline for business rates is £2.06m, if business rates grow above the baseline, then this council keeps a proportion of that funding. The opposite applies for any losses with the Council having to repay some of its formula funding.
- 3.7.2 Projecting future levels of business rates is not an exact science. This Council knows from experience that external decisions can significantly reduce business rates income. We are expecting some growth on business rates to continue into 2017/18 and have included an expected income of £50k; however this is an estimate and may be affected by economic factors in the local area.
- 3.7.3 General Fund balances will need to be robust enough to meet this enhanced level of risk. The level of business rates take and corresponding level of appeals will need to be closely monitored in the next financial year.

**3.8 New Homes Bonus (NHB)**

- 3.8.1 The amount of NHB for 2017/18 has been confirmed as £1.018m which is £108K less than the £1.126m anticipated within the MTFP.
- 3.8.2 The Government announced in the settlement figures a reduction in the number of years for which NHB payments are made from six to four. With a transitional year in 2017/18 where five years are payable to the authority. They also announced that NHB would not be paid for what they term as baseline growth, or housing growth that would happen naturally. This equates to a 0.4% levy that discounts the circa 126 additional house in Redditch each year from the NHB calculation.
- 3.8.3 The Government also announced in the settlement that they expect to make further changes to NHB in future years. So not only can we expect significantly less than we would have earned, there is also increased risk to this funding stream in future years.
- 3.8.4 The MTFP will continue to be refreshed annually to take account of future changes in funding.

**3.9 Council Tax**

- 3.9.1 The Council will decide the level of the council tax for 2017/18 on 20th February. If the recommendations contained in this report are approved, the demand on the collection fund to meet the Council's own needs will be £5.801m representing a £5 increase on Band D Council Tax compared to the current financial year.
- 3.9.2 The council taxbase for 2017/18 is 25,509.11 an increase of 1.45% on the current year. The proposed band D Council Tax will be £227.54 (£222.54 2016/17). It is assumed that the Council Tax Base will increase by 0.5% year on year.

**EXECUTIVE**7<sup>th</sup> February 2017

---

**3.10 Precepts**

3.10.1 The precepts from Worcestershire County Council, the Hereford and Worcester Combined Fire Authority, and the West Mercia Police Authority have not yet been received. The precepting bodies have until 28 February to provide this information, which will be needed to enable the Council to make its formal decisions. Precept notifications have been received from all of the parish and town councils.

**3.11 Capital Programme**

3.11.1 The Capital Programme has been extended to a 4 year rolling plan and officers are currently working to ensure that the level of expenditure falls within the current estimated project allocation. Those schemes that are funded from S106 are not included in this report as they have already been approved during the legal agreements, however they will form part of the final programme as reported to members later this month. The borrowing costs associated with any schemes have been factored into the summary statement. The Capital Programme is attached at Appendix 3 for consideration.

**3.12 Efficiency Plan**

3.12.1 The Efficiency Plan as approved in October included a number of areas whereby the costs to the Council could be reduced in a number of ways. The following key themes were identified to enable officers to manage the shortfalls in funding:

- Identifying opportunities to increase income and growth
- Identify alternative models of delivery in the provision of services and to consider the most appropriate provider
- Identify further efficiency by continuing to drive waste out of services and reduce cost
- Continue to redesign services to provide quality support and service to the customer whilst releasing savings
- Assessing the value for money of service provided and demonstrating where resources can be realigned note 1
- Designing services across public and voluntary sector organisations to secure better outcomes and reduce overall spend
- Resetting future budget to meet prior years expenditure and income

3.12.2 The budget includes the delivery of the savings and income as identified in the Efficiency Plan. It should be noted that whilst annual savings have been included to meet those referred to in the plan there may be changes to funding and services delivered from 2018/19 that

**EXECUTIVE**7<sup>th</sup> February 2017

require alternative savings and income profiles to be delivered. Therefore further detailed reports will be presented to members advising of the relevant income and savings to be delivered.

**3.13 Current Position**

3.13.1 When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2016/17 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. The pressures and income shortfalls are included at Appendix 2.

3.13.2 In addition to the unavoidable pressures, 2 revenue bids have been proposed:

- Professional fees for the procurement of a leisure operator as shown in the MTFP (assumes external procurement approach is followed) - £75k in 2017/18
- To replace the current Town Hall Civic Suite tables as they are or are rapidly approaching the end of their useful life. This is based on a phased approach over 2 years to replace all tables - £5k for 2017/18 & 2018/19

3.13.3 In addition to Heads of Service proposed savings there have been a number of suggestions from staff in relation to efficiencies and income that could be realised. These are attached at Appendix 4 and have been included in the estimated budgets where a judgement has been made on the savings to be made or revenue income to be generated. During the financial year these proposals will continue to be considered and reported to members once robust financial implications are assessed.

**Financial Position**

3.14 The current summary includes the following assumptions:

- 1.0% pay award in relation to the National Agreement in place
- General inflationary increases in relation to contract arrangements and on utility bills
- increase in fees and charges (included in recent report)
- An estimation of the New Homes Bonus income
- Additional income estimated in relation to the Business Rates receivable by the Council
- £5 increase in Council Tax

REDDITCH BOROUGH COUNCIL**EXECUTIVE**7<sup>th</sup> February 2017

3.15 The summary below shows the projected shortfall if no further savings were made:

	2017-18 £000	2018-19 £000	2019-20 £000	2020-21 £000
Departmental Expenditure (Starting Position)	10,838	11,289	11,676	11,933
Adding back prior year use of balances/ reserves plus - Incremental Progression & inflation on Utilities	259	435	179	200
Unavoidables	112	27	83	25
Revenue Bids & Revenue impact of capital bids	80	-75	-5	0
<b>Net Service Expenditure</b>	<b>11,289</b>	<b>11,676</b>	<b>11,933</b>	<b>12,158</b>
Investment Income	-561	-543	-539	-539
Cost of Borrowing	931	1,127	1,157	1,266
Recharge to Capital Programme	-546	-541	-544	-544
<b>Net Operating Expenditure</b>	<b>11,113</b>	<b>11,718</b>	<b>12,007</b>	<b>12,340</b>
Revenue Support Grant	-363	-35	331	331
Transitional Grant	-44	0	0	0
Business Rates Retention (Baseline Funding)	-1,935	-2,039	-2,106	-2,104
Funding from Business Rate Growth	-50	-50	-50	-50
New Homes Bonus	-1,018	-870	-987	-884
S31 Small Business Rate Relief	-250	0	0	0
Council Tax	-5,797	-6,060	-6,308	-6,615
Parish Precept	8	8	8	8
<b>Funding Total</b>	<b>-9,448</b>	<b>-9,046</b>	<b>-9,112</b>	<b>-9,314</b>
<b>Shortfall</b>	<b>1,664</b>	<b>2,672</b>	<b>2,895</b>	<b>3,026</b>

REDDITCH BOROUGH COUNCIL**EXECUTIVE**7<sup>th</sup> February 2017

- 3.16 In considering the shortfall above officers have proposed a number of additional income and efficiencies, to include service reductions that could be implemented to ensure that the budget is balanced over a 4 year period. This will provide funding available to support future uncertainties in funding arrangements. The table below details these proposals:

<b>BUDGET PROJECTIONS TO 2020/21</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Shortfall</b>	<b>1,664</b>	<b>2,672</b>	<b>2,895</b>	<b>3,026</b>
<b>Shortfall to be met by :</b>				
<b>Proposed Savings/ additional income whilst maintaining current service delivery - as per Appendix 1</b>	-1,032	-56	25	-
<b><u>OFFICER RECOMMENDATIONS</u></b>				
<b>Proposed Savings / additional income in changing / reducing service provision or delivering additional efficiencies</b>				
Change Model of delivery of Leisure services ( eg Trust model/ other provider) - to include an estimate of the reduction in support services	-	-440	-40	-
Kingsley Sports Centre - Surrender interest in site : saving up to £61k: part year effect and £128k full year	-61	-67	-	-
Arrow Vale Sports Centre - Surrender Interest in site	-20	-21	-	-
Review of provision of free swimming	-50	-	-	-
Withdrawal of funding for community events to include, annual bonfire, street theatre events and the Morton Stanley Festival	-40	-	-	-
Christmas Light Displays - secure external funding	0	0	-20	-
Shopmobility - to propose charging for the service	-40	-20	-	-
Charge pre application fees for developers	-15			
Move to all out elections every 4 years	0	-40	-	-
Options / Review of pre 9:30am concessionary bus travel and options for delivery	-85	-	-	-
Reduce cost of landscaping on the highways	-8	-	-	-

REDDITCH BOROUGH COUNCIL**EXECUTIVE**7<sup>th</sup> February 2017

Implementation of Garden Waste Service	0	-20	-20	-
	<b>2017-18 £'000</b>	<b>2018-19 £'000</b>	<b>2019-20 £'000</b>	<b>2020-21 £'000</b>
Procurement efficiencies	-100	-10	-	-10
Savings realised from general staffing turnover	-150	-	-	-
Pest control - review of charging to offset increases in costs	-10	-5	-	-
Review of fleet costing to HRA	-	-165	-	-
Review of revenue opportunities including car parking and delivery of additional services	-	-150	-40	-60
Management Restructure	-40	-70	-110	-30
<b>Proposed Savings / additional income in changing / reducing service provision or delivering additional efficiencies</b>	<b>-619</b>	<b>-1,008</b>	<b>-230</b>	<b>-100</b>
<i>Savings already built in from previous year</i>		-1,651	-2,715	-2,920
Transfer from balances (-) / to balances (+)	-13	43	25	-6
<b>REVISED SHORTFALL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**General Fund Balances**

- 3.17 The level of the general fund balance is currently £2.024m. The current level of balances is sufficient but it is recommended that these should not drop below £750K. The proposed officer budget will return £49k to balances to retain the level at approximately £2.1m depending on the level of 2016/17 underspends that will be transferred to balances.

**Legal Implications**

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

**Service / Operational Implications**

- 3.19 The MTFP will enable services to be delivered across the Borough within the reduced financial funding arrangement that the Council has faced.

**Customer / Equalities and Diversity Implications**

- 3.20 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**

**EXECUTIVE**7<sup>th</sup> February 2017

---

- 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 Savings/Income deliverable without impacting on future service provision  
Appendix 2 Unavoidable Pressures  
Appendix 3 Capital Bids  
Appendix 4 Staff suggestions

**AUTHOR OF REPORT**

Name: Jayne Pickering – Exec Director Finance and Resources  
Sam Morgan – Financial Services Manager  
E Mail: [j.pickering@Redditchandredditch.gov.uk](mailto:j.pickering@Redditchandredditch.gov.uk)  
Tel: 01527-881400



# ADDITIONAL INCOME AND SAVINGS 2017/18-2020/21

Appendix 1

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
WRS	Income generated from Dog Warden Service	-5	-	-	-
Corporate	Income from Early Help Contract re support & pension costs. 2017/18& 2018/19 only	-55	-	55	-
Community Services	saving of revenue cost associated with the contract to facilitate the Disabled Facilities Grants as this will be funded by the increase in capital funding made available	-50	-	-	-
Community Services	Lifeline - new business growth	-16	-4	-10	-
Community Services	review of service delivery	-25	-	-	-
Community Services	Additional income from Dial A Ride	-7	-1	-	-
Corporate	General Savings and review of printing	-23	-3	-1	-
Corporate	Review of administrative services	-16	-5	-	-
Customer Access & Financial Support	Shared Service across customer access and financial support	-60	-20	-	-
Customer Access & Financial Support	rental from lease of council office space to the CAB	-5	-	-	-
Customer Access & Financial Support	solar panel income at Town hall and crossgates	-7	-	-	-
Customer Access & Financial Support	Crossgates House Rent	-15	-	-	-
Financial Support	Overpayments recovery	-20	-	-	-
Customer Access & Financial Support	Review of asset usage across the Borough	-25	-10	-	-
Customer Access & Financial Support	Income recovery costs	-30	-	-	-
Customer Access & Financial Support	Implementation of shared IT System	-36	-	-	-

Page 51

Agenda Item 6

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Customer Access & Financial Support	Various savings in relation to Fraud Compliance work	-38	38	-	-
Legal & Democratic Services	review of staffing structure		-19	-	-
Environmental Services	Bulky Collections - increase income budget in line with actual figure 16/17	-10	-	-	-
Environmental Services	Bulky Collections - multiplier effect	-15	-	-	-
Environmental Services	Bulky Collections - additional work income	-8	-2	-2	-
Environmental Services	Cremations - non resident fee	-100	-8	-1	-
Environmental Services	Cremations - new business from earlier slot	-50	-	-	-
Environmental Services	Cremations - additional income from current number of cremations	-50	-	-	-
Environmental Services	Increase in Burial Fees	-22	-10	-10	-
Environmental Services	Additional income from County Council for Land Drainage	-2	-	-	-
Environmental Services	Memorial income Bereavement Services	-5	-5	-5	-
Environmental Services	Timber sales	-1	-1	-1	-
Environmental Services	Savings from lease costs following purchase of vehicles	-105	-	-	-
Environmental Services	Solar panel income at Redditch Crematorium	-4	-	-	-
Environmental Services	Electricity savings at Crematorium	-4	-6	-	-
Housing GF	Transfer of costs to HRA	-1	-	-	-
Housing GF	General savings following review of budgets and expenditure trends	-7	-	-	-

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Housing GF	General savings following review of budgets and expenditure	-3	-	-	-
Housing GF	Increase in income relating to tenants in B&B	-4	-	-	-
Housing GF	General savings following review of budgets and expenditure	-3	-	-	-
Housing GF	Removal of agency staff budget and increase in fees to private payers for Home Support	-3	-	-	-
Human Resource	Review of the Human Resources service	-10	-	-	-
Human Resource	Review of Health & Safety provision including spend on training	-30	-	-	-
Legal Services	Additional income generated from external work	-8	-	-	-
Leisure and Culture	Caretaking & Cleaning Review	-15	-	-	-
Leisure and Culture	income generated from solar panels	-5	-	-	-
Leisure and Culture	Commercial review of Leisure & Culture Services Prices as per Fees & Charges process	-58	-	-	-
Leisure and Culture	Golf Course - Procurement Savings	-20	-	-	-
Planning Services	Saving as a result of Shared Service (Development Management)	-12	-	-	-
Planning Services	Additional income for charging for pre application advice	-15	-	-	-
Planning Services	Additional income from Planning applications	-20	-	-	-

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Planning Services	Saving from reduced Advertising costs	-1	-	-	-
Planning Services	Savings from reduced mileage costs	-1	-	-	-
Policy Team	Saving from changes to working practices	-5	-	-	-
Policy Team	Saving from translation costs	-1	-	-	-
Policy Team	Additional income from Equalities workshops	-3	-	-	-
<b>TOTAL</b>		<b>-1,032</b>	<b>-56</b>	<b>25</b>	<b>0</b>

APPENDIX 2

**UNAVOIDABLE PRESSURES - 2017/18 - 2020/21**

Service	Description of Pressure	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21	Comments
Planning & Regeneration	Market Income shortfall	22	-	-	-	the shortfall in income from the Market operations is under review with the new company however there is a current pressure that requires addressing for 2017/18 and ongoing until more traders use the site
Business Transformation	Microsoft License Cost Increase	1	2	83	25	Additional License costs from Microsoft
Business Transformation	Storage Area Network	10	-	-	-	Additional space on the network required
Business Transformation	Smartphone & ipads licence	11	-	-	-	Additional costs associated with the new technology
Housing GF	General increase in insurance costs, loss of income, other additional costs associated with the delivery of the service	3	-	-	-	
Housing GF	Contribution to Worcestershire Strategic Housing Partnership & increase in grant to Redditch Nightstop	9	-	-	-	
Housing GF	Pressure on homelessness provision following review of budgets and expenditure trends	10	-	-	-	
Housing GF	Loss of income from property transferred to HRA (purchased from WCC whereas previously leased) plus general insurance costs increase	7	-	-	-	
RBC Reg Client	Pest Control Overspend From WRS	30	-	-	-	Review of income to be undertaken as treatment
Leisure & Cultural Services	Loss of income due to concessionary rents of civic suite	5	-	-	-	Customers receiving concessionary rates on rent of civic suite resulting in loss on income.
Resources	LEP	4	-	-	-	Costs associated with the LEP
Resources	WMCA	0	25	-	-	funding for WMCA. Agreement for 17/18 to be drawn from balances
		<b>112</b>	<b>27</b>	<b>83</b>	<b>25</b>	

**CAPITAL BIDS - 2017/18 - 2020/21**

Department	Description	Funding Source i.e. Grant, Borrowing, Reserve. S106	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000	Commentary
Environmental Services	Vehicle replacment	Borrowing	0	0	953	1,000	To continue to provide fundiing for the 10 year vehicle replacement programme
Environmental Services	Wheelie Bin purchase	Borrowing	23	30	25	-	To provide for replacement bins when they are damaged by the vehicles or general wear and tare.
Buisness Development	Civic Suite - Full or part replacement of the Sound system in	Borrowing	45	-	-	-	New Sound system and Microphones for Civic Suite - 2 Options: a) 45k to replace the whole of the system and microphones with a brand new system, or b) 27.5k replace part of the system in CR2 and CR3 to improve the sound when the full suite is being use
Parks & GS	Repairs to Footpath/cycle route	Borrowing	18	-	-	-	The proposed resurfacing would reduce the risk to an acceptable level and increase use in this area
Cultural Services	Forge Mill Access Arrangements	Borrowing	10	-	-	-	Budget bid to change the access arrangements to Forge Mill Museum to ensure that all users and attendees access via the shop area to increae secondary spend opportunities on site.
Asset & Property	Public Buildings R&M	Borrowing	-	-	250	250	Continuation of Public Buildings Capital programme.
Asset & Property	Public Buildings R&M	Borrowing	-	-	40	40	Continuation of Asbestos control withing Public Buildings.
Environmental Services	Locality Support	Borrowing	-	-	200	200	To continue the locality approach to utilising funds
Community Services	Vehicle replacment dial a ride	Borrowing	40	40	40	-	increase budget for replacement dial a ride vehicles as the current budget is insufficient to meet the specification requirement. 2 vehicles per year 3 years
			<b>136</b>	<b>70</b>	<b>1,508</b>	<b>1,490</b>	

MONEY SAVING/GENERATION IDEAS – 2016/17

	IDEA	LEAD	RESPONSE
1	<p>One thing that is hugely popular in many of the big forward thinking businesses is the buying of extra leave. This is proven to be a really big motivator and has a much less negative impact on service delivery and productivity than one might expect because people will generally get the same amount of work done in less time if there is something in it for them.</p> <p>Provided you have a scheme that requires a commitment for a set number of additional days it's relatively easy to administer as you can just reduce monthly salary to take account. You can limit the number of days to say 10. Not only to you get the benefit of the salary saving but also the NIC.</p> <p>Where organisations have scheme such as this in place they have made big salary savings but also have a happier workforce.</p> <p>I know that a lot of people would find this beneficial. Although we have the opportunity to take unpaid leave this is adhoc and has to be agreed each time. It is seen as an emergency measure rather than a perk. I talk to staff all the time who for whatever reason are struggling a bit with things outside of work who would welcome the opportunity to buy some extra leave and spread the cost. It benefits people with children, people with caring responsibilities, people with health issues but who don't want to reduce their working</p>	<p>CMT/ <b>Deb/</b> Becky T</p>	<p>HR &amp; Payroll will look into this as an option for staff. It will need to be aligned to any cultural change so that all staff have an equal chance of using the scheme.</p> <p>Indicative savings have been included in the savings spreadsheet.</p> <p><b>To be included on list of savings to be presented to Members.</b></p>

<p>hours but just have additional flexibility.</p> <p>Having done a bit of research it looks like a lot of Council's have already gone down this route. This is a copy of guidelines for a scheme in Cumbria</p> <p>The maximum amount of additional annual leave that any employee may 'purchase' in any one leave year is 2 working weeks (max 10 days for full-time staff, pro-rata for part-time / part-year staff). An employee who wishes to purchase additional annual leave must make a request in writing to their line / service manager. Separate requests must be made for each leave year and applications should be submitted no later than two months before the start of each leave year. The Council reserves the right to refuse an employee's application to purchase additional annual leave. It may be necessary to refuse an employee's request for operational or technical reasons related to their job. If approval is not given, managers must give reasons and explore other options with the employee. Additional annual leave should be applied for and taken in the line with the normal annual leave procedures. Any deductions from salary to pay for the additional leave will be made monthly and calculated at the employee's rate of pay as at the date of the agreement. There will be no increase in the normal leave "carry forward" provisions and managers and employees must ensure proper planning and management of the taking of the additional annual leave. If, having purchased additional annual leave, the employee fails to take it before the end of the relevant leave year, the leave</p>		
---	--	--



	<p>will be lost and no reimbursement made. Where a request has been received and approved, the employee will be notified in writing by their line / service manager and the appropriate change to their pay notified to them by the HR Service Centre. Employees leaving the Council will be reimbursed if the salary deductions on leaving amount to more than the leave taken. If on leaving, the value of the salary deductions made during the relevant leave year are less than the value of the leave taken, the Council reserves the right (in line with contractual provision) to require repayment and will be entitled to deduct the outstanding amount from salary or other payment due to the employee. If the final salary is not sufficient to allow for the whole of such a deduction, the employee will be required to repay the outstanding amount within one month of the date of termination of their employment.</p>		
2	<p>Also, if we are really desperate what about if the entire workforce were to reduce their working hours by one hour per week? Could we make this work – I don't know but it may be preferable to people losing jobs. I know for myself I would rather reduce hours than be out of work – most would feel the same I'm sure. I know this hits those on low salaries but not as much as being out of work entirely.</p>	<p>CMT Becky T</p>	<p>This would save money but can have a detrimental effect on staff morale. There may be some positive results for staff as it may work beneficially given people's personal circumstances.</p> <p>There would be a need to balance the needs of the service/delivery across our core opening hours, or any extended hours in certain service areas.</p> <p>An alternative option could be to ask which staff would want to work fewer hours rather than applying to everyone?</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
3	<p>How about we consider reducing our opening times to 9 – 4? I know, I would never have suggested that in the past but .....</p>	<p>CMT</p>	<p>Needs to be considered in relation to item 2 above</p> <p><b>To be included on list of savings to be presented to</b></p>

	<p>The 4 – 5 slot is generally the quietest hour of the day in respect of customer demand and if we were to close at 4 we could significantly increase capacity to manage the work with reducing resources. Part time staff could have their hours realigned to work at a different time. Full time staff could use the time to do other work. Services across the council would benefit from increased capacity as result of an hour a day when staff don't need to be rota'd to be available for customers and over time the working hours of new staff could reflect the change and thus save money. Team/ staff meetings and reflection sessions could take place as a matter of course at 4pm thus ensuring increased capacity to handle customer demand during the rest of the day.</p>		<p><b>Members.</b></p>
4	<p>I know this has been suggested before but as things get more difficult just thought its worth visiting it again. Could staff be offered the option of buying leave (the same as taking unpaid leave)? If days were purchased in blocks of 3 or 5 days, in agreement with their line manager, this may add up to a worthwhile saving and be considered a positive option by staff?</p>	As above	<p>See item 1 above.</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
5	<p>The use of consultants to do a job that someone who is already employed could do.</p>	CMT	<p><b>To be included on list of savings to be presented to Members.</b></p>
6	<p>Using staff agencies to supply us with staff for a limited period. Would it not be more cost effective to employ someone on a fixed term contract?</p>	CMT <b>Guy, Liz</b> Becky	<p>As part of the Environmental Services Business Case and restructure, agency staff budgets were reduced to £15K for each authority which was considered to be the minimum needed to ensure operational delivery of services. A pool of staff has been employed.</p>

			<p>Savings for ES already made as part of Business case 15/16 Housing – Have found it very difficult to recruit housing officers when offering fixed term contracts, those experienced will not give up full time employment for a less secure job. Therefore agencies have had to be utilised to cover business critical posts.</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
8	IPad/mobile phones, is it necessary for us to be supplying and paying for so many?	CMT/ Deb	<p>Purchase of iPads/mobile phones are usually a service based decisions sometimes not in conjunction with IT. There should be a return in value when purchasing this type of equipment and the need to consider other licence costs, Good software, etc.</p> <p>The number of phones and iPads across the organisation is currently being reviewed.</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
9	A freeze on pay rises for a couple of years (not a popular choice) but maybe will save a job or two across the Borough	CMT/ Becky	<p>Would require the organisation(s) to opt out of the national pay and grading scheme. Some local authorities have done this.</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
10	Stop buying ipads as mobile devices, buy something more appropriate and cheaper on android. it is an expensive waste and hard to explain to members of the public when finances are so tough, and for people to see council workers with expensive branded technology	CMT/ Deb	<p>See item 8 above</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
11	Housing : RBC sells its housing stock to generate capital and reduce support cost to RBC (no housing staff / repairs etc.) Downside Staff TUPE to another provider but better	CMT/ Liz	<p>In 2012 the Housing Revenue Account changed and rather than paying subsidy back to the government each year councils were asked to purchase its stock from the government. RBC purchased its stock for around £99 million</p>

	<p>than potential staff reductions caused by lack of funding and seems a No Brainer?  This would align RBC/ BDC housing strategy as BDC sold its housing stock so will have a case study from BDC to see if they deemed it a success</p>		<p>with the debt to be paid back over the next 30 years. To enable this to be paid back an amount of money has to be set aside each year from the rents. The valuation of a property which is tenanted is far lower than selling an empty property, therefore the council would not gain any savings as the £99 million will still have to be repaid.  There is an element of the HRA which supports the general fund in appropriate spend.  Any savings in the HRA can only be used in the HRA therefore this would not generate savings to the general fund.  <b>To be included on list of savings to be presented to RBC Members.</b></p>
12	<p>ICT : Consolidate / Change 3<sup>rd</sup> party support models  Instead of paying huge support contracts, purchase days of resource that can be called on as deemed necessary (where possible)  This must generate a huge amount of savings which could also be used to strength areas of weakness internally in IT, so more support can be provided with council IT staff alongside providing additional savings to authorities  A stronger internal team could be used to support / sell additional services to generate income?  Also this will enable going market rate to be paid for IT specialised staff so that recruitment and retention can be resolved so outsourcing where vacancies can't be filled would no longer be necessary ?  In a nut shell "Rather than outsourcing and paying for expensive support contracts, skill and provide environment to deliver more ICT functions internally by council "</p>	CMT/ Deb	<p>Many of our contracts have already been reviewed and have made savings accordingly.  Ideas for looking at generating income are being considered and in some cases have been implemented eg: Street Naming &amp; Numbering.    The salary bands for staff are subject to Job Evaluation which determines what staff are paid. It does not compare salaries with the private sector.    Outsourcing is looked at on a case by case basis.    <b>To be included on list of savings to be presented to Members.</b></p>
13	<p>We should utilize open-source (free) software where possible to save on software licensing, software</p>	CMT/ Deb	<p>IT will be looking at this option in the near future especially given the costs of Microsoft Licences.</p>

	support contracts and separate software upgrade/call-out costs.		<b>To be included on list of savings to be presented to Members.</b>
14	Review all paid support contracts for IT systems to see if best value is being delivered / are they all necessary	CMT/ Deb	Please see item 12. <b>To be included on list of savings to be presented to Members.</b>
15	Stop all financial enhancements across the leisure services sector. If members of staff do overtime they are paid a hourly flat rate at the rate that their current salary dictates. Ensure all fortnightly staff are reverted to monthly pay also.	CMT/ <b>John/ Deb/ Becky</b>	Currently the organisations work to “Green Book Terms and Conditions”. Any move away from Green Book Terms & Conditions would be subject to review and local agreement.  A report is being drafted in consultation with the HR team on this matter and will be progressed in the new year. Officers are moving all fortnightly paid staff to monthly pay over a period of time.
16	Long serving staff are being given £250 for over 30 years service. I hate to be a killjoy, especially when employees have dedicated their lives to servicing their community needs through their work, but as budget constraints prevail; should we be looking at phasing this payment out?	CMT/ Deb/ Becky T	There are very few people in the organisation who reach this milestone so the overall savings would be quite low. A review of this would be taken by CMT.
17	I work at a children’s centre, and I think it would be more economical to have toilet rolls held within a metal fixed unit on the wall in the toilets. This would save replacing the rolls regularly, and also as it is a centre where members of public come into the centre, the rolls would not then be able to be removed.	CMT/ Judith/ Louise	When we have some repairs carried out at the centres we will ensure the fixing of fixed units on the walls.
18	Change the car park to pay & display	CMT/ Guy	Staff proposal did not specify which car park(s). Additional income if charged for car parking in parks and other RBC car parks estimated at £100-150K after costs. <b>To be included on list of savings to be presented to Members.</b>

19	Charge £5 to people who elect to receive council tax (and other such) bills by post.	CMT/ Jayne/ Mandy	Rather than charging we are looking at getting email addresses from as many residents as possible to send out electronic bills therefore reducing the cost of sending paper bills out. In addition we have implemented a new system that will allow on line access to council tax and business rate accounts.  The legislation does not allow us to charge for paper bills.
20	Get rid of SIM cards from iPads. The majority of council issued iPads will be used here in Council buildings or users homes and therefore connect over Wi-Fi. SIM cards are only required where connection is needed in a remote area.	CMT/ Deb	This was the case initially. Councillors elected to have SIM cards in their iPads and generally managers decide if this is required by members of their staff. The costs for this will be reviewed alongside the numbers of phones & iPads across the organisation.  <b>To be included on list of savings to be presented to Members.</b>
21	Reduce working week to 35 hours	CMT/ Becky T	See item No 2 <b>To be included on list of savings to be presented to Members.</b>
22	Give staff the opportunity to buy extra annual leave.	As above	See item 1 above <b>To be included on list of savings to be presented to Members.</b>
23	Reduce opening hours for customer services/ cashiers	CMT/ Jayne/ Mandy	See Item 3 above <b>To be included on list of savings to be presented to Members.</b>  <b>Saving of £25k estimated.</b>
24	Close satellite offices.	CMT	One Stop Shops under review. <b>To be included on list of savings to be presented to Members.</b>
25	Charge for payment by credit card.	CMT/ Jayne/ Mandy	This is something that other Councils and organisations do charge for and we will explore this with the aim to reduce the bank charges to the Council

			Potential savings cannot be detailed at this time but it is likely that any savings will be offset by increased cash handling costs.
26	Introduce a Garden waste service in Redditch with a Fee.	CMT/ Guy	This is something we are looking at, but it will require Member approval. Estimated income to RBC of £20K (net surplus per 1000 customers after costs) <b>To be included on list of savings to be presented to Members.</b>
27	Get community volunteer groups to litter pick and cut grass.	CMT/ Guy	We already have over 100 voluntary litter pickers and we encourage people to volunteer. With regard to other maintenance tasks we already have a number of people who undertake this. Given that we already have a large number of volunteers not sure if savings might be made. If they were increased further and run in a more structured way, volunteer co ordination would be required and that would need to be resourced. <b>To be included on list of savings to be presented to Members.</b>
28	Encourage voluntary organisations to help run Dial A Ride, Shopmobility, Forge Mill Museum, The palace Theatre, Arts and Events etc..	CMT/ Judith/ John/	Shopmobility and the community transport scheme in Bromsgrove (BURT) both use volunteers to support the delivery of the service. In addition BURT is currently out to tender with a view to it being delivered by a voluntary sector organisation.
29	Offer long term unpaid work experience to young people.	CMT/ Deb/ Becky	Already doing this in some departments with some further opportunity to support.
30	Only have one Main Sports/leisure site per town - Dolphin Centre in Bromsgrove and Abbey Stadium in Redditch.	CMT/ John	Options similar to this approach are under discussion with elected members and will be shown within the respective budget round for 2017/18 onward. <b>To be included on list of savings to be presented to Members.</b>

31	Licence public space advertising. Several years ago we began selling advertising space on our roundabouts. Many of these roundabouts are not currently being sponsored with the "Advertise here contact RBC" signs displayed for lengthy period of times. We could generate income by licensing the advertising space to a marketing company for a set period of years. This would provide a guaranteed income. If we also offered sign space beneath the "Welcome to Redditch" road signs this could be quite desirable for a marketing company E.g. "Welcome to Redditch" "Home of Halfords".	CMT/ John/Julie H	A review of Island sponsorship will be considered within the next financial year. Proposals brought forward as and where required will also be considered.
32	Remove colour printers. Anyone with a need to print in colour can submit the document to the print room along with a business case for why the print must be in colour. This is the way the Solicitors Regulation Authority worked. B&W printers only	CMT/ Kevin/ Anne-Marie	The spend difference between colour and b/w is nominal however still a saving, so the Print Room do advise that b/w printing is used and try to enforce this if the only colour thing on the item is the logo etc. We advise on using dashes and dots on graphs rather than block colour etc however there is more which can be considered. As we look to change the Print contract in the next year we hope these issues will be picked up then. <b>To be included on list of savings to be presented to Members.</b>
33	Overtime ... and Agency staff Have enough staff cover / casual contracts / joined up working practices between areas so that overtime at enhanced rates can be stopped and the use of Agency staff can be reduced. Make it mandatory for overtime to be authorised in advance with a full explanation of why it is needed.	CMT/ Guy/ Liz/ Becky	See 6 above re agency staff. As part of the Environmental Services Business Case and restructure any 4/5 days from 7 was introduced which has reduced overtime payments. Overtime is now only paid for Bank Holiday working, standby and callout, and exceptional circumstances. ES see 6 <b>To be included on list of savings to be presented to Members.</b>
34	Engage with local business to donate to the running costs of playgrounds/ events/shopmobility etc , we	CMT	This option cannot be progressed at present as there is limited capacity within the team services to take on this



	could publish a list of donators (advertising for them)		additional work stream. It is considered there could be a small amount of income that could be generated however it is believed that such a proposal would offer limited return to BDC/RBC as the cost of generating income may exceed the amount brought in.
35	Offering Data Protection/Freedom of Information services to other local organisations e.g Schools - Solihull council do this and bring in around 40K a year for very little staff time.	CMT/ Deb	This item is being looked at. <b>To be included on list of savings to be presented to Members.</b>
36	For years now Locality has suggested that having 'Two men in a van' would be useful for house clearances, removing waste, emptying garages, odd jobs etc.. instead of using external contractors which are expensive.	CMT/ Liz/ Guy	Environmental Services and Housing are currently looking at how this work can be brought in house <b>with</b> transfer of costs from external contractors to internal service. Business case is required to establish if there would be savings to HRA. <b>To be included on list of savings to be presented to Members.</b>
37	Close some of the OS Shops - too many of them. If people have a problem make sure it is easy for them to communicate with someone at Town Hall, or Just have one central OS Shop, as at Bromsgrove.	CMT	Under review  <b>To be included on list of savings to be presented to Members.</b>
38	Valid business cases should be provided to procurement before they even consider purchasing iPads or Phones. "It sounds echoey" is not a valid reason to spend hundreds of pounds of the taxpayers money without a requirement in their role which should be agreed with their manager too! Crazy when we have no money.	CMT/ Deb	See item 10 <b>To be included on list of savings to be presented to Members.</b>
39	Users should not have a choice of device when being given mobile phones or tablets for work. It drives up the cost and removes any consistency and control that IT have over the estate.	CMT/ Deb	See item 10  <b>To be included on list of savings to be presented to Members.</b>
40	When finances are so tight, why are we still putting on the annual 'Firework Spectacular'?	CMT/ John	Understand the proposal however a cost to the social cohesion benefits, and the community spirit that is generated by such events. This may not be measurable but it goes a

			long way to giving a place and identity of its own and fostering a sense of civic pride in where people live. <b>To be included on list of savings to be presented to Members.</b>
41	Charge the councillors/employees to repair/replace council devices that they damage i.e. iPads/Mobile Phones	CMT/ Deb	The Council has an insurance policy that covers damage to equipment. <b>To be included on list of savings to be presented to Members.</b>
42	Reduce the staffing in the post room as they have spare capacity.	CMT/ Kevin/ Susan	Service under review.
43	Get staff to collect their own paper when the printers run out etc. rather than asking a caretaker to do it.	CMT/ Kevin/ Anne-Marie	We currently have the caretaker deliver because of the volume requiring a trolley. The caretakers drop off 2 or 3 deliveries at the same time to different floors which is considered a more efficient use of time than various staff having to come from different floors to collect their own paper. The caretakers fit this task in with their other duties fairly easily.
44	Managers and heads of service should be allocated the same devices as their staff if they require mobile devices etc. IT should set the standard device and users should not be allowed to demand more expensive device which they quite simply DO NOT need.	CMT/ Deb	See item 10. <b>To be included on list of savings to be presented to Members.</b>
45	Stop using the Matrix system for the booking/ payment of agency staff. We are being charged by the agency AND Matrix. Trust the management team to authorise temporary payments and this will lead to a saving.	CMT/ Becky	A review of the Matrix system is being done to establish if it is the right system/approach. <b>To be included on list of savings to be presented to Members.</b>
46	Could we not organise our agency staff between us and the agencies we use instead of having to pay a middle man (Matrix)?	CMT/ Liz/ Guy/ Becky	See 6 above re agency staff. . <b>To be included on list of savings to be presented to Members.</b>

47	Bringing a garden waste collection to RBC?	CMT/Guy	See 26 above re Garden Waste. <b>To be included on list of savings to be presented to Members.</b>										
48	Advertising local businesses on side of vehicles	CMT Guy/ Liz/ Julie H	This is something that was tried in the past and wasn't particularly successful, however we should look at it again. We would need to balance the advertising with messages around recycling and waste minimisation on refuse vehicles which is an important part of the promotion of these two things. Can be considered as part of wider sponsorship (item 31).										
49	Enforcement of flytipping, not much done at moment?!?	CMT/ Guy	Enforcement has to be proportionate and we do undertake enforcement action where evidence can be gathered, we currently have a number of cases proceeding to prosecution.  In Bromsgrove and Redditch a staged approach is used as outlined below:  <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Stage 1</td> <td>Advice given</td> </tr> <tr> <td>Stage 2</td> <td>Verbal warning</td> </tr> <tr> <td>Stage 3</td> <td>Written warning</td> </tr> <tr> <td>Stage 4</td> <td>Fixed penalty notice</td> </tr> <tr> <td>Stage 5</td> <td>Court proceedings</td> </tr> </table> We have invested in cameras that we are using overtly and as a direct result of using these we have we have a case going to court in the new year, and a number of other cases being worked on with the other agencies.	Stage 1	Advice given	Stage 2	Verbal warning	Stage 3	Written warning	Stage 4	Fixed penalty notice	Stage 5	Court proceedings
Stage 1	Advice given												
Stage 2	Verbal warning												
Stage 3	Written warning												
Stage 4	Fixed penalty notice												
Stage 5	Court proceedings												
50	Charging a minimal charge for replacement wheelie bins?	CMT/ Guy	This is something that we are going to look at once the new in-cab technology is fully operational. We need to have reliable data regarding bins that go in the back of the RCV as opposed to those that are lost or stolen. A change in policy will require Member approval.										

51	Charge for replacement bins where we can prove that the bin has not been lost by the service, this would reduce our costs dramatically as well as reducing the number of bins that the crews have to empty.	As above CMT/ Guy	See 50 above charging for replacement bins
52	<p>Every year Redditch council hosts the Morton Stanley festival . Its a great family day full of great music that carries on into the night people from all over the county look forward to coming along to listen to the music . Being in a band myself I know how much music means to some people and how much other bands want to get in to perform at the festival .</p> <p>As far as I'm aware it is a free event that must cost the council money to organise . A small entry fee would mean we could still provide a great summer time event while it not costing us to host . However knowing how popular this event is why not use it as a fund raiser for the council ? Charge more for entry , find the bands sooner in the year so you can advertise who is playing .For example a very popular band played last year (APY) and I know people who would have travelled far to come see them . With a mix of good bands , good food and drink and plenty of advertising the council could charge a fair entry fee and use it as a great way to bring in some money.</p>	CMT/ John	<p>The costs of moving to a paid event would need careful consideration. Proposals could be counter- productive and result in comparisons with other paid festivals.</p> <p>Paid for events may/would not generate current usage levels initially and become pressured in terms of expectations on cost recovery. Events may become vulnerable if income targets are not delivered.</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
53	Shopmobility should be taken over and run by the Kingfisher Shopping Centre as they are financial beneficiary of this service.	CMT/ Judith/ Ruth G	The Kingfisher Shopping have always and still do contribute to the running costs of the service. This amounts to £33,000 per annum. Negotiations in the past have not achieved delivery of the service by the Centre Management. The Town Centre Partnership CIC which includes the Kingfisher Shopping Centre were approached earlier in the year to see if they would wish to discuss running the service but declined. A survey is currently being undertaken with users and

			includes gathering data on the amount that users spend in the Centre, which will inform future discussions with the Centre management. See also response to Question 28.
54	At present we don't re-charge when voiding a property. Should the tenant be transferring to another RBC property the void charges could be put direct onto their new rent account. This would be monitored by Locality not Income thus saving and collecting monies. If the tenants are moving out of the area or to a Housing Association a re-charge debt amount would stay on a debt list which we could access when a housing application was made. This would be shown on CBL as an alert and the debt would have to be cleared before allocating a property.	CMT/ Liz	An intervention was looked at some time ago to cost up the work of the administration of all recharges, the outcome of this was that it was costing more to administer than the council sought to recover. At the time mechanisms were not in place to evidence that the current tenant had actually caused the damage. Recent work involves a photograph being taken of each void which can then be used if there is future damage. There will also be the introduction of more pre termination inspections to prevent tenants from transferring if the property is not in a fit state/damaged. <b>To be included on list of savings to be presented to Members.</b>
56	Do we have to put on "free" events, like bonfires and festivals, surely this costs us and if not put on would result in a saving to the authority.	As above. CMT/ John	See above comment (item 52). <b>To be included on list of savings to be presented to Members.</b>
57	Introduce a chargeable garden waste collection service in Redditch to increase revenue and recycling rates.	CMT/ Guy	See 26 above re Garden Waste. <b>To be included on list of savings to be presented to Members.</b>
58	I suggest we review the business need for Council mobiles/ipads etc. There seem to be large numbers of these being supplied and are we convinced that it is a necessary part of daily work? It's not just the costs of the hardware and calls but the administration of supplying and supporting them too. I'm not suggesting that a review should be carried out by our procurement officer. Perhaps a group of 4th tier managers could do this piece of work?	As above. CMT/ Deb	See item 10 <b>To be included on list of savings to be presented to Members.</b>
59	Single member wards in Redditch and all out elections	CMT/ Claire	<b>To be included on list of savings to be presented to Members.</b>
60	Recruitment freeze	CMT/	Only business critical posts are proceeding to recruitment.

		Becky T	<b>To be included on list of savings to be presented to Members.</b>
61	Put forward the idea that employees could be encouraged to reduce their basic hours and with long term employees to reduce to a 3 or 4 day week as they nearer retirement. This reduces the overall on costs but also retains staff with valuable experience which can be passed on to the next generation of staff.	CMT/ Becky T	HR will look at this as an option. <b>To be included on list of savings to be presented to Members.</b>
62	1. Certificates of Lawfulness (existing only) could be sent straight to legal services to determine as they are a matter of evidence, fact, and legal consideration. At the moment, quite a large amount of time on these application in planning is spent in meeting with the legal services team and getting their recommendations, asking the applicant for further information, going back to legal services and then making a decision on their recommendations/advice. I have heard there are other LPAs which send them straight to legal services, although I only heard this from an agent so have no proof.	CMT/ Claire/ Ruth	Lead Officers have met recently to discuss the process and agreed that whilst it need not move in terms of administration, there are areas that can be streamlined and improved.
63	2. Planning should charge for pre-app advice. Allow small householder questions, but charge for the more detailed answers, not just on the really large schemes.	CMT/ Ruth	There is currently a report being prepared for members to consider. This is likely to be available for Cabinet and Executive Committee in April 2017.
64	3. Ensuring people log their time as when they get to their desk rather than when getting to the car park. I do not know of anyone doing this but if people are, there could be 5-10 minutes each day they are not actually working, which adds up over time.	CMT/ Becky T	All staff are expected to log their time from when they commence work
65	4. There should be an email you can sent IT problems to, so that if they are not major problems	CMT/ Deb	This has already been reviewed as part of the IT Helpdesk transformation and a range of mechanisms introduced to

	you can just email them over and they are dealt with at a later date. At the moment, people either put off small IT problems until they become big issues for their job or spend ages waiting by the phone. It also means that instead of not being able to take calls when waiting for IT, you can carry on with your job and whatever the issue is can be prioritised and sorted out accordingly. Perhaps only have the phone when you are locked out of you account or have a really serious and urgent issue that needs fixing immediately.		assist users.
66	All computers should be made so their default print setting is two-sided. I know this is the case for some 67officers already, but not for myself (and I presume others). I have to go into print settings every time in MS Word or MS Outlook to selected "Print on Both Sides", but sometimes I forget and end up with two (or more) sheets of paper.	CMT/ <b>Deb/ Anne-Marie</b>	IT will work with Communications team to consider this.
67	A low cost affordable chargeable handyman/ gardener/DIY service. Many tenants ask for such requests and we signpost to outside agencies. This could also be utilised by OAP or vulnerable people who own their own homes within the borough. Also, what about a chargeable green waste collection during the summer months?	CMT/ Liz/ Guy	See 26 above re Garden Waste This is an area that we need to look at to consider to establish if we, as Local Authorities, can offer this type of service. Any service offer would need to be commercially based. Needs a business plan and market research before any income estimates can be given.
68	Free Swimming for OAP's I think this should be stopped. If they can afford to run a vehicle to get there then surely they can afford to pay! Perhaps they should get a reddicard?	CMT/ John	Free swimming is on the saving list for consideration at RBC. <b>To be included on list of savings to be presented to Members.</b>
69	Swimming lessons at Abbey Stadium. I am aware of a waiting list, perhaps put more lessons on.	CMT/ John	Increased sessions are being provided and the waiting list is being monitored. Consideration needs to be given to balancing increased participation/access of offer with the ability to delivery.

70	<p>There are opportunities to be had/ income could be generated with a us doing something different with the Countryside Centre. Just the c/s is a real asset. I know we put it out on contract to someone to run. But since, whereas (as a resident) people used to talk about it and seemed to be much more awareness of it and what was going on there now you never see anything in paper or no buzz around it. There must be better use we could be making of it as a great asset and streams of income gained from running it commercially as a 'destination' or something??</p>	CMT/John	<p>The Countryside Centre is currently contracted out for a further 5 years. Delivery cannot be brought back in house unless RBC formally terminated the agreement and paid any associated penalty clauses and compensation that was applicable. The externalisation of the services has saved the Council 75k per annum, however we are aware of some of the issues raised regarding services on site. These matters have been raised with the operator, who has agreed to address these in the future.</p>
71	<p>I have this amazing money saving idea – which involves putting a conservatory on the back of the Parkside building (that bit is a spend to save bit) and then opening the Parkside Cupcake Café. Wychavon, Wyre Forest and Worcester all have café's and we have much more in one place than they do...Library, Jobcentre, County, Health Centre....</p>	CMT/John <b>G</b>	<p>Officers can consider, however, uncertain if this would be a viable option given the proximity to the Town Centre and the costs associated with setting up a café.</p>
72	<p>It is becoming apparent that a central database of land owned by either Council does not appear to exist or if it does - its location is not known. This applies to both authorities.</p> <p>I have placed this as an agenda item on the Asset Man. Group as I believe a small working group could look at land and potentially developable buildings to highlight and actively pursue revenue / capital receipts. I'm happy to run with this.</p> <p>If a delivery vehicle is to be created to potentially develop the Burcot Lane site this could then be used</p>	CMT/ Jayne/ Mandy/ <b>Claire</b>	<p>Include as part of Asset Review via Commercialism Group.</p>



	for other potential sites.		
73	<p>Short of submitting a FOI request on ourselves it is difficult to get a full understanding of the number of consultants employed across councils and more specifically what services / expertise those consultants provide.</p> <p>I would suggest a central database of consultants services is created (or released if already in existence) so everyone can see if they are already, or can begin to, provide those services as part of their day-to-day activities.</p> <p>Examples I have discussed recently with colleagues include one department paying a third party supplier for information which is readily available FOC from the planning office, also one department paying for advice which my team are able to provide, and regularly does to our own customers. (discussions are continuing with regard to these but I wonder where else such opportunities exist).</p>	CMT/ <b>Jayne/</b> Deb	To be raised at CMT and 4 <sup>th</sup> tier managers forum. The financial regulations / contract rules are being reviewed to ensure that consultancy spend is essential with clear outcomes.
74	What has happened with the parking spaces that we used to own (I'm guessing old covered market) and whether they were sold as part of the Threadneedle house deal?	CMT/ Jayne/ Mandy	The parking spaces referred to were sold as part of the Threadneedle House 'deal'. The covered market area is still within RBC ownership however not yet identified anyone who is able to use/develop.
75	How much would it cost to do a feasibility study in to a couple of models to generate income – e.g. a Handyman Service (Clearing Gardens etc), Repairs and Maintenance – also how much income?	CMT/ <b>Guy/</b> Liz	<p>Business model and case would be required. Would need to be commercially operated and also need to consider if there would be an effect on the strategic purpose “help me run a successful business” and impact on local business community.</p> <p>Legal advice required on ability to trade and further work establishing the market.</p>

			<p>A business case can be considered however fairly substantial work required to gather the potential market and income data.</p> <p>See 67</p> <p><b>To be included on list of savings to be presented to Members.</b></p>
76	<p>BDC assets : The Bromsgrove asset base isn't huge but there are some odd ones on there – we own Guide and Scout huts on land that might be more valuable for other purposes and we might be able to relocate the Scouts/Guides. We also own some odd things like a Saw Mill!</p> <p>As an aside the GIS system is soon to be unsupported as I understand things so we may need to look at a more effective way of holding the data on what we own and this would form part of the same exercise.</p>	CMT/ Claire	Include as part of Asset Review via Commercialism Group.
77	<p>We offer Buildings insurance to our properties already, including our leaseholders.</p> <p>Could we possibly supply contents insurance as a separate option to all our tenants and those who live in ex council properties?</p> <p>I'm not sure how much extra this could draw in, I only thought about it as some new leaseholders question whether we do their contents insurance as well as the buildings insurance.</p>	CMT/ Liz/ Jayne	We offer Home contents Insurance currently to our own tenants with AON/Aviva. Enquiries if leaseholders can be included within this has not been possible. We have quite a small take up rate with our own housing stock as it stands. 500 policy holders out of approx. 6000 properties. Various marketing pushes have been undertaken. RBC do receive a commission to cover administration and we will seek to promote the Insurance take up with our tenants via the tenants annual report document.
78	Review ICT outsourced 3rd party support contracts to ensure best value	CMT/Deb	All IT contracts are regularly reviewed to ensure value for money.
79	Suggestion for income generation. If the interest is there, popular in some areas, and if its available, could the Palace Theatre be used to show films for	CMT/John	The theatre currently rents space out to local film societies who provide some aspects of what has been suggested and provide day time activities for older people through the

	example golden oldies some afternoons in the week and include perhaps tea/cake?		'elevenses sessions'. At present the occupation rates at the theatre are very high and as such there is a risk with trying a new product such as this. Should a suitable timeslot become available to look at something like this the team will bring forward plans and promote it as necessary.
80	There is a small organisation that I work with that are occupying small upstairs offices in Bromsgrove Town centre. They might be interested in renting a desk/room from us in Parkside that would generate income for us and reduce outgoings for them.	CMT/John	The facilities team are currently reviewing the space allocations at Parkside to ensure they remain the best use of space to support the Council's business. Within the review we will be looking at this concept and we hope to create a suitable space where we can rent desks to partner organisations. This could increase income into the site and maximise the opportunities that Parkside offer the Council. .
81	We've been talking in the office and wondered if this would be an idea for a new income stream...? One member of the team currently receives a service from a private company whereby they place a heavy duty sack in her grey bin which they replace every month. They frequently also steam clean the bin. This keeps the odour down. she pays approximately £22 every six months for this service as does her neighbour so there clearly is some demand for this service. The service provider follows the bin crew around. We wondered if a similar service could be offered by the Council directly? We recognise that we do not want to put a local company out of business and that there would be resource implications. However we did wonder about the potential for a chargeable bin cleaning service to be offered as an ancillary to bin collections?	CMT/Guy	We will consider this as part of our ongoing transformation / commercialisation programme to establish: what the market is, set up costs, operational costs, competitors, etc. to establish if there is a viable business model.
82	Set up a Housing Maintenance company. Sell off the RBC housing stock, but with a rider that whoever buys the housing has to use us for the	CMT/Liz	This question may be referring to the establishment of a housing company. If the council considered selling the housing stock they will have to take into

	<p>maintenance. We can therefore pocket a big win straight away, but also have future income.</p>		<p>consideration the £122m that they owe to the government when the decision taken to purchase the stock in 2012. Currently money is set aside for the rents from the properties to pay off this debt within a viable long term business case.</p>
83	<p>The use of Redditch Tip and recycling centre cannot be used by residents of Studley even though we only live across the county border. Instead we have to make a round trip of 45 minutes to go to Stratford, wasting time and petrol. Why not introduce a pass for others to use your recycling facilities for a small annual fee?</p>	CMT/Guy	<p>The House Hold waste site is a County facility, the issue is that the County pay their contractors for every ton of waste that goes through the site and Warwickshire residents don't pay Council Tax in Worcestershire to fund this. It is understood that when the permit scheme was introduced, Worcestershire CC tried to do a deal with Warwickshire CC to cover a proportion of costs so that Studley, etc. residents could use the site but unfortunately a deal could not be reached.</p>
84	<p>On the flip side of money saving I was just wondering if we could contract out some of our services out to other Las for discreet pieces of work? Probably not an original idea and we do this already for eg Building control but maybe this model could be rolled out more?. I realise this will be dependent on our first priority- delivering our own services and most of us have plenty of work to keep us busy and it may not be feasible in management terms but thought I'd throw it out there.</p>	CMT	<p>Commercialisation agenda and opportunities currently being considered and progressed.</p>
85	<p>A place/link/hub(?) on the intranet, which can be seen on the home page, where people can say if they have extra stationery which they don't need and people can also say if they need stationery. The person who orders stationery for each team can check this link before they place an order for stationery.</p>	CMT/Deb (Web dev't)	<p>Options for this will be looked at as it may be possible to use the existing Finance system to do this. If not IT will look at using the Intranet.</p>
86	<p>I work within the Home support Service and have difficulties understanding why we are held back regarding pushing forward or promoting our service</p>	CMT/Liz	<p>There has been a piece work done to cost up the home support service to offer this to the private sector. Several trials were carried out in 2013/14 and Members agreed to</p>

	<p>within the community? I realize that this is not a saving as such but find it quite frustrating working for an already potential profit making service that has existing paying customers and would probably have far more should the service be encouraged further and 'sold' out there as a service.</p>		<p>support the service being provided in the private sector. However with the ending of the supporting people contract which paid for people to receive the service who were on benefits many of the people receiving the service decided to stop it as they were having to pay for this in the future. The service has never been able to support itself fully in cost recovery and several home support posts have been reduced in the last 12 months.</p>
87	<p>Could we possibly look at using our in-house qualified staff to carryout minor repairs in Council buildings instead of using outside contractors such as X. These are very expensive and the majority of jobs that they are carrying out are in core time. For instance we have around 8 qualified plumbers along with qualified carpenters. Why are we using contractors to carryout simple repairs to leaking cisterns etc.</p>	<p>CMT/Liz (&amp; Amanda property)</p>	<p>X are only used in circumstances where need dictates or if the situation is time critical and additional resources are required. They are actually very competitive measured against the cost of our internal officers.</p> <p>In the future we will explore the R&amp;M housing team doing work for other areas of the council however this is part of a wider review of contracted services and work to public buildings.</p>
88	<p>Can we look at different ways of dealing with FOIs? They can take up considerable staff time in responding – what are the options for reducing number of FOIs or charging? If some of the enquiries are commercially driven (we don't know because the enquirer detail is taken off them) why can't we apply a charge for this intelligence?</p>	<p>CMT/Deb</p>	<p>The FOI process has been reviewed as part of the transformation work. The team worked with other depts and members of the public to try to establish different ways to deliver this service. A number of different ways were tried but none proved to be successful.</p> <p>There are restrictions placed on local authorities in relation to charging for FOIs. Local authorities can only charge for certain activities relating to the FOI request eg determining if the information is held, locating the information, retrieving the information and extracting it. These are the only elements that can be charged for. All of these activities must exceed 18 hours of staff time before a charge can be made. It is unlikely that the activities outlined above would exceed 18 hours of an officers time. If a charge can be made it is specified by the ICO at £25 per hour.</p>

89	Working with travellers – currently all tiers of the authorities can be involved in this activity so incursions can be expensive in terms of officer time. There is also lots of duplication. Should we get incoming enquiries fielded by customer services (with support from PSH Team) rather than by PSH Team itself and should we get staff at ‘right level’ to deal with process so that we reduce hourly cost?	CMT/Judith & Guy	Flow of work undertaken in dealing with a traveller incursion to be costed. Work across departments to be undertaken to remove waste in the system.
90	Another potentially easy income (used to be up to £15k per mast but not sure nowadays) ... This is from the LGA .. Its section on concession contracts points out that some councils are already obtaining incoming from allowing mobile network operators to place masts on the roofs of their buildings, and says the opportunities should increase when 5G becomes available. <a href="#">LGA points councils towards revenues from 5G</a>	CMT/Deb	Officers to investigate potential/opportunities.
91.	Collect Wythall refuse out of RBC Depot, shorter travel distances	CMT/Guy	We are going to look at this in the next couple of months as part of next phase of Route Optimisation
92.	Bulky Collections <ul style="list-style-type: none"> <li>• Work with scrap merchants</li> <li>• Offer to pick up more things, limited in what we take</li> <li>• Need more training so we don’t damage equipment</li> <li>• One team do all bulky collections - one area per day</li> </ul>	CMT/Guy	<ul style="list-style-type: none"> <li>• If it is domestic waste then it is contract waste and has to go to County Council Contractors as part of the domestic waste PFI contract terms</li> <li>• Already included in additional income generation suggestions</li> <li>• Currently reviewing the training plan</li> <li>• Already developing business plan for this</li> </ul>
93.	Charge for returning shopping trolleys	CMT/Guy	We will look at this to establish what we can do legally and what income might be generated
94.	Offer MOT’s to staff at discounted prices Advertise private MOT’s  Offer a maintenance contract for small private fleet	CMT/Guy	We are looking at advertising the fact that we do MOTs we would need to consider if we discount these to staff and consider a rational. We will look at this and work up a business plan

	operators		
95.	Offer complete funeral service and set up a woodland burial site.	CMT/Guy	We are currently looking at this
96.	Go back to kerbside sack collections, fast efficient	CMT/Guy	The current service using wheeled bins is more customer friendly and far better from a health and safety point of view
97.	Use un-named brands for PPE (Not Stihl trousers)	CMT/Guy	This should be the case already
98.	Take on County verge mowing on 'A' roads	CMT/Guy	Currently trialling additional work to dual carriageways as part of project optimise
99.	Let place teams cut hedges, do it during the winter only	CMT/Guy	We will be looking at how we organise the summer hedge cutting for 2017, Place teams are carrying out lowering and removal this winter but due to the amount of growth that the hedges make during the summer winter only cutting is not considered feasible
100.	Sell cut logs/firewood	CMT/Guy	We are not geared up to process timber for fire wood, however, we will be looking at how we make the most of the timber we produce perhaps by looking at a public private partnership with a local log supplier
101.	Undertake private TPO work	CMT/Guy	As the authority that deals with issuing TPOs and agrees work to TPO trees it would be difficult to also offer to do the work. In addition This is outside the scope of work that we can do as a Local Authority and we would need to establish an arm's length company to do this which would require market research and a commercial business plan. We will however, be looking at if we could provide arboriculture advice to other local authorities and organisations outside the 2 districts
102.	Undertake private hedge cutting/tree work	CMT/Guy	This is outside the scope of work that we can do as a Local Authority and we would need to establish an arm's length company to do this which would require market research and a commercial business plan
103.	Sell redundant car parks to developers Sell unused pieces of land ie play areas	CMT/Place Partnership	To be looked at as part of assets register referred to above.





**COUNCIL**

20<sup>th</sup> February 2017

---

**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE 2<sup>ND</sup> FEBRUARY  
2017**

**TREASURY MANAGEMENT STRATEGY STATEMENT AND  
INVESTMENT STRATEGY 2017/18 – 2019/20**

**RECOMMENDED that**

- 1) the Strategy and Prudential Indicators at Appendix 1 to the report be approved; and**
- 2) the updated Treasury Management Policy at Appendix 2 to the report be approved.**



**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017****TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT  
STRATEGY 2017-18 TO 2019-20**

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	
Relevant Head of Service	Jayne Pickering
Wards Affected	All
Ward Councillor Consulted	None specific
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

Members are asked to approve the strategy statement for treasury management and investments in order to comply with the Local Government Act 2003.

**2. RECOMMENDATIONS**

The Committee is asked to **RECOMMEND** that

- 1) the Strategy and Prudential Indicators at Appendix 1 to the report be approved; and
- 2) the updated Treasury Management Policy at Appendix 2 to the report be approved.

**3. KEY ISSUES****Financial Implications**

- 3.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public services (the CIPFA TM Code) and the Prudential Code require local authorities to set the Treasury Management Strategy Statement (TMSS) and Prudential Indicators each financial year. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance.
- 3.2 CIPFA has defined Treasury Management as:

*“the management of the organisation’s investments, cash flows, its banking, money market and capital market transactions; the effective control of the*

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

*risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

- 3.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council’s approved Treasury Management Practices and include:
- Liquidity Risk (Adequate cash resources)
  - Market or Interest Rate Risk Fluctuations in the value of investments).
  - Inflation Risks (Exposure to inflation)
  - Credit and Counterparty Risk (Security of Investments)
  - Refinancing Risks (Impact of debt maturing in future years).
  - Legal & Regulatory Risk (Compliance with statutory and regulatory requirements)
- 3.4 In addition, the Local Government Act 2003 requires the Council to ‘have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable’.
- 3.5 The revised CLG guidance issued in November 2011 makes it clear that investment priorities should be security and liquidity, rather than yield and that authorities should not rely just on credit ratings, but consider other information on risk.
- 3.6 The guidance requires investment strategies to comment on the use of treasury management consultants and on the investment of money borrowed in advance of spending needs.
- 3.7 In formulating the Treasury Management Strategy and the setting of the Prudential Indicators, the Council adopts the Treasury Management Framework and Policy recommended by CIPFA.

**Legal Implications**

- 3.8 This is a statutory report under the Local Government Act 2003.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

---

**Service/Operational Issues**

3.9 None as a direct result of this report.

**Customer/ Equalities and Diversity**

3.10 None as a direct result of this report.

**4. RISK MANAGEMENT**

Failure to manage the Treasury Management function effectively to ensure the delivery of maximum return within a secure environment. Controls in place to mitigate these risks are as follows:

- Regular monitoring of the status of the organisations we invest with
- Daily monitoring by internal officers of banking arrangements and cash flow implications.

**5. APPENDICES**

Appendix 1 - Treasury Management Strategy Statement and Investment Strategy 2017/18

Appendix 2 – Treasury Management Policy Statement

**AUTHOR OF REPORT**

Name: Sam Morgan

Email: sam.morgan@bromsgroveandredditch.gov.uk

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

Appendix 1

**Treasury Management Strategy Statement  
And  
Investment Strategy  
2017/18****1. Introduction**

- 1.1 On 17<sup>th</sup> March 2010 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. 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. A copy of the Authority's Treasury Management Policy Statement is in Appendix 2.
- 1.2 The purpose of this TMSS is, therefore, to approve:
- Treasury Management Strategy for 2017/18
  - Annual Investment Strategy for 2017/18
  - Prudential Indicators for 2017/18, 2018/19 and 2019/20
  - MRP Statement.
- 1.3 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.
- 1.4 The Authority has borrowed substantial sums of money, primarily for the HRA subsidy settlement in 2012, and from time to time has surplus operational cash balances 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.
- 1.5 in accordance with the CLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumption on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

rates, or in the Authority's capital programme or in the level of its investment balance.

**External Context**

1.6 Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

**Credit outlook:**

## **AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**

**2<sup>nd</sup> February 2017**

1.7 Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

### **2. Background - Local Context**

The Authority currently has £104m of borrowing this is all long-term debt and £7m in short-term investments. Details of debt are shown in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in Table 1 below.

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, subject to holding minimum working capital of £2m.

The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £112m over the forecast period.

#### **2.1 Table 1: Balance Sheet Summary and Forecast**



REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

	<b>31.3.2016 Actual £m</b>	<b>31.3.17 Estimate £m</b>	<b>31.3.18 Estimate £'000</b>	<b>31.3.19 Estimate £'000</b>	<b>31.3.20 Estimate £'000</b>
General Fund CFR	20.35	21.58	23.48	24.57	25.67
HRA CFR	117.46	117.46	117.46	117.46	117.46
<b>Total Capital Financing Requirement</b>	<b>137.81</b>	<b>139.04</b>	<b>140.94</b>	<b>142.03</b>	<b>143.13</b>
Less external borrowing**	-108.93	-108.30	-110.20	-111.29	-112.39
<b>Internal borrowing</b>					
Less: Usable reserves	-27.02	-24.92	-24.92	-24.92	-24.92
Less: Working capital	-1.86	-5.82	-5.82	-5.82	-5.82
Investments (or new borrowings)	-	-	-	-	-

\*\* Includes £98.9m borrowing undertaken in March 2012 for the HRA subsidy reform settlement.

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 2016/17.

### 3. Interest Rate Forecast

3.1 The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

## **AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**

**2<sup>nd</sup> February 2017**

3.2 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.25%, and that new long-term loans will be borrowed at an average rate of 3.5%.

### **4 Borrowing Strategy**

4.1 The Authority currently has £109m of long-term borrowing; the level of long-term borrowing is unchanged from 31<sup>st</sup> March 2016.

4.2 The balance sheet forecast in table 1 shows that the Authority is likely to have a borrowing requirement in 2017/18 of £110m. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the Authorised Limit for borrowing of £140 million.

**Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs 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. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source and flexibility.

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 but without compromising flexibility.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below in Table 2)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except the Worcestershire County Pension Fund)
- capital market bond investors

## **AUDIT, GOVERNANCE AND STANDARDS COMMITTEE**

**2<sup>nd</sup> February 2017**

---

- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities, for example operating and finance leases, hire purchase.

**Strategy:** 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.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term 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 modestly.

The Council's treasury advisor, Arlingclose Ltd, will assist the Authority with this 'cost of carry' and breakeven analysis.

Short-term and variable rate loans are subject to the limit to the net exposure to variable interest rates in the treasury management indicators in section 10 below.

- 4.3 **LOBOs:** The Authority holds a £5m of LOBO (Lender's Option Borrower's Option) loan where Barclays Bank, the lender, has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. This LOBO has semi-annual options during 2016/17, and although the Authority understands that the lender is unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £5m, i.e. no further LOBO loans will be borrowed.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

---

**Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium (i.e. an amount over and above the principal outstanding) or receive a discount according to a set formula based on current interest rates. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, only if this is expected to lead to an overall cost saving or a reduction in risk.

The Authority's PWLB loans were borrowed at a one-off preferential rates for HRA self-financing settlement. At current interest rates (15/1/2017), a premium would be incurred on the if the Authority were to prematurely any of the four PWLB loans; the premiums range between 11% and 21% of the outstanding loan principal.

**5 Investment Objectives Strategy**

**Objectives:** 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 receiving unsuitably low investment income.

**Strategy:** Given the increasing risk and falling returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding asset classes, where practicable, during 2017/18. All of the the Authority's surplus cash is currently invested in call accounts or term deposits with banks and building societies which, by their nature, are unsecured.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and the European Union. Australia and Switzerland are well advanced with their own plans. Meanwhile, changes which took place to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with the Authority making unsecured bank deposits has therefore increased relative to the risk of other

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

investment options available to the Authority; returns from cash deposits however remain stubbornly low.

The Authority will also consider investment of surplus monies in pooled Money Market Funds which provide much greater diversification of credit risk as well as high liquidity (same-day access to the investment).

Over the past 24 months, invested funds have ranged between nil and £12 million; a similar pattern is expected in the forthcoming year.

The Authority may invest its surplus funds with any of the counterparties defined in Table 2 below, subject to the time and cash limits (per counterparty) shown below.

**Table 2: Approved Investment Counterparties**

<b>Credit Rating</b>	<b>Banks Unsecured</b>	<b>Banks Secured</b>	<b>Government</b>	<b>Corporates</b>
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a
AAA	£2m 5 years	£2m 20 years	£2m 50 years	£2m 5 years
AA+	£2m 5 years	£2m 10 years	£2m 25 years	£2m 5 years
AA	£2m 4 years	£2m 5 years	£2m 15 years	£2m 5 years
AA-	£2m 3 years	£2m 4 years	£2m 10 years	£2m 3 years
A+	£2m 2 years	£2m 3 years	£2m 5 years	£2m 2 years
A	£2m 13 months	£2m 2 years	£2m 5 years	£2m 2 years
A-	£2m 6 months	£2m 13 months	£2m 5 years	£2m 2 years
BBB+	£1m 100 days	£1.5m 6 months	£1m 2 years	£1m 1 year
BBB	£1m next day only	£1m 3 months	n/a	n/a
None	£1m 6 months	n/a	£3m 25 years	£500k 1 year
Pooled Funds	£2m per fund			

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

---

Investments in the categories outlined above are:

**Banks Unsecured:** call and notice accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should the banking regulator determine that the bank/building society is failing or likely to fail.

**Banks Secured:** covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are exempt from bail-in and are secured on the financial institution's assets, which limits the potential losses in the unlikely event of insolvency.

**Government:** Investments with local authorities or guaranteed by national governments, investments with multilateral development banks. These are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**Pooled Funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

**Risk Assessment and Credit Ratings:**

Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used (for example the rating assigned to a secured investment), otherwise the counterparty credit rating is used.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

---

Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If necessary, surplus monies will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

**Specified Investments:** The CLG guidance defines specified investments as those:

- denominated in pound sterling,

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For Money Market Funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

**Non-specified Investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. Such investments will be limited to those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. The Authority will limit non-specified investments to £2 million in total.

**Authority’s Banker** – The Authority’s current accounts are held with Lloyds plc. The lowest long-term credit rating (as at 15/1/2016) for Lloyds Bank is ‘A’ (reference Table 2). Should the bank’s credit rating be downgraded to BBB or BBB-, the Authority may continue to deposit surplus cash with Lloyds Bank plc providing that investment can be withdrawn on the next working day.

Table 3: Portfolio Investment Limits

	<b>Cash limit</b>
Any single organisation, except the UK Central Government	£2m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£5m per broker
Unsecured investments with Building Societies	£2m in total
Money Market Funds	£7.5m in total

**6. Policy on the use of Financial Derivatives**



**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

Local authorities have previously made use of financial derivatives embedded into loans and investments to reduce interest rate risk and to increase income or reduce costs. Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (such as swaps, forwards, futures and options). These will only be used where they can be clearly demonstrated to reduce the overall level of risk exposed to the Authority.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria and their value will count against the counterparty credit limit.

**7. Policy on Apportioning Interest to the HRA**

On 1<sup>st</sup> April 2012, the existing long-term loans were notionally moved into the HRA pool. In the future, any new long-term loans will be assigned in their entirety to the relevant pool, whether it be General Fund or HRA and interest and costs charged/credited to the respective revenue account. The General Fund uses surplus HRA funds as a means of internal borrowing. Interest is calculated using the Authority's average rate on investments and transferred to the HRA from the General Fund.

**8. Treasury Management Indicators**

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Interest Rate Exposures:** 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 the proportion of net principal borrowed will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	50%	50%	50%

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate

**Maturity Structure of Borrowing:** 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:

	<b>Lower</b>	<b>Upper</b>
Under 12 months*	0%	15%*
12 months and within 24 months	0%	15%
24 months and within 5 years	0%	35%
5 years and within 10 years	0%	100%
10 years and above	0%	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

\*Note: In accordance with CIPFA's guidelines, LOBO option dates are treated as potential repayment dates. The Council's £5m LOBO has 6-monthly option dates and is included within the 'Under 12 months' band above.

**Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Limit on principal invested beyond year end	£2m	£2m	£2m

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments will be assigned a score based on their perceived risk.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

	<b>Target</b>
Portfolio average credit score	6, which is equivalent to a credit rating of 'A'

**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	<b>Target</b>
Total cash available within 3 months	£3m

**9. Annual Minimum Revenue Provision Statement 2017/18 (MRP)**

- 9.1 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.
- 9.2 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.
- 9.3 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.
- 9.4 MRP will be determined by charging the expenditure over the expected useful life of the relevant assets as the principal annuity with an annual interest rate of 4% starting in the year after the asset becomes operational. This is a change from previous years, where MRP was charged in equal instalments over the useful life. This change has come about in order to recognise the time value of money, resulting in less charge in early years, rising as time goes on.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

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. *(This is Option 3 as per the Guidance for England and Wales).*

- 9.5 No MRP will be charged in respect of assets held within the Housing Revenue Account.
- 9.6 Where loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.
- 9.7 Capital expenditure incurred during 2016/17 will not be subject to a MRP charge until 2017/18.

Based on the Authority's estimate of its Capital Financing Requirement on 31<sup>st</sup> March 2017, the budget for MRP has been set as follows:

	<b>31.03.2017 Estimated CFR £'000</b>	<b>18/19 Estimated MRP £'000</b>
<b>General Fund assets</b>	<b>34,242</b>	<b>931</b>
Assets in the Housing Revenue Account	217,000	Nil
HRA subsidy reform payment	-98,929	Nil
<b>Total Housing Revenue Account</b>	<b>118,071</b>	<b>Nil</b>
<b>Total</b>	<b>141,538</b>	<b>931</b>

**10. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**

- 10.1 The Executive Director of Finance and Corporate Resources will report to Executive on treasury management activity / performance and Performance Indicators as follows:
- Quarterly against the Strategy approved for the year.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

- The Authority will produce an outturn report on its treasury activity no later than 30<sup>th</sup> September after the financial year end.
- The Executive will be responsible for the scrutiny of treasury management activity and practices.

**11. Other Items**

- 11.1 CIPFA's Code of Practice requires the Executive Director of Finance and Corporate Resources to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Responsibility for scrutiny of the Treasury Management function will rest with the Executive. The Executive Director of Finance and Corporate Resources will ensure that adequate training is provided for all relevant Members during the financial year.
- 11.2 The Authority has appointed Arlingclose Limited as treasury management advisers; receiving specific advice on investment, debt and capital finance issues.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017****Prudential Indicators 2016/17 – 2018/19****1 Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. The objectives of the Prudential Code are to ensure that the capital investment plans 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:** The Authority's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the Budget report.

<b>Capital Expenditure and Financing</b>	<b>2016/17 Revised £000s</b>	<b>2017/18 Estimate £000s</b>	<b>2018/19 Estimate £000s</b>	<b>2019/20 Estimate £000s</b>
General Fund	4,293	2,251	3,044	2,248
HRA	10,617	8,271	8,271	8,271
<b>Total Expenditure</b>	<b>14,910</b>	<b>10,522</b>	<b>11,315</b>	<b>10,519</b>
Capital Receipts	-	(500)	(500)	(500)
Government Grants	(743)	(521)	(649)	(649)
Reserves	(10,436)	(7,217)	(7,196)	(7,175)
Revenue	(419)	(1,050)	(1,071)	(1,092)
Borrowing	(3,064)	(1,234)	(1,899)	(1,103)
<b>Total Financing</b>	<b>(14,910)</b>	<b>(10,522)</b>	<b>(11,315)</b>	<b>(10,519)</b>

**2. Capital Financing Requirement:**

4.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

<b>Capital Financing Requirement</b>	<b>16/17 Revised £'000</b>	<b>31.03.17 Estimate £'000</b>	<b>31.03.18 Estimate £'000</b>	<b>31.03.19 Estimate £'000</b>
General Fund	20,350	21,580	23,480	24,570
HRA	117,460	117,460	117,460	117,460
<b>Total CFR</b>	<b>137,810</b>	<b>139,040</b>	<b>140,940</b>	<b>142,030</b>

**Gross Debt and the Capital Financing Requirement:** 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.

<b>Debt</b>	<b>31.03.17 Revised £000s</b>	<b>31.03.17 Estimate £000s</b>	<b>31.03.18 Estimate £000s</b>	<b>31.03.19 Estimate £000s</b>
Borrowing	120,600	122,800	123,890	124,990
<b>Total Debt</b>	<b>120,600</b>	<b>122,800</b>	<b>123,890</b>	<b>124,990</b>

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

**5. Actual External Debt:**

5.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

<b>Actual External Debt as at 31/03/2016</b>	<b>£'000</b>
Borrowing	108,000
Other Long-term Liabilities	-
<b>Total</b>	<b>108,000</b>

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017****6. Authorised Limit and Operational Boundary for External Debt**

6.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice.

Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

6.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

6.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

6.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). This limit includes all HRA debt, including that borrowing taken for HRA self-financing in 2012.

<b>Authorised Limit for External Debt</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>
Borrowing	140,000	140,000	140,000
Other Long-term Liabilities	0	0	0
<b>Total</b>	<b>140,000</b>	<b>140,000</b>	<b>140,000</b>

6.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but



**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

not worst case scenario but without the additional headroom included within the Authorised Limit.

- 6.6 The Executive Director of Finance and Corporate Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of Executive.

<b>Operational Boundary for External Debt</b>	<b>2017/18 Estimate £'000</b>	<b>2018/19 Estimate £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>
Borrowing	120,000	120,000	125,000	125,000
Other Long-term Liabilities	0	0	0	0
<b>Total</b>	<b>120,000</b>	<b>120,000</b>	<b>125,000</b>	<b>125,000</b>

**Ratio of Financing Costs to Net Revenue Stream:** 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.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2016/17 Revised %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>	<b>2019/20 Estimate %</b>
General Fund	13.07	16.46	19.39	19.58
HRA	11.55	11.55	11.94	12.29

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

**Incremental Impact of Capital Investment Decisions:** 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 proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/ Estimate £</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>
General Fund - increase in annual band D Council Tax	<b>5.00</b>	5.00	5.00
HRA - decrease in average weekly rents	<b>(0.81)</b>	(0.79)	(0.78)

**Adoption of the CIPFA Code of Practice:** The indicator below demonstrates that the Council has adopted the principles of best practice.

<b>Adoption of the CIPFA Code of Practice in Treasury Management</b>
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 18 <sup>th</sup> May 2005 and the updated 2011 Treasury Management Code at 15 <sup>th</sup> January 2017.

The Council has incorporated the changes from the revised 2011 CIPFA Code of Practice into its treasury policies, procedures and practices.

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017****Appendix 2****TREASURY MANAGEMENT POLICY STATEMENT****1. INTRODUCTION AND BACKGROUND**

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- 1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
  - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Executive and for the execution and administration of treasury management decisions to Executive Director of Finance and Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.5 The Council nominates Executive to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies.

**2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES**

- 2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks

**AUDIT, GOVERNANCE AND  
STANDARDS COMMITTEE****2<sup>nd</sup> February 2017**

---

associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”
- 2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk.
- 2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority’s investments followed by the yield earned on investments remain important but are secondary considerations.

REDDITCH BOROUGH COUNCIL**COUNCIL**

20 February 2017

**REDDITCH POLLING PLACE AMENDMENT**

Relevant Portfolio Holder	Councillor J Fisher, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Ward(s) Affected	Central
Ward Councillor(s) Consulted	Yes
Non-Key Decision	Yes

**1. SUMMARY OF PROPOSALS**

- 1.1 The report sets out where a change may be made to a Polling Place in advance of the May Elections. This is an additional change to the agreed Polling Districts and Polling Places review made in 2014.
- 1.2 The recommendations below set out below are arising from investigations and Members comments.

**2. RECOMMENDATIONS**

**The Council is asked to RESOLVE**

**whether having considered the contents of this report to**

- 2.1 **Change the polling place for the electors in Polling District CEB from a portable building in the car park of the REDI Centre to the REDI Centre itself;**
- 2.2 **that if 2.1 is accepted to take effect for May 2017 elections.**

**3. KEY ISSUES****Financial Implications**

- 3.1 The current cost of the portable building used is £1,275. It is anticipated that there will be significant savings to this cost in using the Redi Centre and officers are currently discussing the financial contribution with RYCE.

**Legal Implications**

- 3.2 a) Authority to set Polling District boundaries and to designate Polling Places rests with the Council (Statutory elements of the Council's Constitution under the Local Government Act 2000).

**REDDITCH BOROUGH COUNCIL****COUNCIL****20 February 2017**

---

b) Decisions about the situation of Polling Stations within designated Polling Places are for the (Acting) Returning Officer. Arrangements must comply with relevant provisions of the Representation of the People Acts and Regulations and the Equality Act 2010.

3.3 "Relevant authorities" (such as Redditch Borough Council) must

"a) seek to ensure that all the electors in the Constituency have such reasonable facilities for voting as are practicable in the circumstances"; and

"b) seek to ensure that, so far as is reasonable and practicable, the polling places they are responsible for are accessible to all electors, including those who are disabled and, when considering the designation of a polling place, must have regard to the accessibility needs of disabled persons. If it is necessary to use a place where the access is not ideal, then every reasonable adjustment must be undertaken to provide access for all electors."

**Service/Operational Implications**

3.4 A review of Polling Places and Stations for Redditch was carried out in 2014.

3.5 The management of the REDI Centre approached officers to ask if Redditch Borough Council would like to use a room for a polling station.

3.6 Officers visited the centre and found usability was much better than the current arrangements:

- There is much better access (including disabled) from both Ipsley Street and South Street.
- There are better kitchen facilities available for staff and toilet facilities for staff and electors.
- Not having the portable building would provide extra parking for staff and electors.

3.7 REDI Centre management are in discussion with officers as to the level of cost that will be incurred in the provision of the polling station. It is assumed this will cover any lost income and any direct costs.

**Customer/Equalities and Diversity Implications**

3.9 The Council's policies directly cross-relate, particularly in relation to Access issues. Accessibility for members of minority or disadvantaged groups is a key issue in the selection of suitable Polling Stations. In this case disabled access is enhanced considerably.

**COUNCIL**20 February 2017

---

**4. RISK MANAGEMENT**

- 4.1 Choice of Polling Place / Polling Station should not give rise to significant grounds of complaint which might put election results at risk of challenge.

**5. APPENDICES**

None

**6. BACKGROUND PAPERS**

Local Government Boundary Commission for England and Electoral Commission Guidance.

**AUTHOR OF REPORT**

Name: Darren Whitney

email: [darren.whitney@bromsgroveandredditch.gov.uk](mailto:darren.whitney@bromsgroveandredditch.gov.uk)

