



Council

Mon 19 Mar
2018
7.00 pm

Council Chamber
Town Hall
Redditch

REDDITCH BOROUGH COUNCIL

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**If you have any queries on this Agenda please contact
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Council

Monday, 19th March, 2018

7.00 pm

Council Chamber Town Hall

Agenda

Membership:

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

1. Welcome

2. Apologies for Absence

3. Declarations of Interest

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

4. Minutes (Pages 1 - 16)

5. Announcements

To consider Announcements under Procedure Rule 10:

- a) Mayor's Announcements
- b) The Leader's Announcements
- c) Chief Executive's Announcements.

6. Questions on Notice (Procedure Rule 9) (Pages 17 - 18)

7. Motions on Notice (Procedure Rule 11)

No Motions on Notice have been submitted for consideration at this meeting.

8. Executive Committee

Executive Committee Minutes 19th February 2018

All of the recommendations arising from this meeting were resolved at the Council meeting that took place on 19th February 2018. These minutes are therefore attached to be received and noted.

Executive Committee Minutes - 6th March 2018

8.1 Leisure and Cultural Services Business Case (Minute 115) (Pages 43 - 104)

Members are asked to note that the Executive Committee, at a meeting on 6th March 2018, deferred making a decision in respect of recommendations made by the Overview and Scrutiny Committee on the subject of the Leisure and Cultural Services Business Case. Consequently an extract from the minutes of the Overview and Scrutiny Committee meeting held on 5th March 2018, which sets out the debate Members had about this item together with the Committee's recommendations, has been attached to this agenda pack together with the report and appendices for this item.

8.2 Redditch Business Centres (Minute 117) (Pages 105 - 136)

8.3 Council Housing Allocations Policy 2018 Update (Minute 118) (Pages 137 - 202)

8.4 Polling Places Review (Minute 119) (Pages 203 - 206)

8.5 Finance Monitoring Quarter 3 2017/18 (Minute 121) (Pages 207 - 220)

8.6 Risk Management Strategy 2018/19 (Minute 122) (Pages 221 - 226)

8.7 One Public Estate (Minute 128) (Pages 227 - 328)

NOTE: the confidential appendix (Appendix 3) attached for this recommendation has only been made available to Members and relevant Officers. Should Members wish to discuss Appendix 3 in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information).)

9. Regulatory Committees

9.1 Minutes of the Planning Committee meetings held on 17th January 2018 and 14th February 2018 (Pages 329 - 338)

9.2 Minutes of the meeting of the Audit, Governance and Standards Committee held on 1st February 2018 (Pages 339 - 350)

10. Grants Panel - Recommendations (Pages 351 - 354)

Council is asked to consider and approve recommendations arising from the meeting of the Grants Panel held on Wednesday 7th March 2018.

(These recommendations are being reported to Council rather than to the Executive Committee to ensure that a final decision can be taken in respect of these grants before the next meeting of the Executive Committee, which is not due to take place until 5th June 2018).

11. Overview and Scrutiny Annual Report 2017/18 (Pages 355 - 374)

12. Review of the Place Partnership

(Report to follow)

NOTE: the report contains exempt information which will only be made available to Members and relevant Officers. Should Members wish to discuss any exempt information contained in the report in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information).)

13. Urgent Business - Record of Decisions

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.

(None to date).

14. Urgent Business - general (if any)

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.

(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.)



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MINUTES

Present:

Councillor Jennifer Wheeler (Mayor), Councillor Nina Wood-Ford (Deputy Mayor) and Councillors Joe Baker, Tom Baker-Price, Roger Bennett, 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, Wanda King, Jane Potter, Gareth Prosser, Antonia Pulsford, Mark Shurmer, Rachael Smith, Yvonne Smith, Paul Swansborough, David Thain and Pat Witherspoon

Also Present:

Laney Walsh (Bromsgrove and Redditch Branch, Unison)

Officers:

Kevin Dicks, Claire Felton, Sue Hanley and Jayne Pickering

Democratic Services Officer:

Jess Bayley

73. WELCOME

The Mayor opened the meeting by announcing the recent death of a long-serving member of staff, Mr Andrew Walker, and led the Council in paying tribute to him by observing a minute's silence. Members were advised that Mr Walker had worked for the Council for 27 years since March 1990. During his career at the Council Mr Walker had worked in a range of services and had been well respected by colleagues for his knowledge and ability to help when issues needed to be resolved.

The Leader advised that he had known Mr Walker throughout his career with the Council. Mr Walker had started as a Litter Picker and had been promoted several times during his career. By the time of his death Mr Walker was acting as Interim Manager of the Repairs and Maintenance team. Mr Walker had been involved with a range of high profile initiatives in Redditch over the years, including the introduction of fortnightly waste and recycling

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collections and the Ricky the Rat advertising campaign. The Leader was also aware that Mr Walker was a dedicated family man with seven children and a loving wife.

Councillor Brunner passed on condolences on behalf of the Conservative Group. She mentioned that Mr Walker had been well liked and respected by both staff and elected Members. He had accompanied Members on various walkabouts within their wards and had always been really helpful.

A number of other Members testified to their like and respect for Mr Walker. In so doing Members noted that Mr Walker had been passionate, hard-working and very knowledgeable about his service area. Mr Walker had continued to answer work related phone calls whilst in hospital and Members concurred that this was a testament to his good character and dedication to his work.

Following these discussions the Mayor invited Mrs Laney Walsh, Branch Secretary to the Redditch and Bromsgrove Branch of Unison, who had been directly involved in work on the Time to Change initiative at the Town Hall, to speak on the subject of young people and mental health.

Mrs Walsh advised Members that mental health was an important subject both for her and the wider community. Unfortunately many people in society continued to misunderstand the subject and often judged people who were experiencing mental health problems. This could send a problematic message to young people.

Members were advised that people needed to consider the language that they used when referring to mental health issues. Negative language could reinforce judgemental perceptions and this could resonate for the rest of a young person's life. Adults had a duty to encourage young people to participate in society as well as to explore their emotions. This was only likely to happen if older adults set a positive example.

Socialisation was important to enable everybody to address potential mental health and wellbeing problems. As part of this social media could be a positive force where used constructively. Unfortunately some people chose to bully and harass others in a variety of settings and this could have a negative impact on a person's self-esteem and mental wellbeing. Young people needed to be encouraged to learn as they grew older and supported in stressful situations. By encouraging young people to participate in social and voluntary activities they could be enabled to reflect and be calm, thereby helping to address issues such as anxiety.

Mrs Walsh thanked Members for providing her with an opportunity to speak and for listening to what she had had to say.

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74. APOLOGIES

An apology for absence was received on behalf of Councillor Gay Hopkins.

75. DECLARATIONS OF INTEREST

There were no declarations of interest.

76. MINUTES OF THE MEETING OF COUNCIL HELD ON 29TH JANUARY 2018

RESOLVED that

the minutes of the meeting of Council held on 29th January 2018 be agreed as a correct record and signed by the Mayor.

77. ANNOUNCEMENTS

a) Mayor's Announcements

The Mayor advised that she had attended the following events since the last meeting of Council:

- The Time to Talk event at the Town Hall.
- The Polish Saturday Morning School event, to present certificates of achievement to the students.
- The Snowdrop weekend at Beoley Church.
- The Charity Spring Ball hosted by the Mayor of Kidderminster.
- A Valentine's Day meal.

The Mayor thanked the Deputy Mayor for her hard work and support during this period.

Members were asked to note that the civic dinner would take place on Saturday 17th March 2018. All Members were invited to attend.

b) The Leader's Announcements

The Leader provided a number of updates for Members' consideration. Firstly the Leader advised that he had met with Rachel Maclean MP and representatives of Worcestershire Acute Hospitals NHS Trust (WAHT) and the Redditch and Bromsgrove Clinical Commissioning Group (CCG) to discuss the findings in the latest Care Quality Commission (CQC) assessment of the trust. The Leader had been calling for further improvements to be made to acute hospital services and had reminded those present that the Council had not

supported the changes proposed by the CCG in 2017. Positive news had been received regarding improvements in terms of recruitment of new staff by the trust. However, there remained financial difficulties which still needed to be addressed. The chair of the Board had reported that the trust had plans in place to reduce the deficit by changing procurement arrangements and reducing the use of agency staff.

Members were advised that the Leader had also attended a roadshow for the National Citizen Service in Church Hill. This involved participants working in small teams on particular projects and positive feedback had been received from all those involved.

Members learned that the Leader had recently attended an official launch of the Swift card at Redditch bus station. The swift card was already available in many parts of the West Midlands. Redditch had been selected as the first non-constituent area in the West Midlands Combined Authority (WMCA) to launch the card. The response to the Swift card had been very positive and all the available cards had been taken by the end of the launch day.

Finally, the Leader had also attended the Four Choirs night at the Palace Theatre recently. This had been a very enjoyable evening.

c) Chief Executive's Announcements

The Chief Executive confirmed that he had no announcements on this occasion.

78. EXECUTIVE COMMITTEE

The Council received the minutes and considered the recommendations from the meeting of the Executive Committee held on 6th February 2018 as well as the recommendations that had been agreed at the meeting of the Executive Committee held on 19th February immediately before full Council.

6th February 2018

Independent Remuneration Panel Report and Recommendations for 2018/19

Members noted that the proposals that had been received from the Independent Remuneration Panel (IRP) would require an additional £68,500 if approved. There was general consensus that, given the funding difficulties for local government, such an increase would not be appropriate at this time.

RESOLVED that

having regard to the report and recommendations of the Independent Remuneration Panel (IRP):

- 1) the Basic Allowance for 2018/19 not be increased and this continue at the current level set for 2017/18, as detailed in Appendix 1 to the IRP's report;**
- 2) the Special Responsibility Allowances remain at the current levels set for 2017/18, as detailed in Appendix 1 to the IRP's report;**
- 3) travel allowances for 2018-19 continue to be paid in accordance with the HMRC mileage allowance;**
- 4) subsistence allowances for 2018-19 remain unchanged;**
- 5) the Dependent Carer's Allowance remains unchanged; and**
- 6) the Parish Council in the Borough, if travel and subsistence is paid, is paid in accordance with the rates paid by Redditch Borough Council and in accordance with the relevant Regulations.**

HRA Initial Budget 2018/19 – 2020/21

Members considered the content of the HRA Initial Budget 2018/19 – 2020/21 and noted that in line with Government requirements there had been a one per cent decrease on the rents paid by tenants for Council properties over a four year period. This decrease on the rents had financial implications for the Council. In addition on the one hand it was suggested the rental decrease would help some of the most vulnerable tenants. On the other hand it was noted that this decrease would mainly be reflected in changes to housing benefit entitlements for many residents.

Members also noted that the Council was investing in new properties through the Housing Growth Programme and the Mortgage Buy Back Scheme. The outcomes from these would have implications for the Council's HRA in the long-term.

RESOLVED that

- 1) the draft 2018/2019 Budget for the Housing Revenue Account attached to the report at Appendix A be approved;**

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- 2) the budget projection for 2018/19 incorporating the 1% rent reduction be approved;
- 3) the actual average rent decrease for 2018/2019 be 1%;
- 4) that a capital budget of £150k be approved for a stock condition survey to be carried out
- 5) that £0.876k be transferred from the general reserve in 2018/19 to fund the future HRA revenue budgets
- 6) that £5.1m be transferred from the Major Repairs Reserve to fund the HRA capital programme.

Minutes

RESOLVED that

the minutes of the meeting of the Executive Committee held on 6th February 2018 be received and all recommendations adopted.

19th February 2018

Medium Term Financial Plan for 2018/19 to 2021/22

At the start of this item Councillor Juliet Brunner proposed an amendment to the Medium Term Financial Plan 2018/19 to 2021/22. This amendment was seconded by Councillor Brandon Clayton. The amendment contained the following wording:

“The proposed budget for the period 2018/19 – 2021/22 is only balanced for one year. If no further savings were made the remaining 3 years would result in taking £1.3m from balances. This would be unsustainable as it would leave the Council balances well below the minimum recommended level of £750k.

The following amendment (made up of 2 elements) would enable the Council to have a financially sustainable budget over the 4 years.

Move the Leisure services to an external trust. This would generate approximately £800k savings per year savings which is over £350k more that setting up the Council owned company whilst maintaining the Council services. Over the 4 years this would deliver a net of £860k more than the current proposal.

Increase the resource in the place teams. This may cost an additional £150k per annum but would include enhancing the service and in particular the tree teams. Over the financial plan period this would increase costs by a total of £450k.

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This amendment to budget would realise a net saving of over £400k which would result in less being taken from balances. The total drawn down from balances would be £900k which would leave them above the minimum level recommended.”

Following presentation of the proposed amendment a number of points were discussed in detail:

- The length of time required to achieve £860k savings as a result of an external trust managing the Council’s Leisure and Cultural Services. Members were advised that this would be a net saving over a four year period.
- The role of a charitable trust in delivering the Council’s Leisure and Cultural Services.
- The feedback that had been received from residents in surveys that had been completed during the consultation process in respect of the options appraisal for Leisure and Cultural Services.
- The continuing role of the Council as the owner of any leisure assets should management of Leisure and Cultural Services be outsourced to an external trust.
- The work of the Leisure Provision Short Sharp Scrutiny Review group in 2015 to review future arrangements for the delivery of Leisure and Cultural Services and the conclusions that this group had reached.
- The leisure centres that had been visited in other parts of the country during the scrutiny review and the additional premises that had been visited by the Portfolio Holder for Leisure and Tourism with relevant Officers since then.
- The potential for the Council to achieve savings from renegotiating contracts with software providers such as Microsoft.
- The plans for the redevelopment of Redditch town centre and the extent to which the Council was likely to secure £5 million funding from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to help fund this project.

On being put to the vote the amendment was defeated with 12 Members voting in favour of the amendment and 16 against.

Members subsequently discussed the proposals from the Executive Committee on 19th February 2018 in respect of the Medium Term Financial Plan 2018/19 to 2021/22. These were proposed by Councillor Bill Hartnett and seconded by Councillor Greg Chance.

In proposing the item Councillor Hartnett explained that Council Tax would be raised by 2.99 per cent, which equated to £6.79 extra for a Band D property for the year. Council Tax had been increased to help the Council balance the budget. The level of financial assistance available to Councils in the Revenue Support Grant had

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reduced in recent years and would be in a negative position from 2019/20 onwards. Other local authorities in the country had also been affected by grant reductions and a number were choosing to increase Council Tax in response. There were plans to regenerate the town centre and to enhance economic growth in Redditch. The Council would continue to work with the GBSLEP and WMCA to work in partnership on any opportunities available to the region.

A lengthy debate on the budget proposals ensued, during which opposing views were expressed by Members. Some were supportive of the proposals detailed in the report. Others expressed concerns about the plans and the extent to which this would enable the Council to have sustainable finances in the long-term. Thanks were extended by Members to officers for their hard work on the budget.

At the end of the debate in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the recommendations on the budget calculation were the subject of the following named vote:

Members voting FOR the resolutions below:

Councillors Joe Baker, Natalie Brookes, Debbie Chance, Greg Chance, John Fisher, Andrew Fry, Bill Hartnett, Pattie Hill, Wanda King, Mark Shurmer, Rachael Smith, Yvonne Smith, Paul Swansborough, Jennifer Wheeler, Pat Witherspoon and Nina Wood-Ford.

Members voting AGAINST the resolutions below:

Councillors Tom Baker-Price, Roger Bennett, Juliet Brunner, David Bush, Michael Chalk, Anita Clayton, Brandon Clayton, Matthew Dormer, Jane Potter, Gareth Prosser, Antonia Pulsford and David Thain.

RESOLVED that full Council

- 1) **Approve the additional income / efficiencies as attached at Appendix 1:**
2018/19 £708k
2019/20 £18k
- 2) **Approve the unavoidable pressures as attached at Appendix 2:**
2018/19 £869k
- 3) **Approve the Revenue bids as attached at Appendix 3:**
2018/19 £10k

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- 4) **Approve the Capital Programme bids as attached at Appendix 4:**
 - 2018/19 £676k
 - 2019/20 £560k
 - 2020/21 £1.257m
 - 2021/22 £2.772m
- 5) **Approve the return / release from balances of :**
 - 2018/19 £85k (release from balances)
- 6) **Approve the Increase of Council Tax by 2.99% per Band D equivalent for 2018/19**

Council Tax Resolutions

Further to consideration of the Medium Term Financial Plan 2018/19 to 2021/22 Members also considered the Council Tax Resolutions.

In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the recommendations on the Council Tax Resolutions were the subject of the following named vote.

Members voting FOR the resolutions below:

Councillors Joe Baker, Natalie Brookes, Debbie Chance, Greg Chance, John Fisher, Andrew Fry, Bill Hartnett, Pattie Hill, Wanda King, Mark Shurmer, Rachael Smith, Yvonne Smith, Paul Swansborough, Jennifer Wheeler, Pat Witherspoon and Nina Wood-Ford.

Members voting AGAINST the resolutions below:

Councillors Tom Baker-Price, Roger Bennett, Juliet Brunner, David Bush, Michael Chalk, Anita Clayton, Brandon Clayton, Matthew Dormer, Jane Potter, Gareth Prosser, Antonia Pulsford and David Thain.

RESOLVED that

the recommendations, as set out in Appendix 5 to the report and as appended to these minutes, setting a Council Tax for 2018/19 of £234.00 for a Band D unparished property, be approved.

Overview and Scrutiny Recommendation

There was general consensus that the recommendation from the Overview and Scrutiny Committee in respect of the future

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presentation of the Medium Term Financial Plan reports should be supported.

RESOLVED that

the format of Medium Term Financial Plans be amended in future years to reflect cumulative savings and pressures over the four year period.

The Pay Policy Statement**RESOLVED that**

the Pay Policy as detailed in Appendix 1 to the report be approved.

79. TREASURY MANAGEMENT STRATEGY 2018/19

An extract from the minutes of the meeting of the Audit, Governance and Standards Committee held on 1st February 2018, when the Treasury Management Strategy 2018/19 had been discussed, was considered.

RESOLVED that

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

80. URGENT BUSINESS - RECORD OF DECISIONS

There were no urgent decisions to note.

81. URGENT BUSINESS - GENERAL (IF ANY)

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

The Meeting commenced at 7.26 pm
and closed at 9.14 pm

REDDITCH BOROUGH COUNCIL
Council Tax Setting 2018/19

REPORT OF THE EXECUTIVE DIRECTOR FINANCE & RESOURCES

1.0 PURPOSE

To seek approval of the appropriate formal resolutions to determine the levels of Council Tax for Redditch Borough Council for 2018/19. The levels of tax take account of the requirements of Redditch Borough Council, Worcestershire County Council, the Police & Crime Commissioner for West Mercia, Hereford and Worcester Fire & Rescue Authority and Feckenham Parish Council.

2.0 BACKGROUND

The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 and requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.

3.0 PRECEPTS AND LEVIES

Details have been received from the various precepting bodies to enable the Council to set the Council Tax for 2018/19. The amounts of the precepts are set out below:

	£
Worcestershire County Council	31,592,441
Police & Crime Commissioner for West Mercia	5,135,296
Hereford & Worcester Fire & Rescue Authority	2,134,167
Redditch Borough Council	6,097,619
Parish precept	8,300
Total	44,967,823

4.0 INFORMATION

It is necessary to formally set Council Tax levels throughout the area for the spending requirements of Redditch Borough Council, Worcestershire County Council, the Police & Crime Commissioner for West Mercia, Hereford and Worcester Fire & Rescue Authority and Feckenham Parish Council. If the Council approves the recommendations set out below the average band D Council Tax in 2018/19 will be £1,747.65, made up as follows:

REDDITCH BOROUGH COUNCIL
Council Tax Setting 2018/19

Authority	2017/18 £	2018/19 £	Increase %
Redditch Borough Council	227.21	234.00	2.99
Worcestershire County Council	1,155.31	1212.38	4.94
Police & Crime Commissioner for West Mercia	189.60	197.07	3.94
Hereford & Worcester Fire & Rescue	79.53	81.90	2.98
Feckenham Parish Council	22.85	22.30	-2.47
Total Council Tax	1.674.50	1747.65	4.26

The % increases all relate to the change from current year levels.

The necessary formal resolutions are set out below.

The Council is recommended to resolve as follows:

1. that it be noted at its meeting on 19th January 2018, the Executive Committee calculated the Council Tax Base 2018/19
 - (a) for the whole Council area as 26,058.20 [Item T in the formula in Section 31B of the Local Government Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates; this being Feckenham Parish as 372.20.
2. Calculate the Council Tax requirement for the Council's own purposes for 2018/19 (excluding Parish precepts) is **£6,097,619**.
3. That the following amounts be calculated for the year 2018/19 in accordance with sections 31 to 36 of the Act:
 - (a) £54,238,700 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act (taking into account all precepts issued to it by Parish Councils) (*i.e. Gross expenditure*)
 - (b) £48,132,781 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (*i.e. Gross income*)

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- (c) £6,105,919 being the amount by which the aggregate of 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £234.32 being the amount at 3 (c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £8,300 being the aggregate amount of all special items (Feckenham Parish precept) referred to in Section 34 (1) of the Act.
- (f) £234.00 being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1 (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (g) £256.30 being the amount given by adding to the amount at 3(f), the amount of the special item relating to the Parish of Feckenham 3(e), divided by the amount in 1(b) above.
- (h) The amounts below given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

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Council Tax Setting 2018/19

Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	170.87	156.00
B	7/9	199.34	182.00
C	8/9	227.82	208.00
D	1	256.30	234.00
E	11/9	313.26	286.00
F	13/9	370.21	338.00
G	15/9	427.17	390.00
H	18/9	512.60	468.00

4. It be noted that for the year 2018/19, Worcestershire County Council, Police & Crime Commissioner for West Mercia and Hereford and Worcester Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwelling in the Council's area as indicated below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Worcestershire County Council	808.25	942.96	1,077.67	1,212.38	1,481.80	1,751.22	2,020.63	2,424.76
Police & Crime Commissioner for West Mercia	131.38	153.28	175.17	197.07	240.86	284.66	328.45	394.14
Hereford and Worcester Fire and Rescue Authority	54.60	63.70	72.80	81.90	101.10	118.30	136.50	163.80

5. Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, that Redditch Borough Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 hereby sets the amounts shown below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings:

REDDITCH BOROUGH COUNCIL
Council Tax Setting 2018/19

Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	1,165.10	1,150.23
B	7/9	1,269.71	1,252.36
C	8/9	1,553.47	1,533.64
D	1	1,747.65	1,725.35
E	11/9	2,136.02	2,108.76
F	13/9	2,524.38	2,492.17
G	15/9	2,912.75	2,875.58
H	18/9	3,495.30	3,450.70

6. That the Executive Director Finance & Resources be authorised to make payments under Section 90(2) of the Local Government Finance Act 1988 from the Collection Fund by ten equal instalments between April 2018 to March 2019 as detailed below:

	Precept £	Surplus on Collection Fund £	Total to pay £
Worcestershire County Council	31,592,441	849,386	32,441,827
Police & Crime Commissioner for West Mercia	5,135,296	137,405	5,272,701
Hereford & Worcester Fire	2,134,167	58,471	2,192,638

7. That the Executive Director Finance & Resources be authorised to make transfers under Section 97 of the Local Government Finance Act 1988 from the Collection Fund to the General Fund the sum of £6,105,919 being the Council's own demand on the Collection Fund (£6,097,619) and Parish Precept (£8,300) and in addition the distribution of the Surplus on the Collection Fund (£179,000).
8. That the Executive Director Finance & Resources be authorised to make payments from the General Fund to Feckenham Parish Council the sums listed above (£8,300) by instalment on 1 April 2018 in respect of the precept levied on the Council.

REDDITCH BOROUGH COUNCIL

Council Tax Setting 2018/19

9. That the above resolutions 3 to 5 be signed by the Chief Executive for use in legal proceedings in the Magistrates Court for the recovery of unpaid Council Taxes.

10. Notices of the making of the said Council Taxes signed by the Chief Executive are given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

Redditch Borough Council**19th March 2018****Agenda item no. 6 – Questions on Notice****1. From Ms A Drane to the Leader:**

I attended the Executive Committee last week. It was awe-inspiring to hear of the innovative regeneration plans for Redditch Town Centre.

A considerable amount of time and obvious networking has gone into creating that vision and document.

Having been a disability consultant and a Trustee for Scope for over 15 years how will the council ensure that seamless accessibility is achieved in all aspects of the design of the regeneration ~ thus celebrating the culture and diversity that disabled people bring to any community ~ whether their impairments be physical sensory or intellectual?

2. From Mr L Beach to the Leader:

Will the town centre regeneration help young people like me to get on the housing ladder and allow for housing association involvement so that young people can benefit from decent housing at affordable rents?

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Executive Committee

Monday, 19 February 2018

MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Greg Chance (Vice-Chair) and Councillors Joe Baker, Juliet Brunner, Debbie Chance, Brandon Clayton, John Fisher, Mark Shurmer and Pat Witherspoon

Also Present:

Tom Baker-Price, Roger Bennett, Natalie Brookes, David Bush, Michael Chalk, Anita Clayton, Matthew Dormer, Andrew Fry, Pattie Hill, Wanda King, Jane Potter, Gareth Prosser, Antonia Pulsford, Rachael Smith, Yvonne Smith, Paul Swansborough, David Thain, Jennifer Wheeler and Nina Wood-Ford

Officers:

Kevin Dicks, Claire Felton, Sue Hanley and Jayne Pickering

Committee Services Officer:

Jess Bayley

104. APOLOGIES

There were no apologies for absence.

105. DECLARATIONS OF INTEREST

There were no declarations of interest.

106. LEADER'S ANNOUNCEMENTS

The Leader announced that a copy of the Council Tax Resolutions had been tabled for Members' consideration that evening. Alongside this an additional recommendation had been tabled by Officers for Members' consideration in respect of the Council Tax Resolutions.

Members were also asked to note that the Overview and Scrutiny Committee had agreed a recommendation in respect of the Medium

.....
Chair

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Term Financial Plan (MTFP) 2018/19 to 2021/22 at a meeting on 13th February 2018. An extract from the minutes of this meeting had been provided for Members' consideration in an additional papers pack and the recommendation would be debated alongside the MTFP.

107. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 6th February 2018 be approved as a correct record and signed by the Chair.

108. PAY POLICY 2018-19

The Executive Director of Finance and Corporate Resources presented the Pay Policy 2018/19 and in so doing explained that the report was produced in line with statutory requirements. The Council paid every Member of staff at least the foundation living wage or above. All roles were assessed via the Council's job evaluation process and more complex positions could receive a Hay grade, which was often awarded for senior roles covering shared services.

The report outlined the proportion of funding contributed by the Council in respect of the most senior officers. In the majority of cases, as these were primarily shared roles, the Council contributed 50 per cent of the costs. However, for the Head of Housing the full costs were met by the authority as Redditch Borough Council was the only local authority to retain its housing stock in Worcestershire.

The Council's pay levels meant that the multiple between the lowest paid full-time equivalent member of staff and the Chief Executive was 1:8.5. This compared well with other local authorities in the country.

RECOMMENDED that

the Pay Policy as detailed in Appendix 1 to the report be approved.

109. MEDIUM TERM FINANCIAL PLAN 2018/19 - 2021/22 AND COUNCIL TAX RESOLUTIONS

The Executive Director of Finance and Corporate Resources presented the Medium Term Financial Plan 2018/19 to 2021/22. During the presentation of this report the following matters were highlighted for Members' consideration:

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- The Council Tax resolutions had to be tabled as the Council could not publish these until information had been received from all of the preceptors.
- The Council had lost over £1.7 million in Revenue Support Grant funding from the Government over the last four years.
- In 2018/19 the Council would receive only £35,000 in Revenue Support Grant.
- From 2019/20 the Council would be required to pay the Government a Negative Support Grant.
- This repayment to the Government was the subject of a review which could result in changes to local government funding in the long-term.
- There had been a reduction in New Homes Bonus (NHB) funding following changes to the length of time for payments from six to four years and the introduction of a deadweight.
- The deadweight required growth of 0.4 per cent of Band D equivalent properties in order for the Council to receive significant NHB funding.
- Unfortunately the Council had not met this deadweight as many of the properties built in the Borough were classified as Bands A – C.
- Officers had been advised that the Council would receive £22,000 in NHB funding in 2018/19 which was far lower than had been anticipated. The expected figures had been based on previous years' growth in the Borough.
- The Government had advised that the baseline for business rates would be reset from 2021. This could have negative financial implications for the Council in future years.
- Unfortunately the Worcestershire bid to participate in a Business Rates Pool had not been successful. The Government had advised that the business case had been robust but the bid had not succeeded due to the volume of bids that had been submitted around the country.
- The Government was permitting local authorities to increase Council Tax by up to 3 per cent before triggering a referendum for the next two years.
- In this context Officers were proposing that Council Tax be increased by 2.99 per cent in 2018/19 and 2019/20 and then increase by £5 each year in 2020/21 and 2021/22.
- Whilst Redditch Borough Council collected Council Tax the majority of the Council Tax that was collected was allocated to Worcestershire County Council.
- The Council had improved collection rates, with the authority receiving more in Council Tax than had been anticipated.
- The report had been structured to present figures in-year within tables in the report, in line with a request that had been received from Members some years ago.

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- The Overview and Scrutiny Committee had suggested that this presentation format could be confusing and Officers indicated that it would be relatively easy to return to reporting figures on a cumulative basis within budget reports in future years.
- For 2018/19 a balanced budget had been achieved, in line with legal requirements.
- For the subsequent three years of the MTFP the budget did not yet balance, though this was not legally required.
- The Council had £1.8 million in balances and £1.8 million in reserves. The fact that these figures were the same was purely coincidental.
- £85,000 had been drawn down from balances to help balance the budget in 2018/19.

Following presentation of the report Members discussed the content in further detail. As all Members of the Council were present due to a full Council meeting taking place immediately after the Executive all Members were invited to speak on this item if they so wished.

Officers were thanked for their hard work. Some disappointment was expressed that the business rates pool bid for Worcestershire had not been successful. Similarly it was noted that the limited returns in terms of NHB funding was disappointing, given that a number of properties in Bands A – C had been developed during the period. Some concerns were expressed that due to ongoing reviews of local government funding there was continuing uncertainty about Council budgets. Difficult decisions needed to be taken to ensure that the Council's budget balanced moving forward.

There was general consensus that the recommendation which had been made by the Overview and Scrutiny Committee would help to improve the presentation of the budget reports in future years. There was therefore unanimous support for this recommendation.

(At the start of the debate on this item Councillor Brunner proposed that the matter be put to the vote to allow time for the budget to be discussed in detail at the following meeting of full Council. This procedural motion was put to the vote but was defeated and Members subsequently discussed the item in further detail).

RECOMMENDED that full Council

- 1) **Approve the additional income / efficiencies as attached at Appendix 1:**
 - 2018/19 £708k
 - 2019/20 £18k
- 2) **Approve the unavoidable pressures as attached at Appendix 2:**

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2018/19 £869k

- 3) Approve the Revenue bids as attached at Appendix 3:
2018/19 £10k
 - 4) Approve the Capital Programme bids as attached at Appendix 4:
2018/19 £676k
2019/20 £560k
2020/21 £1.257m
2021/22 £2.772m
 - 5) Approve the return / release from balances of :
2018/19 £85k (release from balances)
 - 6) Approve the Increase of Council Tax by 2.99% per Band D equivalent for 2018/19
 - 7) Approve the Council Tax Resolutions at Appendix 5
- and RECOMMENDED that
- 8) the format of Medium Term Financial Plans be amended in future years to reflect cumulative savings and pressures over the four year period.

**110. OVERVIEW AND SCRUTINY COMMITTEE -
RECOMMENDATIONS IN RESPECT OF THE MEDIUM TERM
FINANCIAL PLAN 2018/19 TO 2020/21 (IF ANY)**

Members noted that the recommendation that had been made at the meeting of the Overview and Scrutiny Committee on 13th February 2018 in respect of the Medium Term Financial Plan 2018/19 to 2021/22 had been considered and approved under Minute Item No. 109.

The Meeting commenced at 7.00 pm
and closed at 7.26 pm

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MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Greg Chance (Vice-Chair) and Councillors Joe Baker, Juliet Brunner, Debbie Chance, Brandon Clayton, Mark Shurmer and Pat Witherspoon

Also Present:

Roger Bennett, David Bush, Michael Chalk and S Laird

Officers:

Ruth Bamford, Matthew Bough, Clare Flanagan, John Godwin, Sue Hanley, Rachel Martin, Jayne Pickering, Dean Piper and Steve Singleton

Committee Services Officer:

Jess Bayley

111. APOLOGIES

An apology for absence was received on behalf of Councillor John Fisher.

112. DECLARATIONS OF INTEREST

There were no declarations of interest.

113. LEADER'S ANNOUNCEMENTS

Due to the length of the agenda the Leader tabled his announcements in writing at the meeting.

114. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 19th February 2018 be held as a correct record and signed by the Chair.

.....
Chair

115. LEISURE AND CULTURAL SERVICES BUSINESS CASE

The Executive Director of Finance and Corporate Resources presented the Leisure and Cultural Services Business Case. During the presentation of this business case the following points were highlighted for Members' consideration:

- The Council had considered a feasibility study in respect of future models for the delivery of Leisure and Cultural Services and had agreed in November 2017 that a Local Authority Trading Company (LATC) would be the most appropriate model moving forward.
- A number of services, though not all, would be included in the LATC.
- There was the potential for some services that would not immediately be included in the remit of the LATC to be incorporated at a later date. This could include the BMX Track and Arrow Valley Countryside Centre.
- A number of staff would be affected by the introduction of the LATC; 50 would remain Council employees and 62 would be subject to a TUPE transfer process together with a number of casual staff.
- Officers had been consulting with the Trade Unions throughout the process.
- Some assumptions had been built into the savings plan and the unions had highlighted a number of concerns in relation to these.
- Savings of at least £220,000 were anticipated for the first year with further savings of £440,000 anticipated for year two and £480,000 anticipated for years three and four. These figures had been identified based on savings reported where Councils had introduced LATCs in other parts of the country to deliver similar services.
- The LATC would be able to secure savings from Non-Domestic Rates (NNDR) and would be able to secure VAT savings. In both cases the Council was unable to take advantage of these financial benefits.
- The LATC would be a non-profit organisation. This corresponded with feedback provided by residents in surveys completed in 2017 which called for services to contribute to addressing health inequalities, to continue to have a community focus and to be connected to the Council.
- The LATC would be a Council company providing services to and on behalf of Redditch Borough Council.
- Officers were assuming that the Council would continue to provide support services, such as HR and IT services, for the first 12 months in which the LATC would operate. After this the LATC might opt to obtain these services from another

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provider, though would need to provide the Council with notice.

- Subject to the Business Case receiving approval at the Council meeting on 19th March 2018 Officers would start to work on a detailed business plan for the LATC, scheduled for Members' consideration in July 2018.

Following presentation of the report Members discussed a number of points in detail:

- The governance arrangements for the LATC. Members were advised that this would consist of two parts; a Board of Directors and a Shareholders Committee, which would hold the LATC to account.
- The appointment of the Non-Executive Directors to the Board of Directors and how they would be paid. Members were advised that usually Non-Executive Directors were paid expenses and this arrangement was expected to be implemented for the LATC.
- The arrangements in place to recruit Non-Executive Directors to the Board of Directors. Members were advised that experts in relevant fields would be recruited as Non-Executive Directors via a transparent process. This would be a matter reserved for the Council.
- The likelihood that the LATC would deliver the projected savings and the potential implications for the Council's balances if this wasn't achieved. Officers explained that a robust performance monitoring arrangement would be in place and it was likely that any issues in terms of delivering on savings would be identified at an early stage and the LATC would be questioned about why the savings were not being achieved.
- The timeframes in which a review of the LATC would be triggered if the company did not perform sufficiently well to achieve the Council's objectives and anticipated savings. Officers advised that the first 18 months would be challenging for the LATC. As part of contract arrangements any difficulties would hopefully be identified at an early stage, though at any point the Council could reverse the decision to have the LATC if it was found that this was not working for the authority or local community.
- The importance of developing a good working relationship between the Council and LATC to ensure that the company performed as effectively as possible.
- The management fee associated with the LATC and the cost to the Council. Members were advised that this fee was predicated on a specified level of savings with the fee calculated in relation to management costs minus those savings. The Council could review this fee at a later date.

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- The feedback that had been received from the Trade Unions in relation to the assumptions in the business case. The Committee was informed that the unions would be recognised by the LATC and staff would be TUPE transferred to the LATC under current terms and conditions.
- The potential to address some of the outstanding concerns that had been raised by the trade unions. Officers advised that conversations continued to take place with the unions and they would be consulted alongside staff, should the business Plan in July receive Council approval.
- The likelihood that the LATC would seek to restructure after staff had been transferred, with a corresponding restructure of the client side of the service being required.
- The non-recurring costs of establishing the LATC and what these might entail. Officers explained that this could include a new accounting system, potentially introducing new software at leisure sites and reviewing IT systems so that the Council could comply with PSN security requirements.
- The date by which it might be possible to confirm the non-recurring costs. The Committee was informed that this information would be available to confirm in the report to Members in July.
- The extent to which the Council could cover any non-recurring costs. Members were advised that some of the savings in the first year could be used as a contingency fund to help cover these costs.
- The performance monitoring arrangements for the LATC and the extent to which these reflected measures on the Council's dashboard. Members were advised that there would be a full range of strategic measures, as agreed in a contract between the Council and the LATC, which would link to both the strategic purposes and community outcomes. Further operational measures would be developed for the LATC.
- The transfer of the four Council-run community centres to the LATC and the potential for other community centres that were currently externally managed to be transferred to the company once existing leases expired. Officers explained that the Council would be able to choose how to proceed with these, though it was noted that the externally managed community centres were all currently the subject of leases with community organisations.
- The costs of continuing to work with the consultants V4 and the extent to which any further financial support was required to support this. The Committee was advised that this working relationship would continue under an existing framework agreement and the budget was already allocated for this purpose.

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The Chair noted that Overview and Scrutiny Committee had pre-scrutinised the Leisure and Cultural Services Business Case at their latest meeting. On the basis of their discussions members of the Overview and Scrutiny Committee had proposed three recommendations. Members noted that unfortunately, due to the inclement weather at the beginning of March, the meeting of the Overview and Scrutiny Committee had had to be postponed until 5th March, thereby providing limited notice of the Committee's recommendations or of the background to these for the Executive Committee's consideration. Based on this the Executive Committee concluded that a decision in respect of the scrutiny recommendations should be deferred until the Leisure and Cultural Services Business Case was considered at full Council on 19th March 2018 to provide more time for these to be considered.

RECOMMENDED that

- 1) the Executive Director Finance and Resources be given delegated authority to set up and register a wholly owned LATC for the provision of leisure and cultural services in the Borough of Redditch, on the basis of the governance arrangements set out in Section 2.8 (Page 26) of the business case;**
- 2) the assumptions as included in Section 5.7 (Page 36) in the business case are approved for consideration in the Business Plan when reported to members in July 2018;**
- 3) a recruitment process is commenced for a Managing Director of NewCo and that the Executive Director Finance and Resources be given delegated authority to prepare a job description and person specification;**
- 4) Officers be instructed to prepare a specification for the services to be delivered by the NewCo and prepare a report to Members detailing the impact (financial and staffing) on Redditch Borough Council (RBC) of transferring those services to NewCo to be submitted to Members in July 2018;**
- 5) the Council continues to work with V4 Consulting (with the support and assistance of officers) to prepare a Business Plan detailing how NewCo would deliver the services included in the Specification and deliver best value to RBC during its first 4 ½ years of trading; and**
- 6) the recommendations in respect of the Leisure and Cultural Services Business Case proposed by the Overview and Scrutiny Committee at a meeting on 5th**

March 2018 be reconsidered at Council on 19th March 2018.

116. CIVIL CONTINGENCIES SHORT SHARP REVIEW - FINAL REPORT

The Chair of the Civil Contingencies Short Sharp Review, Councillor Gareth Prosser, presented the group's final report. In so doing he highlighted that the review had been agreed in July 2017 in the aftermath of the Grenfell Tower fire. During the course of the review Members had consulted with a range of expert witnesses, from both the Council and external organisations. Based on the evidence that had been gathered Members had concluded that Redditch Borough Council had appropriate emergency planning procedures in place. However, the group was proposing that the authority's emergency plan should be reviewed on an annual basis rather than every three years.

The Overview and Scrutiny Committee had considered the group's proposals at a meeting on 5th March 2018. During this meeting the Committee had endorsed the group's recommendations. This included a proposal for the Overview and Scrutiny Committee to receive an annual update in respect of emergency planning arrangements; as this would be taking place in a public meeting environment it was hoped that it would help to provide reassurance to local residents about the Council's preparedness in the event of an emergency. The Overview and Scrutiny Committee had endorsed this proposal and as the Committee could set its own work programme the Executive Committee was asked to note this decision.

The group had concluded that the launch of the review should have been postponed until the North Worcestershire Civil Contingencies and Resilience Manager had returned from maternity leave as the evidence she had provided had helped to reassure the group that no further investigation was required. Members had therefore proposed that the Overview and Scrutiny Committee could learn lessons from this review and should consider postponing the launch of future reviews until key witnesses were available.

Officers advised that the Corporate Management Team (CMT) had welcomed the scrutiny review. The exercise had helped to inform a refresh of the emergency plan and would have a positive impact on civil contingency arrangements moving forward.

Members welcomed the findings detailed in the report and thanked the group for their hard work. It was noted that the Portfolio Holder for Community Safety and Regulatory Services, whose remit covered emergency planning, had not been consulted as part of the

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review. It was suggested that in future Overview and Scrutiny Task Groups should consider consulting with the relevant Portfolio Holder if possible.

RESOLVED that

- 1) **the content of the Council's emergency plan should be reviewed on an annual basis; and**
- 2) **the group's proposal for the Overview and Scrutiny Committee to receive an annual update in respect of the Council's emergency planning arrangements be noted.**

117. REDDITCH BUSINESS CENTRES REVIEW

The Economic Development Manager presented the Redditch Business Centres Review. The Committee was advised that the business centres were operating within budget and represented value for money. The proposals detailed in the report would help to meet the needs of businesses that were already occupying units as well as growing businesses that might be interested in moving onto the premises.

Members welcomed the report and thanked officers for taking action to improve the service so that the centres could be managed more effectively and appropriate investment was made to meet the needs of businesses. The Council had achieved an 85 per cent occupancy rate in the business centres, which ensured that the authority continued to receive adequate income whilst at the same time having the potential to offer vacant units to new or growing businesses. There was the potential that some businesses currently occupying units in the business centres would move to the Redditch Gateway in due course. This would help to make further units available to new companies.

RECOMMENDED that

- 1) **the key findings and recommendations of the strategic review be endorsed, with specific reference to the following:**
 - a. **day to day management of annual expenditure on operational activities and any future capital expenditure budgets for all three of the business centres should be transferred from the general fund to be managed by NWEDR under the Centres Manager;**

- 2) **Redditch Borough Council renews the current lease of Unit 17 Broad Ground Road, Lakeside Industrial Estate, Redditch (the Rubicon Business Centre); and**
- 3) **Subject to approval of Recommendation 2 above, the Head of Customer Access and Financial Support be delegated the authority to instruct Place Partnership Ltd to finalise the terms of the renewal of the lease.**

118. HOUSING ALLOCATIONS POLICY AMENDMENT

The Housing Strategy and Enabling Team Leader presented the Council Housing Allocations Policy 2018 Update report. Members were advised that the Homelessness Reduction Act 2017 placed new duties on the Council leading to the need to update the policy. Changes included treating those that the Council recognised as being unintentionally homeless as gold band rather than silver priorities. The adapted policy would also enable couples with a child aged under two to apply for both one and two bedroom properties, whereas in the past they had only been eligible to apply for one bedroom properties.

The potential for the position of kinship carers to be taken into account within the policy was briefly debated. It was noted that kinship carers, who were related to the person they cared for, were in a different position to foster carers and were more likely to continue to live with and care for their relative. Officers undertook to check the position with regard to kinship carers prior to full Council on 19th March 2018.

RECOMMENDED that

the revised Housing Allocations Policy 2018 (appendix 1) be adopted and;

RESOLVED that

authority be delegated to the Deputy Chief Executive and Executive Director for Leisure, Environment & Community Services in conjunction with the Legal Service Manager, following consultation with the Portfolio Holder for Housing, to make any future amendments to the Council's Housing Allocations Policy that are deemed to be necessary and which do not trigger the statutory obligation to consult the persons affected by the changes pursuant to section 168(3) of the Housing Act 1996.

119. POLLING PLACES REVIEW 2018

The Principle Solicitor presented the Polling Places Review 2018 and in so doing explained that Officers had undertaken this review following receipt of requests to consider using alternative premises as polling stations in place of Abbeydale First School and Roman Way First School. A number of alternative locations had been visited by Officers, including Winyates Barn, St Andrews Church, Willow Trees Children's Centre, the Health Centre in Church Hill and the YMCA, some of which already hosted polling stations. Officers had identified some issues with both the existing locations where polling stations were situated and with the proposed alternatives.

Members discussed the proposals further and noted the following:

- Limited parking availability at a number of the alternative locations, particularly St Andrews Church and Winyates Barn.
- Problems with access to the health centre, which had limited capacity on the ground floor but no lift access to the first floor.
- The difficulties that would be caused for parents if the Willow Trees Children's Centre was closed for the day in order to accommodate two polling stations.
- The difficulties experienced by pupils, parents and teachers at Abbeywood First School and Roman Way First School on election days and the need to minimise disruption.

RECOMMENDED that

no changes be made to the polling places for the electors in Polling District CHB and Polling District WIB.

120. PERFORMANCE UPDATE REPORT

The Deputy Chief Executive presented the Corporate Performance Report. Members were advised that the report would be presented on a bi-monthly basis, with each edition focusing on a different strategic purpose. This version of the report was focusing on the purpose 'keep my place safe and looking good'.

Data had been provided in relation to Anti-Social Behaviour incidents which reflected the type of information that was discussed at Tasking Group meetings. There was a data lag of two months for this as the Council needed to wait to obtain this information from an external organisation. A significant narrative had been provided in respect of the transition of the Place teams within the Locality areas. Officers had been pleased to learn that nearly 900 residents

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had signed up for the new garden waste collection service and it was hoped that numbers would continue to grow.

Corporate data had also been provided. There had been a lag in the provision of sickness absence data following the introduction of a new system in January 2017. The final figures would not be available until April 2018. The Council's figures were lower than the norm for sickness absence in the public sector, though higher than the standard figures for sickness absence in the private sector.

Members noted that on the previous occasion on which this matter had been discussed some of the measures had not recently been updated. Since then reminders had been issued to managers to keep the information up to date and officers were encouraged to clarify within the commentary for a measure if there would be a delay in obtaining the data.

The Committee also briefly discussed sickness absence data and the extent to which pregnant women's experiences featured in this data. Officers clarified that if a pregnant member of staff experienced sickness during her pregnancy that caused her to be absent from work this would be recorded in the absence figures.

RESOLVED that

the contents of the report and associated appendix be noted.

121. FINANCE MONITORING QUARTER 3 2017/18

The Executive Director of Finance and Corporate Resources presented the Finance Monitoring Quarter 3 2017/18 report and in doing so highlighted the following points for Members' consideration:

- The Council was projecting a variance of £150,000 by the end of the year in 2017/18.
- When corporate financing and capital costs were taken into account a shortfall of £396,000 was anticipated for the end of 2017/18.
- One cause of the shortfall was that the Council had not received the number of planning applications that had been anticipated, representing a shortfall of approximately £100,000.
- The additional costs associated with the marquee that had been provided by Bereavement Services was also contributing approximately £90,000 to this shortfall.
- A void property had been listed as a cost to the Council, though officers undertook to check whether this should have referred to the costs arising from multiple void properties.

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- A shortfall in corporate savings had been recorded for Enabling Services.
- Savings had been achieved through paying for the Council's pension deficit costs up front.
- Significant figures had been recorded in the Housing Revenue Account (HRA) for Repairs and Maintenance and Supervision and Management costs. This had arisen partly due to the need for the Council to employ temporary additional management staff whilst a number of issues in the Housing Department were addressed.
- The format of financial monitoring reports would be changing in 2018/19.

After the report had been presented Members discussed a number of matters in detail:

- The action that would be taken by officers to reduce the shortfall by the end of the financial year. Officers advised that Heads of Service had been working hard in an attempt to reduce the shortfall and any expenditure not considered necessary over the next couple of weeks would not be approved.
- The potential to balance the budget by the end of the financial year by using funding from balances. Officers confirmed that the Council had sufficient balances to accommodate this arrangement.
- The action being taken to ensure that void properties were rented out, thereby increasing rental income for the Council.
- The amount that had been spent to date on the vehicle purchasing and Locality capital projects schemes. Officers undertook to obtain further detail in relation to this matter together with clarification about the associated borrowing costs for the Council.
- The level of expenditure achieved to date in respect of the Disabled Facilities Grant and the potential to use some of this funding to promote the scheme to eligible residents. Officers agreed to check this outside the meeting, though it was noted that this was unlikely to be possible as these were capital funds and advertising costs usually came from revenue budgets.

RESOLVED that

Executive Committee note the current financial positions for the quarter April – December 2017 as detailed in the report.

RECOMMENDED that

the 2017/18 Capital Programme be increased by £73k on the Disabled facilities grant project due to additional funds being received by DCLG.

122. RISK MANAGEMENT STRATEGY

The Executive Director of Finance and Corporate Resources presented the Risk Management Strategy and in so doing advised Members that the Council had not reviewed this strategy for approximately five years. The updated strategy had been drafted in accordance with advice received from the Zurich Insurance Group in respect of best practice. The document was intended for the use of staff, elected Members and members of the public and set out how the Council managed and mitigated risks. A handbook had also been drafted which would be provided for the use of managers if the strategy was approved.

RECOMMENDED that

the Risk Management Strategy be approved.

123. OVERVIEW AND SCRUTINY COMMITTEE

Officers confirmed that there were no outstanding recommendations arising from the meeting of the Overview and Scrutiny Committee held on 13th February 2018 that remained to be considered.

RESOLVED that

the minutes of the Overview and Scrutiny Committee meeting held on 13th February 2018 be noted.

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

The Committee noted that the Audit, Governance and Standards Committee had referred a recommendation in respect of the Council delivering unidentified savings at its latest meeting on 1st February 2018.

RESOLVED that

the Corporate Management Team put together a clear action plan to deliver the unidentified savings in 2017/18.

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125. CORPORATE PARENTING STEERING GROUP - VERBAL UPDATE

Councillor Baker, the Council's representative on the Corporate Parenting Steering Group, advised that there were no updates to provide.

126. ADVISORY PANELS - UPDATE REPORT

Members considered and noted the content of the Advisory Panels Update Report.

127. ONE PUBLIC ESTATE EXERCISE

The Head of Planning and Regeneration and the Head of Economic Development and Regeneration – North Worcestershire presented the One Public Estate (OPE) Exercise report. During the presentation of this report the following matters were highlighted for Members' consideration:

- The Town Centre Regeneration Prospectus was a high-level, aspirational document designed to promote Redditch town centre as an ideal location for a mix of retail, residential and office developments.
- The prospectus advertised the benefits associated with being located in Redditch as well as potential sites suitable for redevelopment.
- The OPE exercise had focused on public sector assets and how these could be better used to promote the town.
- A range of partners had been engaged in the OPE exercise including Worcestershire County Council, West Mercia Police, Hereford and Worcester Fire and Rescue Service various branches of the NHS and Redditch Borough Council.
- A key finding in the OPE report was a proposal for different public sector organisations to co-locate in a hub in the centre of Redditch.
- In the report it was suggested that this hub could be located on Church Road as this was a location where low footfall had been identified.
- At this stage the suggestions featured in the OPE were aspirational and no decisions had been taken.
- Additional work was required to investigate the feasibility of the OPE proposals, to determine whether any of the suggestions should be pursued further.

Following presentation of the report the recommendations as printed in the report were proposed by Councillor Hartnett. In proposing these recommendations Councillor Hartnett commented that this formed part of the Council's 10 point plan for economic

development in the Borough. The process had involved significant consultation with partner organisations, though had been largely officer-led to date. Further consultation would need to be undertaken in respect of this matter over time and financial support would be required from both public and private sector organisations to bring any plans to fruition. Redditch Borough Council should lead this initiative to the benefit of the local economy.

The recommendations detailed in the report were seconded by Councillor Greg Chance. In seconding the proposals Councillor Chance explained that the report detailed ambitious options available for the regeneration of the town centre, though no decisions had yet been taken. The Council's bid to the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for £5 million had been accepted as an A graded bid. This funding would help to support progression with the proposals detailed in the documentation.

Early in the debate on this item Councillor Juliet Brunner proposed an amendment to the recommendations. This amendment was seconded by Councillor Brandon Clayton.

The amendment read as follows:

“Recommendation 1

The sum of £50,000 be allocated to further explore the concepts proposed and develop a range of fully costed proposals to also include those in the Regeneration Prospectus to enable members and the public to consider the proposed options for regeneration.

Authority to be delegated to the Chief Executive to manage this budget in consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport and the Leader of the Opposition.

Recommendation 2

The council provides in principal support for the one public estate review report. To include the option of using the Town hall and other areas in town centre as possible sites. Final decision to be taken by executive committee following the consideration of a detailed business case setting out strategic commercial, economic, commercial, financial and management case for the council to:

- a) *lead on negotiation of acquisition of land to facilitate the development of new public services hub; and*

- b) *lead on negotiations with partner organisations regarding their commitment to transferring services.*

Recommendation 3

further work in respect of the Town Centre Regeneration Prospectus and the One Public Estate Review be postponed to allow time for an Overview and Scrutiny Task and Finish exercise to be undertaken to investigate this matter in more detail.”

In proposing the amendment Councillor Brunner explained that she was concerned that the recommendations in the report appeared to be a fait accompli. The amended proposals would provide an opportunity to explore all available options for the redevelopment of the town centre further, including those detailed in the Town Centre Redevelopment Prospectus. The second recommendation would enable a decision to be made based on an informed business case. Finally an Overview and Scrutiny review, as detailed in the third recommendation, would provide elected Members with a chance to investigate this matter further.

In seconding the amendment Councillor Brandon Clayton expressed concerns about the speed with which work on the Town Centre Regeneration Prospectus and OPE was proceeding. Members were also asked to note that the Council’s Planning Advisory Panel (PAP) had not been consulted.

In considering the proposed amendment Members noted that a development board would be established that would have a chance to influence the process as the town centre regeneration and OPE exercise advanced. The town centre redevelopment and OPE were both at initial stages. Officers would need to commit to this work and it was suggested that progress would best be achieved through retaining the original recommendations proposed by officers in the report.

Concerns were also raised about the third recommendation in the amendment, which had originally been proposed by the Overview and Scrutiny Committee at a meeting on 5th March 2018. It was noted that a Task Group exercise would take some time to complete and this could delay progress with the regeneration of the town centre. There would be a number of consultation opportunities through the OPE process as opportunities for the regeneration of the town centre progressed and the Overview and Scrutiny Committee, like other stakeholders, could be involved in this consultation process.

At the end of these discussions the amendment was put to the vote and was defeated.

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Following consideration of the amendment Members discussed a number of matters relating to the original proposals detailed in the report:

- The potential for the current Town Hall to be redeveloped into flats. Members were asked to note that there was no guarantee that the Town Hall would be converted into residential properties and this was only one of several regeneration options available.
- The application to develop 42 new flats on a site close to the Palace Theatre and the impact that this might have on the availability of parking spaces in the town centre.
- The potential that residents living in town centre accommodation would prefer to travel by public transport rather than to utilise their own vehicles.
- The need for the Council to provide disabled parking spaces to customers visiting the Palace Theatre.
- The significant number of parking spaces available within Redditch town centre compared to other towns in the country.
- The extent to which sufficient car parking spaces were available to access in the evenings in Redditch town centre.
- The need to develop a vibrant economy in Redditch town centre and how the town compared to others in the region.
- The length of time that had been taken to bring forward proposals in respect of the OPE and town centre regeneration to the Executive Committee. The Committee was advised that this had involved an extensive process and Officers had been working on this issue for approximately 18 months.
- The difficulties that had been experienced encouraging residents to let or purchase residential properties in Threadneedle House and the extent to which similar problems might occur should the Town Hall be converted into accommodation.
- The need for soft market testing to be undertaken to assess whether there would be demand for residential properties on the sites of any of the public sector assets identified in the OPE exercise.
- The extent to which businesses had been consulted as part of the OPE exercise. Officers advised that the Council would not consult with businesses before consulting with residents and in some cases a professional opinion in respect of an opportunity would be required before any consultation could take place.

At the end of a very lengthy debate the Committee

RECOMMENDED

- 1) that the development concepts and proposals outlined in the Redditch Town Centre Regeneration Prospectus attached at Appendix 1 should be endorsed with a sum of £50,000 allocated to support the development of proposals contained within the Regeneration Prospectus; authority to be delegated to the Chief Executive to manage this budget following consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport;
- 2) that the Council provides in principle support for the key recommendation of the One Public Estate Review report (at Appendix 2) which is for the creation of a new purpose built multi-agency Public Services Hub, with the preferred site at this stage identified as land owned by the NHS and HE on Church Road, with a final decision to be taken by the Executive Committee following consideration of a detailed business case setting out the strategic, economic, commercial, financial and management case for the Council to:
 - a) Lead on the negotiation of acquisition of land from the NHS and HE to facilitate the development of the new Public Services Hub;
 - b) Should the preferred option not be achievable, work to identify a suitable alternative option and work with the NHS and HE to progress an alternative solution for the Church Road site;
 - c) Lead on negotiations with partner organisations regarding their commitment to transferring services to the Public Services Hub;
 - d) Market the current Town Hall for re-development or conversion purposes.
- 3) to include an initial budget of £150,000 in the capital programme for 2018/19 to support the development of the business case for the new Public Services Hub and authority to be delegated to the Chief Executive to manage this budget following consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport; and

RESOLVED that

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the recommendation made by the Overview and Scrutiny Committee at a meeting on Monday 5th March 2018 in respect of the One Public Estate exercise be rejected.

The Meeting commenced at 7.00 pm
and closed at 9.44 pm

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****6th March 2018****LEISURE AND CULTURAL SERVICES – LOCAL AUTHORITY TRADING COMPANY BUSINESS CASE (LATC)**

Relevant Portfolio Holder	Councillor Pat Witherspoon
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering, Director of Finance and Resources John Godwin, Head of Leisure & Cultural Services
Wards Affected	All
Ward Councillor Consulted	No
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To advise Members on the progress that has been made following approval in October 2017, in principal, to set up a not for profit, Teckal compliant, Local Authority Trading Company (LATC/ NewCo) to operate a number of the Council's leisure and cultural services.
- 1.2 To present the report prepared by V4 Consulting with input from officers and Members outlining proposed governance arrangements for the NewCo, and financial and staffing implications
- 1.3 To provide a proposed timeline and key milestones for the establishment of the NewCo and the transfer of services to it.

2. RECOMMENDATIONS

- 2.1 **It is recommended that Executive consider the detailed V4 report and all other information provided and RECOMMEND to Council the following:**
 - 2.1.1 **That the Executive Director Finance and Resources be given delegated authority to set up and register a wholly owned LATC for the provision of leisure and cultural services in the Borough of Redditch, on the basis of the governance arrangements set out in Section 2.8 (Page 26) of the business case.**
 - 2.1.2 **That the assumptions as included in Section 5.7 (Page 36) in the business case are approved for consideration in the Business Plan when reported to members in July 2018.**
 - 2.1.3 **That a recruitment process is commenced for a Managing Director of NewCo and that the Executive Director Finance and Resources be given delegated authority to prepare a job description and person specification.**
 - 2.1.4 **That Officers be instructed to prepare a specification for the services to be delivered by the NewCo and prepare a report to Members detailing the impact (financial and staffing) on Redditch Borough Council (RBC) of transferring those services to NewCo to be submitted to Members in July 2018.**

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2.1.5 The Council continues to work with V4 Consulting (with the support and assistance of officers) to prepare a Business Plan detailing how NewCo would deliver the services included in the Specification and deliver best value to RBC during its first 4 ½ years of trading.

3. KEY ISSUES**Background**

3.1 As Members will be aware at the Full Council meeting on 20th November 2017 a feasibility study was debated with regard to the preferred model for a number of services currently delivered by the Council.

3.2 At the meeting, Full Council passed the Executive recommendation from the 31st October 2017, which was that *“approval be given, in principle, to set up a not for profit, Teckal compliant, Local Authority trading company to operate the Council’s Leisure and Cultural Services and that a further report to Executive and Council be commissioned by officers in relation to a full business report for this model to include all governance, financial and staffing implications”*.

3.3 Over the past 4 months a large amount of work has been undertaken by a cross section of the Council’s officers and our specialist support team from V4 Consulting in order to bring forward the detailed Business Case that is included as Appendix 1 to this report.

3.4 The project has been managed in line with the principles of Prince II Methodology but it has been adapted to suit the nature of the work that has been undertaken.

3.5 A number of key work stream/products have been undertaken through a variety of methods which has included workshops, away days, onsite inspection and desk top reviews.

3.6 During the project the following have been key areas for review and further detail on these is found in the Business Case.

- Governance
- Company Structures
- Business Planning
- Support Services
- Funding Mechanisms
- Performance Regime
- Risk allocations
- Respective responsibilities
- Staff transfer – Transfer of Undertakings Protection of Employment (TUPE)
- Asset transfer

3.7 With regard to the overall set up of the project, this has been established on a staged approach with each formal committee decision being treated as a

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gateway report to progress to the next stage. Key stage completion and commencement dates are shown below:

- Stage 1 – Concept and Feasibility 1st Sept 17 to 31st Oct 17
- Stage 2 – Detailed Business Case & Sign Off 20th Nov 17 to 19th March 2018
- Stage 3A – Transition & Agreement to Proceed 10th April 18 to 23rd July 18
- Stage 3B - Implementation and Roll In 24th July to 30th Sept 18
- Stage 4 – Transfer & Go Live 1st October 18

3.8 Following the completion of each stage the project documentation will be refreshed and reissued to the Project Sponsor and Project Board for approval.

3.9 The services which are considered to be within the initial scope of the NewCo remain as per the original list (October 2017) and are listed below:

- Abbey Stadium Sports Centre
- Palace Theatre and Palace Youth Theatre
- Forge Mill Needle Museum and Bordesley Abbey Visitors Centre inc. access to Bordesley Abbey Ruins
- Community Centres (Windmill, Oakenshaw, Batchley and Winyates Green)
- Pitcheroak Golf Course
- Allotments (all sites)

3.11 All other services are considered to be out of scope at this stage although NewCo will be constituted so as to allow other services to be transferred to it at the Council's discretion in the future. Officers will explore opportunities for additional service transfer depending on the added value they can offer the company. It is proposed that business cases relating to Arrow Valley Countryside Centre, BMX and Learning on Line are brought to members for the July meeting for consideration.

3.12 Trade Union consultation and discussion have been held previously and during Stage 2 of the project to ensure that lines of communication are maintained and that there is a clear understanding of the Council's position with regard to the contents of the Business Case and the key assumptions that have been agreed through the relevant workshops to underpin its development. The key assumptions address the clarifications raised by the Trade Unions (TU) in relation to the areas of concern that have been raised and officers have fed back on this basis.

3.13 As part of the work of the project group extensive communication plans have been developed and implemented to ensure that contracted staff, casual staff and self-employed freelance contractors have made aware of the Council's decisions and the current work that is being undertaken.

3.14 Once a formal decision has been made these plans will be refreshed as part of the overall project documentation. We will then continue to work with staff

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and widen the communication plans out to key service users, stakeholders and contractors to ensure that the changes that may be proposed are implemented as effectively as possible to ensure that the current high standards of service delivery are maintained during this period of change.

- 3.15 Key drivers from the Oct 17 study and covering report remain as previously outlined and have been used to establish the key documents that will be developed to oversee the structure of the contract documents, the service specification and the measures framework.
- 3.16 There are a number of key considerations identified through discussions with portfolio holders and the feedback from the community in selecting the model of delivery for leisure and cultural services, including:
- Council retain ownership of all land and buildings.
 - Ability to get more people, more active, more often – for the same investment or less.
 - Can achieve (or exceed) the requirement to deliver a £440k per annum saving by the financial year 2018/19 and £480k savings in subsequent years which meet the requirements of the Medium Term Financial Plan (MTFP) .
 - Council retains influence over strategy, pricing and programming.
 - Governance designed to encourage performance improvement and innovation.
 - Facilities and services within scope have synergies and benefit from being together under single management body.
- 3.17 Furthermore details on these areas and the wider agendas that the NewCo will contribute to can be found in Section 1 (Page 5/6) of the business case and below:
- Worcestershire County Council Health & Wellbeing Plan
 - Redditch & Bromsgrove Clinical Commissioning Group Annual Plan
 - Worcestershire Children & Young Peoples Plan
 - Redditch Borough Council Sport and Physical Activity Strategy
 - Redditch Health Profiles
 - North Worcestershire Community Safety Anti Social Behaviour Plans
- 3.18 The workshop that was held with Portfolio Holders also determined what themes were encompassed within the direct Strategic Purpose that oversees these areas of “Provide Good Things to See, Do and Visit” and the indirect Strategic Purpose of “Help me to Live my Life Independently”. These are:



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These themes underpin the delivery and achievement of the strategic purpose and have been used as part of the assessment of the preferred option.

- 3.19 The Council Plan sets out the key actions needed to deliver achievement of the strategic purposes. These are:
- Provide well maintained community parks and green spaces.
 - Support the provision of leisure opportunities for the whole Borough.
 - Provide a culturally diverse programme of events and arts activities.
 - Help create flourishing Town and District Centres.
 - Enhancing the retail, leisure and residential offer.
 - Promote Independence and reduce social isolation.
 - Help people to have active bodies and active minds.
- 3.20 When considering the service specification for the NewCo and the business plan to deliver these, the priorities highlighted above will be used to create the actions the company will focus upon.
- 3.21 This will ensure that the Council's Vision and Strategic Purpose are embedded in the day to day design and delivery of its service provider and that the action taken by the company can be viewed against the wider social/community based objectives the Council wishes to address.
- 3.22 During the work undertaken by the project group it has been identified that there will be a need to monitor satisfaction with the NewCo on an annual basis to understand the benefits the changes have made in this area. In order to create a base line set of data, officers will introduce a work stream in Stage 3 of the project to set up and undertake an annual satisfaction survey that will provide base line data to review against future service out turns.
- 3.23 This requirement will then feature in the service specification and measures framework with the expectation that performance improves (satisfaction goes up) in the early years of the contract and then is maintained in later years.
- 3.24 Members will also see within the business report that the 2017 survey data sets as per section 3.17 of the October 2017 report have been used within the overall design of the NewCo. This will ensure that the local nature of the service that was a key area within the matrix that was used to assess the options within the feasibility study is built into the end product that is delivered. This information is shown in Section 1.5 (Page 10) of the business case.

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4. Financial Implications.

- 4.1 As Members are aware from the Oct 17 report the MTFP includes initial savings of £440k in 2018/19 arising to £480k per annum from 2019/20 to be delivered in relation to the provision of an alternative model of delivery within Leisure and Cultural Services.

This saving is broken down into two key areas with £400k per annum being delivered from the NewCo with the remaining amounts being delivered from within the Council on the basis that savings will be generated from support services as there will be a reduction in the Council services requiring support once the NewCo is established. There will be a 'Sunset' agreement in place as detailed in the Business case to enable a transition of service transfer to the NewCo and to manage any associated costs. The 'Sunset' agreement currently provides for all services to be utilised by the Newco for a period of at least 18 months.

- 4.2 Members will see that the Business case confirms that this level of saving will be achieved and provides a 4.5 year savings trajectory as shown in Section 4.1 (Page 32) and Section 4.4 (Pages 33 and 34). The table identifies the makeup of the savings and confirms an increase over the initial 4.5 year model of up to £520k at year 4.

The table shown in Section 2.3 (Pages 23 and 24) identifies that savings will be achieved primarily through 5 key areas including structure and taxation position, efficiency savings and business growth.

The table also confirms the detail around the balance for adjustments sum that is in place to meet the agreed non-recurring costs associated with the setup of the Company.

- 4.3 Within Section 2 of the Business case the approach to National non-domestic rates (NNDR) is outlined and the approach taken to cost modelling is explained. At present financial modelling is based upon a 25% saving of the current costs, the NewCo would have the ability to apply for further concession to the Council of up to 100%. Should the NewCo be successful in its application this may yield further savings to the Council in future years.
- 4.4 Within the MTFP the 2018/19 budget has been adjusted to reflect a half year saving on £220k due to the transfer date being set at 1st October 18. This adjustment has been addressed through the 2018/19 budget proposals
- 4.5 Within the overall Business case and key responsibilities that are assigned to the NewCo is the responsibility for the ongoing repairs and maintenance to the majority of the building services. Within the schedule for the buyback of services members will note that the NewCo will be buying back services directly from Place Partnership Limited on the basis as the current Council Service Level Agreement (SLA), this change of responsibility will mean that the cost and budgets associated with such work will transfer to the NewCo as the control of the spend and management of the building will no longer rest with the Council.

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- 4.6 It is proposed that any costs associated with the setup are met from the Council's existing Capital Programme and/or Capital Receipts in line with the flexibility from using capital receipts for revenue purposes if savings are generated from the initial investment.
- 4.7 It is proposed that any costs associated with restructures or redundancy for the period up to transfer and within 12 months transfer will be funded by the Council. The estimate of associated costs will be included in the Business Plan to be submitted in July 2018.
- 4.8 That all current equipment, fixtures and fittings that are currently used in the delivery of the in-scope services and supplied by the Council will be gifted to the NewCo in order to minimise set up costs. The company will then take on board responsibility for any future replacement and renewal costs in order to meet the needs of the business.
- 4.9 Included at Section 5.7 of the Business Case are a number of assumptions that have been recommended for consideration when the Business Plan is being developed for July 2018. It is worth noting that these assumptions are the general parameters that the team will address in developing the Business Plan. There remains work to be undertaken between March and July to model the financial impact of some of the assumptions, in particular in relation to pensions. A full actuarial report will be required to enable a final recommendation to be made in July about the pensions scheme in relation to new starters with the NewCo. There will continue to be discussion with the unions between March and July to address the issue.

5. Legal Implications

- 5.1 There are few legal implications or risks associated with setting up the NewCo, provided that no staff, assets or services are transferred to it and it does not commence trading.
- 5.2 The legal implications of transferring staff, assets and services to NewCo and of NewCo commencing trading will be detailed to Members when they consider progressing with these steps in July 2018.
- 5.3 The Council would be able to trade through NewCo under the Local Government (Best Value Authorities) (Power to Trade) Order 2009, once Members have considered and approved a "Business case" for the enterprise. The Options Appraisal considered by Members in November 2017, the V4 Report, and the documents to be presented to Members for consideration in July 2018 will together constitute this "Business case".

NewCo may be set up as a shelf company in advance of this, but Members may not decide to transfer services and allow it to commence trading until they have the full Business case to consider.

- 5.4 The proposal is that NewCo would be set up as a None Profit Distributing Organisation Social Enterprise (NPDO). The V4 Report outlines various taxation efficiencies in Section 2.3 (Pages 22, 23, 24 and 25) that arise from this approach. As a NPDO, the NewCo would not be able to distribute profits to its Shareholder (RBC), any surpluses generated would have to be

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reinvested by NewCo into its Services. If NewCo generates profits the Council as Shareholder should have reserved sufficient control to itself to allow it to be confident that any such reinvestment is in line with its' and the companies objectives and offers best value to the Borough of Redditch.

- 5.5 Within the business case V4 Report at Section 2.8 (Page 26) there is a detailed overview of the governance arrangements that would be established and operated by the NewCo to ensure it operates effectively, has good corporate governance and meets the aims of the Shareholder. If the NewCo commenced trading on 1 October 2018 (or afterwards) the Council would need to keep these arrangements under constant review to ensure that NewCo continue to deliver best value to the Council and achieves the Council's Strategic Aims.
- 5.6 If the Council decides not to transfer any services to NewCo in July 2018, NewCo could be dissolved. As NewCo would not have commenced trading, it would not have any liabilities. No staff would have transferred to NewCo prior to the July decision; the "TUPE cohort" would continue as RBC employees. There would be a financial risk to the Council at this point as savings identified would not be achieved.

6. Customer, Equalities and Diversity Implications

- 6.1 By continuing the work to identify customer need, demand, satisfaction and through the use of the measures dashboard the Council will ensure that all of the community are supported by the leisure offer and that the NewCo continues to deliver on the Council's Strategic Objective.
- 6.2 From an equalities perspective the NewCo will operate in line with the Council's existing practices and policies and it will be expected to support the Council's objectives in this area and respond to reasonable requests through its business planning cycle.
- 6.3 Officers have as part of this process undertaken an Equality Impact Assessment which will be used as Stage 3 progresses to ensure the above objective.
- 6.4 As part of the rebranding and development of the enhanced marketing offer a company name will need to be developed, this will be undertaken prior to the business plan being submitted. The new name will be established through market research and a user forum based approach. The new name will need to be predicated on being non geographic, capable of being multi layered to support all parts of the business across all types of media and it will look to create a unique brand identity to reflect the aspirational decisions being taken by Members.
- 6.5 As part of the establishment of the NewCo the continued support of our Volunteers is critical to the company's success, as such this will be a key area of work after the July 18 Business case is approved. As part of this, we will review our approach to volunteers to ensure it continues to support and ensure that we reflect the huge benefit they have to the organisation and the contribution they make to keep these keys services running by making them cost effective to deliver.

EXECUTIVE COMMITTEE**6th March 2018****7. Staffing Matters**

- 7.1 Due to the nature of the services provided within Leisure & Cultural Services there is a large cohort of staff. As part of the project work a list of potential staff that would be applicable for TUPE has been prepared and reviewed.
- 7.2 The tables below show the impact on the overall staffing structure within Leisure & Cultural Services.

Position	Head Count	Full Time Equivalent (FTE)
Stay at RBC	50	38.02
Proposed TUPE	62	44.44

Position	Head Count (including CASUALS)	FTE (including CASUALS)
Stay at RBC	75	38.52
Proposed TUPE	137	45.49

- 7.3 The approach to TUPE timeline, staff and union consultation has been discussed at this stage in preparation for future discussion. However until a formal decision has been made, the detailed consultation and engagement plans will not be formalised. They will though be in line with all statutory requirements and the Council's Change Management and Service Review policies.
- 7.4 The impact upon services and structure that are not in scope for transfer will be addressed by the Council through its formal change management and service review policies.
- 7.5 It is anticipated that this work will be undertaken as part of the wider management review that is required as part of the Council's efficiency statement for 2017 to 2021.

8. Risk Management

- 8.1 As part of the Business case there is a detailed risk register that shows the key risks associated with the decision that Members are making and the risk mitigation methodology. This can be found as Appendix 2.
- 8.2 There is also a Project Risk Register for the Stage 2 process which has been used to oversee the production of the Business case.
- 8.3 Should approval be given to progress to Stage 3 a new Risk Register will be produced to cover these aspects up to the next key milestone which will be the sign off of the Business case in July 18.

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- 8.4 At present this project has not been implemented onto the Council's Corporate Risk Register as it is subject to a formal Council decision. Should approval be given then this will be addressed as it will be a live proposal and it will then require a formal entry on the system.

9. APPENDICES

Appendix 1 – Business Report from V4 Consulting
Appendix 2 – Risk Register
Appendix 3 – Support Services Buy Back Schedule

10. BACKGROUND PAPERS

- July 11th 2017 Executive Committee Report
- October 31st 2017 Executive Committee Report

11. KEY

None

AUTHOR OF REPORT

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Executive Summary

The purpose of this Business Case is to set out a case for transferring some elements of Redditch Borough Council's Leisure & Cultural Services to a wholly owned Council company.

This business case is presented using the Council's "5 Case Model". This is used widely in the public sector and other organisations to provide a consistent and transparent format which details all elements of a proposed project and enables members to make a considered decision based on all relevant information in relation to the proposal.

This business case covers;

1. The Strategic Case
2. The Economic Case
3. The Commercial Case
4. The Financial Case
5. The Management Case

Should the Council approve the proposal to establish the Council Owned Company (NewCo) to accept the transfer of the Facilities and Services as set out in the proposal, a Business Plan covering the first four and a half years of NewCo's operation will be presented to the Council for consideration.

As NewCo's MD is unlikely to be in post prior to 1 October 2018 (when it is proposed that services would be transferred to NewCo), a consultant would be appointed to prepare the Business Plan on behalf of NewCo. The consultancy team will be supported by existing council officers from specialist area who will work to ensure that suitable and sufficient information is made available to prepare the Business Plan by July 2018.

Subject to approvals and further consultations, the objective would be to commence the new arrangements on 1st October 2018 in order to secure half year benefits in the financial year 2018/19.

By establishing a company that is 100% owned by the Council, the Council would continue to have direct strategic control over leisure provision and would be able to maintain close democratic oversight over NewCo through governance arrangements that would involve the approval of annual Business Plans.

The savings would only be achieved if the NewCo is set up to succeed, and given sufficient freedom to operate commercially, with innovation and with the ability to respond to market demands. It should be given "wings to fly". It is assumed that the Council would require the company to demonstrate excellent employment practice, to invest in staff and recognise the Trades Unions.

A range of assumptions apply to the Business Case. These have been developed through project workshops with input from Members, the executive and [senior officers. These assumptions underpin the key objectives of this project and the detailed modelling that has been undertaken when producing this business case.

These are listed at Schedule 5. The services within scope of transfer, and subject to this Business Case are:

- Abbey Stadium
- Forge Mill
- Palace Theatre (including Youth Theatre)
- Allotments
- Pitcheroak Golf Course
- Community Centre

Introduction

A number of reports have been presented to members over the past two years, updating on the intervention work undertaken by the Leisure and Cultural teams.

The Overview and Scrutiny and Executive reports in July 2017 detailed the actions that had been taken to increase income, reduce costs or enhance the customer experience. Members requested that a number of further actions be undertaken.

These actions included:

- Undertake survey work with residents to understand why some members of the community do not use Council facilities and identify services that would encourage more use.
 - *Status - This has been undertaken and the views reflected in this business case (summary of the outcomes of the survey are included as Schedule 1)*
- Undertake a feasibility of the Palace Theatre to establish the cost benefit of altering the venue to provide more seating and improved access to the box office. This is to include the benefits of retaining VAT on the cultural income
 - *Status - Specialist architects have been commissioned to ensure that the redesign meets the planning requirements of any redevelopment. A review of the option to apply Vat exemptions for cultural activities was carried out and the measures considered not viable due to the risk to the Councils partial exemption threshold¹*
- Undertake a review of the Redi Card to ensure this best meets the needs of the vulnerable members of the community.
 - *Status - This was approved by Council in October 2017 and implemented on 8th January 2018*
- Undertake soft market testing with external providers to understand future provision with reference to community activities and influence.

¹ A risk which could have costly implications far in excess of the potential benefit. In the proposed model, there is potential for the exemption to be applied by NewCo, as the company will have its own Vat account and will not impact on the Councils partial exemption. The business case makes no allowance for this additional benefit as further work is required to ascertain the risks and benefits.

- *Status - The options appraisal by V4 Services in November 2017 considers the market position for the provision of community services*
- Provide a detailed external feasibility of the options available for both in house company and external market appraisal.
 - *Status - Status - The options appraisal by V4 Services in November 2017 considers estimated financial benefits from the different models applied to a range of services including community activities*

As detailed above, and in the report to the July 2017 Executive, and when taking into account the transfer of the operation of dual use facilities back to the academy school trusts a significant amount of work has been undertaken to ensure that the Leisure and Cultural services operate as efficiently as they can be within the Council structure.

To generate further savings, the Council has therefore considered a range of alternative delivery models that have the potential to deliver further efficiencies and savings.

The options appraisal by V4 Services completed in October 2017 considered a wide range of options including continued in-house delivery and the report is attached as Schedule 2.

The Medium Term Financial Plan includes a full year saving² of £440k to be delivered by 2019/20 in relation to the provision of an alternative model of delivery within Leisure and Cultural Services. In 2020/21 the saving figure is expected to reach £480k through continued savings within the Council's support services.

The recommended solution provides a balance between the required level of savings, whilst allowing the Council to retain a higher level of strategic control and influence over the services and facilities within scope of this review. The Council will be able to maintain strong democratic oversight within a governance structure as set out below.

This arrangement will also allow the Council to manage the contract with a light touch approach that reflects the fact that this is a fully owned Council company thus avoiding some of other pitfall with other models.

² Based on the current costs 2017/18

1. THE STRATEGIC CASE

1.1 Organisational Overview

The Council currently operate Leisure and Cultural Services in-house; with staff directly employed by the Council; providing a wide range of cultural, sports, entertainment and recreational activities for residents and visitors to the area.

The Council directly employs approximately 700 full time equivalent staff (FTE), with approximately 55 of these FTE staff employed within the Leisure and Cultural Services within scope of this business case (around 8% of the Council workforce).

It should also be noted that there are also a number of casual workers, volunteers and self-employed freelance instructors that are involved in the delivery of the transferring services but due to their non-employment status they do not feature within the above breakdown. However, it will be essential for the NewCo to continue to work with and alongside these individuals in order to continue to deliver services after the date of transfer.

The proposal only involves the transfer to NewCo of services and facilities which are provided by Redditch Borough Council for the Borough of Redditch. The establishment of NewCo and the transfer of services to it does not therefore directly impact on the shared service arrangements with Bromsgrove District Council. However, the transfer of the services to NewCo will change and reduce the leisure and cultural services which remain with the Council and a renegotiation of the shared service arrangement for Leisure Services with Bromsgrove District Council is likely to be necessary.

The Council has already implemented alternatives to continued in-house operation, in order to improve service efficiency. From October 2017, the management of the 'dry side' leisure facilities at Kingsley Sports Centre on the site of Tudor Grange Academy transferred to School Lettings Solutions (SLS), the UK's largest provider of dedicated community lettings service for schools. From the same date the facilities at Arrow Vale Sports Centre on the site of RSA Academy Arrow Vale were taken over by local sports coaching company P&E Sports, who already work in Redditch and play a leading role in the provision of community-based sports coaching.

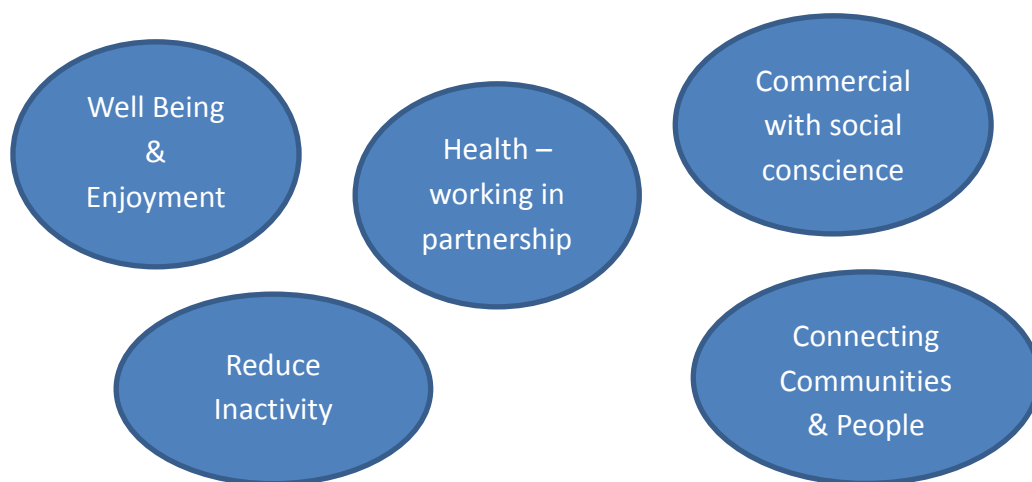
The transfer of Leisure and Cultural Services to the NewCo as proposed would have far reaching implications for the Council and its support services. Transformation would not be limited to those services (and staff involved in their delivery) that transfer to the NewCo, but also to those Leisure and Cultural Services that are not transferring and the Council's support service teams. The proposed savings would be dependent on transformational change in all of these areas. There will be considerable demands upon the Leisure and Cultural Services team and on colleagues in the support services to work with the consultants to develop the Proposal and Business Plan, whilst continuing to manage the services and work on transformational workstreams. Adequate internal and external resource will be needed to achieve the project objectives and maintain service continuity.

1.2 Current Business Strategies

Leisure and Cultural services support two of the main Council Strategic Purposes – which is to *“Provide good things to see, do and visit”*, whilst also playing a large role in *“Live my Life Independently”* given the large volume of work associated with *Health & Being and its links to physical activity*.

In its work to provide *“Good things to see do and visit”* and *“Live my Life Independently”* the Council draws together a number of themes that together aim to achieve the overall purpose.

These are



These five themes underpin the delivery and achievement of the strategic purpose.

The Redditch Council Plan 2017 – 2020 sets out the key actions to deliver to support the strategic purpose. These are:

- Provide well maintained community parks and green spaces
- Support the provision of leisure opportunities for the whole Borough
- Provide a culturally diverse programme of events and arts activities
- Enhancing the retail, leisure and residential offer
- Promote Independence and reduce social isolation
- Help people to have active bodies and active minds

The proposed delivery model will support the key actions identified in the Council Plan, as this requirement will feature in the Service Specification (being the document that sets out the scope of services that the Council will procure from NewCo, and how the Services are to be operated). The Key actions associated with the above Strategic Purposes from the Council plan will also be reflected within the Proposal and Business Plan to be submitted in July 2018.

In considering the Strategic Purpose and the future delivery of the element relating to Leisure and Cultural Services it is also important to refer to the *“Active Redditch” - Sports and Physical Activity Strategy 2017 -2022*.

This strategy sets out the Council's key objectives in supporting the community of the Borough to improve its level of health and fitness. In addition, the provision of arts and cultural activities to the community to improve health and wellbeing is also addressed.

The development of an Arts strategy is one of the key actions within the Council Plan, and the aim is to deliver this during 2018/19. As part of this work and the development of the service specification the role of the Palace Theatre will remain as a key outlet for artistic performance and community engagement for the local community.

Whilst the Council aims to be more commercial in its approach it is mindful of the social needs of the community and in particular those who are most vulnerable and the key role the services play in wider partnership agendas such as the County Health and Wellbeing strategy, the Children and Young People Plan and the work of the Redditch Partnership, all of which aim to improve residents' quality of life.

There is an ambition within the Active Redditch Strategy to target inactive communities in Redditch by providing activities that are inclusive for all abilities and:

- Encourage family participation
- Develop grassroots sessions
- Create social networks and opportunities
- Target local communities
- Free park events
- Work with partners
- Subsidise activities
- Support vulnerable / low income families to become active
- Enable Cycle routes
- Support Disability Training opportunities
- Provide arts and cultural activities and events

By developing the Specification for the NewCo, the Council can ensure the Services are being managed to deliver the strategy and this will also enable the Council to protect the most vulnerable members of the community.

The Council's Commercialisation and Financial Strategy (October 2017) underpins the Council's approach to commercialism. By adopting a commercial approach to service delivery, the Council intends to achieve efficiency savings whilst generating income.

At the heart of this proposal is the requirement to facilitate a new approach to developing and managing the Leisure and Cultural Services along more commercial lines in order to maintain and enhance services. However, this will not be at the expense of meeting current and future customer needs or maintaining quality services, which continue to be priorities for the Council. Services will, if anything, be even more accessible and affordable to local people.

This proposal is perfectly aligned to the Commercialisation and Financial Strategy. NewCo must be incentivised to achieve and exceed its agreed Business Plan objectives, by reducing the level of Council subsidy even wherever this is possible. NewCo would benefit from a share of this above target performance in a “gainshare” agreement that will be developed in the Proposal and Business Plan. This will enable NewCo to build some reserves to create a contingency and to enable them to become more resilient to trading challenges in years to come. It is proposed that the first £100k of any additional (above target) saving is retained by NewCo, and thereafter the additional savings is shared 50/50. It is important to note that NewCo can only use their funding for the provision of the Services and in accord with the Business Plan they will agree with the Council each year.

1.3 Spending Objectives

In February 2017, the Council considered how £2.8 million of savings could be found over the four years to 2021/22. The Medium Term Financial Plan includes £440k to be delivered by 2018/19³ from Leisure & Cultural Services. Subject to the approval of the Council in March 2018, the plan is to deliver this saving by deploying an alternative delivery model (ADM). Of this sum, c. £40k will be delivered by support services savings which can be generated as a result of the deployment of the ADM with a further 40K of funding expected in 2020/21.

By the end of the fourth full year of trading the aim is to secure savings of c.£520k per annum without reduction in the services offered to the Community (offering value for money by delivering the “same for less”). With further capital investment, efficiencies and transformation the aim is to deliver “even more for less”.

Based on the revenue out-turn figures from 2016/17, the current net revenue subsidy for Leisure and Cultural Services⁴ is a little over £1m per annum (excluding central costs and depreciation etc.). This is based on an operating cost of over £4m, with income generated across the service totalling just under £3m.

A saving of c. £440k will represent a reduction in net revenue subsidy of more than 40%. The £400k saving attributed to Leisure and Cultural Services is the highest savings target attributed to any service area within the Council and equates to £33k per calendar month. As such any delay in the project will impact upon RBC's in year savings by the corresponding amount

Services within scope of this business case account for a large proportion of the remaining subsidy. The services within scope of transfer, and subject to this Business Case are:

- Abbey Stadium
- Forge Mill
- Palace Theatre (including Youth Theatre)
- Allotments

³ Full year equivalent

⁴ Including some services not subject to this review

- Pitcheroak Golf Course
- Community Centre

A review and proposal will also be developed around the services at Arrow Valley Countryside Centre and Learning on Line and the potential to exit from the current operational arrangements between April and July 2018. These proposals will be predicated on the basis that they will have no adverse impact on the required savings. Should they demonstrate that they offer benefits to the Council and the NewCo then a recommendation will be made to members within the Business Plan. The overarching arrangements, if approved, would have provisions for changes to the range of services and facilities to be delivered by the NewCo in the future.

Other facilities and services may be included at a later date subject to individual business cases being agreed by the Shareholder. RBC as shareholder would also have the ability to bring services and facilities back in house in the future if it so desired.

In 2016/17, the total operating income generated from the services above was £1.88m, with a total operating expenditure of just over £2.75m – representing a net revenue subsidy (before overheads and management charges) of £858k.

In addition to this, there are a further £478k of support services charges and management overheads – this is based on 17.4% of the net operating expenditure in 2016/17.

The proportion of overhead costs is to increase to 18.56% in 2017/18 – further increasing the overall cost of delivering the service.

1.4 Existing Arrangements

The Council currently operate and maintain a wide range of Leisure and Cultural facilities, and related services. The table below sets out the facilities currently provided to residents, along with details of the condition of each venue.

Site	Date Built / Refurbished	Condition
Abbey Stadium Sports Centre	Major refurbishment and extension within past 5 years including addition of new pools wing	Functionally Good, but with inefficient layout that involves an extraordinary level of space that is not generating income. Significant potential for reconfiguration. Maintenance and Building presentation is very "municipal" and has resulted in finishes which are unattractive and overly functional. External car parking is limited at peak times and requires investment.
Redditch Palace Theatre (including Youth Theatre)	Built in 1914, and refurbished with extension in 2005	Well maintained and extremely well presented. Evidence of real care and attention to detail.
Forge Mill Needle Museum	c.1983	Fair but has a number of inherent design issues that could be overcome to increase the quality of the offer.
Batchley Community Centre	Unknown	Fair but in need of redecoration.
Oakenshaw Community Centre	Unknown	Fair but in need of redecoration and refresh of fixtures and fitting.
Windmill Community Centre	Unknown	Fair but in need of refresh of fixtures and fittings.
Winyates Green Community Centre	Unknown	Fair

Site	Date Built / Refurbished	Condition
Pitcheroak Golf Course	100-year-old course, club house not known	Club house is of wooden construction in fair to poor condition - Internally and externally tired. Course is in reasonable condition but requires investment in some areas to increase the attractiveness of the offer.

All of the properties would be subject to condition surveys which would inform the Business Plan. It is important to stress that the Council will continue to own all of the buildings and NewCo will be their tenant. The Council will retain liability for major repairs and will still need to fund the repairs and remedial works identified in the Condition Surveys. NewCo will need buildings which are well maintained and remain attractive and fully functional to achieve their Business Plan objectives.

It should be noted that all of the services within the scope of this business case are non-statutory with the exception of allotments. Section 23 of the Small Holdings and Allotments Act 1908, places a statutory duty on the Council to provide a sufficient number of plots⁵. The Council can discharge these responsibilities via other agencies and so the transfer to an ADM would not prejudice the Council's legal duties.

Artefacts that are owned or in the care of the Council would remain owned or in the care of the Council and would be made available for use by NewCo for the duration of the Contract.

Where new donations were made these would be made to the Council with the NewCo being responsible for administering the process and providing the Council with professional advice as required in such matters.

The Council would retain responsibility for the off-site storage of artefacts as required to make the collection available to the NewCo.

The services that are within scope of transfer also provide a contribution to the funding of the Council's central establishment. In 2016/17, this was estimated to be c. £656k. Overheads are apportioned on a percentage basis across each aspect of the service, in 2016/17, this figure was 17.4%, rising to 18.56% in 2017/18.

1.5 Customer Engagement Exercise details

It was agreed at the July 2017 Executive that there was a gap in understanding and knowledge of customer need and how the services provided are used by local people.

⁵ Though the quantity is not specified

A public engagement survey was completed in August and September 2017. A copy of the Outcome Report is included in Schedule 1.

A total of 1,669 valid surveys survey responses were received. This is by far the highest number of responses to any Council survey undertaken to date. The high number of responses should provide the Council with a degree of confidence that the views are representative of the wider community.

There were a significant number of comments that were included by those completing the survey which are useful in the context of this business case.

Frequency of attendance

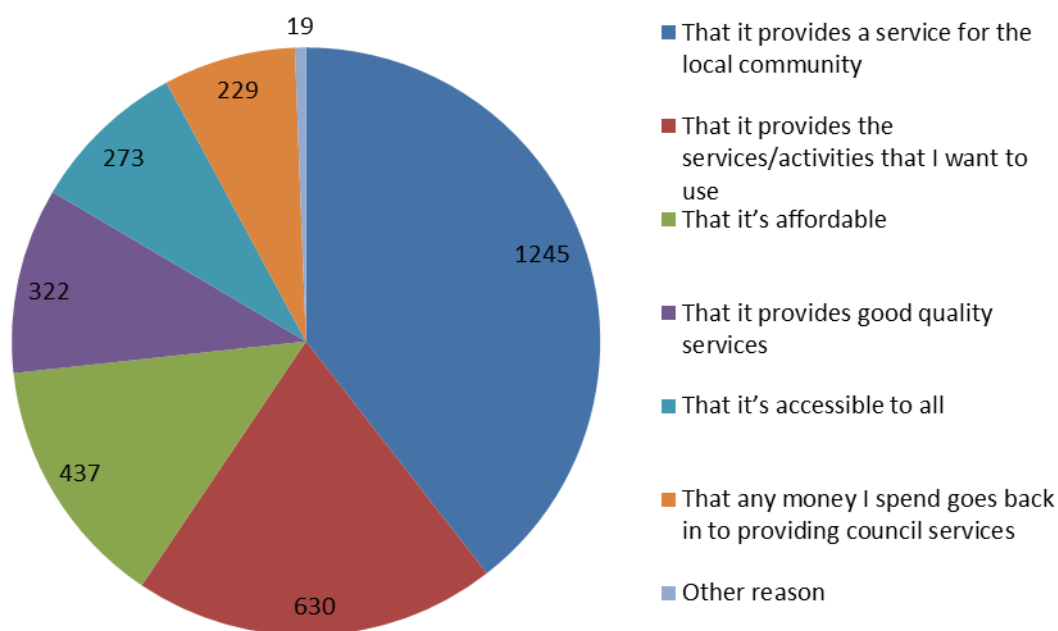
Whilst the frequency of attendance at the facilities may be of some interest, the comments inform members and officers of the reasons that attendance by some may be less than expected. For example, comments include:

- Desire to have an allotment (not available in my area at present)
- Difficulty accessing services – attributed to various factors including cost; the Abbey Stadium being too busy; transport issues due to living in a rural location; and lack of transport generally
- Not understanding “what sports and arts development are all about”
- Lack of awareness – due to poor advertising and / or promotion
- Removal of facilities, including the impact of the closure of Kingsley Pool
- Facility standards – due to poor maintenance of facilities and equipment

It is therefore important for this business case to consider how an alternative management model can help to address these issues in order to increase attendances and participation rates.

What do customers value most?

A significant number of respondents stated that they valued the fact that the services were available to the local community.



Comments/other reasons included:

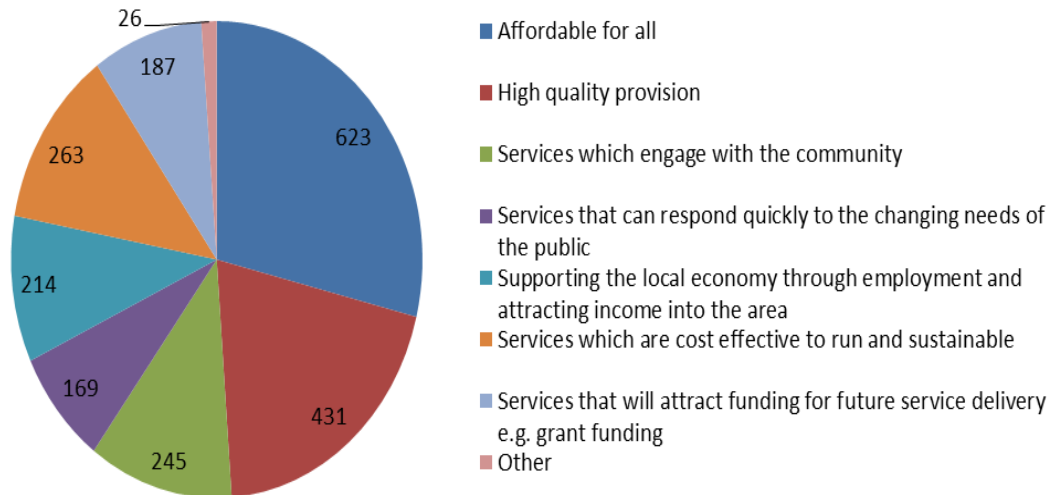
- Importance of a focus on health
- User affordability
- Provides value for money
- Importance of being community focused
- Importance of being run by the Council⁶
- Equal number of responses stated the importance of “not for profit” nature

The survey highlighted that value for money, community service and supporting the vulnerable were very important priorities for the community of Redditch. This underpins the strategic purpose of the Council, as set out in the Council Plan and the key priorities that were referenced earlier in this business case.

What is Important in Future Delivery?

When asked how important each of the following areas were in relation to the future delivery of the Council’s Leisure and Cultural Services respondents again were directed to the areas of social support in affordability and quality provision.

⁶ Although this can also be interpreted as being “provided” by the Council



Frequent comments/other important issues included:

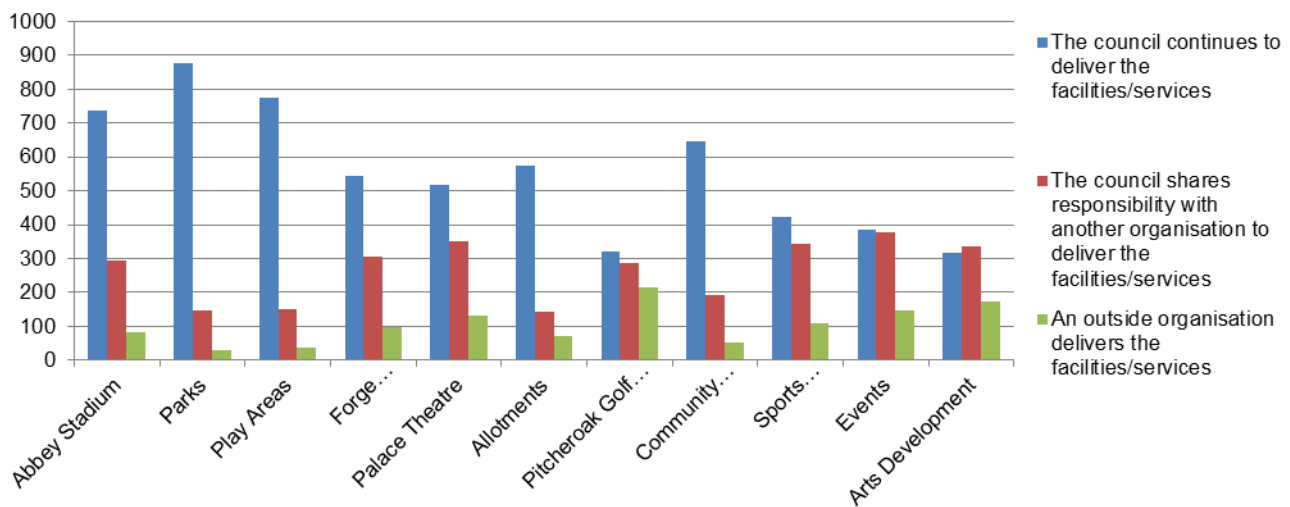
- Importance of a focus on health
- User affordability
- Importance of being community focused
- Importance of being not for profit
- Importance of effective management

The question that was clearly linked to the model of delivery asked respondents to select a preferred model. As can be seen below, the majority stated that they would prefer the Council to continue to deliver the services. They did not state under what model the Council would deliver the services however the results would support the establishment of LATC over alternative model that are available.

It is important to note the comments that were made in relation to the question:

Comments included issues such as:

- Not enough information to decide on the best model
- The importance of financial viability of any model
- The importance of ensuring user affordability
- The importance of effective management and a well-run service, regardless of the delivery model
- The belief that the model should be not for profit
- That the model should be community focused
- The importance of protecting local community assets
- The desire for accountability
- The potential for fresh input



The Council has an obligation to deliver services in the most economic and efficient way possible, this is a key aspect of the commercialisation agenda within the Council and a key driver that has led to the production of this business case and the key aims that underpin this work programme.

1.6 Business Needs – current and future

The Council is committed to the provision of Leisure and Cultural facilities which are accessible, high quality and affordable for local people.

The evidence of need for the Theatre is apparent, given the popularity of the programme and attendances. Benchmarking levels of provision for this type of facility is not possible. There are no reliable benchmarks to determine the level of community centre provision required in a given area. Heritage facilities meet very specific needs and have regional appeal.

Notwithstanding the above, there is evidence to support the continued investment by the Council in Swimming Pools and Sports Halls. The Sport England Study of 2015 indicated that the provision of swimming pool space within the Borough is substantially lower than in neighbouring boroughs or the regional average.

Total Supply	Redditch	Bromsgrove	Stratford upon Avon	Wychavon	WEST MIDLANDS TOTAL
Number of pools	3	5	8	5	298
Number of pool sites	2	4	7	4	219
Supply of total	558	1144	1698	1259	66378

Total Supply	Redditch	Bromsgrove	Stratford upon Avon	Wychavon	WEST MIDLANDS TOTAL
water space in sqm					
Supply of publicly available water space in sqm (scaled with hrs avail in pp)	414.76	932.19	1607	1191.84	52757.89
Supply of total water space in VPWPP	3596	8082	13933	10333	457411
Waterspace per 1000	6.6	12.0	13.9	10.6	11.5

There is also evidence to support the level of provision of sports halls in the Borough

Total Supply	Redditch	Bromsgrove	Stratford upon Avon	Wychavon	WEST MIDLANDS TOTAL
Number of halls	10	16	12	11	578
Number of hall sites	6	9	10	8	410
Supply of total hall space in courts	30	69.2	49.4	40.1	2631.1
Supply of publicly available hall space in courts (scaled with hours available)	27.99	37.98	38.25	32.36	1789.91

Total Supply	Redditch	Bromsgrove	Stratford upon Avon	Wychavon	WEST MIDLANDS TOTAL
in peak period)					
Supply of total hall space in VPWPP	7640	10370	10441	8833	488645
Courts per 10,000	5.1	7.25	4.05	3.38	4.57

1.7 Benefits and Risks

This business case illustrates the range of benefits that could accrue from the deployment of an alternative delivery model for Leisure and Cultural Services; both for the Council and the local community.

Some of the benefits are non-financial and relate to services being more responsive to the demands of local people and the improvement of services that can accrue from new ways of working and closer engagement with customers.

There are also very significant financial benefits. The Options Appraisal found that alternatives to continued in-house operation can generate substantial savings in VAT (estimated for the Abbey Stadium Sports Centre to be in the region of £150k per annum), and from Business Rate relief⁷. There remains some uncertainty around the actual value of the nett savings from the relief from Business Rates (for options that involve a non-profit distributing company). This is due to changing government policy on the proportion of business rates to be retained and the treatment of discretionary relief and how this is funded within “pooled” arrangements.

For the purposes of this business case a prudent figure of around £50k savings per annum is used. This represents a nett savings of c.25% of the current NNDR costs (this being the likely proportion of business rates to be retained centrally by government and therefore not lost to the authority if 100% relief is granted). However, the income growth figure is intentionally very modest and there is considerable potential for this figure to increase – to the extent that it can mitigate any reduction (or elimination) of the NNDR savings.

In all but the outsourced option where the price is contractually secured, the financial risk remains with the Council. Over a number of years there will be a degree of risk transfer as the company develops and generates reserves, and continues to improve

⁷ Subject at time of writing to verification due to complexities related to the governments new business rate retention scheme and due to Redditch being party to a “pool” arrangement

performance and reduce the dependency on Council subsidy. If NewCo fails to achieve the necessary transformation and for whatever reason is unable to deliver the savings, the Council will ultimately be required to provide additional funding (or revert to current arrangements).

1.8 Constraints and Dependencies for NewCo

Repair obligations

When transferring the NewCo will for the buildings under lease be responsible for the management the facility management and associated costs that were previously the responsibility of the Council.

In the short term NewCo will enter into an SLA with Place Partnership on the same arrangements as those of the Council for the continued provision of these services.

Within the new arrangements the NewCo will be responsible for the oversight and management of Place Partnership services and will have direct control over the budget for these matters. This will necessitate a review of the current budget allocations within the Council to ensure sufficient funds are retained by the Council and released to the NewCo so that both parties can meet their obligations under the lease arrangements to each other, and fund the works identified in the Condition Surveys when they are available

In the longer term NewCo may choose to explore alternative ways of meeting its repair and maintenance responsibilities. Any alternative arrangements would be subject to shareholder review through the business plan.

Support services to be “bought back” from the Council

In the first year to 12-18 months of the contract, NewCo would also be dependent upon the Council to provide a range of support services. The table at Appendix 3 provides information about which services would be bought back, and what the initial term of the arrangement would be. The charge to be applied is yet to be agreed, but would be contained within the affordability envelope and with due regard for irrecoverable Vat.

After the initial term NewCo would be able to explore alternative options for the delivery of services. The implementation of any alternatives would be subject to shareholder review through the business plan.

NewCo would have a duty to be economic and efficient – and this would include identifying potential savings in the purchasing of support services. Within the first twelve months of operations, NewCo would review the options for the future provision of support services and make recommendations to the Board and the Shareholder.

2. THE ECONOMIC CASE

2.1 Critical Success Factors

As part of the optioneering process that informs this business case, a number of critical success factors have been identified which will enable the Council to ensure it continues to provide Leisure and Cultural Services in line with the Council Plan – with the particular consideration of “good things to see, do and visit” and “live my life independently”.

That said, one of the most important factors when considering of the business case for implementing an alternative service delivery model is the level of savings it is able to generate, against the Medium Term Financial Plan initial commitment of £440k.

Whilst savings delivery is an essential pre-requisite, the Council has identified the following critical success factors for the future delivery of Leisure and Cultural Services in the Borough.

Commercial with a Social Conscience

- Savings - potential over 10 - year term (with £440k in the first full year of trading⁸)
- Ability to determine and adapt pricing and programming policy
- Ability to secure grants and attract inward investment
- Ability to mitigate impact and deliver savings on support services staff and systems
- Ability to effectively impose staff protection measures
 - Complexity - transformation and / or deployment issues

Reduce Inactivity

- Ability to get more people, more active, more often
- Ability for Council to implement improvement and change over the term
- Degree of Council control, and client resourcing demands

Health - Working in Partnership

- Alignment with future funding models - health commissioners etc.

Connecting Communities & People

- As per measures frame work agreed

Wellbeing & Enjoyment

- As per measures framework

These critical success factors were used as the criteria against which the shortlisted options were evaluated and are the basis upon which the recommendation has been made. The greater the ability of each option to achieve each of these success

⁸ Savings in 2018/19 Pro Rata (commencement on 1st October 2018) _

factors, the higher the option scores. Factors have been weighted by the Council depending upon their importance – the summary of the overall scores is shown below, and the full evaluation of these options in the Options Appraisal at Schedule 2

2.2 Alternative Options Considered

Officers worked with V4 Services to develop a comprehensive Options Appraisal, and the following information is provided for information and to demonstrate the rationale which led to this option being advocated in the Business Case

The full range of options included

- **In-house operation** (essentially retain the status quo))
- **Private sector operator/s** (procured through OJEU procurement route)
- **Private sector operator/s offering “Hybrid NPDO”** arrangements (procured through OJEU procurement route)
- **Locally established Trust** – not possible unless as an outcome of a procurement event, after 2015 due to changes in procurement regulations
- **Existing NPDO (Trust)** – not possible unless as an outcome of a procurement event, after 2015 due to changes in procurement regulations
- Tactical contracts (multiple)
- **Local authority company** (as recommended)
- Joint venture company
- Partnering contract
- Framework agreement
- Design, build, finance and operate (DBFO) – including Public Finance Initiative (PFI)
- Closure or disposal

Status quo; do nothing option

Whilst the status quo is considered as an option on the long list of possibilities for Leisure and Cultural Services, the current net revenue subsidy of c. £1m and the required level of savings for the service, as identified in the Council’s Medium Term Financial Plan, means that this is not a viable or sustainable option and has therefore not been taken forward for consideration in the final appraisal of options. It has been recognised that an alternative means of provision is required to have the potential to generate the level of savings required in the next four years.

Appraisals of Costs and Benefits

The critical success factors have been compared to the general features of each of the shortlisted service delivery models. The outcome of this exercise is shown below, taking account of the relative importance of each driver, based on the following weightings being applied to each of the critical success factors.

Criteria	Weighting
<u>Commercial with a Social Conscience</u>	
Savings - potential over 10 - year term	15%
Ability to determine and adapt pricing and programming policy	10%
Ability to secure grants and attract inward investment	10%
Ability to mitigate impact and deliver savings on support services staff and systems	5%
Ability to effectively impose staff protection measures	8%
Complexity - transformation and / or deployment issues	8%
<u>Reduce Inactivity</u>	
Ability to get more people, more active, more often	12%
Ability for Council to implement improvement and change over the term	10%
Degree of Council control, and client resourcing demands	12%
<u>Health - Working in Partnership</u>	
Alignment with future funding models - health commissioners etc.	10%

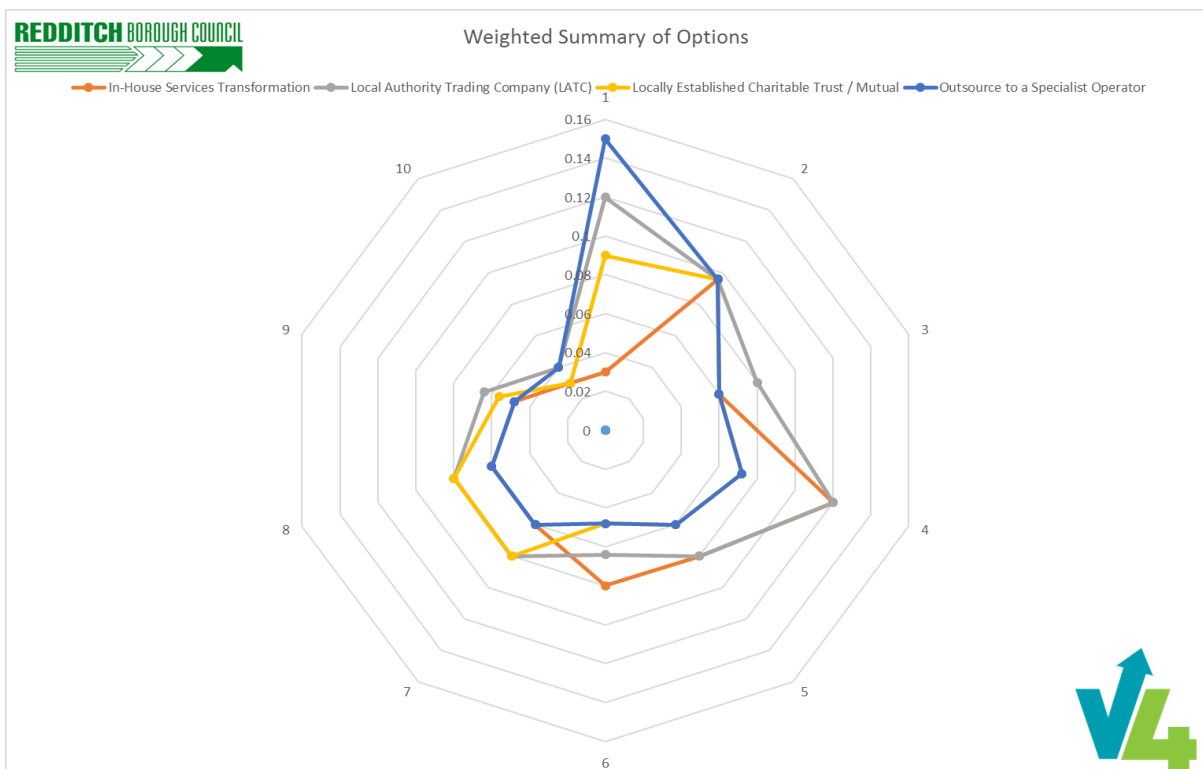
The financial and non-financial appraisal of options are set out below.

The tables and infographics below show the results of the objective comparison of the range of viable options, and the relative scores against each criterion for each option.

Unweighted summary	Savings - potential over 10 year term	Ability to get more people , more active , more often	Ability for Council to implement improvement and change over the term	Degree of Council control, and client resourcing demands	Ability to determine and adapt pricing and programming policy	Ability to effectively impose staff protection measures	Alignment with future funding models - health commissioners etc	Ability to secure grants and attract inward investment	Complexity - transformation and / or deployment issues	Ability to mitigate impact and deliver savings on support services staff and systems	Total Score
In-House Services Transformation	1	4	3	5	4	5	3	3	3	3	34
Local Authority Trading Company (LATC)	4	4	4	5	4	4	4	4	4	4	41
Locally Established Charitable Trust / Mutual	3	4	3	3	3	3	4	4	3.5	3	33.5
Outsource to a Specialist Operator	5	4	3	3	3	3	3	3	3	4	34

Option Name	Total Score
In-House Services Transformation	66.40%
Local Authority Trading Company (LATC)	82.40%
Locally Established Charitable Trust / Mutual	67.20%
Outsource to a Specialist Operator	69.40%

Option Name	Total Score
In-House Services Transformation	34
Local Authority Trading Company (LATC)	41
Locally Established Charitable Trust / Mutual	33.5
Outsource to a Specialist Operator	34



From the analysis of the options, the Local Authority Trading Company is the highest scoring option with 82.40%, and outsource to a specialist operator second at 69.40%.

2.3 Savings potential

The contracting out / outsourcing to separate organisation options would no doubt produce the highest savings, but the actual level of saving (and the terms) cannot be determined with any degree of certainty without a complex and costly procurement event.

For all of the options, other than In-House, the savings would be similar in all models for NNDR and VAT, as all of the options would involve the deployment of a not for profit company capable of securing these concessions.

Further savings would usually be expected from contracting out to either an existing Leisure Trust or to a private sector operator. These savings derive from the fact that existing operators have well established systems in place for operating facilities which generate maximum income at lowest cost. Existing operators benefit from having an expert back office that have been developed with the sole purpose of operating leisure centres (sales and marketing, ICT, HR etc.). The increased income projections are, however, partly offset by a head office / profit contribution (market expectations in the range 5% - 7% of turnover).

However it should be note that although the out sourced model would offer the greatest saving it would invariable also offer the least amount of local design and control of services and would require a greater level of ongoing contract management due to the commercial nature of the contracting arrangements that would be implemented.

Modelling suggests that all options would achieve savings from NNDR and VAT as follows (approximation). It is important to note that whilst the Council could benefit from the gross VAT levels, there would be a potential impact on the VAT that the Council can reclaim from expenditure through the partial exemption calculation.

The table below shows the elements which contributes to the overall savings potential, for a full year (in this case the first full year of trading). The table below provides a brief explanation of the rationale behind each element.

Element	Full Year 1	Note
Savings Requirement / Business Case	£440,000	The minimum savings requirement – that underpins the Business Case
NNDR	£53,500	Based on the assumption that NewCo will apply for and be granted 100% discretionary rates relief and that 25% of the value of the benefit is retained (the rest being effectively a lost income to the Council under the Pooled Rates / Council Tax retention system (as declared by government at this time)
Net VAT gain	£153,000	This is the sum of the extra income that the NewCo will retain when HMRC exemptions available for this type of organisation is applied for certain types of activity (such as casual swimming), less the cost of NewCo being unable to recover 100% of the input Vat (expenditure). Note that this is a dynamic calculation dependent on numerous factors that will change as the Business Plan is developed and the Trading activity established. It is not a fixed sum, but the figure used is considered to be a conservative estimate ⁹ .
Efficiencies	£100,000	NewCo brings together a range of services that have synergies and the potential to generate scale economies. This is a provisional sum considered to be a realistic target for the company to achieve as an outcome of introducing new ways of working, improved procurement and a range of other initiatives to be developed further and set out in the Business Plan (July 2018)
Income growth	£200,000	NewCo will be designed to operate more commercially within the social constraints set by the Council. The team recognise the potential for improved performance, particularly in generating income from Leisure Centre operations. This is a provisional sum considered to be a realistic target for the company to achieve and is conservative when compared to the growth in income

⁹ This cannot be an exact science as there is an interplay between the cost of services bought back from the Council and the choices yet to be taken about Repairs and Maintenance responsibilities etc. Changes to pricing will also impact on Vat efficiency. V4 are not Vat experts and this figure has been calculated together with Council officers and in good faith

Element	Full Year 1	Note
		achieved by similar companies in the sector elsewhere. The initiatives that NewCo will use to generate the additional income will be set out in the Business Plan (July 2018)
Back office / support cost savings	£40,000**	
Term saving - pensions / 10 years	£15,000	This is an approximation of a sum that could be generated from staff leaving who are in the LGPS (TUPE cohort or transfers by agreement) that benefit from the current employers' contribution rate, when replaced by new employees in a new Stakeholder pension with an employer's contribution rate which is up to 18% lower. This sum would be far greater in future years, and in each year would be dependent on staff turnover (and the incomes of the staff that leave). <i>This is based on the current assumption that the LGPS scheme is closed, and without the benefit of the actuaries' report¹⁰. A conservative figure has been used</i>
Balance for adjustments *	-£121,500	This is the difference in value between the sum of the identified potential savings elements and the absolute savings requirement (£440k)

**The balance for adjustments sum is the reserve available for contingency, to meet agreed none recurring costs, Vat / NNDR saving adjustments or other extra ordinary costs.*

***This is based on an initial £40k per annum saving from support services and may be adjusted to £80k in the Business Plan from years 2021/22*

The arrangements overall must be optimised for Vat and Tax efficiency.

It is important to note that the table above provides an estimate of the potential for savings. The commitment to save £440k is therefore considered to be prudent and realistic, allowing for some changes in the proportion of savings attributable to income growth if these are required to fund some none recurring set up costs and /or adjustments to the projected savings from NNDR / Vat.

A more detailed assessment of the potential for pension's savings to be carried out prior to the submission of the Business Plan in July 2018. The figure provided is a very conservative estimate for this stage only. In the detailed Proposal and Business Plan the savings potential will be modelled more accurately.

¹⁰ Pending

The Local Government Pension Scheme (LGPS) would remain available to existing members¹¹ who are within the TUPE cohort. The LGPS would however be closed to new employees joining NewCo after the date of transfer. New employees would be offered a stakeholder pension with an employer's contribution of 6% and employee contribution of 3%


2.4 VAT Savings

The VAT savings potential is complex and difficult to estimate with a degree of accuracy when some of the arrangements that impact on Vat efficiency are not yet finalised (value of Management Fee, SLA and R&M etc.). The estimated Net Vat Savings is considered reasonable at this stage. For this reason, a conservative figure has been used, and no allowance has been made for moving the status of some income from cultural events and activities at community centres from standard to exempt. This will be the subject of a Vat analysis by specialists within the first six months of trading post transfer.

Further explanation of the basis for the VAT savings and the rationale are provided in the technical [Addendum B of the full Options Appraisal \(Schedule 2\)](#).

2.5 Overall evaluation of options

When considered in totality the financial savings potential of each option, and their scores against the non-financial weighted criteria, the overall result is as follows:

						
Financial Savings Weighting		30.00%				
Non-Financial Appraisal Weighting		70.00%				
Option	Savings Potential	Savings Score	Weighted Score	Appraisal Score	Weighted Score	Overall Score
In House Transformation	£200,000	25.16%	7.55	66.40%	46.48	54.03
LATC	£575,000	72.33%	21.70	82.40%	57.68	79.38
Trust	£500,000	62.89%	18.87	67.20%	47.04	65.91
Outsource	£795,000	100.00%	30.00	69.40%	48.58	78.58

Option	Overall Score
In House Transformation	54.03
LATC	79.38
Trust	65.91
Outsource	78.58

The value of the score attributed to the achievement of financial savings has been moderated in the overall evaluation, ensuring that other none financial criteria related to the Council's critical success factors is given due weight.

¹¹ Staff who are not part of LGPS, but have the rights of membership must exercise those rights by 1st September 2018 (prior to transfer)

2.6 Preferred Option

The Options Appraisal analysis concluded that the “best fit” option involves the creation of a **Council owned / controlled not for profit company**, with company limited by guarantee status (variously referred to as a Council Owned Company / CoCo / NewCo). This is the option on which this business case is based.

2.7 Savings potential

If this business case is agreed and approval granted, a Council Controlled Company (as recommended) has the potential to reduce net operating subsidy by at least c. £220k for the 6 months October 2018 to April 2019, and by c.£440k in years two (2019/20) and by £480k in years three (2020/21) and four (2021/22), and up to £520k in year five (2022/23).

2.8 Control and influence

The NewCo Board of Directors - would initially comprise of up to seven persons, including:

- the Managing Director,
- two Senior Council officers, and
- four non-executive Directors appointed via a transparent recruitment process¹².

Any decision to change to the composition of the Board would be reserved to the Shareholder.

Directors would only receive payment for expenses, unless approval is given by the Shareholder.

It is assumed that directors’ indemnity insurance would be put in place when the company was formed. An individual becoming a director would take on a range of duties and responsibilities about the way in which NewCo operates. Potential candidates may be put off from applying for (especially unpaid) posts if they are not shielded from personal financial risk, restricting the pool of talent and potential expertise that NewCo would be able to draw on.

The chair of the board of directors would be selected from the appointees to the board however the role of chair would be restricted and could not be filled by the Managing Director of the NewCo.

To facilitate Shareholder decision making, it is envisaged that the Council may wish to delegate this function to a Shareholders Committee. Appointments would be made at the Council discretion although it is anticipated that this would be through the outside bodies process at the annual general meeting of the Full Council, this would however remain a matter for the Council to determine post transfer.

¹² Must demonstrate local interest either by residency in the area or by business interest

A range of matters would be reserved for approval by the Shareholders Committee, including;

- Approvals for the appointment and dismissal of NewCo Directors
- Approval of loans over £20,000 , charges on NewCo assets , and contracts with terms of five years or more
- Approval of spending commitments above £250,000, or for duration of 24 months or remaining term (whichever is lower)
- Approval of Directors remuneration (if applicable)
- Appointment and remuneration of MD , and dismissal of same
- Approval of above inflation pay increases
- Approval of litigation defences or claims
- Approval of the appointment of bankers and auditors
- Approval of the annual Business Plan

2.9 Fit for the future

The review of the leisure and cultural services identified opportunities to bring a greater degree of commercialisation to bear and drive through operating efficiencies. Synergies between the facilities and services can be exploited more effectively. The new company is likely to be more attractive to some of the emerging funding regimes (including health commissioners) and in the medium to long term NewCo would aim to diversify and reduce its dependence on Redditch Council subsidy. A more commercial approach, balanced with social responsibility, is consistent with the Council Plan.

As a separate legal entity the NewCo will be eligible for alternative grants funding arrangements that as a council we could no access

2.10 Risk transfer

The recommended service delivery model affords very little risk transfer in the early years, but can achieve a degree of risk transfer in the future when reserves are generated, and the company grows and possibly diversifies.

2.11 Timescales for delivery

Services could be transferred to NewCo by 1st October 2018 (delivering a saving of around £220k for the half financial year 2018/19 (excluding set up costs), if a consultant is commissioned to produce NewCo's first Business Plan.

If it is preferred NewCo's managing director could be appointed and tasked with producing the business plan under which NewCo would commence its operation.

This will necessitate a later transfer of service to NewCo [estimated date] as it will not be possible to appoint and have a managing director in post in time to prepare the business plan for Council approval in July 2018.

3. THE COMMERCIAL CASE

3.1 Approach to Procurement

The planning and management for the establishment of the new company has been developed with a target implementation date of 1st October 2018, generating half year savings for financial year 2018/19.

Under the most recent EU Public Procurement Regulations (PPR 2015), the establishment of a wholly-owned Council not for profit company is Teckal¹³ compliant, and is therefore exempt from a competitive public procurement exercise. This regulation enables to Council to directly award the contract for the operation and management of the transferring Leisure and Cultural Services to NewCo.

Each year, the company would be required to provide the Council with a statement of compliance with Teckal requirements and state the %age value of its activities with the Council as a proportion of its overall activities (turnover value). The Council as shareholder would anyway set the scope of NewCo's activities.

Whilst the NewCo would not be statutorily required to follow the Council's own procurement procedures it would be required to comply with good practice and it would be required to comply with the Public Procurement Regulations (PPR 2015) due to the extent of control / influence exercised by the Council.

3.2 Service Requirements

The performance framework for the NewCo will be based around Five strategic themes:

- Operating more commercially, with a Social Conscience
- Reducing Inactivity
- Health - Working in Partnership
- Connecting Communities & People
- Well Being & Enjoyment

These are the strategic themes by which the Council will manage the performance of the company. Under these strategic themes there will be strategic outcomes with supporting success criteria and key performance indicators. Whilst the governance arrangements and reporting framework have been agreed, performance indicators are still to be finalised. The reporting framework will be based upon system thinking methodology and use a mixture of case studies, annual reports, qualitative & quantitative data sets, headline national benchmarking data sets and a balanced score card. There is a recognition that these need to be the most important measures of success and can only be based on the information that has been or is currently available (the baseline). As the NewCo progresses the reporting framework would be reviewed with the Council, to ensure it remains robust and valid and where applicable this would be varied to ensure the Shareholder is comfortable that the company continues to deliver its agreed outcomes.

¹³ Expert legal advice required to ensure compliance

The full set of service requirements will be set out in the Service Specification, which will contain details of the Council's minimum requirements and expectations for the services being provided. The measures of success in the Service Specification will be linked to the performance monitoring regime.

3.3 Charging Mechanism

For at least the initial funding period, NewCo would be subsidised by the Council in the form of a Management Fee, in just the same way as the existing in-house services are subsidised through Council budgets. If NewCo fails to achieve its Business Plan objectives and achieve the savings target, the Council will ultimately be asked to provide the necessary "top up" funding (or it may decide to terminate the arrangement and revert to in-house operation or procure an alternative). The first 18 months of trading will be particularly challenging for NewCo as it is projected to "hit the ground running" with savings delivered immediately. This will require transformational change in the run up to transfer, and there is a need to recognise that the savings trajectory within the business plan periods will not necessarily be flat lined (savings achieved over the period on average).

To achieve the requisite savings in line with the MTFP, the amount of funding provided to NewCo will be reduced over the initial funding period (4.5 years) and beyond.

NewCo will need sufficient revenue to fund its cash flow and begin trading as a viable business from commencement on 1st October 2018, therefore it would be anticipated that the first six months of Management Fee is provided in advance by the Council, and then quarterly in advance thereafter. The Management Fee must be standard rated for Vat purposes, in order to optimise the Vat position of NewCo.

3.4 Contractual Arrangements

The following chart shows the indicative contract and document structure that will be in place to oversee establishment and delivery of the NewCo. These documents will form the backbone of the Council's expectation from the NewCo, the contracted position between both parties, what and how services are delivered and it will be the basis that the NewCo will produce its business plan for submission to the Council in July 2018.

Funding and Management Agreement	Lease / License	Service Specification	Service Level Agreement for support functions	Company Registration
<ul style="list-style-type: none"> •Funding and performance mechanisms •Reporting requirements •Governance structure •Co-terminus with the Funding and Lease 	<ul style="list-style-type: none"> •Agreed term •Break provisions •Permitted use / special conditions •Repairs - respective responsibilities (L&T) •Peppercorn / none commercial terms •Co-terminus with the Funding and Management Agreement 	<ul style="list-style-type: none"> •Minimum opening hours •Pricing and programming requirements •Service standards •Quality assurance •Repairs and maintenance 	<ul style="list-style-type: none"> •Wrapper that defines initial term •Scope of services provided •Level of cost •Service standards - response times etc •Notice / termination provisions 	<ul style="list-style-type: none"> •Governing Articles •Objectives - community benefit and charitable in nature •Shareholder powers - relationship with Board of the Company •Confirmation of inability to distribute profits

Schedules to Funding and Management Agreement	Executive Directors - Job Specification	Senior Management Structure	Repair and Maintenance Responsibilities
<ul style="list-style-type: none"> •Business Plan (Initial 4.5 year term) •Inventory / Asset register •Indemnities - Council to Company •Investment proposals - initial term •Transfer provisions •Reversion arrangements •Reporting Calendar •Outcomes Framework •Communications Strategy •Pricing policy •Financial standing orders (delegated authorities) 	<ul style="list-style-type: none"> •Expense payments policy •Core skills and experience •Special skills and experience •Evidence of local interest (home or business) •Checks - Disclosure and Barring Service (DBS) •Insurance and indemnities (taken out by Company) 	<ul style="list-style-type: none"> •Reporting hierarchy •Lines of responsibility and accountability •Confirmation of inability to distribute profits 	<ul style="list-style-type: none"> •Matrix for Leisure Centre, Theatre, Community Centres, Heritage •Respective responsibilities for all building elements defined clearly •Used to ensure adequacy of funding for respective parties

A (funding and management) Contract would be in place between the Council and NewCo for the delivery of services within the service specification, the principles on how services are bought back and the associated costs/budget requirements

The Council would retain freehold ownership of the assets, with a standard landlord-tenant lease agreement in place based up on the maintenance schedules as per Schedule 3 .

The contract would be for an initial term of 30 years with break clauses at 5-year intervals after the initial ten-year term, and there will be provision for an extension of up to 10 further years at the sole discretion of the Council.

The option to break would only be available to the Council, and not to NewCo.

The Contract and Leases will be co-terminus, so that the termination of one (in respect of a facility/service)_results in the termination of the other (in respect of that facility/service).

3.5 Personnel (TUPE) Implications

Those staff that are primarily concerned in the delivery of the transferring services will transfer to NewCo under TUPE¹⁴. (“the TUPE cohort”). The TUPE cohort will retain their existing terms and conditions of employment at the point of transfer. New staff may be appointed by NewCo on new terms and conditions. Casual workers will contract with NewCo rather than the Council.

Whilst contractual terms and conditions would remain the same for the TUPE cohort, non-contractual policies may not be adopted by NewCo.

The impact upon services and structure that are not in scope for transfer will be addressed by the Council through its formal change management and service review process. It is anticipated that this work will be undertaken as part of the wider management review that is required as part of the Council efficiency statement for 2017 to 2021.

NewCo would declare in its TUPE measures statement that it intends to carry out a review based on economic, technical, and organisational requirements (an ETO Review) immediately on the transfer of services to it. This would be co-ordinated with the service review process for non-transferring leisure and cultural services so as to afford an opportunity for redeployment between NewCo and the Council (and *vice versa*) .

3.6 Accountancy Treatment

The accounts of NewCo will be separate from those of the Council, but reported in accord with Public Accountancy practice guidelines (CIPFA / Public Sector Accounting Standards Board (IPSASB) and the Financial Reporting Standards).

Internal audit functions will be supplied via the Council current arrangements with external audit requirements being procured by the NewCo to satisfy the above requirements.

¹⁴ Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.

4. THE FINANCIAL CASE

4.1 Capital and Revenue Requirements

Capital

The Proposal and Business Plan (July 2018) may contain a proposal for the investment of capital to reduce the level of subsidy (prudential borrowing business case). Only proposals that have the realistic potential to generate efficiencies to fund borrowing requirements, and generate a further return on investment, should be proposed, and so the financial business case could only be strengthened.

Revenue – cost to the Council

The proposal to establish the NewCo will generate a saving¹⁵ of;

- Part year commencing 1st October 2018 - £220k - half year (2018/19)
- £440k in the first full year (2019/20)
- £480k in the second full year (2020/21), of which £80k will be contributed from support cost savings
- £480k in the third full year (2021/22), including the continuation of the £80k support service cost saving
- £520k in the fourth full year (2022/23)

4.2 Effect on Prices/Fees

Through the establishment of a Council owned company for Leisure and Cultural Services, the Council retain control of key decisions such as those relating to the strategy for determining fees and charges.

The requirements and expectations around fees and charges and the application of concessionary discounts will be set out by the Council in the Service Specification.

Concessionary pricing will be based upon the Oct 2017 policy that was approved by members as price should never be a barrier to access for a Council owned sport, heritage, entertainment or cultural facility.

Flexible pricing policies will be developed and will be used to encourage greater utilisation at all of the facilities within scope, as part of the strategy to reduce inactivity, and reduce social inclusion.

Pricing will not be disadvantageous to those who are most vulnerable. In the future, further savings can be used to keep prices as low as possible or be used to create targeted support programmes given that the NewCo will be a Non-Profit Distributing Organisation.

¹⁵ Compared to Nett Revenue Subsidy in 2016/17 base

4.3 Impact on Income and Expenditure

The establishment of a local authority trading company for Leisure and Cultural Services will have a positive impact on both the levels of income and expenditure within the service, which will contribute greatly towards the savings target of £440k in the first full year and £480K in subsequent years.

From an income generation perspective, it is estimated that adopting a more commercial approach to the management of leisure and cultural services and facilities will see an increase in income of approximately £100k - £150k per annum.

Additional income is also retained through the changes in VAT treatments for certain sports and cultural activities and the potential to bring the current externalised catering offers back within the company's structure.

Further annual reductions in expenditure can also be attributed to efficiency savings, estimated to be in the region of £100k, reduced back office and support service costs, estimated to be in the region of £40k and longer-term pensions savings, estimated to be at least £15k per annum - increasing over the term of the agreement as former Council employees leave and are replaced by new employees that benefit from a stakeholder pension¹⁶.

In total, the estimated increase in income and reduction in expenditure has the potential to generate an estimated net saving of up to £575k – over and above the £440k target outlined in the Council's Medium Term Financial Plan (and the financial basis for this proposal).

Other companies of this type and in this sector have achieved very significant growth in income and reduction in expenditure.

Some notable examples have eliminated the dependency on Council subsidy entirely within five years of their formation.

4.4 Overall Funding and Affordability including funding gaps

The Council will need to continue to provide revenue support to NewCo in accord with the Contract (Funding and Management Agreement).

Whilst a savings trajectory has been identified and the potential for savings to be delivered over the first four and a half years have been estimated, ultimately, if there is a shortfall in income and / or an increase in costs then the NewCo will seek to fill the funding gap from Council funds¹⁷.

Description	Year 0.5	Full Year 1	Full Year 2	Full Year 3	Full Year 4
Savings Requirement / Business Case	£220,000	£440,000	£440,000	£440,000	£520,000
NNDR	£26,750	£53,500	£53,500	£53,500	£53,500

¹⁶ Likely to be a 6% employers contribution

¹⁷ Until such time as it has its own reserves

Net VAT gain	£76,500	£153,000	£153,000	£153,000	£153,000
Efficiencies	£50,000	£100,000	£100,000	£100,000	£100,000
Income growth	£100,000	£200,000	£200,000	£200,000	£200,000
Back office / support cost savings	£40,000	£40,000**	£40,000**	£40,000**	£40,000**
Term saving - pensions / 10 years	£7,500	£15,000	£15,000	£15,000	£15,000
	-	-	-	-	-
Balance for adjustments *	£80,750	£121,500	£121,500	£121,500	£41,500

*The balance for adjustments sum is the reserve available for contingency, to meet agreed none recurring costs, Vat / NNDR saving adjustments or other extra ordinary costs. **This is based on an initial £40k per annum saving from support services and may be adjusted to £80k in the Business Plan from years 2021/22

The arrangements overall must be optimised for Vat and Tax efficiency.

5. THE MANAGEMENT CASE

5.1 Programme and Project Management Methodology and Structure

The project is being managed in accord with good project management practice based upon a tailored Prince II methodology, and has an established Project Board, Project Working Group, Project Sponsor; Internal Project Manager, Project Administration and specialist advisors have been appointed.

Fourth tier officers form part of the Project Working Group, with representations from key support services.

Staff and Trades Unions have been engaged in the process.

A number of internal working group sessions have been held around key works streams and these have support them production of the business case and the key assumption that have underpinned the key decision on the project.

5.2 Programme and Project Management Plans (high level initially)

Summary Timeline	2018											
	January	February	March	April	May	June	July	August	September	October	November	December
LATC (Fast Track)	Approval	Council Specification Issued	Business Plan and Proposal Submitted	Approval by Cabinet	Development of lease, shareholders agreement, funding agreement and business plan					Commencement on 1st October 2018		
							Finalisation and Mobilisation					Ability to go

5.3 Change and Contract Management Arrangements

The Contract would have provisions for change, including partial termination. Either NewCo or the Council would be able to propose change, and provisions would be made for addressing the consequence of change events (financial and non-financial).

In all matter related to the change management protocol the shareholder would be required to agree to any proposals submitted.

5.4 Benefits Realisation

Savings and non-financial benefits will be realised from 1st October 2018 in line with contract documentation, services specification and strategic measures framework.

5.5 Risk Management

The Business case risk register that shows the key risk associated with the paper and the risk mitigate methodology is included at Appendix 2. There is also a Project risk register for the stage 2 process which has been used to oversee the production of the business case.

Should approval be given to progress to stage 3 of this project and new risk register will be produced to cover these aspects up to the next key milestone which will be sign off of the business plan in July18.

Throughout the contract term, the Council will monitor and evaluate the performance of NewCo. This will be managed through a performance framework, containing a number of key performance indicators built around the Council's key strategic themes.

NewCo will strive for continuous improvement throughout the lifecycle of the contract, and the delivery of the services must be in line with the Council's five key outcomes, which will form the focus of the monitoring Regime. The regime will be outcome focused, whilst the Council recognises that the NewCo will need its own performance measures that will be measurable.

As the contracting authority, the Council will be able to request appropriate information from NewCo at any time, and the required response to both these requests and the requirements of the more formal governance framework will be set out within the Service Specification. The Service Specification will also set out the consequences in the event of NewCo failing to meet contractual requirements, and perform against the key outcomes.

As a Council owned company, neither NewCo nor the Council would benefit from the implementation of financial penalties and the inclusion of these within the contract is not advisable. NewCo would however, be providing written plans of action for achieving success in under-performing areas and will be monitored and measured against these accordingly. The service specification will set out the basis of these "rectifying mechanisms", and how they will be implemented.

The relationship with NewCo would be managed within a "light touch", outcome focussed reporting mechanism, and while the actual governance of this process still needs to be agreed it is imperative that the relationship is developed from a position of trust, and therefore the collecting of management information should be for the benefit of NewCo only, and does not need to be routinely provided with or monitored by the Council.

The NewCo would though provide suitable and sufficient information as defined in the Measures Framework to demonstrate that it is contributing towards the wider strategic purposes of the Council and local partners and that the NewCo is delivering its services in a manner that support the five key outcomes that underpin this project.

The Council will assign a named individual to be responsible for monitoring the performance of the partnership with NewCo.

5.6 Contingency Arrangements

The formal agreements would provide for reversion of all assets to the Council in the event of failure or termination of the agreements. Provided that the Council took over provision of the services operated by NewCo, NewCo's employees involved in the provision of those services would transfer via TUPE to the Council.

5.7 Redditch Assumptions

A number of the assumptions reflect the union position and the recommended proposals for members consideration

Pensions:

Union proposal is for pensions to be protected for all staff including new starters in the company

It is proposed that the Local Government Pension Scheme (LGPS) will remain available to those that are within the TUPE cohort, provided that they join the scheme prior to transfer to NewCo. The LGPS will also remain available to any Council employees not forming part of the TUPE cohort who transfer to NewCo by agreement with the Council as part of any restructure of the non-transferring leisure and cultural services. The LGPS would, however, be closed to new employees joining NewCo after the date of transfer (including former Council employees). It is proposed that new employees would be offered a stakeholder pension with an employer's contribution of 6% and employee contribution of 3%. There are a level of savings that are attached to the implementation of the new company and there would therefore be an element of savings that can be realised from this change to support the overall financial position for the Council

Stability of Workforce

Union proposal is for the workforce to be stable and there would not be an immediate restructure within the new Company

The transfer of the TUPE cohort of staff would enable the new company to provide services to the Council in their current form. It is proposed that there will be a recruitment of the managing director role prior to the Business Plan being developed and presented to members in July 2018. A restructure may be proposed by the company in the Business Plan. The company would need to demonstrate that this would enable them to deliver the Council's priorities in a more effective manner.

Support Services

Union proposal is that support services are retained indefinitely by the new company

It is proposed that the new company would buy back services from the Council, via a Service Level Agreement (SLA) that is based on the business and operational needs of the company.

To enable a smooth transition, the SLA would, in effect, provide for a "sunset agreement" which will exist for the first 12 to 18 months following commencement. Thereafter, NewCo may serve the Council with notice on any of the support services provided, subject to justification for doing so being presented to and approved by the shareholder (the Council).

Within the first twelve months of operations, NewCo would review the options for the future provision of support services and make recommendations to the Board and the Shareholder.

Full details of the buyback schedule for Council services can be found at Appendix 3

Terms and Conditions

Union proposal is that all terms and conditions are protected for the TUPE cohort of staff and new starters benefit from the same terms and conditions

All employees transferring to the new company under TUPE will transfer on their existing contractual terms and conditions and with the benefit of existing RBC contractual policies. The new company will not be legally obliged to apply non-contractual RBC policies although it may choose to do so therefore RBC cannot give a confirmation that all existing T&Cs and policies will be honoured by NewCo.

Union Recognition

Union proposal is that they are formally recognised by the new company

It is proposed that Trades Unions will continue to be recognised, and the new company will be a good employer in all respects

General

1. Standard landlord tenant agreement to repairs and maintenance – landlord responsible for structures / buildings, roofs, walls, gutters, drains and all major plant and equipment replacement NewCo responsibilities defined in R&M responsibilities matrix
2. Pension deficit does not crystallise, pension deficit at commencement and exit funded by Council
3. Council to act as guarantor for NewCo registration to LGPS (not a new admission agreement)
4. One off non-recurring costs of set up (e.g. finance, HR, IT systems) – to be funded by the Council (potentially from capital receipts)
5. Recruitment of Managing Director determined prior to July 2018 Proposal and Business Plan

6. Regardless of the Council's position, for the first 12 months of NewCo defined R&M elements to be carried out by Place Partnership
7. NewCo required to give 12 months' notice to Place Partnerships (not before 6 months) , and within that period NewCo will engage with the market for future provision of R&M with a view to driving efficiencies
8. NewCo will buy back relevant support services from the Council, at costing accord with the details in the Business Case
9. The regional NNDR pool will be accepting of these changes and this will not impact on potential NNDR savings
10. The NewCo will succeed in its application to be recognised as a qualifying body for the purposes of obtaining the Vat concessions in accord with VAT Notice 701/45
11. NewCo will be able to apply a cultural exemption in accord with VAT Notice 701/47
12. All prices and costs are at current values and no allowance has been made for inflation
13. All income attributed to 'Sales' at Abbey is retail income and will remain standard rated
14. The income derived from the Fee paid by the Council to the NewCo will be standard rated / plus Vat (to aid Vat efficiency)
15. The arrangements will be optimised to ensure Vat efficiency
16. The Council will make an advance payment to NewCo equivalent to two quarterly payments on or before the date of transfer to provide initial working capital/cash flow, and in advance quarterly thereafter
17. Given the current understanding of support services recharges, the Council will be reasonable in their estimate of the actual costs of support services to leisure, so as not to not jeopardise the future trading position of NewCo
18. Large scale items of Equipment will be gifted to the NewCo – to reduce set up costs and help during early years of transition
19. Company will procure their own suppliers outside of the councils' procurement (Best Value still applies) rules. RBC will make available to the NewCo the ability to buy from suppliers on framework agreements
20. Council retains ownership of Forge Mill current and future acquisitions and is responsible for storage and transportation of the collection
21. The Company uses a set of measures on the dashboard that is not reporting to the Council in order to run the day to day business, these will be made available upon request
22. The name of the company will be included in the July Business plan
23. New Co allowed to retain surplus as reserves (not exceeding nine months of net operating costs unless agreed by the Council) The company operate more commercially (within social context), to generate additional income in line with the 4-and-a-half-year initial business plan and savings trajectory – Surplus share agreement in place

Risk consideration	Risk Likelihood (Up to 5)	Risk Impact (Up to 5)	Score (Up to 25) & RAG	Risk mitigation
Savings from VAT and NNDR are not achievable due to NNDR complications with new systems for pooled authorities and uncertainty around the proportion of income to be retained by local authorities under the new business rate retention system and the requirement for the details of arrangements between the Council to be determined to assess the level of irrecoverable VAT	2	3	6	<ul style="list-style-type: none"> • Further validation required within the company Proposal and Business Plan (July 2018). • Consultation and ongoing dialog undertaken with the Council's revenues team
TUPE cohort lacks the skills / expertise to manage and deliver the services effectively within the new structure	3	3	9	<ul style="list-style-type: none"> • Concurrent restructure of non-transferring services to allow opportunities for transfer of those with appropriate skills that may not be part of the TUPE cohort • Ability of NewCo to recruit externally (prior to and after 1st October) • RBC to meet redundancy costs and/or claims arising • Restructure of transferring services to be developed through business plan

Risk consideration	Risk Likelihood (Up to 5)	Risk Impact (Up to 5)	Score (Up to 25) & RAG	Risk mitigation
Failure to deliver change in management direction and leadership of the transformation post transfer.	2	3	6	<ul style="list-style-type: none"> • Appointment and dismissal of Managing Director to be reserved to shareholder • Ability of NewCo to recruit externally. • Business plan to be developed by external consultant with private sector expertise • NEDs to provide breadth of expertise to Board • Concurrent restructure of non-transferring services to include ensuring appropriate expertise at RBC to monitor / manage NewCo contract effectively. • Support service SLA to be developed and changes in approach embedded within the Council.
Members (and other key stakeholders) approve the magnitude of savings and the transformation plan without a full understanding of the changes that will need to be agreed to realise these savings. At the implementation stage the necessary changes are found to be contentious and not supported, resulting in the savings delivery being compromised.	2	4	8	<ul style="list-style-type: none"> • Full member, staff and stakeholder briefings will be planned/continue for further stages of the project. • Coms plan developed for the project at key gateways.
NewCo fails to be recognised by HMRC as a qualifying body for the VAT concessions, in accord with HMRC Notice 701/45	1	5	5	<ul style="list-style-type: none"> • Properly structured agreements developed by experts to ensure that NewCo is properly recognised as a not for profit organisation in all respects and to the satisfaction of HMRC.

Risk consideration	Risk Likelihood (Up to 5)	Risk Impact (Up to 5)	Score (Up to 25) & RAG	Risk mitigation
Delay in the completion of a registration / admissions agreement for NewCo to the Local Government Pension Scheme	3	4	12	<ul style="list-style-type: none"> • Early application – under registration scheme • Clarity on the form of admission from the outset <ul style="list-style-type: none"> • Early completion of actuaries’ assessment report • Arrangements for contingency plan – short term secondment of Council employees to NewCo.
Delay in obtaining General Disposal Consent (if/as applicable) for the land and buildings	1	2	2	<ul style="list-style-type: none"> • It may be necessary to complete a report to indicate that the peppercorn lease does not represent an undervalue greater than the permitted general disposal consent
Objections to the “disposal” of the leasehold interest in community assets, via transfer to NewCo	1	2	2	<ul style="list-style-type: none"> • Unlikely to be objections as the Council will be retaining ownership and control of the use of the assets. • Coms plan in place to communicate on such matters and business case make this very clear.
Objections to the fact that NewCo may be deployed and agreements entered without “full procurement” in accord with Teckal principles	2	1	2	<ul style="list-style-type: none"> • Expert advice in the structuring of the various arrangements to ensure that the “ Teckal tests ” are met (necessary degree of council control etc.).

Risk consideration	Risk Likelihood (Up to 5)	Risk Impact (Up to 5)	Score (Up to 25) & RAG	Risk mitigation
Service Level Agreement Failure (SLA) for support services and impact on the business	2	4	8	<ul style="list-style-type: none"> The Commissioning specification (part of the SLA) needs to be developed early in the process and receive widespread support from members and stakeholders. Detailed support service SLA will be developed that clearly confirm format and frequency of work support. Detailed contract management and meeting schedules establish to monitor progress in the earlier stages.
Delay (or failure) in appointing and convening board members (director / trustees)	1	4	4	<ul style="list-style-type: none"> Composition of Board agreed early in process. Directors indemnity insurance secured before decisions are made <ul style="list-style-type: none"> Expert legal and specialist advice made available to the board
The new arrangements do not meet the Councils own discretionary relief policy	1	4	4	<ul style="list-style-type: none"> Expert advice required to ensure that NewCo is properly established as a not for profit company, which is incapable of profits distributions <ul style="list-style-type: none"> NewCo to be recognised as the beneficial occupier (of the premises for which relief is being granted) <ul style="list-style-type: none"> Monitoring Officer satisfied Early application submitted and application fast tracked

Risk consideration	Risk Likelihood (Up to 5)	Risk Impact (Up to 5)	Score (Up to 25) & RAG	Risk mitigation
Slippage in the delivery programme and decision-making process, resulting in the implementation being delayed.	3	5	15	<ul style="list-style-type: none"> Potential early savings of around £220,000 for the period October 2018 to April 2019 are predicated on a fully resourced delivery plan commencing in October 2018. Fully project team appointed internally and project board programme established. Consultancy support team appointed with expert knowledge of the service and programme.
New arrangements between NewCo and RBC fail to be flexible enough to accommodate changing landscape (future proofing) and to deliver business case objectives in the short and medium term.	3	5		<ul style="list-style-type: none"> The new delivery model must be ready to respond changes in service requirements – being separate from but having a good relationship with the Council will make it easier for the new company to be engaged fully in change at an early stage and in so doing help to shape the outcome.
Dealings with the emerging NewCo must be productive and constructive (whilst achieving the desired outcomes for the Council)	2	4	8	<ul style="list-style-type: none"> Effective partnership arrangements in place
Political Change after May Elections 2018. Current position of controlling and opposition parties is different.	2.5	5		N/A

Risk consideration	Risk Likelihood (Up to 5)	Risk Impact (Up to 5)	Score (Up to 25) & RAG	Risk mitigation
Services do not develop during transition phases – pre transfer (Stage 2 to 3b). Year one Income/Savings not met	3	5		<ul style="list-style-type: none"> • To be addressed through the committee report process with key activities agreed and funded. • DMT to monitor any issues that may occur and feedback to SMT as required. • Issues log created and regularly monitored.
Transferring Services suffering reputational damage pre and post transfer	1.5	1.5		<ul style="list-style-type: none"> • Coms plan in place for stage 2. • Coms plan to be developed for stage 3 and pre transfer marketing and presales approach agreed. • Brand identity and style guides developed and promotional plan implemented. • FAQ developed for staff when liaising with users and stakeholder briefing developed.

Leisure Service Project – Support Service Breakdown

APPENDIX 3

Services	Service Included	Sunset Agreement (months)	Notice Period Required (Months)	Potential Completion Date	Comments
Human Resources	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed
Payroll	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed
ICT Inc. ICT Licences	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed Service buy back predicated on new external website being developed prior to implementation and Newco services and operating platforms being extrapolated from the Council's current systems to establish standalone systems ICT support and assistance to be provided for development of offer/services post sunset agreements ICT Enhanced Helpdesk and call out hours to be established within the SLA
Env Services/Place Team	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed within existing costs
Comms/Web/Social Media	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed Support service buy back is predicated on the creation of independent brand and style guide of the new company establishment of the New Cos own social Media platforms and policies and final approval on graphic design output Support for New co web platform and design
Internal Audit & Fraud	Yes	12	6	1/4/20	Based upon the hours already accounted for within the SLA between the Council and Int Audit Gives the Council assurance that the new Company is being delivered appropriately Hours (10) could be drawn down from RBC existing provider and charged back to LATC at existing rate based on 10 days per annum
External Audit (Accounts)	Yes	12	6	1/4/20	This needs to be done externally to create legal separation with regard to the end of year accounting process as per current arrangements. Budget allowance required within the business case to support this.

Services	Service Included	Sunset Agreement (months)	Notice Period Required (Months)	Potential Completion Date	Comments
Office Accommodation/Head Office	Yes	12	6	1/4/20	Subject to Service Level Agreement and key changes to service delivery being agreed Based upon 4 th floor accommodation within Town Hall or alternative Council owned building*
Asset & Facilities (PPL) Inc. Man Costs	Yes	6	12	1/4/20	Awaiting information on the corporate position and any obligations that would be passed on to the LATC once legal advice received. Budget would be transferred to the LATC and not RBC and the LATC would manage the performance of PPL. There would be a need to review PPL ability to improve and support the business plan requirements for new company in order to achieve the growth targets established on income lines.
Legal Services & Procurement	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed Due to the potential conflict of interest there will be no sun set in place for legal services for matters relating to the Council's buildings and leases. Budget allocation will be required for alternative provider in lease related matters etc
Finance	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed Services will be predicated on changing the structure and frequency of reporting mechanisms in order to meet new companies business objectives.
Payments & Revenues	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed.
Print & Reprographics	Yes	12	6	1/4/20	Subject to service level agreement and key changes to service delivery being agreed
Insurance	No	N/A	N/A	N/A	Legal requirement to purchase own insurance for new company Budget allocation required within business case based on agreement with ZM to offer LATC same costs as currently in place.
Postal Services	Yes	12	6	1/4/20	As part of the office accommodation costs for HOS (see above*)

*All other services that are provided as an as and when basis by the Council will be procured on a case by case basis



Overview and Scrutiny Committee

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MINUTES

Present:

Councillor Jane Potter (Chair), Councillor Gay Hopkins (Vice-Chair) and Councillors David Bush (substituting for Councillor Matthew Dormer), Andrew Fry, Gareth Prosser, Paul Swansborough, Jennifer Wheeler and Nina Wood-Ford

Also Present:

Councillor Juliet Brunner

Officers:

Ruth Bamford, John Godwin, Jayne Pickering and Dean Piper

Democratic Services Officers:

Jess Bayley

89. LEISURE AND CULTURAL SERVICES BUSINESS CASE - PRE-SCRUTINY

The Executive Director of Finance and Corporate Resources presented the Leisure and Cultural Services Business Case for the consideration of the Committee. During the delivery of this presentation the following matters were highlighted for Members' consideration:

- In 2017 the Council had agreed to establish a TECKAL company, also known as a Local Authority Trading Company (LATC), to manage the Council's Leisure and Cultural Services moving forward.
- Subject to the Leisure and Cultural Services Business Case receiving the support of the Executive Committee and Council in March 2018 a detailed business plan in respect of this item would be presented for Members' consideration in July 2018.
- Officers were working on the basis that the new LATC would be in operation from October 2018 onwards.
- A number of services would be included in the LATC's remit, though not all.

.....
Chair

Overview and Scrutiny Committee

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- Some services could potentially transfer to the LATC at a later date including the Arrow Valley Countryside Centre, the BMX Track and the Council's Learning on Line service.
- Officers had been consulting with the Trade Unions throughout the process.
- Officers had made some assumptions regarding staffing and finances; the unions had expressed concerns about some of these assumptions.
- One area of concern raised by the unions was the assumption that any new staff employed by the LATC would not have similar pension entitlements to those members of staff who had transferred to the company.
- A number of staff would be TUPE transferred to the LATC, though some would remain employed directly by the Council where those services were not transferred to the company. It was anticipated that 50 staff would continue to be employed by the Council and 62 would be transferred, together with additional casual staff.
- The Council was assuming that both the LATC and the client side remaining at the Council would need to restructure following the introduction of the LATC and the unions had also expressed some concerns about this.
- Officers were working on the basis that the LATC would need to access Council support services, such as HR and IT, for the first 12 months. However, after this point the company could give notice and seek to obtain these services from another supplier. Again this had been raised as a concern by the trade unions.
- Through the LATC model the Council would retain ownership of land and assets used in the delivery of Leisure and Cultural Services.
- The Council would have influence over the LATC, though would need to refrain from seeking to control the company as this could curtail the potential of the LATC to thrive.
- The Council was anticipating that savings would be achieved through transferring services to the LATC. Some of these savings would arise as the LATC would be eligible to apply for concessions in respect of Non-Domestic Rates (NDR).
- Officers were also anticipating that the LATC would be able to achieve efficiency savings and income growth. Other local authorities that had established LATCs to deliver similar services had found that staff transferred to the new company would deliver services in a different manner to the way they had provided services when employed by a Council.

Following the presentation of the report Members discussed a number of points in detail:

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- The potential for economies of scale to be achieved by the Council through adopting approaches to procuring services and managing supply scales that differed from the local authority.
- The opportunities that an LATC would provide for staff to work in a more innovative, customer-focused manner free from the constraints of working within a local government environment.
- The need for culture change to occur once the LATC was established in order to foster a working environment in which staff felt able to work differently.
- The implications of the transfer of staff to the LATC for management costs at the Council moving forward. Officers advised that a restructure of the Council's management team was scheduled to take place and this could be taken into account as part of that process.
- The governance arrangements for the LATC.
- The role of a Shareholders Committee in holding the LATC to account. Officers advised that this committee would have the power to determine a number of reserved matters.
- The position of the Board of Directors, comprising both Directors and Non-Executive Directors.
- The service specification for the LATC that would help to outline the Council's requirements.
- The use of a mixture of corporate outcomes and output measures linked to the Council's strategic purposes and operational measures to help monitor the performance of services delivered by the LATC.
- The powers available to the Council to exert influence over the LATC should Members become dissatisfied with the services delivered by the company. Officers advised that there would be a contractual relationship and the LATC would also be required to submit an annual report through which it could be held to account.
- The important role of contractual management moving forward, and the need for positive working relationships to be developed between relevant officers and the LATC. Members were advised that this working relationship would be key to ensuring that the Council continued to retain confidence in the company.
- The arrangements for paying those on the Board of Directors. Members were advised that whilst the Managing Director would be paid it was anticipated that Non-Executive Directors would be provided with expenses only.
- The likely backgrounds of any Non-Executive Directors appointed to the Board of Directors. The Committee was

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advised that the aim would be to appoint Non-Executive Directors who had expertise in respect of Leisure and Cultural Services and private sector experience.

- The physical location in which LATC staff would be based. Officers advised that this had not yet been determined, though staff would continue to work from Council premises and the authority could charge the LATC for doing this at a market rate.
- The potential for additional services, currently out to contract with other suppliers, to be included in the LATC's remit at a later date. Officers advised that opportunities would be assessed on a case by case basis.
- The potential for any savings arising from the work of the LATC to be reinvested in areas such as repair and maintenance of Council assets used in the delivery of Leisure and Cultural Services.
- The potential for the Council to reduce the support it provided to the LATC at a later date and the possible negative impact that this might have on the LATC in terms of staff morale.
- The position of the Managing Director and the potential for existing staff to apply for the role. Members were advised that this post would be advertised externally and subject to open competition; internal staff would be eligible to apply.
- The potential for Parks and Open Spaces to be incorporated into the work of the LATC in the long-term. Officers advised that Parks and Open Spaces were not included in the scope of the service.
- The need for the Council to address its responsibilities to Bromsgrove District Council under existing shared services arrangements, with a restructure of the services that remained in house required as soon as possible.
- The stage by which the LATC would become financially sustainable. Officers advised that the Council was anticipating that £1.9 million savings would be achieved in the first four to five years.

The Committee discussed the composition of the Shareholders Committee in some detail, with Officers advising that this would comprise five elected Members, to be appointed by the Council. These appointments would be made in line with standard Outside Body appointment processes. Members concurred that the elected membership of the Shareholders Committee should ideally reflect the political balance of the Council.

The Committee was advised that at a meeting of the Stakeholders Group, which was supporting work on the development of the LATC, the potential for elected Members to be appointed on a three

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year rolling basis had been discussed. There was general consensus that appointment to the Shareholders Committee on this basis would be sensible due to the Council's system of elections by thirds.

The potential for the Local Authority Trading Company (LATC) to be managed like a business in order to be as efficient as possible was also discussed by the Committee. In order to manage the company as effectively as possible Members noted that the LATC might decide to offer incentives to staff, such as performance related pay or bonuses. The Committee agreed that any such incentives offered as part of staff remuneration packages should ideally be included in the range of matters reserved for approval by the Shareholders Committee. As there was already a section in the business case dedicated to the range of matters reserved for the approval of the Shareholders Committee Members agreed to propose an amendment to the wording in the document to reflect this suggestion.

RECOMMENDED that

- 1) the five elected Members appointed to the Shareholders Committee of the Local Authority Trading Company should be appointed in accordance with the political balance of the Council;**
- 2) the five elected Members appointed to the Shareholders Committee of the Local Authority Trading Company should be appointed on a three year rolling basis; and**
- 3) the range of matters reserved for approval by the Shareholders Committee, as detailed on page 27 of the business case, should be amended so that the fourth bullet point from the bottom reads as follows: "*Approval of above inflation pay increases and any other remuneration packages*".**

(During the debate in respect of this matter the Head of Leisure and Cultural Services declared a pecuniary interest due to his eligibility to apply for the position of Managing Director of the LATC. He left the room and was not present when Members considered information pertaining to this role).

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REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**6TH MARCH 2018**REDDITCH BUSINESS CENTRES**

Relevant Portfolio Holder	Cllr Greg Chance - Portfolio Holder for Planning, Regeneration, Economy and Transport
Portfolio Holder Consulted	√
Relevant Head of Service	Kevin Dicks – Chief Executive
Ward(s) Affected	Greenlands, Lodge Park and Matchborough
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Key decision

1. SUMMARY OF REPORT

- 1.1 At its meeting on 6th February 2018, the Executive Committee endorsed a report that refreshed the Council's economic themes, priorities and action plan based on new economic analysis.
- 1.2 A key action, under the “Enterprising Redditch” theme and as part of the priority to help start up and growing businesses, is to “continue to invest and develop the Council's three Business Centres”.
- 1.3 In addition and as part of the Council's Strategic Purposes “Help me run a successful business”, North Worcestershire Economic Development and Regeneration (NWEDR) has undertaken a strategic review of the Centres to better understand their current role and impact.
- 1.4 This report summarises the findings and seeks Executive Committee recommendations on some key proposals.

2. RECOMMENDATION

The Executive Committee is requested to **RECOMMEND** that:

- 1) The key findings and recommendations of the strategic review be endorsed, with specific reference to the following:
- a. Day to day management of annual expenditure on operational activities and any future capital expenditure budgets for all three of the business centres should be transferred from the general fund to be managed by NWEDR under the Centres Manager.
- 2) Redditch Borough Council renews the current lease of Unit 17 Broad Ground Road, Lakeside Industrial Estate, Redditch (the Rubicon Business Centre)

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- 3) Subject to approval of Recommendation 2 above, the Head of Customer Access and Financial Support be delegated the authority to instruct Place Partnership Ltd to finalise the terms of the renewal of the lease.

3. KEY ISSUES**Financial Implications**General

- 3.1 The three Centres are considered to offer good value for money to the Council. Overall, they operate within budget and, over the last three financial years have overachieved on income projections.
- 3.2 Whilst the Centres have created savings over projected budgets, actual annual expenditure regularly exceeds actual annual income. In order to achieve savings over budget therefore, the Centres do rely on annual Council funding.
- 3.3 Increasing income, by continuing to seek full occupancy and raising licence fees and charges should bring in greater revenue and reducing costs by, for example reducing expenditure on “empty business rates”, should enable the Centres to continue to operate at least within budget. A 2% increase on the 2017/18 fees and charges budget will increase budgeted income by circa £6,000 per annum.

Improvements

- 3.4 A Capital Bid has been proposed and recently approved as part of the Medium Term Financial Plan to fund a series of improvements to relieve the pressure on the existing repairs and maintenance revenue budgets and to help to improve the success of the Centres.

Transfer of Budgets

- 3.5 It is proposed that the revenue operational budgets relating to repairs and maintenance, energy, rates, refuse collection, security and other related expenditure currently managed by the Council are transferred to NWEDR, this will require an amendment to the existing collaboration agreement between NWEDR and the Council. It is envisaged that will improve the efficiency of the day-to-day and the financial management of the Centres.

Lease of The Rubicon Centre

- 3.6 One of the three Centres, Rubicon Business Centre (Unit 17 Broad Ground Road) is held on a ten year full repairing and insuring lease by the Council at a current rent of £91,850 per annum exclusive, which, although due to expire on 2nd November 2017, continues by virtue of the relevant legislation.

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- 3.7 If the new lease results in an increase in the annual rent, it could be funded through a combination of increases to the annual licence fees payable and filling more vacant units and reducing the costs associated with the Centre, unless an unavoidable pressure is approved as part of the budget proposals for 2018/19. Increased income would be achieved and savings made by letting more units, as less “empty business rates” would need to be paid. Any increase prior to April 2018 will have to be funded from existing budgets.
- 3.8 It is considered desirable to continue to provide and offer the offices and workspaces at the Rubicon Business Centre and it is therefore recommended the Council enter into negotiations for a new lease on terms to be agreed accordingly.

Legal Implications

- 3.9 NWEDR currently directly manages the Redditch Business Centres on behalf of the Council, under a Collaboration Agreement relating to the provision of Economic Development and Regeneration Services between the Council, Bromsgrove District Council and Wyre Forest District Council, which is the host authority for the shared service.
- 3.10 Whilst it is proposed to transfer some key budgets to the control of NWEDR, Place Partnership will continue to provide the repairs and maintenance services to what will continue to be Council operated property. However, it is proposed that the Centres Manager (employed by NWEDR), will take responsibility for commissioning any required work (subject to any restrictions imposed by the Place Partnership arrangement).
- 3.11 The Council will enter into a new lease for the Rubicon Centre provided that suitable terms can be agreed. As the lease is protected under the Landlord and Tenant Act 1954 the Council has a degree of security of tenure even though the current term has expired and the landlord is restricted from demanded significant changes to the existing terms and conditions in the new lease.
- 3.12 Provision of the Business Centres is a discretionary service and as such the Council may charge for the service on a full cost recovery basis. Capital expenditure on the Centres could therefore be recovered going forwards through licence fee receipts etc.

Service / Operational Implications**Strategic Fit**

- 3.13 One of the six Strategic Purposes contained within the Council’s Plan 2017 – 2020 is “Help me run a successful business”.

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- 3.14 Through this Purpose, the Council seeks to “nurture existing businesses and encourage a future generation of entrepreneurs”. The Plan further states that the Council will:-
- work with partners to provide a comprehensive business support package for small and growing businesses and aspiring entrepreneurs and
 - help people to find business property in the Borough
 - review the availability of flexible business workspace within Redditch including Council owned property
- 3.15 The Council supports the above through the Centres which offer a range of flexible workspace accommodation and support services for start up and small businesses.
- 3.16 In addition and as referred to earlier, the Executive Committee, at its meeting on 6th February 2018, endorsed the revised Redditch Economic Development Priorities and Action Plan which, under the theme “An Enterprising Redditch”, includes a specific action to continue to invest and develop the Business Centres and identify opportunities to the Council to invest in developing new commercial units.
- 3.17 The successful model which the Centres provide continues to meet the Council’s strategic priorities and going forward, could also be used as a model to develop other similar or even larger accommodation to meet the needs of existing occupiers and other start up and growing businesses. The Council’s recently approved Investment Strategy provides an opportunity for the Council to identify and seek out new opportunities to acquire suitable sites and premises to provide additional start up and ‘grow on’ space. NWEDR is well placed to continue to support this agenda due to its knowledge of the local commercial property market and its on-going contact and dialogue with local small businesses and entrepreneurs.
- 3.18 As part of the Council’s commercialisation agenda, initial consideration has been given to looking at an alternative delivery model, such as transferring the centres into the auspices of a “local authority trading company”.
- 3.19 At this present time however, it is not considered that this would be required at this stage as the Centres do not generate significant levels of ‘profit’ and the aim is to ensure full cost recovery and to generate a surplus where possible.

Overview (Further information within Appendix 1)

- 3.20 The day to day running of the three Centres has been managed, on Redditch Borough Council’s behalf since 2011, by NWEDR and a new Business Centre Manager was appointed with effect from 1st January 2018. Place Partnership Ltd, currently manage and advise on all property related aspects of the Centres through the existing agreement with the Council.

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3.21 The Centres comprise a total of 105 units (54 office units and 51 workshop units) as follows:-

- 35 office units at Greenlands Business Centre, Studley Road, Redditch
- 16 office and 23 workshop units at Rubicon Business Centre, Lakeside Industrial Estate, Redditch and
- 28 workshop and 3 office units at Heming Road, Washford Industrial Estate, Redditch.

Occupancy

3.22 Occupancy levels, which constantly vary as businesses arrive and leave, during this financial year are currently averaging at around 85%.

3.23 Sixty seven businesses currently operate from the three Centres.

3.24 Occupiers hold an “easy in/easy out” licence agreement which can be terminated by either party giving to the other 14 days notice. The flexibility is attractive, particularly to new and growing businesses that may be hesitant about committing to long leases. New businesses can move in quickly and inexpensively. Licensees can also move to larger or smaller units – or leave – without penalties or legal costs.

3.25 A flexible incentive policy exists to encourage new businesses to and/or existing businesses to expand within, the Centres at the discretion of the Business Centres Manager.

3.26 Just over 32% of current businesses (23 businesses) have been operating from the Centres for over 10 years, 22% of occupiers (15 businesses) occupy more than one unit.

3.27 As part of the ongoing management of the Centres the status of the long standing tenants are regularly reviewed and consideration given to whether they might take alternative accommodation, subject to such accommodation being available. Should the Council be successful in its ambitions to invest further in new commercial units (paragraph 3.16 refers) then the potential exists to make such accommodation available for existing occupiers of the Centres.

Services

3.28 Additional chargeable services include:

- telephone switchboard dedicated answering
- postal services (franking and posting)
- meeting/conference room hire
- secretarial support
- postal address

EXECUTIVE COMMITTEE**6TH MARCH 2018**Responsibilities

3.29 The Council is responsible for funding the following:-

- the agreed amount of “shared service” funding to Wyre Forest District Council - as host authority to enable NWEDR to operate the day to day management of the Centres
- all repairs & maintenance (through Worcestershire Place Partnership Ltd)
- provision of and the salary and line management of the caretakers
- business rates on Council occupied parts and any empty units
- rent and service charge of Rubicon Business Centre
- telephone rental (Greenlands and Rubicon only)
- building and public liability insurances
- all energy charges to common parts
- security and alarms
- web site provision
- cleaning materials
- refuse collections
- water charges

3.30 NWEDR (as part of the Shared Service) is responsible for the Centres’ day to day management, which includes:-

- the employment of the Business Centres Manager and all Reception staff
- provision and maintenance of office equipment and stationary
- web site content and, through the Council, its maintenance
- letting the units, meeting rooms and “postal addresses”
- the day to day management of the occupiers
- supervising the allocated caretaking staff
- advertising and marketing the Centres
- printing

Expenditure/Income

3.31 In terms of budgeted/actual expenditure vs budgeted/actual income the financial position to budget across the three Centres over the past three financial years is:-

Year	14/15	15/16	16/17
saving /deficit	+ £56,766 saving to budget	+ £23,434 saving to budget	+ £6,461 saving to budget

The Centres are therefore considered to offer good value for money to the Council. Overall, they operate within budget and, over the last three financial years have overachieved on income projections.

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- 3.32 Variances are due to the unpredictable nature of expenditure on business rates as the Council is liable for payment of rates on offices that have been empty over 3 months and workshops empty over 6 months, plus energy and repairs costs, together with the fluctuations in occupation levels which affect income from licence fees and other sources.

Occupier Satisfaction

- 3.33 As part of the review, NWEDR carried out a survey of tenants to find out how satisfied with the centres and the service that they received. The results of the survey are set out below:-

Question	Very good/ Good response rate: %
Standard of workshop accommodation	92
Standard of office accommodation	92
Standard of service received from reception	100
Standard of general management of the Centre occupiers	92
Level of secretarial services	93
Value for money	58

- 3.34 In a related survey, the majority of occupiers at Greenlands would welcome:

- some internal decoration
- an upgrading of the Kitchen/Toilet facilities
- the provision of “a more contemporary” look to the front entrance.

- 3.35 Some occupiers would like:

- the rear windows replaced
- the reception area/furniture revamped
- new stair/corridor carpets
- a new communal heating system

- 3.36 Similarly, the majority of occupiers at the Rubicon Centre would welcome:

- new lighting (LED) to the factory space (already programmed in)
- an upgrading of all the Kitchen/Toilet facilities
- painting the factory space floor

- 3.37 Some occupiers would like:

- LED lighting to the office
- An improved heating/ventilation system

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- 3.38 In addition there is a need to provide additional security, a new fire exit path and refurbish the kitchen area within the Heming Road Centre.

Improvement Proposal

- 3.39 It is proposed to undertake a series of “light touch” improvements to all three Centres, at an estimated cost of up to circa £80,000 capital expenditure to include:-

- Greenlands & Rubicon: New kitchens, toilets, internal decoration, new carpets and new furniture to all offices, common parts and reception areas circa £45,000 - £55,000
- Greenlands only: new front door circa £5,000 - £10,000
- Heming Road: Security, new kitchen, fire exit path circa £10,000 - £15,000

- 3.40 The £80k capital expenditure bid was recently approved and this will fund improvements to relieve the pressure on the existing repairs and maintenance revenue budgets and to help to improve the success of the Centres.

Growing the portfolio

- 3.41 The Strategic Review has identified that the Business Centres are operating well and running at a high level of occupancy. It has also identified some shortcomings such as the lack of immediately available ‘grow on’ space within the local area and the real challenge faced by having a number of long standing tenants occupying a large number of units within the centres – thereby restricting the opportunity to incubate new businesses. Therefore a clear recommendation from the review is that the Council should seek to build on the success of the centres and expand its commercial property portfolio where there is a strong business case for the Council to intervene in the market.
- 3.42 Evidence suggests that commercial developers are often reluctant to build smaller units due to the perceived risk of taking on tenants on short term leases. Therefore going forward, the Council should consider investing in schemes that offer units of up to 1,000 square feet for start up accommodation and between 1,000 and 2,000 square feet for grow on space. These units could either be built as ‘terraced’ blocks of units or within larger ‘business centres’ with shared reception, offices, meeting rooms and amenities such as toilets and shower rooms. The Council will work with strategic partners such as the LEPs and Growth Hubs, to ensure that businesses can benefit from ‘wraparound’ support programmes, offering business coaching, mentoring and potentially grant assistance.

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- 3.43 The Council will also continue to work pro-actively with the private sector to deliver larger industrial or office units (2,000 square feet and above) that could be offered at the market rate on long lease arrangements. The Council will work to facilitate private sector led schemes or where the opportunity arises consider investing its own resources to acquire and build out units to provide a portfolio of units to local small-medium sized businesses and to generate a long term revenue stream.

Customer / Equalities and Diversity Implications

- 3.44 The Centres continue to contribute to the Borough's much needed infrastructure for business growth by continuing to provide workshop and office space for new and growing businesses.

4. RISK MANAGEMENT

- 4.1 Any increase in the rent as a result of a new lease at Rubicon Business Centre should be able to be met by a percentage increase in licence fees and from greater occupancy together from savings made from expenditure on empty unit business rates.
- 4.2 Transferring relevant operational budgets to NWEDR and bringing the Centres' day to day financial under one management control should help bring about greater efficiencies helping to offset any increase.
- 4.3 Undertaking improvements to the Centre will enable them to remain attractive to both existing and new businesses thereby maintaining the Council's income.

5. APPENDICES

Appendix 1: NWEDR review of the Business Centres

6. BACKGROUND PAPERS

None

AUTHOR OF REPORT

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APPENDIX 1**REVIEW OF REDDITCH BOROUGH COUNCIL'S BUSINESS CENTRES****1.0 PURPOSE OF REVIEW**

1.1 The Redditch Business Centres ("the Centres") comprise:-

- office units at Greenlands Business Centre, Studley Road, Redditch
- office and workshop units at Rubicon Business Centre, Lakeside Industrial Estate, Redditch and
- mainly workshop units (but with a small number of offices) at Heming Road, Washford Industrial Estate, Redditch.

1.2 Since June 2011, the Centres have been managed, on Redditch Borough Council's behalf ("the Council"), by North Worcestershire Economic Development and Regeneration (NWEDR) as part of the Shared Service Agreement.

1.3 NWEDR has undertaken a high level strategic review of the Centres to better understand their current role and to identify a range of improvement options that could be taken forward to maximise their impact.

1.4 In addition, the Council's Executive Committee has endorsed the Redditch Economic Development Theme Group's adopted "Economic Priorities, Aspirations and Actions" within which (under the "Enterprising Redditch" Theme) is a specific Priority to review the Centres as part of the wider aspiration to nurture existing businesses to grow and energise entrepreneurs to start businesses.

1.5 The review has brought an opportunity to look at the existing stock and availability of other locally available flexible business space which is another of the Theme Group's Priorities.

1.6 Finally, the review seeks to enable the Centres to bring about the optimum level of income possible, to ensure that the Council maximises the value of its assets.

2.0 GENERAL OVERVIEW

The following is a general overview of the Centres.

2.1 Number of units

2.1.1 There are 105 units in total, comprising 54 office units and 51 workshop units.

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2.2 Occupancy level

2.2.1 Ninety of the units – comprising 40 offices and 50 workshops - are occupied. This equates to occupancy rate of just over 85%.

2.3 Number of Businesses

2.3.1 Sixty seven businesses operate from the three Centres, of which:-

- 1 business occupies 5 units
- 5 businesses occupy 3 units
- 9 businesses occupy 2 units
- 52 businesses occupy 1 unit

2.4 Licence terms

2.4.1 Occupiers hold an “easy in/easy out” licence agreement which can be terminated by either party giving to the other 14 days notice.

2.4.2 The flexibility is attractive, particularly to new and growing businesses that may be hesitant about committing to long leases while their business is at a vulnerable stage. New businesses can move in quickly and inexpensively. Licensees can also move to larger or smaller units – or leave – without penalties or legal costs.

2.4.3 Licence fees include:-

- provision of reception and basic administrative support
- occupier’s postal delivery and collection
- communal lighting and heating
- caretaking/cleaning service
- WC & kitchen facilities
- landscaping services
- refuse collection
- on-site parking
- 24 hour access
- water rates
- VAT

2.4.4 Occupiers are responsible for:-

- electricity within their own unit
- public liability insurance
- furnishing their unit
- business rates
- telephone bills

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2.4.5 A three to six month free licence fee period may be offered with new lettings at the discretion of the Business Centres Manager. The policy is intended to effectively reduce a licensee's initial costs to help them set up.

2.5 Services offered

2.5.1 In addition to the inclusive services set out in 2.4.3, additional services are charged to cover:

- telephone switchboard dedicated answering
- postal services (franking and posting)
- meeting/conference room hire
- secretarial support
- postal address

2.5.2 Occupiers are aware of the wider business support services available through the two Local Enterprise Partnership Growth Hubs, including the recently launched EU funded business support programmes.

2.6 Length of Occupation from 1990

Period	0 - 2 years	2 - 5 years	5 - 10 years	10 years plus	Total no. Occupiers
1990 to 2015/16	361	112	39	20	532
16/17 onwards	26	11	7	23	67

2.6.1 The various size units (subject to availability) allow licensees to move within the Centres as their business expands or contracts. However, the current high level of occupation means that there is relatively little accommodation available for either existing occupiers to expand into or outside businesses to move into.

2.6.2 Whilst the Centres continue to provide for "short term" occupiers in the spirit of encouraging "easy in easy out" agreements, 32% of current businesses have been operating from the Centres for over 10 years. Fifteen businesses (22% of occupiers) occupy more than one unit with a proportion of these businesses having also been at the Centres over the same 10 year period.

2.6.3 This situation is further considered within Section 7.0 "Key Issues" below.

2.7 Promotion and Marketing

2.7.1 A modest £1,750 budget exists from the Council to promote the Centres through mainly traditional advertising (eg with Herefordshire and Worcestershire Chamber of Commerce and local press).

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2.7.2 The Centres are included within the Council's web site and linked to NWEDR's web site. Each Centre has its own advertising board/banner located in front of the premises.

2.7.3 More use is planned to be made of electronic promotion - though the most successful and cheapest form of promotion would appear to be "word of mouth".

2.8 The Council's responsibilities

2.8.1 The Council is responsible for funding the following:-

- the agreed amount of "shared service" funding to Wyre Forest District Council - as host authority to enable NWEDR to operate the day to day management of the Centres
- all repairs & maintenance (through Worcestershire Place Partnership)
- provision of and the salary and line management of the caretakers
- business rates on Council occupied parts and any empty units
- rent and service charge of Rubicon Business Centre
- telephone rental (Greenlands and Rubicon only)
- building and public liability insurances
- energy charges to common parts
- security and alarms
- web site provision
- cleaning materials
- refuse collections
- water charges

2.9 NWEDR responsibilities

2.9.1 NWEDR (as part of the Shared Service) is responsible for the Centres' day to day management, which includes:-

- the employment of the Business Centres Manager and all Reception staff
- provision and maintenance of office equipment and stationary
- web site content and, through the Council, its maintenance
- letting the units, meeting rooms and "postal addresses"
- the day to day management of the occupiers
- advertising and marketing the Centres
- printing

EXECUTIVE COMMITTEE6TH MARCH 2018**2.10 Staffing Resources**

2.10.1 The current establishment comprises:

1 No. Business Centres Manager @ 30 hours per week

4 Business Centres Receptionists: 3 @ 22.50 hours per week, 1 @ 20.5 hours per week

2.10.2 The established staff are experienced and knowledgeable about how the Centres operate and are flexible enough to enable cover to be provided during periods of leave and sickness.

2.10.3 A new Business Centres Manager was appointed with effect from 1st January 2018.

2.10.4 In addition there are two caretakers who are employed directly by Redditch Borough Council whose role is to open and lock up the premises and undertake cleaning and minor maintenance, in accordance with an agreed rota. The caretakers are experienced and provide a vital role in maintaining and running the Centres.

2.11 General

2.11.1 Existing licensees can apply for a rent-free period when renting additional space or moving to a larger unit within the centre as these reallocations are viewed as new lettings.

2.11.2 In general, a maximum of three units are permitted per business. This mitigates the risk of several units being simultaneously unoccupied and the associated break in income if that business were to leave the centre.

2.11.3 The vast majority of units are within the current threshold for 100% Small Business Rate Relief eligibility and all businesses should qualify for some form of relief - subject to eligibility.

3.0 FINANCIAL

3.1 In terms of budgeted/actual expenditure vs budgeted/actual income the surplus/deficit over the past three financial years is:-

Year	14/15	15/16	16/17
saving /deficit	+ £56,766 saving to budget	+ £23,434 saving to budget	+ £6,461 saving to budget

3.2 The variances are due to the unpredictable nature of expenditure on business rates as the Council is liable for payment of rates on offices that have been empty over 3 months and workshops empty over 6 months, plus energy and

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repairs costs, together with the fluctuations in occupation levels which affect income from licence fees and other sources.

- 3.3 With regard to business rates, the recent improvement in occupancy levels has meant the expenditure on rates has reduced more recently, though a determined campaign to occupy the “larger” offices at Greenlands would reduce this expenditure further.

4.0 OCCUPIERS SATISFACTION

- 4.1 The results of the most recent tenant satisfaction survey are below:-

Question	Very good/ Good response rate: %
Standard of workshop accommodation	92
Standard of office accommodation	92
Standard of service received from reception	100
Standard of general management of the Centre occupies	92
Level of secretarial services	93
Value for money	58

- 4.2 In addition a recent “on line” review stated:

“An excellent business centre, which is very well managed and maintained and provides a very high level of reception and conferencing facilities. Great value for money, would recommend to any small business”

- 4.3 In a related survey, the majority of occupiers at Greenlands would welcome:

- some internal decoration
- an upgrading of the Kitchen/Toilet facilities
- the provision of “a more contemporary” look to the front entrance.

- 4.4 Some – but not the majority– of occupiers would like:

- the rear windows replaced
- the reception area/furniture revamped
- new stair/corridor carpets
- a new communal heating system

- 4.5 Similarly, the majority of occupiers at the Rubicon Centre would welcome:

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- new lighting (LED) to the factory space (already programmed in)
- an upgrading of all the Kitchen/Toilet facilities
- painting the factory space floor

4.6 Some – but not the majority– of occupiers would like:

- LED lighting to the office
- An improved heating/ventilation system

4.7 The potential to upgrade the Centres is further considered within Section 7.0 “Key Issues” and Section 8 “Options” below.

5.0 COMPARISON WITH OTHER BUSINESS CENTRES

5.1 Other local private sector serviced business centres which operate and offer similar short-notice license terms to the Council’s Centres are shown in the table below:-

Location	Accommodation	Typical size sq ft	Monthly fee inc vat £	Typical fee £ per sq ft per month/per annum	Comments
Greenlands	Office	325	751	2.31 / 27.71	
The Edward Street Business Centre, Edward Street, Redditch	Offices	500	1,000	2.00 / 24.00	
Imex Business Centre Oxleasow Road, Redditch	Offices	325	390	1.20 / 15.32	No additional basic administrative support or other services offered
The Excalibur Centre, Studley Road, Redditch (Rear Greenlands)	Offices	675	1500	2.22 / 26.67	Not all units accessible “out of hours”
Basepoint Bromsgrove	Office	300	786	2.62 / 30.35	
Rubicon	Workshop	555	716	1.29 / 15.45	
Heming Road	Workshop	454	427	0.94 / 11.28	

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Basepoint Bromsgrove	Workshop	450	756	1.68 / 20.22	
Imex Business Centre Oxleasow Road, Redditch	Workshop	126	63	0.50 / 6	No additional basic administrative support or other services offered

- 5.2 Several other developments in Redditch include 'business centre' in their name, but are actually "stand-alone buildings" or buildings comprising multiple office suites or industrial bays, operating conventional (longer-term) commercial lease terms and without business support services.

EXECUTIVE COMMITTEE6TH MARCH 2018**6.0 SWOT ANALYSIS**

6.1 This SWOT analysis has been prepared by the current acting Centres manager and NWEDR's Economic Development Manager.

<p>Strengths</p> <ul style="list-style-type: none"> • Serviced receptions (not Heming Road) • Recent improvement in occupancy levels • Flexible Terms • Part of NWEDR structure • Established businesses • 14 day notice periods • Inclusive licence fees • Good parking areas • CCTV at Rubicon • 24/7 access 	<p>Weakness</p> <ul style="list-style-type: none"> • High number of long term occupiers restricting opportunities for new and young businesses to locate in the centres • Confusing management arrangements • Separate IT systems required for Redditch Borough Council's responsibilities and NWEDR (Wyre Forest DC's) responsibilities • Only using basic software systems such as Excel and Word • NWEDR has no direct control of some budgets eg maintenance budget is with Place Partnership • No CCTV at Greenlands or Heming Road • Heating system at Greenlands antiquated
<p>Opportunities</p> <ul style="list-style-type: none"> • Sell more secretarial/support services and let meeting/conference rooms • Modernise the marketing and social media promotion • Upgrade the accommodation to more modern standards • Continue to improve occupancy levels • Potential to advertise the Heming Road overspill car park to let/for sale • Introduce tailored Business Centres management software packages • Bring day to day operational and future capital expenditure budgets under NWEDR 	<p>Threats</p> <ul style="list-style-type: none"> • Some local competition is driving up expectations on quality • Rent of Rubicon is a large (though budgeted for) outgoing • Lease expiry of Rubicon on 2/11/17 • Future dilapidation costs

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7.0 KEY ISSUESBudgets

7.1 It is suggested that the day-to-day operation and the financial management of the Centres would be improved if the relevant revenue budgets currently managed by the Council, e.g. relating to repairs and maintenance, energy, rates, refuse collection, security and relevant capital expenditure, were transferred to NWEDR.

Long term occupiers

- 7.2 Some outline information regarding occupancy levels was set out within Section 2.6. This is further considered below.
- 7.3 The levels of satisfaction might suggest that occupiers are happy to stay in the “comfortable” surroundings that the Centres provide rather than move onto other commercial property within the area.
- 7.4 Whilst this aspect of the Centres’ success is welcome to certain extent, it can lead to a shortage of accommodation for businesses wanting to move into the Centres and take advantage of the services provided.
- 7.5 Having said this, it is “a brave” property owner – let alone a Local Authority - that would willingly terminate the agreements of long standing or any occupiers in order to free up accommodation to potentially risky recently started or brand new start up businesses.
- 7.6 Whilst nothing in the licence agreements limits the length of time businesses can remain in their unit, consideration could be given whether the longstanding occupiers, and indeed any occupier who has been in occupation for say up to 5 years, might be “encouraged to move on” to alternative accommodation – ideally within the Borough.
- 7.7 The potential advantages of implementing a “move on” policy are:
- more accommodation is available for incoming businesses
 - existing occupiers may find more suitable and cheaper accommodation
 - there would be an opportunity to refurbish the vacant unit(s)
- 7.8 The potential disadvantages are:
- RBC lose regular income and established occupiers
 - An incoming occupier may not be as “good” a tenant as the displaced business
 - There is nothing in the existing agreements to suggest RBC would undertake such a policy

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- 7.9 It is suggested therefore, that rather than establishing and insisting that a potentially unworkable “move on” policy be implemented, businesses who are still operating from the Centres after say 5 years, be asked whether they have considered or whether they might consider taking alternative accommodation subject to such accommodation being available.

Heming Road land

- 7.10 On the opposite side of the road from the Heming Road units, there is a Council owned car park originally provided to offer associated and additional car parking space. It is clear that this area is rarely used for its previous intended function and consideration might be given to its future use – either as a potential development site, a disposal or letting it as car parking space to other businesses on the estate.

Upgrading options

- 7.11 Whilst the Centres provide very functional, practical and value for money business accommodation, it is clear that, what might be regarded as, more modern business space is also available.
- 7.12 The potential to “upgrade” the Centres to bring them in line with other similar accommodation, is considered within Option A ii and iii below.

8.0 OPTIONS

- 8.1 The three Options below (A, B & C) have been formulated based on the findings of the above review.
- 8.2 An option “to do nothing” has not been included as, despite the fact that the Centres function successfully both financially and in terms of providing accommodation, there is a perceived need to “modernise” the Centres both physically and operationally.
- 8.3 Options from within A & B would “renew” the Centres to meet the needs of businesses and RBC.
- 8.4 Option C has been included as a radical alternative – not necessarily because this is what is potentially required following the review, but because it is an option that might want to be considered.

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OPTION	NET BENEFITS
<p>OPTION A:</p> <p>NWedr/Council continue to operate the centres aiming to maximise income and reduce general expenditure, but also:</p> <p>i) raise the profile of the Centres through NWEDR and a promotional/social media marketing campaign</p> <p>ii) carry out “light touch” improvements to all three centres – ie new furniture for both reception areas, decoration to all offices and reception areas and replacement carpets to all tenants offices and common corridors/reception areas, new car park surface, internal decoration, security, kitchen and new fire exit path at Heming Road</p> <p>Total circa £80,000 capital expenditure</p> <p>iii) carry out a major high quality refurbishment/modernisation programme (ie new heating, air conditioning, new lighting, insulation and new windows throughout and new furniture for reception areas, decoration and new carpets to all offices and relevant corridors and providing roofs and /or additional office/storage space over some internal workshop units at Rubicon & Heming Road at a provisional estimated cost of up to £850,000 capital expenditure plus any the loss of income during the works</p>	<ul style="list-style-type: none"> • Aim to maintain high occupancy levels and low voids whilst giving new and growing businesses the opportunity to develop • Bring the Centres in line with more modern and “competing” accommodation ○ Bring the Centres in line with more modern and competing accommodation ○ The Centres would be more energy efficient thereby saving money on energy costs ○ Initial estimates suggest that a programme to “refurbish/modernise” and increase the floor space of some units could lead to increased revenue of between £75,000 to £100,000 per annum. ○ Whilst this suggests a potentially attractive rate of return in the region of 10% per annum, the following points should be noted: <ul style="list-style-type: none"> - such a rate of return would

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<p>iv) Renew the lease of the Rubicon Centres</p> <p>v) Transfer the day to day management of annual expenditure on operational activities and any future capital expenditure budgets for all three of the business centres to NWEDR</p>	<p>not be instant and might only be achieved after a number of years depending on how and when any increase in rents was phased in.</p> <ul style="list-style-type: none"> - an immediate and large increase in rents could lead to businesses leaving and units becoming vacant. - works to increase floor space could only take place when units available - the Centres, as a whole are financially viable without the need to invest significant sums of money which could perhaps be better invested in other projects <ul style="list-style-type: none"> ○ continue to provide and offer offices and workspace ○ improve the efficiency of the day-to-day and the financial management of the Centres.
<p>OPTION B:</p> <p>i) Invite external organisations to run all of the Centres for a term of years and pay RBC a regular flat fixed fee (income) or a fee based on a profit share</p> <p>Or</p> <p>ii) RBC invest in each centre to improve and bring them up to an agreed “modern standard” and then invite external organisations to run all of the Centres for a term of years and pay RBC a regular flat</p>	<ul style="list-style-type: none"> ● Potential for RBC to receive an agreed annual fixed payment plus potential additional income from profit share arrangement ● All income received is paid to RBC ● The operator receives a base fee

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<p>fixed fee (income) or a fee on a profit sharing based agreement with the potential for private sector to also invest in them to improve marketability and profitability</p>	<p>for managing the Centres and also receives additional monies based on financial performance.</p> <ul style="list-style-type: none"> • The operator has a clear financial incentive to perform. • The potential for the centres to be run on more “commercial” basis • Incentive to operate the Centres as genuine incubation / grow on space facilities with a good churn of occupiers • Opportunity to generate more income and profit to both the council and private operator
<p>OPTION C: i) RBC cease to provide or operate any one or all of the business centres, serving notice on all occupiers and disposing of the relevant interest(s)</p>	<ul style="list-style-type: none"> • Receive a capital sum for the freehold and leasehold interests in Heming Road and Greenlands respectfully • Save on all running costs – (including rent and service charges at Rubicon) and potential refurbishment costs • Use the forthcoming lease expiry opportunity at Rubicon to terminate the existing licences and empty the building

9. CONCLUSION

- 9.1 The Centres, as a whole, are considered to offer good value for money to the Council as they operate within budget and, in fact, produce a small “profit” in terms of budgeted income over budgeted expenditure.
- 9.2 Increasing income by seeking to achieve full occupancy would reduce expenditure on “empty rates” and have the potential to bring in greater revenue from charging more occupiers for services.
- 9.3 In terms of the local economy, the Centres continue to contribute to the Borough’s much needed infrastructure for business growth by continuing to provide workshop and office space for new and growing businesses.

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- 9.4 Undertaking capital improvement will contribute the needs of new and growing businesses by investing in relatively smaller sums to give the Centres a general “face lift”.

10. RECOMMENED OPTIONS

- 10.1 Of the Options set out in 8. above, the recommend options are:

- A i) raise the profile of the Centres through NWEDR and a promotional/social media marketing campaign
- A iv) Renew the lease of the Rubicon Centres (Unit 17 Broad Ground Road)
- A v) Transfer the day to day management of annual expenditure on operational activities and any future capital expenditure budgets for all three of the business centres to NWEDR

NB: Regarding Option A ii) above, it should be noted that a Capital Bid has now been approved as part of the Medium Term Financial Plan to fund a series of improvements to relieve the pressure on the existing repairs and maintenance revenue budgets and to help to improve the success of the Centres.

11. APPENDICES

Appendices A: Greenlands Business Centre

Appendices B: Rubicon Business Centre

Appendices C: Heming Road Enterprise Centre

Appendices D: Indicative and estimated refurbishment costings

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APPENDIX A**GREENLANDS BUSINESS CENTRE, STUDLEY ROAD, REDDITCH****1.0 Summary**

1.1 A self contained two storey office building within a mixed commercial/residential area approximately 2.5 miles south east of Redditch town centre.

1.2 The building comprises 15,500 sq ft and houses 35 unfurnished office units ranging from 108 sq ft to 600 sq ft (with some units interconnecting to create larger office space).

1.3 There are 58 car parking spaces (including 2 disabled) for used by occupiers and visitors and an electric vehicle charging point.

1.4 There is a common "manned" reception area giving access to all of the office suites.

1.5 Occupying users include: Vehicle finance brokers, Care agency, Training company, Loan company, Design company, Accountants and consulting engineers.

1.6 The property is held by Redditch Borough Council on a 99 year lease from May 1989. A premium of £275,000 was paid to secure a ground rent payable of £1 pa without review.

2.0 Availability/Void rate:

2.1 Five out of thirty five units are currently available – though two of these are "held back" for meeting room bookings. Allowing for the two meeting rooms – which are regularly booked out in return for a charge, this equates to an occupancy rate of 80% or a void rate of 20%.

3.0 Finance:

3.1 In terms of budgeted/actual expenditure vs budgeted/actual income the Centre produced a deficit of £728 during 2016/17.

3.2 The budgeted expenditure includes RBC's payment to WFDC for the provision of NWEDR's shared service which include:-

- Employment of management staff (excluding the building caretakers)
- Office equipment, stationary, advertising, general expenses and postage

3.3 RBC's direct expenditure includes:-

- Employment of building caretakers and associated costs
- Repairs and maintenance
- Energy and water
- Business Rates
- Security and building insurance
- Cleaning materials

EXECUTIVE COMMITTEE**6TH MARCH 2018****4.0 Number of businesses since 1990:-**

Period	0 - 2 years	2 - 5 years	5 - 10 years	10 years plus	Total no. Occupiers
1990 to 2015/16	147	41	14	8	210
2016/17 onwards	6	3	2	6	17

5.0 Maintenance Issues:

5.1 Greenlands Business Centre is an “older” building, where some cosmetic improvements have taken place over the years including decoration.

5.2 However, the rear windows need replacing (ideally) and the heating system is “of its day” but deemed to be impossible to replace without moving occupiers out of their units/decanting occupiers over a phased period

5.3 RBC maintenance Budget 2017/18: £18,500

5.4 A recent survey of occupiers at the Greenlands suggested that the majority would welcome:

- some internal decoration
- an upgrading of the Kitchen/Toilet facilities
- the provision of “a more contemporary” look to the front entrance.

5.5 Each of these areas are indeed now looking a little tired so a refurbishment is probably overdue.

5.6 Some – but not the majority– of occupiers would like:

- the rear windows replaced
- the reception area/furniture revamped
- new stair/corridor carpets
- a new communal heating system

6.0 Summary

6.1 Whilst Greenlands Centre continues to provide functional office accommodation which suits the needs of occupying businesses, the building itself is a little dated and, if resources allowed would benefit from an internal and external “make over” to bring it in line with more modern comparable offers.

6.2 The services provided are comparable and competitive with other centres, though consideration should be given to developing an interactive web site to give a more modern outward appearance together with looking at available digital technologies to support the management of the operation – noting however, the challenge to achieve this whilst three different organisations are involved with running the Centre (WFDC, RBC and Place Partnership).

EXECUTIVE COMMITTEE6TH MARCH 2018**APPENDIX B****RUBICON CENTRE, BROAD GROUND ROAD, LAKESIDE INDUSTRIAL ESTATE, REDDITCH****1.0 Summary**

1.1 An end of terrace industrial/warehouse unit within an established industrial estate approximately 4 miles south east of Redditch town centre.

1.2 The building comprises a total of 20,400 sq ft and houses 16 unfurnished office units (150 to 300 sq ft) on two internal floors and 23 ground floor workshops (280 to 590 sq ft) for commercial enterprises and for light industrial use.

1.3 There is a common and "manned" reception area to the front giving access to the unit space and the ground and first floor offices.

1.4 Loading and unloading is from a common service area via two roller shutter doors situated at the rear of the property.

1.5 There are 36 car parking spaces to the front with a temporary parking/loading/unloading area to the rear

1.6 Occupying users include: Motorcycle training, printers, radio communication, designers, lock company, CCTV, lighting, contract fitters, stair lift contractors.

1.7 The property is held on a 10 year Full Repairing and Insuring lease from 3 November 2007 with no break clause at a passing rent of £91,850 per annum and a variable Service Charge which is budgeted at £9,000 pa.

1.8 A rent review is due in November 2017. The reviewed rent cannot be less than that currently paid.

2.0 Availability/Void rate:

2.1 Seven (office) units are currently available, equating to an occupancy rate of 82% or a void rate of 18%.

3.0 Finance:

3.1 In terms of budgeted/actual expenditure vs budgeted/actual income the Centre produced a surplus of £29,698 during 2016/17.

3.2 The budgeted expenditure includes RBC's payment to WFDC for the provision of NWEDR's shared service which include:-

- Employment of management staff (excluding the building caretakers)
- Office equipment, stationary, advertising, general expenses and postage

3.3 RBC's direct expenditure includes:-

- Employment of building caretakers and associated costs
- Rent of premises and service charge
- Repairs and maintenance
- Refuse collection
- Energy and water
- Business Rates
- Security and building insurance
- Cleaning materials

EXECUTIVE COMMITTEE**6TH MARCH 2018****4.0 Number of businesses since 1990:-**

Period	0 - 2 years	2 - 5 years	5 - 10 years	10 years plus	Total no. Occupiers
1990 – 2015/16	162	46	17	9	234
2016/17 onwards	7	6	5	7	25

5.0 Maintenance Issues:

5.1 There are currently:

- Proposal to upgrade interior lighting
- RBC Budget 2017/18: £10,100

5.2 A recent survey of occupiers at the Rubicon Centre suggested that the majority would welcome:

- new lighting (LED) to the factory space
- an upgrading of all the Kitchen/Toilet facilities
- painting the factory space floor

5.3 The lighting is already programmed in following the granting of any new lease and the other areas are indeed now looking a little tired so improvements are probably overdue.

5.4 Some – but not the majority– of occupiers would like:

- LED lighting to the office
- An improved heating/ventilation system

6.0 Key Issues

6.1 The Key Issue at Rubicon is the forthcoming lease renewal. There is the potential for the rental outgoing on the property to be increased – and RBC should make provision for both this and any potential dilapidation cost which may result accordingly.

6.2 RBC would be advised direct on both matters by Place Partnership.

6.3 Any resultant increase in rent has the potential to affect the “profitability” of the Rubicon Centre and the Centres as a whole.

EXECUTIVE COMMITTEE**6TH MARCH 2018****APPENDIX C****HEMING ROAD ENTERPRISE CENTRE, WASHFORD INDUSTRIAL ESTATE****1.0 Summary**

1.1 The property is held freehold by Redditch Borough Council, ownership having transferred from the Commission for New Towns in 1998.

1.2 There is a condition that the premises must be used for housing small businesses and managed workspace in a minimum of 75% of the floor area.

1.3 A self contained single storey industrial/warehouse unit within an established industrial estate approximately 5 miles south east of Redditch town centre. The building comprises a total area of 17,280 sq ft and has been divided into 28 ground floor units of between 290 sq ft and 428 sq ft for warehouse, industrial or engineering use and 3 office units ranging between 110 sq ft and 203 sq ft.

1.4 There is a shared roller door to the front of the unit for loading/unloading and vehicular access. There is also a side pedestrian access door.

1.5 There are 20 car parking spaces to the front of the unit and an "overspill" car park area across the road from and opposite the property.

1.6 The "overspill" car park is not used and it is considered that it could be advertised to let to bring in extra income, if not directly to the Heming Road revenue account, then at least to be part of Redditch Borough Council's annual income.

1.7 Occupying users include: Engineers, joiners, shop displays, contract cleaners

2.0 Availability/Void rate:

2.1 One of the 31 units are currently available equating to an occupancy rate of 97% or a void rate of 3%.

3.0 Finance:

3.1 In terms of budgeted/actual expenditure vs budgeted/actual income the Centre produced a deficit of £22,509 during 2016/17.

3.2 The budgeted expenditure includes RBC's payment to WFDC for the provision of NWEDR's shared service which include:-

- Employment of management staff (excluding the building caretakers)
- Office equipment, advertising and general expenses

3.3 RBC's direct expenditure includes:-

- Employment of building caretakers and associated costs
- Repairs and maintenance
- Energy and water
- Business Rates
- Security and building insurance
- Cleaning materials

EXECUTIVE COMMITTEE**6TH MARCH 2018****4.0 Number of businesses since 1990:-**

Period	0 - 2 years	2 – 5 years	5 – 10 years	10 years plus	Total no. Occupiers
1990 – 2015/16	52	25	8	3	88
2016/17 onwards	9	4	2	10	25

4.1 It is noted that nearly half of the occupiers have been at this centre for over 10 years which might suggest that units are rarely available and businesses are not given the chance to take space at Heming Road.

5.0 Maintenance Issues:

- Structure is in good repair
- Some recent internal refurbishment including WCs and kitchen
- Proposal for external decoration of doors and windows
- RBC Budget 2017/18:£15,050

6.0 “Overspill” car park

6.1 An RBC owned car park is located on the opposite side of the road from the units which was originally provided to offer associated and additional car parking space. It is clear that this area is rarely used for its previous intended function and consideration might be given to its future use – either as a potential development site, a disposal or letting it as car parking space to other businesses on the estate.

EXECUTIVE COMMITTEE**6TH MARCH 2018**

APPENDIX D**Indicative and estimated refurbishment costings**

Greenlands: new front and inner doors, replace radiators and insulation (if required) throughout, new kitchen furniture/sink etc and WC toilets/wash hand basins, new rear windows and new furniture for reception areas, decoration and new carpets to all offices and relevant corridors to deliver "Grade A" specification offices

Total: £215,000 capital expenditure

Rubicon: new heating, lighting and insulation throughout (if required), new kitchen furniture/sink etc and WC toilets/wash hand basins and new furniture for reception areas, decoration and new carpets to all offices and relevant corridors to deliver "Grade A" specification offices

Total: £170,000 capital expenditure

Heming Road: Replace insulation, floor painting and internal decoration, new kitchen, resurface car park fire exit path resurface, rear area reduce grass and make into outdoor usable space

Total: £367,000 capital expenditure

TOTAL: £752,000

plus £75,000 for new upper floors to selected units
£827,000

Say potentially up to £850,000 capital expenditure

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EXECUTIVE COMMITTEE**6th March 2018****COUNCIL HOUSING ALLOCATIONS POLICY 2018 UPDATE**

Relevant Portfolio Holder	Councillor Mark Shurmer
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Wards Affected	All
Ward Councillor Consulted	No

1. SUMMARY OF PROPOSALS

- 1.1 The Council's Allocations Policy was last updated in 2017 and this 2018 update incorporates changes to assist the Council with the new duties to prevent and relieve homelessness to be implemented by the Homelessness Reduction Act 2017 which comes into force on the 3 April 2018.
- 1.2 A drafting error in section 9 and section 29 of the 2017 Policy has also been identified and amended.
- 1.3 The property size to be offered to applicants assisted through homeless legislation with a child under two has been changed to a one or two bedroom property to provide greater flexibility and improve the use of the stock.
- 1.4 This report seeks the approval from Members to implement the updated Housing Allocations Policy 2018 which incorporates these changes.

2. RECOMMENDATIONS

The Committee is asked to RECOMMEND that

- 2.1 the revised Housing Allocations Policy 2018 (appendix 1) be adopted and;**

the Committee is asked to RESOLVE that;

- 2.2 authority be delegated to the Deputy Chief Executive & Executive Director for Leisure, Environment & Community Services in conjunction with the Legal Service Manager to make any future amendments to the Council's Housing Allocations Policy that are deemed to be necessary and which do not trigger the statutory obligation to consult the persons affected by the changes pursuant to section 168(3) of the Housing Act 1996.**

EXECUTIVE COMMITTEE**6th March 2018****3. KEY ISSUES****Financial Implications**

- 3.1 There are no direct financial costs to the revised Allocations Policy.

Legal Implications

- 3.2 The Housing Act 1996 Part 6 (as amended by the Homelessness Act 2002 and the Localism Act 2011) governs the allocation of local authority housing stock in England.
- 3.3 The Housing Act 1996 S.168 (3) states that when the authority make an alteration to their scheme reflecting a major change of policy, they shall within a reasonable period of time take such steps as they consider reasonable to bring the effect of the alteration to the attention of those likely to be affected by it.
- 3.4 The Homelessness Reduction Act 2017 has changed the definition of those who are threatened with homelessness from 'within 28 days to within 56 days' and places a new duty on local authorities to assist with homelessness prevention under s.195. The authority must take reasonable steps to help the applicant to secure that accommodation does not cease to be available for the applicant's occupation. This duty will end if the Council are satisfied that—
- (a) the applicant has suitable accommodation available for occupation for 6 months or more,
 - (b) the authority have complied with the duty and the period of 56 days beginning with the day that the Council are first satisfied they were threatened has ended (whether or not the applicant is still threatened with homelessness),
 - (c) the applicant has become homeless,
 - (d) the applicant has refused an offer of suitable accommodation
 - (e) the applicant has become homeless intentionally from any accommodation that has been made available to the applicant as a result of the authority's exercise of their functions under s.195,
 - (f) the applicant is no longer eligible for assistance
 - (g) the applicant has withdrawn the application
- 3.5 The relief duty under s.189B requires that the Council must take reasonable steps to help the applicant to secure that suitable accommodation becomes available for the applicant's occupation for at least 6 months. This duty will end if the Council are satisfied that—

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****6th March 2018**

- (a) the applicant has suitable accommodation available for occupation for at least 6 months or more,
- (b) the authority have complied with the duty and the period of 56 days beginning with the day that the Council are first satisfied they were homeless has ended (whether or not the applicant has secured accommodation),
- (c) the applicant has refused an offer of suitable accommodation
- (d) the applicant has become homeless intentionally from any accommodation that has been made available to the applicant as a result of the authority's exercise of their functions under s.189B,
- (e) the applicant is no longer eligible for assistance, or
- (f) the applicant has withdrawn the application

Once the relief duty has ended should the applicant have a priority need and be unintentionally homeless the Council will need to make a decision on what other duties under Part VII of the Housing Act 1996, as amended, the Council has to the applicant.

Service / Operational Implications

- 3.6 An applicant who the Council is satisfied it has a duty to prevent homelessness (s.195) or relieve homelessness (s.189B) will be placed in the Silver band and awarded points as required by the allocations policy (Section 10 Redditch home choice bandings).
- 3.7 An applicant who the Council is satisfied it has a duty to prevent homelessness (s.195) or relieve homelessness (s.189B) and the Council has validated as being unintentionally threatened with homelessness or homeless and has a priority need (within the meaning of Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002) will be placed into the Gold band (Section 10 Redditch home choice bandings).
- 3.8 Applicants assisted through homelessness legislation with a child under two will now be eligible for an offer of either a 1 bedroom or 2 bedroomed properties to discharge the Council's duty (policy page 19)
- 3.9 At section 9 Owner Occupiers 'and they have demonstrated that they have no financial means of helping themselves.' has been removed as this is not a consideration that can be used for determination of a statutory reasonable preference category.
- 3.10 At section 29 staff/elected member applications 'or relatives of either' has been inserted to the first sentence of the second paragraph.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****6th March 2018****Customer / Equalities and Diversity Implications**

- 3.9 A strong and proactive housing options approach will ensure that households are offered support to access the housing solution which best meets their needs (this might be private rented housing, low cost home ownership or help to stay put), in addition expectations about accessing social housing will be properly managed, and social housing will be focussed on those who need it most.
- 3.10 Better use of housing stock will result in more families being housed in appropriately sized accommodation and free up other accommodation for households who may otherwise becoming socially excluded.
- 3.11 In framing the Allocations Policy the council has had regard to its duties under the equalities legislation.

4. RISK MANAGEMENT

- 4.1 There are risks to not implementing the updated Allocations Policy 2018 which are in the table below:

Risk	Consequence	Mitigation
Increase in the use of temporary accommodation including B&B accommodation	<ul style="list-style-type: none"> Judicial review Housing ombudsman complaint 	<ul style="list-style-type: none"> Placing applications in appropriate banding for their circumstances will enable the Council to assist customers to prevent homelessness in a suitable manner.
The Council not fully using it resources to meet the duties placed on it through new legislation.	<ul style="list-style-type: none"> Increase in staff resources to deal with numbers of homelessness applications Delays in providing housing Government intervention 	<ul style="list-style-type: none"> Placing applications in appropriate banding for their circumstances will enable the Council to assist customers to prevent homelessness in a suitable manner.

5. APPENDICES

- Appendix 1 – Draft Housing Allocations policy 2018
Appendix 2 – Housing Allocations Policy 2017

6. BACKGROUND PAPERS

EXECUTIVE COMMITTEE**6th March 2018**

Housing Allocations Policy 2017

Housing Act 1996

Localism Act 2011

Allocation of accommodation: guidance for local housing authorities in
England 2012

Homelessness Reduction Act 2017

7. KEY**AUTHOR OF REPORT**

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REDDITCH BOROUGH COUNCIL HOUSING ALLOCATIONS POLICY

March 2018



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1. INTRODUCTION

Redditch Borough Council is an area of high housing demand and need. Property prices and private sector rents are high in comparison to incomes, resulting in additional pressures on affordable housing. Allocations of Council owned property and nominations to Housing Associations will be made using the guidelines set out in this Policy.

This Allocations Policy complies with the requirements of the Housing Act 1996 (as amended) and takes into account the relevant code of guidance Allocation of Accommodation Code of Guidance 2012 which replaced the previous codes of guidance. All of these documents can be obtained through the DCLG website. The Policy also complies with the Localism Act 2011, Welfare Reform legislation and Equalities Act 2010 where applicable.

The Housing Act 1996 (as amended by the 2002 Homelessness Act) requires local authorities to make all allocations and nominations in accordance with an Allocations Policy. A summary of the Allocations Scheme and general principles is available through the Redditch Home Choice website www.redditchhomechoice.org.uk and at the Council's offices.

The Housing Act 1996, (as amended) requires local authorities to give Reasonable Preference in their allocations policies to people with high levels of assessed housing need. This includes homeless people, those who need to move on welfare or medical grounds, people living in unsatisfactory housing and those who would face hardship unless they moved to a particular locality within the local authority's area.

The Allocations Policy is also framed to ensure that it is compatible with the Council's equality duties including the duty to eliminate unlawful discrimination and to promote good relations between different racial groups, as well the duty to promote equality between disabled persons and other persons and between men and women.

This Policy has considered:

- The Council's statutory obligations and discretion as to who is eligible for housing allocation
- The Council's statutory obligation to provide Reasonable Preference to certain categories of applicants set down by law i.e. those who must be given a greater priority under the Allocations Policy.
- The Council's statutory discretion to grant "additional preference" and/or to determine priority between applicants with Reasonable Preference.
- The general and specific statutory discretions the Council can exercise when allocating housing.

2. PRIORITIES AND AIMS

The Council Plan focuses on delivering services which meet the needs of residents through six strategic purposes of which three directly relate to its approach to the allocation of affordable housing as follows:

- **Help me find somewhere to live in my locality**
- **Help me to live my life independently**
- **Help me to be financially independent**

Redditch Home Choice enables people with a housing need to look for a home in an area of preference within Redditch Borough. Households registered with Redditch Home Choice will be banded according to the suitability of their current accommodation to meet their needs, their current situation and their local connection.

Redditch Borough Council has set a number of objectives for its Allocations Policy in order to provide good quality, well managed social housing in Redditch. The policy is transparent and easy to understand, regular monitoring and reviewing will take place ensuring all targets are met and the best use is made of the available housing stock, and applicants are kept updated of all their Housing options.

- **Objective 1** Ensure that anyone in housing need has advice on access to affordable Housing, and that this advice is easily available to disadvantaged, vulnerable and ethnic groups.
- **Objective 2** Make Social Housing available to those who cannot afford to purchase property of their own, or to rent privately.
- **Objective 3** That there is equality of opportunity within the Allocations Policy and the allocations scheme is fair, consistent and accountable which reflects the values of the Council.
- **Objective 4** Incorporate the Council's Housing Strategy, Private Sector Renewal Strategy and Homelessness Strategy.
- **Objective 5** To build and sustain diverse and balanced communities and promote social inclusion.
- **Objective 6** To work with other agencies and housing providers to make the best use of affordable housing to meet current and future needs.
- **Objective 7** To ensure customers are given an opportunity to make an informed choice about where to live.
- **Objective 8** To create a safer & cleaner environment; reduce crime, disorder, substance misuse and anti-social behaviour, and to address the causes and fear of crime.

3. THE PURPOSE OF THE ALLOCATIONS POLICY

This policy sets out in detail, those who can or cannot be accepted under the policy and how this assessment is made. It also sets out how applicants can apply for and access housing.

It describes how applicants qualify for the Redditch Home Choice scheme and how the Council identifies their housing need with regard to the legal definition of Reasonable Preference and other categories of housing need that the Council has recognised and how it prioritises housing applicants.

Whilst all applicants are assessed in accordance with the Policy, the allocation of Housing Association properties will be subject to the allocation policies of those individual Housing Associations, where they have one, who will assess applicants on the Housing Register according to their stated priorities. They may have different rules about the number of people who can live in a home of a particular size. This will be made clear when a property is advertised. For more information regarding the letting of properties please see the Redditch Home Choice website.

What are Allocations under this Scheme?

Allocations under the scheme include where an applicant is nominated or where an existing tenant transfers to be a tenant of the Council or a Housing Association.

The allocation may be an 'Introductory Tenancy' with the Council or 'Starter Tenancy' with a Housing Association which will be for a set period, usually 12 months. Provided the tenant successfully completes the probationary period the Council/Housing Association will grant a Secure/Assured Tenancy or a fixed term tenancy (please see individual Housing Association / Registered Provider's tenancy policies).

The Redditch Home Choice scheme may also be used to advertise intermediate market rent, shared ownership and private rented properties. Please contact the relevant landlord for their eligibility criteria and more details regarding allocation of these types of properties.

4. EQUALITY AND DIVERSITY

The Council has clear policies and procedures which promote equal opportunity, diversity and respect for the needs of everyone in our community. This includes:

- Equal treatment of all regardless of race, gender, age, disability, sexual orientation, religion or belief, with reasonable adjustments where necessary in line with the Disability Discrimination Act.
- Working to eliminate unlawful discrimination.
- Promoting equal opportunities.

- Promoting community cohesion, including good relations between people from different ethnic groups.
- Providing reasonable access to interpretation or support on request.
- Responding to the needs of all and working to engage all sections of the community.

5. STATEMENT ON CHOICE

Redditch Council allocations policy provides a sophisticated approach to those with higher housing needs so that these needs are fully understood. Applicants in higher housing needs will be placed into the Gold Band with the approval of a Senior Officer and then directly matched with a home in a locality that provides a sustainable long term solution to meeting those needs.

Pressure on the Council's affordable housing stock means we have introduced qualification criteria covering who is and isn't eligible to join the waiting list. Whilst keen to encourage and facilitate mobility within housing, Redditch Borough Council recognises that provision of choice has to be balanced along with local needs and demand.

In determining priority for housing within the banding structure, a higher degree of preference will be awarded to applicants who have the greatest need and have a local connection to Redditch Borough.

Applicants, with the exception of Gold band, have the opportunity to view details of all properties that are advertised, but can only 'bid' for properties that they are eligible for. Those applicants in the Gold band will be directly matched to properties.

The Council has identified that in order to provide sustainable housing solutions there will be a number of exceptional situations where bidding may not be possible, for instance;

- Where the applicant does not meet the eligibility criteria for the scheme or the vacant property.
- Where a Local Lettings Plan has been agreed and the applicant does not meet the criteria.
- Where there is a legal agreement restricting who can be offered the property. Exceptional circumstances will be made clear when the applicant receives their banding award, or the property is advertised, unless the exceptional circumstance concerns the individual specifically (who has bid for the property) in which case it will be discussed with the applicant at the point of allocation.

Applicants who bid on and subsequently refuse properties for no reason or without what the Council considers a valid reason will have their priority reduced by changing their application effective banding date to the date of refusal.

6. ELIGIBILITY AND REASONABLE PREFERENCE

Who is, and who is not, eligible to apply to register on Redditch Home Choice

Any United Kingdom resident aged 16 years or over may apply to the council for allocation of housing. However, housing will only be allocated to applicants who are registered on the council's housing register for social housing and to be registered an applicant must be:

- eligible for social housing in England (that is, not ineligible due to their immigration status); and
- a qualifying person for social housing in Redditch Borough.

Persons from abroad

A person from abroad (or two or more persons jointly if any of them is an ineligible person) is ineligible for an allocation of housing accommodation if he is subject to immigration control within the meaning of the Asylum and Immigration Act 1996, or is excluded from entitlement to housing benefit by s.115 of the Immigration and Asylum Act 1999 (c 33) (exclusion from benefits) unless he is of a class prescribed by regulations made by the Secretary of State. Persons who are subject to immigration control and eligible for housing assistance are;

- Refugee status
- Exceptional leave to remain
- Indefinite leave to remain
- Nationals of a country that has ratified the European Convention on Social and Medical Assistance (ECSMA) or the European Social Charter provided they are habitually resident in the CTA and are lawfully present in the UK

This does not apply to a person who is already a secure or introductory tenant, of the Council or housing association. If an applicant has any further questions regarding their status they should contact the Council or seek independent legal advice. Households who are living abroad and therefore not habitually resident will not be eligible to register.

Applicants who were considered as ineligible due to immigration status can re-apply at any time.

Anybody can make joint applications including married couples, civil partners, cohabiting couples, same sex couples. In such cases, it is usual for a joint tenancy to be granted in the event of an offer of accommodation being made. The eligibility of applicants to be on the Housing Register will also be checked at the point of allocation.

Age Eligibility Criteria - Young people aged 16 to 18

Young people aged 16 to 18 can apply to Redditch Home Choice and will be registered. For young people under the age of 18 years the Council or Housing

Association partner may grant permission to allow the occupation of a property by way of an "Equitable Tenancy" however the Council or Housing Association (Registered Provider) will not normally grant a tenancy to anyone under the age of 18 years unless they are also able to provide a guarantor to cover rent. Please refer to individual Housing Association and Registered Providers policies for more details.

Unacceptable behaviour

Where the applicant, or a member of their household, has been guilty of unacceptable behaviour serious enough to make him unsuitable to be a tenant of the authority, the Council may decide they will be ineligible for registration.

Unacceptable behaviour is defined as behaviour which would, if an applicant or member of their household was a secure tenant, entitle a landlord to outright possession under any of the Grounds 1 to 7, Schedule 2 of the Housing Act 1985.

Unacceptable behaviour can include but not limited to:

- Owing significant rent arrears and/or failing to comply with a current tenancy condition with a Council, Housing Association or private landlord to such an extent that a Court would grant a possession order.
- Conviction for using the property for an illegal or immoral purpose.
- Causing nuisance and annoyance to neighbours or visitors, for example anti-social behaviour.
- Being convicted for offences in or near the home and still posing a threat to neighbours or the community.
- Being violent towards a partner or members of the family.
- Being violent or abusive to Council Officers
- Allowing the condition of the property to deteriorate.
- Allowing any furniture or fixtures provided by the landlord to deteriorate due to ill treatment.
- Obtaining a tenancy by deception, for example by giving untrue information.
- Paying money to illegally obtain a tenancy.
- Having lost tied accommodation provided in connection with employment due to conduct making it inappropriate for the person to reside there.

In determining whether an applicant is ineligible due to unacceptable behaviour, the Council, will consider:

- Has the applicant or a member of the applicant's household been guilty of unacceptable behaviour?
- Was the unacceptable behaviour serious enough to have entitled the Landlord to obtain an order for possession?
- At the time of the application, is the applicant still unsuitable to be a tenant by reason of that behaviour, or the behaviour of a member of their household who wishes to reside with them?

Should the Council exclude the applicant from the housing register they have the

right to have this decision reviewed. An applicant may become ineligible at any time during the process should the Council become satisfied that they are ineligible due to unacceptable behaviour.

Applicants considered as being ineligible for any reason can make an application for accommodation in the future if their circumstances have changed for any reason. It is for the Council to consider behaviour, at the point of application to the housing register, and whether they are now eligible under the Policy.

Each application will be assessed on its merits and a decision regarding eligibility will be made accordingly. Anyone deemed ineligible for the register will be provided with a full written explanation for the decision and will have a right of review of the decision.

Please see the section on Reviews below.

Applicants who are not eligible to join the housing register

At the point of registration all applicants are asked for information about their housing history and legal status to establish eligibility to join the housing register under the relevant legislation and this allocations policy. Applicants are not assessed or placed into a Band until a decision has been made regarding their eligibility.

Armed Forces applicant

Members of the UK armed forces stationed abroad will be considered as living in the United Kingdom for the purposes of applying for social housing.

The Localism Act 2011 amends the Housing Act 1996 to give local housing authorities in England the power to decide what classes of persons are or are not qualifying persons under s.160ZA(7) of the Housing Act 1996, for an allocation of housing accommodation.

The Secretary of State has the power to prescribe in Regulations criteria that may not be used by local housing authorities in deciding what classes of persons are not qualifying persons (s. 160ZA(8)(b)). These Regulations require that local housing authorities do not use local connection (within the meaning of s. 199 of the Housing Act 1996) as a criterion in deciding whether the following are not qualifying persons:

- a) persons who are serving in the regular forces or have done so in the five years preceding their application for an allocation of housing accommodation.
- b) bereaved spouses or civil partners of those serving in the regular forces where their spouse or partner's death is attributable (wholly or partly) to their service and the bereaved spouse or civil partner's entitlement to reside in Ministry of Defence accommodation then ceases.
- c) seriously injured, ill or disabled reservists (or former reservists) whose injury, illness or disability is attributable wholly or partly to their service.

The Council recognises the contribution that armed forces personnel have made and will award a local connection to those applicants as described above.

Social housing tenants

The Secretary of State has the power to prescribe in Regulations criteria that may not be used by local housing authorities in deciding what classes of persons are not qualifying persons (s. 160ZA(8)(b)). These Regulations require that local housing authorities do not use local connection (within the meaning of s. 199 of the Housing Act 1996) as a criterion in deciding whether social housing tenants are a “relevant person”.

A relevant person has a need to move because the relevant person—

- a) works in the district of the local housing authority, or
- b) has been offered work in the district of the local housing authority; and
- c) the authority is satisfied that the relevant person has a genuine intention of taking up the offer of work.
- d) This regulation does not apply if the need to move is associated with work or the offer of work which is—
 - (a) short-term or marginal in nature,
 - (b) ancillary to work in another district, or
 - (c) voluntary work.

In this regulation “voluntary work” means work where no payment is received by the relevant person or the only payment due to be made to the relevant person by virtue of being so engaged is a payment in respect of any expenses reasonably incurred by the relevant person in the course of being so engaged.

Specifically a local connection criteria may not be applied to existing social housing tenants seeking to transfer from another local authority district in England who have a reasonable preference under s.166 (3)(e) because of a need to move to the local authority’s district to avoid hardship where they need to move because the tenant works in the district, or need to move to take up an offer of work

In considering registering applications the Council will take into account the Right to Move Statutory Guidance March 2015 (or any relevant successor document).

7. REASONABLE PREFERENCE CATEGORIES

Redditch Home Choice is required by law to assess the relative priority that housing applicants are awarded. This is particularly important as in the Borough, the demand for social housing is greater than the availability of homes.

The law, as it applies to local housing authorities, requires that Reasonable Preference for housing must be given to those in the categories set out in the Housing Act 1996 (as amended). The statutory Reasonable Preference categories cover:

- All homeless people as defined in Part VII of the Housing Act 1996
- People who are owed a duty under the Housing Act 1996 because they have a priority need but are intentionally homeless (under s190 (2)), because they are not in priority need and not homeless intentionally 193 (2) or because they are threatened with homelessness, in priority need and not intentionally homeless (195 (2) of the 1996 Act (or under s. 65 (2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any housing authority under s. (192 (3)).
- People occupying unsanitary, overcrowded or otherwise unsatisfactory housing;
- People who need to move on medical or welfare grounds (including grounds relating to a disability);
- People who need to move to a particular locality within the district to avoid hardship to themselves or others.

Specific details and examples of how Reasonable Preference and priorities are determined and applied are detailed in Section 10: Redditch Home Choice Banding.

Determining priority between applicants with Reasonable Preference

Redditch Home Choice allocations policy determines priority between applicants with Reasonable Preference by taking into account various factors including:

- Any local connection – as defined in s199 Housing Act 1996 (as amended) – that an applicant has with the Borough.
- The length of time the applicant has been waiting within their current band

8. APPLYING TO GO ON THE HOUSING REGISTER

In most instances anyone who wishes to apply for affordable housing through Redditch Homes must first attend a housing options interview or an interview with their locality officer and complete a registration form. The housing options interview will enable the applicant to discuss their housing circumstances with the Council and explore their housing options such as the private rented sector.

Where an applicant needs assistance to complete an application form an advocate (for example, a family member, friend or support agency) can complete the registration form on behalf of an applicant who is requesting assistance.

If the applicant is not eligible to register they will be notified in writing giving the reason for the decision and informing them of their right to request a review.

The application must be accompanied by two proofs of residency, one of which

must be within four weeks of the application date, and also one form of identification. The same information is required for any member of the household, over the age of 18, who is to be included on the application.

The Council may ask for updated proof and identification to be provided at the point of housing allocation.

All applications once received will be assessed and placed in the appropriate band. This assessment will, in most instances, involve an interview to discuss housing options.

Where additional information is required to confirm that a higher band is appropriate, the application may be placed in a lower band until the circumstances of the applicant have been confirmed.

Once registered with the Redditch Home Choice scheme the applicant will be given a membership number.

Applicants to the scheme are entitled to request details from the Council about information that has been used to make a decision on their registration.

9. OWNER OCCUPIERS

Owner Occupiers will be accepted onto the Housing Register and placed in the bronze band. Owner Occupiers will only receive additional consideration should they be deemed to have reasonable preference under section 167(2) Housing Act 1996. In such instances they would be placed in the appropriate band for their circumstances.

10. REDDITCH HOME CHOICE BANDINGS

Allocations will be made in line with the Councils Allocations Policy based on housing need and time waiting.

The Council will ensure that reasonable preference is given to the following categories of people, as set out in S167 (2) of the 1996 Act:

- a) People who are homeless (within the meaning of part 7 of the 1996 act); this includes people who are intentionally homeless, and those who are not in priority need;
- b) People who are owed a duty by any housing authority under section 190 (2), 193 (2) or 195 (2) of the 1996 Act (or under section 65 (2) or 68 (2) of the

- (Housing Act 1985) or
- c) who are occupying accommodation secured by any housing authority under section 192 (3);
 - d) People occupying unsanitary or overcrowding housing or otherwise living in unsatisfactory housing conditions;
 - e) People who need to move on medical or welfare grounds, including grounds relating to a disability; and
 - f) People who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or to others).

In order to do this the Councils Choice Based Lettings scheme will distinguish between three broad levels of priority:

- a) GOLD BAND.
- b) SILVER BAND
- c) BRONZE BAND.

The three core bandings have been decided by the categories below:

Gold: Applicants will be Directly Matched to a suitable property – (Bidding Blocked)

Statutory Homeless with a duty to re-house

Gold band is awarded by the Council where it has accepted a full duty under Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002) to provide accommodation for an applicant. Also an applicant who the Council is satisfied it has a duty to prevent homelessness (s.195) or relieve homelessness (s.189B) and the Council has validated as being unintentionally threatened with homelessness or homeless and has a priority need (within the meaning of Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002)

When the Council accepts a duty under homelessness legislation, the Council will directly match applicants to a property. Only **one** offer of suitable accommodation will be made. Should an applicant refuse an offer of suitable accommodation, the Council will have discharged its housing duty.

Applicants have the right to request a review of certain decisions made by the Council in respect of their homeless application. This includes the decision to bring to an end the full homeless duty by making a suitable offer of settled accommodation. The applicant has this right whether they refuse or accept the offer of accommodation. If the review finds in favour of the homeless applicant, the applicant will retain their Gold band (provided they are still homeless). However, if the reasonableness and suitability of the offer is upheld, the homeless duty will be ended and the applicant's banding will be reassessed. Homeless applicants are therefore advised to accept an offer and then request a review if they believe it to be unsuitable.

High Medical Need or Disability

Medical priority will only be granted where the current property has a direct adverse effect on the health of the applicant or a member of their family, and when it is unreasonable or uneconomical to adapt the current property. The Council will attempt to directly match applicants to a suitable property in the first instance.

Officers will gather sufficient information to understand the impact of the property on the health of the applicant or their family. The final decision for medical priority will be made by the Housing Services Manager or the Housing Options Manager in conjunction with the Council's medical advisors and Occupational Therapist if required. An example would be someone with severe mobility problems requiring ground floor accommodation.

If an offer of suitable accommodation be refused the Council will review the priority given to the applicant, which may result in the applicant having their banding reduced.

In certain circumstances the case may be referred to an external body e.g. Now Medical for assessment.

Living in exceptional circumstances

This will only be awarded in those instances where the applicant's living circumstances are considered by the Council to be exceptional given the prevailing housing conditions in the Borough and where no other banding criteria reflects or addresses the problem(s).

In reaching a decision to award this banding, account will be taken of the suitability of the current accommodation and the location of the accommodation in relation to the applicant's needs. The final decision for this access to this banding will be made by the Housing Services Manager or the Housing Options Manager

Examples are given below of potential situations where this banding may be granted – the list is not exhaustive and the decision lies with the Council.

- The applicant is adequately housed but needs to give or receive support on the grounds of disability or illness that is substantial and ongoing and it is not possible for the person giving care to use public transport or their own transport to provide assistance.
- The applicant needs to move on welfare grounds e.g. hardship.
- The applicant's household is overcrowded, coupled with medical issues that do not accrue medical priority e.g. ADHD, autism.
- The applicant needs to take up or continue employment, education and/or training that is not available elsewhere and they do not live within reasonable commuting distance

If an offer of suitable accommodation be refused the Council will review the priority given to the applicant, which may result in the applicant having their banding reduced.

Supported Accommodation 'Move on' scheme.

This status is awarded where an agreement between the Council and the Supported Housing provider, is in place for applicants to move on from supported accommodation in the Borough.

This status will only be awarded to applicants in supported accommodation or care-leavers where the following criteria have been met:

- The applicant is ready to move to independent settled social housing on the recommendation of the support provider
- An ongoing support package has been assessed and where required, is in place.

Silver:

This band includes applicants with a single non urgent need. It also includes an applicant who the Council is satisfied it has a duty to prevent homelessness (s.195) or relieve homelessness (s.189B) and applicants assessed as having an urgent Medical or Social need but who have deliberately worsened their housing circumstances to improve their chances of obtaining social housing

Allocations will be made to applicants who have expressed an interest in a property and in order of highest points, followed by the earliest application date. Should two applicants have the same number of points, and the same application date, the allocation will be made to the applicant who expressed an interest first.

Bronze:

This band will include all applicants who are deemed to be adequately housed and as such have no entitlement to reasonable preference e.g. Owner occupiers.

Members of the Armed Forces

By Armed Forces, we mean the “regular forces” and the “reserve forces” as defined by s. 374 of the Armed Forces Act 2006(a). The “regular forces” means the Royal Navy, the Royal Marines, the regular Army or the Royal Air Force. The “reserve forces” means the Royal Fleet Reserve, the Royal Navy Reserve, the Marine Reserve, the Army Reserve, the Royal Air Force Reserve or the Royal Auxiliary Air Force.

Members of the Armed Forces who have been served with a cessation to occupy accommodation will be given housing advice and the appropriate banding and, if required, considered under Homelessness legislation (Housing Act 1996, Part VII and other relevant legislation).

The Housing Act 1996 (Additional Preferences for Armed Forces) (England) Regulations 2012 require Local Authorities to give additional preference to a person with an urgent housing need and are in one of the reasonable preference categories.

The regulations are;

That local housing authorities must frame their allocation scheme to give additional preference to the following persons if they fall within one or more of the statutory reasonable preference categories and are in urgent housing need:

- a) serving members of the regular forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service
- b) former members of the regular forces
- c) bereaved spouses or civil partners of those serving in the regular forces where
 - (i) the bereaved spouse or civil partner has recently ceased, or will cease to be entitled, to reside in Ministry of Defence accommodation following the death of their service spouse or civil partner, and
 - (ii) the death was wholly or partly attributable to their service
- d) existing or former members of the reserve forces who are suffering from a serious injury, illness, or disability which is wholly or partly attributable to their service

If an “Armed Forces” applicant is able to meet the local connection criteria (or is exempt from this), the Policy will award the applicant an additional six months in waiting time at the point that need has been assessed or date of registration (if need hasn’t changed over time).

Allocations to bandings

As a starting point 60% of properties will be awarded to the Gold banding and 40% to Silver and Bronze. A proportion of allocations will be specifically utilised for transfers only, at the discretion of the Head of Housing and Housing Service Manager and allocated in accordance with the banding structure. The Head of Housing will at their discretion vary the percentage of properties given to each banding depending on the number of applicants in each band on the housing register.

The Head of Housing will review the percentage target on a quarterly basis to ensure that the best use is being made of the housing stock, and that government guidelines for using temporary accommodation for Homeless cases are being met.

11. ALLOCATIONS

Housing need will be used to determine the banding of each applicant.

A proportion of allocations will be through direct matching to those applicants on Gold band. Properties not directly matched will be advertised for either all applicants or just Transfers who will be able to bid and allocations will be made to the applicant who has expressed an interest in a property and who:

- a) Has the highest band and,
- b) Has the highest number of points and,
- c) Has the earliest application date

The Council determines priority for housing by a banding system and points within the banding based on the housing need of the applicant and the time waiting:

The housing register is made up of:

- Homeless Cases
- Applicants
- Transfers

The scheme is designed to be easy to understand, to give priority to those in most housing need and to be open and accountable.

12. POINTS EXPLANATION

Points Scheme Summary

- | | |
|--|-------------------|
| • Residency (12 months) or parents | 30 Points |
| • Bedroom deficiency/per room | 50 Points |
| • Children in flat points | 15 Points |
| • Studio Flats | 5 Points |
| • Property is Under Occupied / Per room | 50 Points |
| • Leaving Special needs property | 250 Points |

Residency Points

Applicants who have lived in Redditch for the past 12 months or who have parents currently living in Redditch. Residency points will be awarded to applicants leaving the armed forces who would have qualified for them prior to commencing their service. These are the only points that are applicable in the Gold Band.

Bedroom Deficiency

The policy states all members of the application household require a room except those living as couples. Applicants will be awarded 50 points for each bedroom that their current property is deficient of. The Policy states these points will be awarded to children regardless of age or sex; however this does not reflect the size of the property to be offered. These points are not applicable to individuals in the Gold Band and are not awarded to households that are considered to have deliberately worsened their circumstances by moving into smaller or unsuitable accommodation.

Children in Flats

These are awarded if there are any children under the age of 10 living in a flat. These points are not applicable to applicants in the Gold.

Studio Flats (Transfers only)

Applicants who have lived in a studio flat for at least twelve months will receive 5 points to help facilitate them moving on if applying for a transfer.

Under Occupancy Points:

Under Occupancy Points will be awarded to all applicants in Council or Housing Association stock provided that it can be demonstrated that prioritising the applicant for smaller housing would free up housing stock which is both suitable and accessible for other applicants solely on the Redditch Borough Council Waiting List.

Points awarded for under occupancy of rooms would be awarded in line with the existing Landlords occupancy policy. In cases where no occupancy policy exists, points will be awarded in line with the Redditch Borough Council occupancy policy.

In cases where an under-occupied property is required for a family in Urgent Housing Need then the Head of Housing has the authority to place the household that are under-occupying into the gold band to allow the property to be freed up for the family in Urgent Housing Need as quickly as possible.

Leaving Special Needs Property

Points will be awarded to applicants living in properties with the following:

- a) A vertical lift moving between Floors
- b) Properties where building adaptations have been made totalling over £1,000 and
- c) The property would be suitable for occupation by another individual or family with a Special Need

These points are not applicable to applicants in the Gold Band.

Property Size

The size of the property that an applicant may express an interest in is in line with the property size matrix (Appendix 1). The Council will only allocate accommodation to households where they have demonstrated that it is affordable to them (based on their income either through employment or benefit entitlement).

Applicants being housed under the Council's homelessness duty with one child under the age of 2 will only be considered for one bedroom accommodation.

Property Type									
All accessible properties (i.e. housing which has been designed or adapted to meet the needs of disabled people) will be advertised through the Redditch Home Choice scheme. Priority for accessible accommodation will be given to those people those who have appropriate levels of need and this will be clearly stated in the adverts.									
PROPERTY TYPE	SINGLE	COUPLE	S/C + 1 CHILD UNDER 2 (H/LESS ROUTE)	S/C + 1 CHILD UNDER 2	S/C + 1 CHILD OVER 2	S/C +2	S/C +3	S/C +4	S/C +5
STUDIO FLAT	X	X							
1 BED FLAT	X	X	X						
1 BED HOUSE	X	X	X						
2 BED FLAT			X	X	X	X			
2 BED HOUSE			X	X	X	X			
3 BED FLAT						X	X	X	
3 BED HOUSE						X	X	X	
4 BED HOUSE							X	X	X
5 BED HOUSE									X

N.B. Size eligibility subject to affordability

13. CHANGE OF CIRCUMSTANCES

Under Section 171 of the Housing Act 1996, it is a criminal offence for applicants to knowingly give false information or to withhold information relevant to their application. A fine of up to £5,000 may be imposed by the courts if the applicant is found guilty. An offence may be committed if an applicant knowingly gives false information, or knowingly withholds information which Housing Services has reasonably requested on the housing application form. An offence is also committed if the applicant allows a third party to provide false information on their behalf or at their instigation.

Changes of circumstances should be notified to the Housing Options Team as soon as possible, using the Change of Circumstances Form. The form should be fully completed and be used for the following:

- Any confirmed pregnancy
- Any member of the family or any other person on the application who has left the accommodation
- Any changes of name
- Any additions to the family-(Proof of residence and ID will be required)
- Any change in income or savings
- Changes in status of accommodation (e.g. Notice to Quit)

If an applicant has changed address a new application form should be completed. Providing that there is no break in the timescale, the date of application will be taken from the first application that was accepted by the Council; however, the housing need points may be adjusted accordingly.

In cases where there is a change in an applicant's medical situation, the Council should be notified.

Where a register entry is amended following receipt of a completed change of circumstances form, the Council will notify the person concerned in writing. Before removing a person from the register, the Council will give him/her notice of this action. Where an applicant is removed from the housing register other than at his/her request, the Council will inform them in writing of its decision, the reason for it and the right to request a review.

If evidence is obtained that an applicant has gained a tenancy through providing false information or withholding relevant information, the Council will take possession proceedings against the tenant.

14. REMOVAL/AMENDMENT TO ENTRY ON REGISTER

Redditch Borough Council reserves the right to remove an applicant from the Housing Register if there is evidence that the applicant or a person acting on the applicant's request, has given false information or withheld information relevant to their application.

The Council will remove a person's application if he/she requests it (provided they are not owed a duty as homeless) or is no longer deemed to be eligible. The Council may also remove a person from its register in other appropriate circumstances as it sees fit. This will include:

- Failure to renew application when requested by Redditch Borough Council.

- Any applicant seeking to obtain accommodation by making false or misleading statements, or by withholding information that has been reasonably requested, or by failing to inform the Council of any material change of circumstances, is liable to have their application cancelled. It is also an offence under section 171 of the Housing Act 1996 to take any such action. A person guilty of an offence under this section is liable on summary conviction to a fine.

15. HARASSMENT

Redditch Borough Council defines harassment/Anti-Social behaviour as:
 'Any behaviour by an individual or a group which makes another person or group feels harassed, alarmed, threatened or distressed. It includes a variety of behaviour that can blight the quality of community life and is based on individual perception. Anti-social behaviour may constitute a nuisance and annoyance, harassment or criminal activity'.

The Council will follow its Anti-Social Behaviour procedure in responding to requests for assistance if experiencing threats of, or actual violence, intimidation, nuisance, harassment, racial harassment or other forms of antisocial behavior.

Wherever possible appropriate remedies will be taken to resolve the situation. Redditch Borough Council will always attempt to deal with the perpetrator, rather than move the victim. Staff in Housing Services will liaise with appropriate agencies and advise applicants, to achieve this. Officers must be satisfied that the applicant has not caused or contributed to the situation where a dispute has escalated. Evidence will usually be required from the applicant and/or independent agencies to support allegations of antisocial behavior.

If an applicant reports repeated experiences of threats, intimidation, nuisance, harassment or other forms of antisocial behavior during their housing history, Officers must consider whether the applicant has provoked this behavior, or whether they are unusually sensitive to or liable to misinterpret others' behavior. In these circumstances a move is unlikely to resolve the issues.

Housing Officers will liaise with the Community Safety Officer, Police, Probation, victim support and other agencies to ensure that housing policies and procedures support community safety. Redditch Borough Council prefers to resolve problems relating to threats, harassment, antisocial behavior and other forms of nuisance by co-operative and partnership working.

16. HOMELESSNESS

Once it has been established that all options to prevent your homelessness have been exhausted and the Council has accepted a full duty to you as homeless under the terms of the Housing Act 1996 (as amended) your application will be placed on

the Housing register, in the gold band. You will be directly matched to a property and blocked from bidding. You will receive one offer of suitable accommodation. If you refuse this offer the Council will have discharged its duty towards you.

17. YOUNG PERSONS AND RE-HOUSING

The term “young person” refers to a person who is aged between 16 to 18 years old.

Applicants under 18 years of age but over 16 years and single will be registered onto the Housing Register. The application will be deferred until the applicant reaches 18 years of age. The application will attract ‘time waiting points’ only.

If the circumstances change and the applicant becomes homeless, Redditch Borough Council will assess the applicant under homelessness legislation to consider whether the authority has a duty to secure accommodation for the applicant. If the Council accepts it has a duty towards the applicant it will consider them for housing in line with the Council’s ‘Homelessness Protocol for Young 16 and 17 years olds’.

If the applicant is under 16 years old the Council will liaise with Worcestershire County Council Social Services, on your behalf for help and assistance.

18. SHARED OWNERSHIP

Qualification for Shared-ownership and any other affordable housing scheme will be in accordance with the guidelines of the Homes and Communities Agency.

You can buy a home through shared ownership if your household earns £80,000 a year or less and any of the following apply:

- you’re a first-time buyer
- you used to own a home, but can’t afford to buy one now
- you’re an existing shared owner

19. HOUSING ASSOCIATION PROPERTIES

There are various Housing Associations with properties within the Redditch area. A full list is on the Redditch Home Choice website:

<http://www.redditchhomechoice.org.uk/Data/ASPPages/1/31.aspx>

Allocations for Housing Association properties may be made from the Councils Housing Register.

Applicants must indicate their willingness to accept Housing Association Homes on their application form. Housing Association properties will be allocated through the Choice Based Letting scheme; however, applicants may also need to satisfy the requirements of the policy of the individual Housing Association.

Applicants must indicate that they wish to be considered for a Housing Association property on their application form.

20. CO-OPERATIVES HOMES SCHEME

Co-Operative Housing is a form of housing that requires the involvement of the tenants in the management of their own homes. You must first register on the Council's Housing Register in respect of your housing need and must also satisfy the Co-operative Homes requirement on their suitability for living in a co-operative environment.

Consideration will be given to any one in housing need, on a low income and capable of living independently in his or her own home or with support if required.

21. MUTUAL EXCHANGE

A mutual exchange is where two or more Council or Social Registered Landlord tenants swap their homes. It does not involve any property becoming empty. As the housing register becomes longer a mutual exchange is often the quickest way of moving.

Secure tenants of Redditch Borough Council have the right to exchange their property with other secure tenants of any other Council or Housing Association.

Mutual Exchange is now administrated via the Homewapper website at:
<http://www.homewapper.co.uk/>

The Council agrees to mutual exchanges in line with the Councils Allocation Policy.

- The tenant must receive written consent from the landlord before any exchange takes place.

- Any exchanges carried out without written permission may be made to move back.

The Council may withhold consent on the following grounds

1. There is a valid possession order with a date for the tenant to leave the property.
2. Possession proceedings have been started.
3. The property is not of a suitable size (one extra bedroom is allowed).
4. The property has been adapted or is specifically built for people with special needs.
5. The property is within a sheltered scheme and the incoming tenant does not require the facilities.

Rent arrears or other breach of tenancy conditions are not grounds for refusal, but any breach must be rectified in advance of any exchange.

22. JOINT TENANCIES

Redditch Borough Council will consider offering existing tenants a joint tenancy to adult members of the household who have been living in the same home for a minimum of twelve months, prior to the application for a joint tenancy being made. Proof of residency and ID will be required (Appendix 2).

Redditch Borough Council will offer a joint tenancy to new tenants who have made a joint application unless:

- One prospective joint tenant is excluded from or is ineligible to join the Housing Register.

Where one of the joint tenants terminates the tenancy, the Housing Services Manager or Housing Options Manager may at their discretion, grant the remaining tenant a tenancy in their sole name. In making this decision, consideration will be given to property size and making the best use of the Council's housing stock.

23. DECANTS

Decants relate to tenants requiring a temporary move to allow major refurbishment to their current property.

Tenants will be offered temporary moves, at the discretion of the Housing Services or Housing Options Manager.

Properties identified as being suitable for decants will be offered outside of the Choice Based Lettings scheme but where possible Officers will make use of vacant Temporary Accommodation.

24. SOCIAL HOUSING TENANTS WISHING TO MOVE TO ALTERNATIVE AREAS

Homeswapper is a scheme which allows social housing tenants to move to alternative areas for example if:

- You are taking up employment which is too far away to commute.
- You need to live closer to relatives to receive or give support.
- There are other special reasons

The Council pays each year for a subscription to all its tenants to register at no cost to them. The scheme can be accessed via the internet at the following address:

<http://www.homeswapper.co.uk/>

If you are unable to access the internet or require assistance due to disability please contact your Tenancy Officer or the Housing Options Team for help.

25. SHELTERED ACCOMMODATION

Sheltered schemes with Home Support Officers visiting are suitable for mature people over the age of 60, (in the case of couples one partner needs to be 60 years or over), with no children living at home. Certain schemes will accept applicants over the age of 50; however, priority will be given to applicants over 60.

When a ground floor flat becomes vacant priority will be given to those tenants already living in the scheme on the first floor or above who require ground floor accommodation.

Council tenants wishing to move into sheltered accommodation will be offered assistance to help them with their move.

26. VERY SHELTERED SCHEMES

The Council has access to two very sheltered schemes, St David's House, Batchley and Terry Spring Court, Smallwood.

The allocation of these properties will be made in accordance with the Very Sheltered Scheme allocations policy. To be eligible for this type of accommodation applicants will need to satisfy the following conditions:

- Be eligible for inclusion on the Housing Register.
- Be aged 60. (a younger person may in exceptional circumstances be accepted by the Extra Care Operational Director, Social Services and the Council).
- Need help with personal care, such as washing dressing or getting in and out of bed, either now or in the future.
- Have housing needs because your home is unsuitable. This may be because there is lack of basic amenities, or you may find it difficult to move around your home, or your home makes your medical condition worse. There may be other reasons that your current home may be unsuitable for you.

27. SPECIAL NEEDS ACCOMMODATION

There are a number of properties which have adaptations and are suitable for applicants with special needs. All accessible properties will in the first instance be considered for direct matching to applicants in the Gold band. If there is no requirement for the property through direct matching, the property will be advertised through the Choice Based Lettings scheme. Priority for accessible accommodation will be given to those people those who have appropriate levels of need and this will be clearly stated in the adverts. Consideration of the suitability of the property will be agreed by the Housing Options Manager or Housing Services Manager.

Applicants currently living in homes which are adapted, and no longer need specialist accommodation will be placed in the Silver banding and receive 250 points, to facilitate a move to free up the accommodation.

28. LOCAL LETTINGS PLAN / SENSITIVE LETS

The Council believes that some locations and/or property types are more suited to particular residents. Temporary local lettings plans will be agreed by the Housing Services Manager or Head of Housing in consultation with local ward members to

resolve Housing Management issues or to allow for the allocation of difficult to let properties. Any properties subject to a local lettings plan will be clearly explained in the Choice Based Letting advert.

Where a local lettings plan is in place the allocation will be made following an interview process of applicants to ensure the suitability of the applicant to the property.

In certain circumstances the Council will be required to sensitively let a specific property for ongoing management reasons. These allocations will also be made following an interview process to ensure the suitability of the applicant.

29. STAFF/ELECTED MEMBER APPLICATIONS

Staff members, Elected Members, or relatives of either, will have their application approved by the Housing Options Manager or the Head of Housing, in accordance with the Councils equal opportunity policy.

Any offers of accommodation to members of staff, Elected Members, or relatives of either, will be agreed by the Chief Executive. In the absence of the Chief Executive this decision will be delegated to the Deputy Chief Executive & Executive Director for Leisure, Environment & Community Services. In the absence of the Deputy Chief Executive & Executive Director for Leisure, Environment & Community Services this decision will be delegated to the Executive Director of Finance and Corporate Resources.

30. TIED OR SERVICE TENANTS

Tied or service tenants refer to local authority employees (a local schools employee) who occupy their home in order to do their job.

The applicant must be resident in their service tenancy in Redditch for at least six months.

On receiving notification of retirement the applicant will be given priority by placing into the gold banding.

Applicants not retiring but required to leave their service or tied tenancy will be placed onto the waiting list without priority and may approach the Council under homeless legislation.

31. FOSTER CHILDREN

Foster children are not automatically accepted on an application for housing as fostering is often a short-term arrangement. Social Services can provide advice where they believe the family requires larger accommodation and if evidence shows that a family will be fostering a child on a long-term basis consideration will be given to the housing need of that young person and they may be allowed on the application.

32. DEBT TO THE COUNCIL OR HOUSING ASSOCIATIONS

Applicants can apply to go on the housing register if they owe monies to the Council or any Housing Association, however:

No offer of accommodation will be made until the total debt is clear. Debt can include:

- Rent arrears / Former Tenancy Arrears
- Over-allowed Housing Benefit
- Council Tax
- Court Costs
- Repair re-charge

In exceptional circumstances the Housing Services Manager or Head of Housing may agree to an allocation being made.

33. PROVIDING INFORMATION TO APPLICANTS

Section 166 of the Housing Act 1996, as amended, requires a housing authority to ensure advice and information is available free to everyone in its district about the right to apply for housing accommodation. Section 166 requires housing authorities to inform an applicant he has the right to certain general information, such as:

- Information that will enable him to assess how his application is likely to be treated under the scheme, and in particular, whether he is likely to fall within the reasonable preference categories; and
- Information about whether accommodation appropriate to his needs is likely to be made available and, if so, how long it is likely to be before such accommodation becomes available.

At the time an application for housing is made, the Council will provide full Housing Options information, which will enable the applicant to make an informed choice about the type of accommodation they are likely to be considered for and the

likelihood of them being made an offer within a reasonable timescale.

Information regarding the allocations will be available on a weekly basis, and information on numbers of properties, numbers of voids and allocation targets will be updated quarterly.

Assistance will be provided by the Housing Options Team or One Stop Shops to help with the completion of housing register application.

A guide to Applying for Housing will be completed and reviewed annually for those who request it.

34. THE RIGHT TO INFORMATION ABOUT DECISIONS AND THE RIGHT TO REVIEW A DECISION

Applicants will be notified in writing of decisions taken on their application.

The notification will give clear grounds for the decision, which are based firmly on the relevant facts of the case. The applicant also has the right, on request, to be informed of any decision about the facts of the applicant's case which has been, or is likely to be, taken into account in considering whether to make an allocation to him. Under section 167 of the 1996 Act, an applicant has the right to request a review on certain decisions. This right will be made clear in such decision letters.

A request for a review must be made within 21 days of the applicant being informed in writing of the Council's decision. The review will be carried out by a senior officer who was not involved in the original decision.

The applicant will be invited to submit any new information they would like the reviewing officer to consider.

The following decisions have a right to request a review:

- To treat an applicant as ineligible due to immigration status or persons from abroad who have failed the habitual residence test;
- Not to accept an applicant on to housing register or give an applicant any preference because of unacceptable behavior serious enough to make him unsuitable to be a tenant;
- Not to give an applicant any preference because of the financial resources available to him;
- Not to make an allocation to an applicant, when it has been considered he would not be capable of independent living;
- As to the suitability of accommodation offered to an applicant in discharge of the Council's duty under the provisions of Part VII of the Housing Act 1996 (Housing the Homeless);
- The outcome of a request for living in exceptional circumstances or medical priority.

A person will be notified in writing of the outcome of a review, with details of the reasons for the decision.

35. Equalities Statement

This policy is intended to operate within the Council's commitment to equalities and diversity including:

- Equal treatment regardless of race, gender, age disability, sexual orientation, religion or belief, with reasonable adjustments where necessary in line with the Disability Discrimination Act.
- Working to eliminate *unlawful* discrimination
- ***Promoting equal opportunities.***
- Promoting community cohesion, ***including good relations between people from different racial groups.***
- Providing reasonable access to interpretation or support on request.
- Responding to the needs of all and working to engage all sections of the community.

This policy will be assessed as part of a rolling programme of reviews to ensure that it does not have a detrimental or disproportionate effect on any group.

Any concerns that the policy is operating in a way that could be construed as discriminatory should be passed to the responsible Manager and will be dealt with as part of the official Complaints Procedure, in line with the Council's Equality Schemes.

REDDITCH BOROUGH COUNCIL HOUSING ALLOCATIONS POLICY

JUNE - JULY 17



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1. INTRODUCTION

Redditch Borough Council is an area of high housing demand and need. Property prices and private sector rents are high in comparison to incomes, resulting in additional pressures on affordable housing. Allocations of Council owned property and nominations to Housing Associations will be made using the guidelines set out in this Policy.

This Allocations Policy complies with the requirements of the Housing Act 1996 (as amended) and takes into account the relevant code of guidance Allocation of Accommodation Code of Guidance 2012 which replaced the previous codes of guidance. All of these documents can be obtained through the DCLG website. The Policy also complies with the Localism Act 2011, Welfare Reform legislation and Equalities Act 2010 where applicable.

The Housing Act 1996 (as amended by the 2002 Homelessness Act) requires local authorities to make all allocations and nominations in accordance with an Allocations Policy. A summary of the Allocations Scheme and general principles is available through the Redditch Home Choice website www.redditchhomechoice.org.uk and at the Council's offices.

The Housing Act 1996, (as amended) requires local authorities to give Reasonable Preference in their allocations policies to people with high levels of assessed housing need. This includes homeless people, those who need to move on welfare or medical grounds, people living in unsatisfactory housing and those who would face hardship unless they moved to a particular locality within the local authority's area.

The Allocations Policy is also framed to ensure that it is compatible with the Council's equality duties including the duty to eliminate unlawful discrimination and to promote good relations between different racial groups, as well the duty to promote equality between disabled persons and other persons and between men and women.

This Policy has considered:

- The Council's statutory obligations and discretion as to who is eligible for housing allocation
- The Council's statutory obligation to provide Reasonable Preference to certain categories of applicants set down by law i.e. those who must be given a greater priority under the Allocations Policy.
- The Council's statutory discretion to grant "additional preference" and/or to determine priority between applicants with Reasonable Preference.
- The general and specific statutory discretions the Council can exercise when allocating housing.

2. PRIORITIES AND AIMS

The Council Plan focuses on delivering services which meet the needs of residents through six strategic purposes of which three directly relate to its approach to the allocation of affordable housing as follows:

- **Help me find somewhere to live in my locality**
- **Help me to live my life independently**
- **Help me to be financially independent**

Redditch Home Choice enables people with a housing need to look for a home in an area of preference within Redditch Borough. Households registered with Redditch Home Choice will be banded according to the suitability of their current accommodation to meet their needs, their current situation and their local connection.

Redditch Borough Council has set a number of objectives for its Allocations Policy in order to provide good quality, well managed social housing in Redditch. The policy is transparent and easy to understand, regular monitoring and reviewing will take place ensuring all targets are met and the best use is made of the available housing stock, and applicants are kept updated of all their Housing options.

- **Objective 1** Ensure that anyone in housing need has advice on access to affordable Housing, and that this advice is easily available to disadvantaged, vulnerable and ethnic groups.
- **Objective 2** Make Social Housing available to those who cannot afford to purchase property of their own, or to rent privately.
- **Objective 3** That there is equality of opportunity within the Allocations Policy and the allocations scheme is fair, consistent and accountable which reflects the values of the Council.
- **Objective 4** Incorporate the Council's Housing Strategy, Private Sector Renewal Strategy and Homelessness Strategy.
- **Objective 5** To build and sustain diverse and balanced communities and promote social inclusion.
- **Objective 6** To work with other agencies and housing providers to make the best use of affordable housing to meet current and future needs.
- **Objective 7** To ensure customers are given an opportunity to make an informed choice about where to live.
- **Objective 8** To create a safer & cleaner environment; reduce crime, disorder, substance misuse and anti-social behaviour, and to address the causes and fear of crime.

3. THE PURPOSE OF THE ALLOCATIONS POLICY

This policy sets out in detail, those who can or cannot be accepted under the policy and how this assessment is made. It also sets out how applicants can apply for and access housing.

It describes how applicants qualify for the Redditch Home Choice scheme and how the Council identifies their housing need with regard to the legal definition of Reasonable Preference and other categories of housing need that the Council has recognised and how it prioritises housing applicants.

Whilst all applicants are assessed in accordance with the Policy, the allocation of Housing Association properties will be subject to the allocation policies of those individual Housing Associations, where they have one, who will assess applicants on the Housing Register according to their stated priorities. They may have different rules about the number of people who can live in a home of a particular size. This will be made clear when a property is advertised. For more information regarding the letting of properties please see the Redditch Home Choice website.

What are Allocations under this Scheme?

Allocations under the scheme include where an applicant is nominated or where an existing tenant transfers to be a tenant of the Council or a Housing Association.

The allocation may be an 'Introductory Tenancy' with the Council or 'Starter Tenancy' with a Housing Association which will be for a set period, usually 12 months. Provided the tenant successfully completes the probationary period the Council/Housing Association will grant a Secure/Assured Tenancy or a fixed term tenancy (please see individual Housing Association / Registered Provider's tenancy policies).

The Redditch Home Choice scheme may also be used to advertise intermediate market rent, shared ownership and private rented properties. Please contact the relevant landlord for their eligibility criteria and more details regarding allocation of these types of properties.

4. EQUALITY AND DIVERSITY

The Council has clear policies and procedures which promote equal opportunity, diversity and respect for the needs of everyone in our community. This includes:

- Equal treatment of all regardless of race, gender, age, disability, sexual orientation, religion or belief, with reasonable adjustments where necessary in line with the Disability Discrimination Act.
- Working to eliminate unlawful discrimination.
- Promoting equal opportunities.

- Promoting community cohesion, including good relations between people from different ethnic groups.
- Providing reasonable access to interpretation or support on request.
- Responding to the needs of all and working to engage all sections of the community.

5. STATEMENT ON CHOICE

Redditch Council allocations policy provides a sophisticated approach to those with higher housing needs so that these needs are fully understood. Applicants in higher housing needs will be placed into the Gold Band with the approval of a Senior Officer and then directly matched with a home in a locality that provides a sustainable long term solution to meeting those needs.

Pressure on the Council's affordable housing stock means we have introduced qualification criteria covering who is and isn't eligible to join the waiting list. Whilst keen to encourage and facilitate mobility within housing, Redditch Borough Council recognises that provision of choice has to be balanced along with local needs and demand.

In determining priority for housing within the banding structure, a higher degree of preference will be awarded to applicants who have the greatest need and have a local connection to Redditch Borough.

Applicants, with the exception of Gold band, have the opportunity to view details of all properties that are advertised, but can only 'bid' for properties that they are eligible for. Those applicants in the Gold band will be directly matched to properties.

The Council has identified that in order to provide sustainable housing solutions there will be a number of exceptional situations where bidding may not be possible, for instance;

- Where the applicant does not meet the eligibility criteria for the scheme or the vacant property.
- Where a Local Lettings Plan has been agreed and the applicant does not meet the criteria.
- Where there is a legal agreement restricting who can be offered the property. Exceptional circumstances will be made clear when the applicant receives their banding award, or the property is advertised, unless the exceptional circumstance concerns the individual specifically (who has bid for the property) in which case it will be discussed with the applicant at the point of allocation.

Applicants who bid on and subsequently refuse properties for no reason or without what the Council considers a valid reason will have their priority reduced by changing their application effective banding date to the date of refusal.

6. ELIGIBILITY AND REASONABLE PREFERENCE

Who is, and who is not, eligible to apply to register on Redditch Home Choice

Any United Kingdom resident aged 16 years or over may apply to the council for allocation of housing. However, housing will only be allocated to applicants who are registered on the council's housing register for social housing and to be registered an applicant must be:

- eligible for social housing in England (that is, not ineligible due to their immigration status); and
- a qualifying person for social housing in Redditch Borough.

Persons from abroad

A person from abroad (or two or more persons jointly if any of them is an ineligible person) is ineligible for an allocation of housing accommodation if he is subject to immigration control within the meaning of the Asylum and Immigration Act 1996, or is excluded from entitlement to housing benefit by s.115 of the Immigration and Asylum Act 1999 (c 33) (exclusion from benefits) unless he is of a class prescribed by regulations made by the Secretary of State. Persons who are subject to immigration control and eligible for housing assistance are;

- Refugee status
- Exceptional leave to remain
- Indefinite leave to remain
- Nationals of a country that has ratified the European Convention on Social and Medical Assistance (ECSMA) or the European Social Charter provided they are habitually resident in the CTA and are lawfully present in the UK

This does not apply to a person who is already a secure or introductory tenant, of the Council or housing association. If an applicant has any further questions regarding their status they should contact the Council or seek independent legal advice. Households who are living abroad and therefore not habitually resident will not be eligible to register.

Applicants who were considered as ineligible due to immigration status can re-apply at any time.

Anybody can make joint applications including married couples, civil partners, cohabiting couples, same sex couples. In such cases, it is usual for a joint tenancy to be granted in the event of an offer of accommodation being made. The eligibility of applicants to be on the Housing Register will also be checked at the point of allocation.

Age Eligibility Criteria - Young people aged 16 to 18

Young people aged 16 to 18 can apply to Redditch Home Choice and will be registered. For young people under the age of 18 years the Council or Housing

Association partner may grant permission to allow the occupation of a property by way of an "Equitable Tenancy" however the Council or Housing Association (Registered Provider) will not normally grant a tenancy to anyone under the age of 18 years unless they are also able to provide a guarantor to cover rent. Please refer to individual Housing Association and Registered Providers policies for more details.

Unacceptable behaviour

Where the applicant, or a member of their household, has been guilty of unacceptable behaviour serious enough to make him unsuitable to be a tenant of the authority, the Council may decide they will be ineligible for registration.

Unacceptable behaviour is defined as behaviour which would, if an applicant or member of their household was a secure tenant, entitle a landlord to outright possession under any of the Grounds 1 to 7, Schedule 2 of the Housing Act 1985.

Unacceptable behaviour can include but not limited to:

- Owing significant rent arrears and/or failing to comply with a current tenancy condition with a Council, Housing Association or private landlord to such an extent that a Court would grant a possession order.
- Conviction for using the property for an illegal or immoral purpose.
- Causing nuisance and annoyance to neighbours or visitors, for example anti-social behaviour.
- Being convicted for offences in or near the home and still posing a threat to neighbours or the community.
- Being violent towards a partner or members of the family.
- Being violent or abusive to Council Officers
- Allowing the condition of the property to deteriorate.
- Allowing any furniture or fixtures provided by the landlord to deteriorate due to ill treatment.
- Obtaining a tenancy by deception, for example by giving untrue information.
- Paying money to illegally obtain a tenancy.
- Having lost tied accommodation provided in connection with employment due to conduct making it inappropriate for the person to reside there.

In determining whether an applicant is ineligible due to unacceptable behaviour, the Council, will consider:

- Has the applicant or a member of the applicant's household been guilty of unacceptable behaviour?
- Was the unacceptable behaviour serious enough to have entitled the Landlord to obtain an order for possession?
- At the time of the application, is the applicant still unsuitable to be a tenant by reason of that behaviour, or the behaviour of a member of their household who wishes to reside with them?

Should the Council exclude the applicant from the housing register they have the

right to have this decision reviewed. An applicant may become ineligible at any time during the process should the Council become satisfied that they are ineligible due to unacceptable behaviour.

Applicants considered as being ineligible for any reason can make an application for accommodation in the future if their circumstances have changed for any reason. It is for the Council to consider behaviour, at the point of application to the housing register, and whether they are now eligible under the Policy.

Each application will be assessed on its merits and a decision regarding eligibility will be made accordingly. Anyone deemed ineligible for the register will be provided with a full written explanation for the decision and will have a right of review of the decision.

Please see the section on Reviews below.

Applicants who are not eligible to join the housing register

At the point of registration all applicants are asked for information about their housing history and legal status to establish eligibility to join the housing register under the relevant legislation and this allocations policy. Applicants are not assessed or placed into a Band until a decision has been made regarding their eligibility.

Armed Forces applicant

Members of the UK armed forces stationed abroad will be considered as living in the United Kingdom for the purposes of applying for social housing.

The Localism Act 2011 amends the Housing Act 1996 to give local housing authorities in England the power to decide what classes of persons are or are not qualifying persons under s.160ZA(7) of the Housing Act 1996, for an allocation of housing accommodation.

The Secretary of State has the power to prescribe in Regulations criteria that may not be used by local housing authorities in deciding what classes of persons are not qualifying persons (s. 160ZA(8)(b)). These Regulations require that local housing authorities do not use local connection (within the meaning of s. 199 of the Housing Act 1996) as a criterion in deciding whether the following are not qualifying persons:

- a) persons who are serving in the regular forces or have done so in the five years preceding their application for an allocation of housing accommodation.
- b) bereaved spouses or civil partners of those serving in the regular forces where their spouse or partner's death is attributable (wholly or partly) to their service and the bereaved spouse or civil partner's entitlement to reside in Ministry of Defence accommodation then ceases.
- c) seriously injured, ill or disabled reservists (or former reservists) whose injury, illness or disability is attributable wholly or partly to their service.

The Council recognises the contribution that armed forces personnel have made and will award a local connection to those applicants as described above.

Social housing tenants

The Secretary of State has the power to prescribe in Regulations criteria that may not be used by local housing authorities in deciding what classes of persons are not qualifying persons (s. 160ZA(8)(b)). These Regulations require that local housing authorities do not use local connection (within the meaning of s. 199 of the Housing Act 1996) as a criterion in deciding whether social housing tenants are a “relevant person”.

A relevant person has a need to move because the relevant person—

- a) works in the district of the local housing authority, or
- b) has been offered work in the district of the local housing authority; and
- c) the authority is satisfied that the relevant person has a genuine intention of taking up the offer of work.
- d) This regulation does not apply if the need to move is associated with work or the offer of work which is—
 - (a) short-term or marginal in nature,
 - (b) ancillary to work in another district, or
 - (c) voluntary work.

In this regulation “voluntary work” means work where no payment is received by the relevant person or the only payment due to be made to the relevant person by virtue of being so engaged is a payment in respect of any expenses reasonably incurred by the relevant person in the course of being so engaged.

Specifically a local connection criteria may not be applied to existing social housing tenants seeking to transfer from another local authority district in England who have a reasonable preference under s.166 (3)(e) because of a need to move to the local authority’s district to avoid hardship where they need to move because the tenant works in the district, or need to move to take up an offer of work

In considering registering applications the Council will take into account the Right to Move Statutory Guidance March 2015 (or any relevant successor document).

7. REASONABLE PREFERENCE CATEGORIES

Redditch Home Choice is required by law to assess the relative priority that housing applicants are awarded. This is particularly important as in the Borough, the demand for social housing is greater than the availability of homes.

The law, as it applies to local housing authorities, requires that Reasonable Preference for housing must be given to those in the categories set out in the Housing Act 1996 (as amended). The statutory Reasonable Preference categories cover:

- All homeless people as defined in Part VII of the Housing Act 1996
- People who are owed a duty under the Housing Act 1996 because they have a priority need but are intentionally homeless (under s190 (2)), because they are not in priority need and not intentionally homeless 193 (2) or because they are threatened with homelessness, in priority need and not intentionally homeless (195 (2) of the 1996 Act (or under s. 65 (2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any housing authority under s. (192 (3)).
- People occupying unsanitary, overcrowded or otherwise unsatisfactory housing;
- People who need to move on medical or welfare grounds (including grounds relating to a disability);
- People who need to move to a particular locality within the district to avoid hardship to themselves or others.

Specific details and examples of how Reasonable Preference and priorities are determined and applied are detailed in Section 10: Redditch Home Choice Banding.

Determining priority between applicants with Reasonable Preference

Redditch Home Choice allocations policy determines priority between applicants with Reasonable Preference by taking into account various factors including:

- Any local connection – as defined in s199 Housing Act 1996 (as amended) – that an applicant has with the Borough.
- The length of time the applicant has been waiting within their current band

8. APPLYING TO GO ON THE HOUSING REGISTER

In most instances anyone who wishes to apply for affordable housing through Redditch Homes must first attend a housing options interview or an interview with their locality officer and complete a registration form. The housing options interview will enable the applicant to discuss their housing circumstances with the Council and explore their housing options such as the private rented sector.

Where an applicant needs assistance to complete an application form an advocate (for example, a family member, friend or support agency) can complete the registration form on behalf of an applicant who is requesting assistance.

If the applicant is not eligible to register they will be notified in writing giving the reason for the decision and informing them of their right to request a review.

The application must be accompanied by two proofs of residency, one of which

must be within four weeks of the application date, and also one form of identification. The same information is required for any member of the household, over the age of 18, who is to be included on the application.

The Council may ask for updated proof and identification to be provided at the point of housing allocation.

All applications once received will be assessed and placed in the appropriate band. This assessment will, in most instances, involve an interview to discuss housing options.

Where additional information is required to confirm that a higher band is appropriate, the application may be placed in a lower band until the circumstances of the applicant have been confirmed.

Once registered with the Redditch Home Choice scheme the applicant will be given a membership number.

Applicants to the scheme are entitled to request details from the Council about information that has been used to make a decision on their registration.

9. OWNER OCCUPIERS

Owner Occupiers will be accepted onto the Housing Register and placed in the bronze band. Owner Occupiers will only receive additional consideration should they be deemed to have reasonable preference under section 167(2) Housing Act 1996 and they have demonstrated that they have no financial means of helping themselves. In such instances they would be placed in the appropriate band for their circumstances.

10. REDDITCH HOME CHOICE BANDINGS

Allocations will be made in line with the Councils Allocations Policy based on housing need and time waiting.

The Council will ensure that reasonable preference is given to the following categories of people, as set out in S167 (2) of the 1996 Act:

- a) People who are homeless (within the meaning of part 7 of the 1996 act); this includes people who are intentionally homeless, and those who are not in priority need;
- b) People who are owed a duty by any housing authority under section 190 (2),

193 (2) or 195 (2) of the 1996 Act (or under section 65 (2) or 68 (2) of the (Housing Act 1985) or

- c) who are occupying accommodation secured by any housing authority under section 192 (3);
- d) People occupying unsanitary or overcrowding housing or otherwise living in unsatisfactory housing conditions;
- e) People who need to move on medical or welfare grounds, including grounds relating to a disability; and
- f) People who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or to others).

In order to do this the Councils Choice Based Lettings scheme will distinguish between three broad levels of priority:

- a) GOLD BAND.
- b) SILVER BAND
- c) BRONZE BAND.

The three core bandings have been decided by the categories below:

Gold: Applicants will be Directly Matched to a suitable property – (Bidding Blocked)

Statutory Homeless with a duty to re-house

Gold band is awarded by the Council where it has accepted a full duty under Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002) to provide accommodation for an applicant.

When the Council accepts a duty under homelessness legislation, the Council will directly match applicants to a property. Only **one** offer of suitable accommodation will be made. Should an applicant refuse an offer of suitable accommodation, the Council will have discharged its housing duty.

Applicants have the right to request a review of certain decisions made by the Council in respect of their homeless application. This includes the decision to bring to an end the full homeless duty by making a suitable offer of settled accommodation. The applicant has this right whether they refuse or accept the offer of accommodation. If the review finds in favour of the homeless applicant, the applicant will retain their Gold band (provided they are still homeless). However, if the reasonableness and suitability of the offer is upheld, the homeless duty will be ended and the applicant's banding will be reassessed. Homeless applicants are therefore advised to accept an offer and then request a review if they believe it to be unsuitable.

High Medical Need or Disability

Medical priority will only be granted where the current property has a direct adverse effect on the health of the applicant or a member of their family, and when it is unreasonable or uneconomical to adapt the current property. The Council will attempt to directly match applicants to a suitable property in the first instance.

Officers will gather sufficient information to understand the impact of the property on the health of the applicant or their family. The final decision for medical priority will be made by the Housing Services Manager or the Housing Options Manager in conjunction with the Council's medical advisors and Occupational Therapist if required. An example would be someone with severe mobility problems requiring ground floor accommodation.

If an offer of suitable accommodation be refused the Council will review the priority given to the applicant, which may result in the applicant having their banding reduced.

In certain circumstances the case may be referred to an external body e.g. Now Medical for assessment.

Living in exceptional circumstances

This will only be awarded in those instances where the applicant's living circumstances are considered by the Council to be exceptional given the prevailing housing conditions in the Borough and where no other banding criteria reflects or addresses the problem(s).

In reaching a decision to award this banding, account will be taken of the suitability of the current accommodation and the location of the accommodation in relation to the applicant's needs. The final decision for this access to this banding will be made by the Housing Services Manager or the Housing Options Manager

Examples are given below of potential situations where this banding may be granted – the list is not exhaustive and the decision lies with the Council.

- The applicant is adequately housed but needs to give or receive support on the grounds of disability or illness that is substantial and ongoing and it is not possible for the person giving care to use public transport or their own transport to provide assistance.
- The applicant needs to move on welfare grounds e.g. hardship.
- The applicant's household is overcrowded, coupled with medical issues that do not accrue medical priority e.g. ADHD, autism.
- The applicant needs to take up or continue employment, education and/or training that is not available elsewhere and they do not live within reasonable commuting distance

If an offer of suitable accommodation be refused the Council will review the priority given to the applicant, which may result in the applicant having their banding reduced.

Supported Accommodation 'Move on' scheme.

This status is awarded where an agreement between the Council and the Supported Housing provider, is in place for applicants to move on from supported accommodation in the Borough.

This status will only be awarded to applicants in supported accommodation or care-

leavers where the following criteria have been met:

- The applicant is ready to move to independent settled social housing on the recommendation of the support provider
- An ongoing support package has been assessed and where required, is in place.

Silver:

This band includes applicants with a single non urgent need. It also includes applicants assessed as having an urgent Medical or Social need but who have deliberately worsened their housing circumstances to improve their chances of obtaining social housing.

Allocations will be made to applicants who have expressed an interest in a property and in order of highest points, followed by the earliest application date. Should two applicants have the same number of points, and the same application date, the allocation will be made to the applicant who expressed an interest first.

Bronze:

This band will include all applicants who are deemed to be adequately housed and as such have no entitlement to reasonable preference e.g. Owner occupiers.

Members of the Armed Forces

By Armed Forces, we mean the “regular forces” and the “reserve forces” as defined by s. 374 of the Armed Forces Act 2006(a). The “regular forces” means the Royal Navy, the Royal Marines, the regular Army or the Royal Air Force. The “reserve forces” means the Royal Fleet Reserve, the Royal Navy Reserve, the Marine Reserve, the Army Reserve, the Territorial Army, the Royal Air Force Reserve or the Royal Auxiliary Air Force.

Members of the Armed Forces who have been served with a cessation to occupy accommodation will be given housing advice and the appropriate banding and, if required, considered under Homelessness legislation (Housing Act 1996, Part VII and other relevant legislation).

The Housing Act 1996 (Additional Preferences for Armed Forces) (England) Regulations 2012 require Local Authorities to give additional preference to a person with an urgent housing need and are in one of the reasonable preference categories.

The regulations are;

That local housing authorities must frame their allocation scheme to give additional preference to the following persons if they fall within one or more of the statutory reasonable preference categories and are in urgent housing need:

- a) serving members of the regular forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service

- b) former members of the regular forces
- c) bereaved spouses or civil partners of those serving in the regular forces where
 - (i) the bereaved spouse or civil partner has recently ceased, or will cease to be entitled, to reside in Ministry of Defence accommodation following the death of their service spouse or civil partner, and (ii) the death was wholly or partly attributable to their service
- d) existing or former members of the reserve forces who are suffering from a serious injury, illness, or disability which is wholly or partly attributable to their service

If an “Armed Forces” applicant is able to meet the local connection criteria (or is exempt from this), the Policy will award the applicant an additional six months in waiting time at the point that need has been assessed or date of registration (if need hasn’t changed over time).

Allocations to bandings

As a starting point 60% of properties will be awarded to the Gold banding and 40% to Silver and Bronze. A proportion of allocations will be specifically utilised for transfers only, at the discretion of the Head of Housing and Housing Service Manager and allocated in accordance with the banding structure. The Head of Housing will at their discretion vary the percentage of properties given to each banding depending on the number of applicants in each band on the housing register.

The Head of Housing will review the percentage target on a quarterly basis to ensure that the best use is being made of the housing stock, and that government guidelines for using temporary accommodation for Homeless cases are being met.

11. ALLOCATIONS

Housing need will be used to determine the banding of each applicant.

A proportion of allocations will be through direct matching to those applicants on Gold band. Properties not directly matched will be advertised for either all applicants or just Transfers who will be able to bid and allocations will be made to the applicant who has expressed an interest in a property and who:

- a) Has the highest band and,
- b) Has the highest number of points and,
- c) Has the earliest application date

The Council determines priority for housing by a banding system and points within the banding based on the housing need of the applicant and the time waiting:

The housing register is made up of:

- Homeless Cases
- Applicants
- Transfers

The scheme is designed to be easy to understand, to give priority to those in most housing need and to be open and accountable.

12. POINTS EXPLANATION

Points Scheme Summary

- | | |
|--|-------------------|
| • Residency (12 months) or parents | 30 Points |
| • Bedroom deficiency/per room | 50 Points |
| • Children in flat points | 15 Points |
| • Studio Flats | 5 Points |
| • Property is Under Occupied / Per room | 50 Points |
| • Leaving Special needs property | 250 Points |

Residency Points

Applicants who have lived in Redditch for the past 12 months or who have parents currently living in Redditch. Residency points will be awarded to applicants leaving the armed forces who would have qualified for them prior to commencing their service. These are the only points that are applicable in the Gold Band.

Bedroom Deficiency

The policy states all members of the application household require a room except those living as couples. Applicants will be awarded 50 points for each bedroom that their current property is deficient of. The Policy states these points will be awarded to children regardless of age or sex; however this does not reflect the size of the property to be offered. These points are not applicable to individuals in the Gold Band and are not awarded to households that are considered to have deliberately worsened their circumstances by moving into smaller or unsuitable accommodation.

Children in Flats

These are awarded if there are any children under the age of 10 living in a flat. These points are not applicable to applicants in the Gold.

Studio Flats (Transfers only)

Applicants who have lived in a studio flat for at least twelve months will receive 5 points to help facilitate them moving on if applying for a transfer.

Under Occupancy Points:

Under Occupancy Points will be awarded to all applicants in Council or Housing Association stock provided that it can be demonstrated that prioritising the applicant for smaller housing would free up housing stock which is both suitable and accessible for other applicants solely on the Redditch Borough Council Waiting List.

Points awarded for under occupancy of rooms would be awarded in line with the existing Landlords occupancy policy. In cases where no occupancy policy exists, points will be awarded in line with the Redditch Borough Council occupancy policy.

In cases where an under-occupied property is required for a family in Urgent Housing Need then the Head of Housing has the authority to place the household that are under-occupying into the gold band to allow the property to be freed up for the family in Urgent Housing Need as quickly as possible.

Leaving Special Needs Property

Points will be awarded to applicants living in properties with the following:

- a) A vertical lift moving between Floors
- b) Properties where building adaptations have been made totalling over £1,000 and
- c) The property would be suitable for occupation by another individual or family with a Special Need

These points are not applicable to applicants in the Gold Band.

Property Size

The size of the property that an applicant may express an interest in is in line with the property size matrix (Appendix 1). The Council will only allocate accommodation to households where they have demonstrated that it is affordable to them (based on their income either through employment or benefit entitlement).

Applicants being housed under the Council's homelessness duty with one child under the age of 2 will only be considered for one bedroom accommodation.

Property Type

All accessible properties (i.e. housing which has been designed or adapted to meet the needs of disabled people) will be advertised through the Redditch Home Choice scheme. Priority for accessible accommodation will be given to those people those who have appropriate levels of need and this will be clearly stated in the adverts.

PROPERTY TYPE	SINGLE	COUPLE	S/C + 1 CHILD UNDER 2 (H/LESS ROUTE)	S/C + 1 CHILD UNDER 2	S/C + 1 CHILD OVER 2	S/C +2	S/C +3	S/C +4	S/C +5
STUDIO FLAT	X	X							
1 BED FLAT	X	X	X						
1 BED HOUSE	X	X	X						
2 BED FLAT				X	X	X			
2 BED HOUSE				X	X	X			
3 BED FLAT						X	X	X	
3 BED HOUSE						X	X	X	
4 BED HOUSE							X	X	X
5 BED HOUSE									X

N.B. Size eligibility subject to affordability

13. CHANGE OF CIRCUMSTANCES

Under Section 171 of the Housing Act 1996, it is a criminal offence for applicants to knowingly give false information or to withhold information relevant to their application. A fine of up to £5,000 may be imposed by the courts if the applicant is found guilty. An offence may be committed if an applicant knowingly gives false information, or knowingly withholds information which Housing Services has reasonably requested on the housing application form. An offence is also committed if the applicant allows a third party to provide false information on their behalf or at their instigation.

Changes of circumstances should be notified to the Housing Options Team as soon as possible, using the Change of Circumstances Form. The form should be fully completed and be used for the following:

- Any confirmed pregnancy
- Any member of the family or any other person on the application who has

left the accommodation

- Any changes of name
- Any additions to the family-(Proof of residence and ID will be required)
- Any change in income or savings
- Changes in status of accommodation (e.g. Notice to Quit)

If an applicant has changed address a new application form should be completed. Providing that there is no break in the timescale, the date of application will be taken from the first application that was accepted by the Council; however, the housing need points may be adjusted accordingly.

In cases where there is a change in an applicant's medical situation, the Council should be notified.

Where a register entry is amended following receipt of a completed change of circumstances form, the Council will notify the person concerned in writing. Before removing a person from the register, the Council will give him/her notice of this action. Where an applicant is removed from the housing register other than at his/her request, the Council will inform them in writing of its decision, the reason for it and the right to request a review.

If evidence is obtained that an applicant has gained a tenancy through providing false information or withholding relevant information, the Council will take possession proceedings against the tenant.

14. REMOVAL/AMENDMENT TO ENTRY ON REGISTER

Redditch Borough Council reserves the right to remove an applicant from the Housing Register if there is evidence that the applicant or a person acting on the applicant's request, has given false information or withheld information relevant to their application.

The Council will remove a person's application if he/she requests it (provided they are not owed a duty as homeless) or is no longer deemed to be eligible. The Council may also remove a person from its register in other appropriate circumstances as it sees fit. This will include:

- Failure to renew application when requested by Redditch Borough Council.
- Any applicant seeking to obtain accommodation by making false or misleading statements, or by withholding information that has been reasonably requested, or by failing to inform the Council of any material change of circumstances, is liable to have their application cancelled. It is also an offence under section 171 of the Housing Act 1996 to take any such action. A person guilty of an offence under this section is liable on summary conviction to a fine.

15. HARASSMENT

Redditch Borough Council defines harassment/Anti-Social behaviour as: 'Any behaviour by an individual or a group which makes another person or group feels harassed, alarmed, threatened or distressed. It includes a variety of behaviour that can blight the quality of community life and is based on individual perception. Anti-social behaviour may constitute a nuisance and annoyance, harassment or criminal activity'.

The Council will follow its Anti-Social Behaviour procedure in responding to requests for assistance if experiencing threats of, or actual violence, intimidation, nuisance, harassment, racial harassment or other forms of antisocial behavior.

Wherever possible appropriate remedies will be taken to resolve the situation. Redditch Borough Council will always attempt to deal with the perpetrator, rather than move the victim. Staff in Housing Services will liaise with appropriate agencies and advise applicants, to achieve this. Officers must be satisfied that the applicant has not caused or contributed to the situation where a dispute has escalated. Evidence will usually be required from the applicant and/or independent agencies to support allegations of antisocial behavior.

If an applicant reports repeated experiences of threats, intimidation, nuisance, harassment or other forms of antisocial behavior during their housing history, Officers must consider whether the applicant has provoked this behavior, or whether they are unusually sensitive to or liable to misinterpret others' behavior. In these circumstances a move is unlikely to resolve the issues.

Housing Officers will liaise with the Community Safety Officer, Police, Probation, victim support and other agencies to ensure that housing policies and procedures support community safety. Redditch Borough Council prefers to resolve problems relating to threats, harassment, antisocial behavior and other forms of nuisance by co-operative and partnership working.

16. HOMELESSNESS

Once it has been established that all options to prevent your homelessness have been exhausted and the Council has accepted a full duty to you as homeless under the terms of the Housing Act 1996 (as amended) your application will be placed on the Housing register, in the gold band. You will be directly matched to a property and blocked from bidding. You will receive one offer of suitable accommodation. If you refuse this offer the Council will have discharged its duty towards you.

17. YOUNG PERSONS AND RE-HOUSING

The term “young person” refers to a person who is aged between 16 to 18 years old.

Applicants under 18 years of age but over 16 years and single will be registered onto the Housing Register. The application will be deferred until the applicant reaches 18 years of age. The application will attract ‘time waiting points’ only.

If the circumstances change and the applicant becomes homeless, Redditch Borough Council will assess the applicant under homelessness legislation to consider whether the authority has a duty to secure accommodation for the applicant. If the Council accepts it has a duty towards the applicant it will consider them for housing in line with the Council’s ‘Homelessness Protocol for Young 16 and 17 years olds’.

If the applicant is under 16 years old the Council will liaise with Worcestershire County Council Social Services, on your behalf for help and assistance.

18. SHARED OWNERSHIP

Qualification for Shared-ownership and any other affordable housing scheme will be in accordance with the guidelines of the Homes and Communities Agency.

You can buy a home through shared ownership if your household earns £80,000 a year or less and any of the following apply:

- you’re a first-time buyer
- you used to own a home, but can’t afford to buy one now
- you’re an existing shared owner

19. HOUSING ASSOCIATION PROPERTIES

There are various Housing Associations with properties within the Redditch area. A full list is on the Redditch Home Choice website:

<http://www.redditchhomechoice.org.uk/Data/ASPPages/1/31.aspx>

Allocations for Housing Association properties may be made from the Councils Housing Register.

Applicants must indicate their willingness to accept Housing Association Homes on

their application form. Housing Association properties will be allocated through the Choice Based Letting scheme; however, applicants may also need to satisfy the requirements of the policy of the individual Housing Association.

Applicants must indicate that they wish to be considered for a Housing Association property on their application form.

20. CO-OPERATIVES HOMES SCHEME

Co-Operative Housing is a form of housing that requires the involvement of the tenants in the management of their own homes. You must first register on the Council's Housing Register in respect of your housing need and must also satisfy the Co-operative Homes requirement on their suitability for living in a co-operative environment.

Consideration will be given to any one in housing need, on a low income and capable of living independently in his or her own home or with support if required.

21. MUTUAL EXCHANGE

A mutual exchange is where two or more Council or Social Registered Landlord tenants swap their homes. It does not involve any property becoming empty. As the housing register becomes longer a mutual exchange is often the quickest way of moving.

Secure tenants of Redditch Borough Council have the right to exchange their property with other secure tenants of any other Council or Housing Association.

Mutual Exchange is now administrated via the Homeswapper website at:
<http://www.homeswapper.co.uk/>

The Council agrees to mutual exchanges in line with the Councils Allocation Policy.

- The tenant must receive written consent from the landlord before any exchange takes place.
- Any exchanges carried out without written permission may be made to move back.

The Council may withhold consent on the following grounds

1. There is a valid possession order with a date for the tenant to leave the

- property.
2. Possession proceedings have been started.
 3. The property is not of a suitable size (one extra bedroom is allowed).
 4. The property has been adapted or is specifically built for people with special needs.
 5. The property is within a sheltered scheme and the incoming tenant does not require the facilities.

Rent arrears or other breach of tenancy conditions are not grounds for refusal, but any breach must be rectified in advance of any exchange.

22. JOINT TENANCIES

Redditch Borough Council will consider offering existing tenants a joint tenancy to adult members of the household who have been living in the same home for a minimum of twelve months, prior to the application for a joint tenancy being made. Proof of residency and ID will be required (Appendix 2).

Redditch Borough Council will offer a joint tenancy to new tenants who have made a joint application unless:

- One prospective joint tenant is excluded from or is ineligible to join the Housing Register.

Where one of the joint tenants terminates the tenancy, the Housing Services Manager of Housing Options Manager may at their discretion, grant the remaining tenant a tenancy in their sole name. In making this decision, consideration will be given to property size and making the best use of the Councils housing stock.

23. DECANTS

Decants relate to tenants requiring a temporary move to allow major refurbishment to their current property.

Tenants will be offered temporary moves, at the discretion of the Housing Services or Housing Options Manager.

Properties identified as being suitable for decants will be offered outside of the Choice Based Lettings scheme but where possible Officers will make use of vacant Temporary Accommodation.

24. SOCIAL HOUSING TENANTS WISHING TO MOVE TO ALTERNATIVE AREAS

Homeswapper is a scheme which allows social housing tenants to move to alternative areas for example if:

- You are taking up employment which is too far away to commute.
- You need to live closer to relatives to receive or give support.
- There are other special reasons

The Council pays each year for a subscription to all its tenants to register at no cost to them. The scheme can be accessed via the internet at the following address:

<http://www.homeswapper.co.uk/>

If you are unable to access the internet or require assistance due to disability please contact your Tenancy Officer or the Housing Options Team for help.

25. SHELTERED ACCOMMODATION

Sheltered schemes with Home Support Officers visiting are suitable for mature people over the age of 60, (in the case of couples one partner needs to be 60 years or over), with no children living at home. Certain schemes will accept applicants over the age of 50; however, priority will be given to applicants over 60.

When a ground floor flat becomes vacant priority will be given to those tenants already living in the scheme on the first floor or above who require ground floor accommodation.

Council tenants wishing to move into sheltered accommodation will be offered assistance to help them with their move.

26. VERY SHELTERED SCHEMES

The Council has access to two very sheltered schemes, St David's House, Batchley and Terry Spring Court, Smallwood.

The allocation of these properties will be made in accordance with the Very Sheltered Scheme allocations policy. To be eligible for this type of accommodation applicants will need to satisfy the following conditions:

- Be eligible for inclusion on the Housing Register.
- Be aged 60. (a younger person may in exceptional circumstances be accepted by the Extra Care Operational Director, Social Services and the Council).
- Need help with personal care, such as washing dressing or getting in and out of bed, either now or in the future.
- Have housing needs because your home is unsuitable. This may be because there is lack of basic amenities, or you may find it difficult to move around your home, or your home makes your medical condition worse. There may be other reasons that your current home may be unsuitable for you.

27. SPECIAL NEEDS ACCOMMODATION

There are a number of properties which have adaptations and are suitable for applicants with special needs. All accessible properties will in the first instance be considered for direct matching to applicants in the Gold band. If there is no requirement for the property through direct matching, the property will be advertised through the Choice Based Lettings scheme. Priority for accessible accommodation will be given to those people those who have appropriate levels of need and this will be clearly stated in the adverts. Consideration of the suitability of the property will be agreed by the Housing Options Manager or Housing Services Manager.

Applicants currently living in homes which are adapted, and no longer need specialist accommodation will be placed in the Silver banding and receive 250 points, to facilitate a move to free up the accommodation.

28. LOCAL LETTINGS PLAN / SENSITIVE LETS

The Council believes that some locations and/or property types are more suited to particular residents. Temporary local lettings plans will be agreed by the Housing Services Manager or Head of Housing in consultation with local ward members to resolve Housing Management issues or to allow for the allocation of difficult to let properties. Any properties subject to a local lettings plan will be clearly explained in the Choice Based Letting advert.

Where a local lettings plan is in place the allocation will be made following an interview process of applicants to ensure the suitability of the applicant to the

property.

In certain circumstances the Council will be required to sensitively let a specific property for ongoing management reasons. These allocations will also be made following an interview process to ensure the suitability of the applicant.

29. STAFF/ELECTED MEMBER APPLICATIONS

Staff members, Elected Members, or relatives of either, will have their application approved by the Housing Options Manager or the Head of Housing, in accordance with the Councils equal opportunity policy.

Any offers of accommodation to members of staff or Elected Members will be agreed by the Chief Executive. In the absence of the Chief Executive this decision will be delegated to the Deputy Chief Executive & Executive Director for Leisure, Environment & Community Services In the absence of the Deputy Chief Executive & Executive Director for Leisure, Environment & Community Services this decision will be delegated to the Executive Director of Finance and Corporate Resources.

30. TIED OR SERVICE TENANTS

Tied or service tenants refer to local authority employees (a local schools employee) who occupy their home in order to do their job.

The applicant must be resident in their service tenancy in Redditch for at least six months.

On receiving notification of retirement the applicant will be given priority by placing into the gold banding.

Applicants not retiring but required to leave their service or tied tenancy will be placed onto the waiting list without priority and may approach the Council under homeless legislation.

31. FOSTER CHILDREN

Foster children are not automatically accepted on an application for housing as

fostering is often a short-term arrangement. Social Services can provide advice where they believe the family requires larger accommodation and if evidence shows that a family will be fostering a child on a long-term basis consideration will be given to the housing need of that young person and they may be allowed on the application.

32. DEBT TO THE COUNCIL OR HOUSING ASSOCIATIONS

Applicants can apply to go on the housing register if they owe monies to the Council or any Housing Association, however:

No offer of accommodation will be made until the total debt is clear. Debt can include:

- Rent arrears / Former Tenancy Arrears
- Over-allowed Housing Benefit
- Council Tax
- Court Costs
- Repair re-charge

In exceptional circumstances the Housing Services Manager or Head of Housing may agree to an allocation being made.

33. PROVIDING INFORMATION TO APPLICANTS

Section 166 of the Housing Act 1996, as amended, requires a housing authority to ensure advice and information is available free to everyone in its district about the right to apply for housing accommodation. Section 166 requires housing authorities to inform an applicant he has the right to certain general information, such as:

- Information that will enable him to assess how his application is likely to be treated under the scheme, and in particular, whether he is likely to fall within the reasonable preference categories; and
- Information about whether accommodation appropriate to his needs is likely to be made available and, if so, how long it is likely to be before such accommodation becomes available.

At the time an application for housing is made, the Council will provide full Housing Options information, which will enable the applicant to make an informed choice about the type of accommodation they are likely to be considered for and the likelihood of them being made an offer within a reasonable timescale.

Information regarding the allocations will be available on a weekly basis, and information on numbers of properties, numbers of voids and allocation targets will be updated quarterly.

Assistance will be provided by the Housing Options Team or One Stop Shops to help with the completion of housing register application.

A guide to Applying for Housing will be completed and reviewed annually for those who request it.

34. THE RIGHT TO INFORMATION ABOUT DECISIONS AND THE RIGHT TO REVIEW A DECISION

Applicants will be notified in writing of decisions taken on their application.

The notification will give clear grounds for the decision, which are based firmly on the relevant facts of the case. The applicant also has the right, on request, to be informed of any decision about the facts of the applicant's case which has been, or is likely to be, taken into account in considering whether to make an allocation to him. Under section 167 of the 1996 Act, an applicant has the right to request a review on certain decisions. This right will be made clear in such decision letters.

A request for a review must be made within 21 days of the applicant being informed in writing of the Council's decision. The review will be carried out by a senior officer who was not involved in the original decision.

The applicant will be invited to submit any new information they would like the reviewing officer to consider.

The following decisions have a right to request a review:

- To treat an applicant as ineligible due to immigration status or persons from abroad who have failed the habitual residence test;
- Not to accept an applicant on to housing register or give an applicant any preference because of unacceptable behavior serious enough to make him unsuitable to be a tenant;
- Not to give an applicant any preference because of the financial resources available to him;
- Not to make an allocation to an applicant, when it has been considered he would not be capable of independent living;
- As to the suitability of accommodation offered to an applicant in discharge of the Council's duty under the provisions of Part VII of the Housing Act 1996 (Housing the Homeless);
- The outcome of a request for living in exceptional circumstances or medical priority.

A person will be notified in writing of the outcome of a review, with details of the reasons for the decision.

35. Equalities Statement

This policy is intended to operate within the Council's commitment to equalities and diversity including:

- Equal treatment regardless of race, gender, age disability, sexual orientation, religion or belief, with reasonable adjustments where necessary in line with the Disability Discrimination Act.
- Working to eliminate *unlawful* discrimination
- ***Promoting equal opportunities.***
- Promoting community cohesion, ***including good relations between people from different racial groups.***
- Providing reasonable access to interpretation or support on request.
- Responding to the needs of all and working to engage all sections of the community.

This policy will be assessed as part of a rolling programme of reviews to ensure that it does not have a detrimental or disproportionate effect on any group.

Any concerns that the policy is operating in a way that could be construed as discriminatory should be passed to the responsible Manager and will be dealt with as part of the official Complaints Procedure, in line with the Council's Equality Schemes.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**6th March 2018**POLLING PLACES REVIEW 2018**

Relevant Portfolio Holder	Councillors B Hartnett, Leader and J Fisher, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Ward(s) Affected	Church Hill, Winyates
Ward Councillor(s) Consulted	Yes
Not a Key Decision	

1. SUMMARY OF PROPOSALS

The report sets out the findings of the review of Polling Places review as requested by members of the public under the Representation of the People Act 1983 and the Electoral Registration and Administration Act 2013. These are changes to the agreed Polling Districts and Polling Places review made in 2014.

The recommendations below set out below arising from investigations, public submissions and Members comments.

2. RECOMMENDATIONS

The Committee is asked to consider the report and RECOMMEND to Council

2.1 whether or not to accept to change the polling place for the electors in Polling District CHB from Abbeywood First School to one of the following:

- a) St Andrews Church
- b) YMCA Building
- c) Willow Trees/Church Hill Community Centre
- d) Health Centre;

2.2 whether or not to accept to change the polling place for the electors in Polling District WIB from Roman Way First School to Winyates Barn;

2.3 that if any of the above are accepted to take effect for the May 2018 elections apart from 2.1 d) which would require more investigation.

3. KEY ISSUES**Financial Implications**

- 3.1 There are some minor financial implications for the Council which arise from this report but will be contained within existing budgets.

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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).

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

However, this report considers two areas, where requests have been made to find alternative polling places:

a) Abbeywood First School – Polling District CHB – Church Hill

b) Roman Way First School – Polling District WIB – Winyates

A Abbeywood First School

3.5 A request to find an alternative polling place was received from the Chair of LAGB of RSB Abbeywood First School. There were a number of reasons for this request, these were in regard to safeguarding children, staff wellbeing, reduced pupil attendance on Fridays after polling and access across the Church Hill Middle School site.

3.6 During the consultation phase the Chair reiterated the reasons for using an alternative site and suggested a number of different alternatives, namely St Andrews Church, YMCA Building, Willow Trees/Church Hill Community Centre and the new Health Centre (Maple View).

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- 3.7 Submissions were received from the Local Councillors who advocated no change.
- 3.8 Officers visited the current site as well as the suggestions made during consultation. It was noted that the access to Abbeywood First School is not ideal. Observations on the suggested alternatives were:
- a) St Andrews Church – This has been considered previously and is currently used as polling station. The difficulty for electors in CHB would be the access to the Church crossing the busy road where there are no pavements.
 - b) YMCA building – Public access would be very difficult to this building.
 - c) Willow Trees/Church Hill Community Centre is already used as a polling station. It would be possible to have polling there but an additional room would be required and this might mean the closure of the nursery for the day.
 - d) Maple View Medical Centre - There might be the possibility of using this building if they were willing to rent out and a suitable room for polling station use.

B Roman Way First School

- 3.9 Officers received a request from a parent of Roman Way First School to review use of the school as a polling station, the Winyates centre was suggested as an alternative.
- 3.10 Submissions were received from two Councillors requesting the status quo and one from the Head Teacher of Roman Way First School who supported the closure of the school due to disruption to pupils and working families. She suggested the use of 'the Barn' at the Winyates Centre.
- 3.11 During the consultation officers visited the Winyates Centre and 'the Barn' was considered but access to and car parking for the centre is poor. 'The Barn' is now a Dementia day care centre so this would have to close for the day if polling were held here.
- 3.12 It should be noted for both Abbeywood and Roman Way that at its meeting of the 25 May 2017 Worcestershire County Council resolved, for the benefit of staff, parents and for the benefit of children's education that 'schools are used as a last resort as far as practicable'.
- 3.13 When considering these polling place members should note that schools can be used as polling places free of charge (although heating, lighting and caretaking duties must be covered).

Customer/Equalities and Diversity Implications

- 3.14 The Council's Customer Care / Equalities 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.

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4. RISK MANAGEMENT

- 4.1 Any changes agreed must be likely to be sustainable for a reasonable number of years, as frequent changes of Polling Station are not helpful for electors and undermine their knowledge of, and confidence in, electoral systems.
- 4.2 Choice of Polling Place / Polling Station should not give rise to significant grounds of complaint which might put election results at risk of challenge.
- 4.3 In terms of Environmental risks, it is of course preferable that choice of Polling Station location can help minimise unnecessary additional journeys by motorised vehicles.
- 4.4 In terms of Human Resources risks, the (Acting) Returning Officer must provide adequate levels and standards of staffing to secure proper polling arrangements.

5. APPENDICES

None.

6. BACKGROUND PAPERS

- Previously published Polling Stations Review reports / Minutes.
- Relevant Statutory provisions.
- Relevant correspondence on file from consultees.

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EXECUTIVE COMMITTEE6th March 2018**Finance Monitoring Quarter 3 2017/18**

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

1. Purpose and summary

This report details the Council's final financial position for General Fund Revenue, Capital and Housing Revenue Account (HRA) for the period April – December 2017 (Quarter 3 2017/18).

2. Recommendations

The Executive Committee is asked to

RESOLVE that

- 2.1 the Executive Committee note the current financial positions for the quarter April – December 2017 as detailed in the report; and**

RECOMMEND

- 2.2 the Executive is asked to RECOMMEND to Council 2017-18 that the 2017/18 Capital Programme is increased by £73k on the Disabled facilities grant project due to additional funds being received by DCLG.**

3. Revenue budgets

- 3.1** This report provides details of the financial information across the Council. The aim is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across the Strategic Purposes to enable Members to be aware of the level of funding attributed to these areas and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for the period April – December 2017. A year end forecast is in Quarter 3 to ensure budget holders can assess the financial position of their service areas with as much information as possible.
- 3.2** Financial reports are sent to budget holders on a monthly basis and a detailed review is undertaken with financial support to ensure that all issues are considered and significant savings or cost pressures addressed. This report aims to focus on the key variances to budgets to ensure a focus is undertaken during the year on areas where there are significant savings or additional costs.
- 3.3** The £11.012m original budget as included in the table below is made up of the budget approved in February 2017 of £ 11.113m which is then adjusted to reflect capital charges and interest of £1.5m offset by the savings and additional income of £1.6m.

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In addition the Latest Budget 2017/18 shown includes the net transfers from reserves of £422k and drawdown from balances of £20k. Appendix 2 shows the movement in reserves of £422k as noted above.

Revenue Budget Summary – Overall Council Financial Year 2017/18
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Please note figures have been rounded

Strategic Purpose	Original Budget 2017/18 £'000	Latest budget 2017/18 £'000	Budget to date April – Dec 2017/18 £'000	Actuals to date April – Dec 2017/18 £'000	Variance to date April – Dec 2017/18 £'000	Projected outturn 2017-18 £'000	Projected variance 2017/18 £'000
Keep my place safe and looking good	4,196	4,595	3,610	3,540	-70	4,515	-80
Help me run a successful business	-88	-76	-84	-119	-34	-70	6
Help me be financially independent	491	301	-1,171	-1,123	48	305	4
Help me to live my life independently	121	123	12	85	73	222	98
Help me find somewhere to live in my locality	1,240	1,237	941	736	-205	1,004	-233
Provide Good things for me to see, do and visit	1,266	1,453	1,135	1,211	71	1,536	83
Enable others to work/do what they need to do (to meet their purpose)	7,132	7,168	5,414	5,651	237	7,441	272
HRA Recharge	-4,680	-4,680	-2,340	-2,340	0	-4,680	0
Capital	1,333	1,333	667	667	0	1,333	0
Totals	11,012	11,454	8,184	8,308	120	11,606	150
Corporate Financing	-9,679	-10,128	-7,762	-7,596	166	-9,694	246
Capital (Corporate)	-1,333	-1,333	-667	-667	0	-1,333	0
Grand Total	0	0	-245	45	286	579	396

Financial Commentary:

There are a number of significant variances in Quarter 3 across the strategic purposes. The summary above

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shows the overall position for the Council and the main variations are as a result of:

Keep my place safe and looking good

These budgets include those relating mainly to environmental services, planning, lifeline, CCTV and other activities to deliver against the purpose to ensuring an area is a safe and attractive place for the community.

Having reviewed the variance position and focusing on the variances that are above £50k the following comments detail the nature of the variances. The overall variance for the quarter and the year will also include other pressures and savings to budget that are under £50k.

The variances to report are :

There is a variance in the second quarter due to some of the following variances:

- Savings found within CCTV on telephones and accommodation which is projected to rise to **£80k** by year end.
- Environmental services have also delivered some savings on repairs and maintenance of vehicles and other general supplies with a projection of **£77k** by the year end.
- These savings will be offset against a shortfall in income within Development management of **£69k** due to a low number of applications being received which in turn is unlikely to increase by the year end and therefore projected a shortfall amounting to **£96k**. And also a variance within bereavement services due to additional costs required whilst building works took place. This will amount to **£90k** by the end of the financial year.

Help me run a successful business

The budgets within the strategic purpose include economic development, all licenses and costs associated with the town and other Properties within the Borough.

- There is a projected shortfall in income by the year end of **£40k** as there is a void property which results in a reduction in income received. There is also an expected increase in rents payable within the Councils business centres.

Help me be financially independent

The strategic purpose includes all costs relating to the support of benefits and the administration and delivery of Council Tax services in the Borough.

- There are no variances over £50k to report in the second quarter.
- Officers are currently reviewing the monitoring of benefits subsidy through the returns submitted to ensure an informed financial position can be reported prior to year-end.

Help me to live my life independently

There are a number of budgets relating to the delivery of the strategic purpose including; Lifeline and Community Transport.

- The variance within this strategic purpose relates to shopmobility and dial a ride. This is due to savings not being delivered by quarter 3. The manager is currently reviewing the financial position. The dial a ride service has seen an increase in repairs and maintenance expenditure on the vehicles while they are waiting on a delivery of two new vehicles.

Help me find somewhere to live in my locality

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The costs associated with homeless prevention, housing strategy and land charges are all included in this strategic purpose. It is worth noting that these costs solely relate to those charged to the General Fund not the Housing Revenue Account

- The variance shown in this strategic purpose is due to salary savings pending a staffing review.

Provide Good things for me to see, do and visit

The majority of budgets within this purpose relate to Leisure and culture services.

- The variance is due to additional costs incurred in the closing down of the dual usage sites and income generated was lower than anticipated during the period prior to closure, however income at the Abbey stadium continues to improve and membership numbers are continuing to increase.
- There has also been some additional costs within Leisure on staffing pay appeals.

Enable others to work/do what they need to do (to meet their purpose)

All support services and corporate overheads are held within the enabling purpose. These include; IT, HR, Finance, Management team and other support costs.

- The variance within enabling is made up of a saving realised from paying the pension deficit to the County (relating to previous years) in advance and this has resulted in a saving within 2017/18 of **£153k**.
- This is offset by the unidentified corporate savings which are not allocated to individual service areas. Heads of Services are currently working to identify all savings and additional income from 2016/17 that can be delivered in 2017/18 to enable the savings to be achieved.
- There is an underspend also within ICT on software licences following a full review of all expenditure required to meet licencing costs. This is projected to be **£178k** by the end of the financial year.

HRA Recharge

- Work is being undertaken to ensure that any shortfall in general fund income is offset by identified savings. This will be reported when the full analysis has been undertaken.

Corporate Financing

- Following the external audit it was noted that the charge to capital from revenue did not reflect the level of resource required to carry out the capital programme. Therefore a full review has had to be undertaken, resulting in a reduction in the charge to capital by £200k.
- There is also a shortfall due to not achieving the expected growth within business rates. This is being monitored by officers to ensure growth is encouraged.

4. Efficiency Plan

The efficiency plan was presented to Council in October 2016. Appendix 2 reflects the efficiency plan compared with the current delivery of savings as identified in the Medium Term Financial Plan

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along with the additional savings that have been projected to be delivered in 2017/18. This now shows additional savings of £266k to the initially estimated savings plan.

Risks of delivery

4.2 There are a number of savings/ efficiencies that will be identified as part of the current work on analysing the 2016/17 outturn position. Heads of Service are working with the Directors as the strategic purpose leads to undertake a detailed review of all cost heads to understand the cost recovery on all areas and the nature of the savings from 2016/17 to enable these to be given up for 2017/18 to meet the efficiency plan targets. In addition savings from vacancies are to be released from individual service budgets and used to offset the savings plans for 2017/18.

5. Cash Management

5.2 The cash position of this Council at the start of the financial year and the expected end of year cash positions for the coming financial years is shown in the table below.

Date	£m	Position
As at 31 st March 2017 (Actual)	1.78	Borrowing
As at 31 st March 2018 (Forecast)	8.54	Borrowing

The forecast cash balances at 31st March reflects the borrowing to fund the advance payment of pension contributions.

6. Borrowing and investments**Borrowing**

6.1 Outstanding as at the 30th December 2017 are £1m in short term borrowing with associated borrowing costs within the quarter of £4k and £103.929m in long term borrowing with associated costs in the quarter of £118k. All long term borrowing costs relate to the HRA.

The projections for the forthcoming year are to refinance existing short term borrowing. Overall the borrowing is predicted to reduce by the 31st March 2018.

6.2 An interest payable budget has been set of £17k for 2017/18 due to expenditure relating to current capital projects.

Investments

6.3 At 30th December 2017 there were £1m in short term investments held.

6.4 An investment income target of £5k has been set for 2017/18 using a projected rate of return of 0.25%

7. Capital Budgets

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Capital Budget Summary – Overall Council Financial Year 2017/18
--

7.1

Please note figures have been rounded

Strategic Purpose	Revised Budget £'000	Budget to date £'000	Actuals to date £'000	Variance to date £'000	Projected outturn 2017-18 £'000	Projected variance 2017/18 £'000
Keep my place safe and looking good	2,817	2,113	1,374	-739	1,749	-1,069
Help me to live my life independently	967	726	532	-194	759	-208
Provide Good things for me to see, do and visit	725	463	439	-24	708	-17
Enable others to work/do what they need to do (to meet their purpose)	140	105	16	-88	44	-96
Totals	4,649	3,406	2,361	-1,045	3,260	-1,390

Financial Commentary:**Keep my place safe and looking good**

The majority of the projects are all in progress and expected to be completed by the end of the financial year. However there is an underspend on the improved parking scheme, Vehicle purchasing and Locality capital projects scheme. This is due to delays in consulting and working through priority projects. The request will be made to roll the underspend forward into 2018-19.

Help me to live my life independently

There is a variance due to some of the projects being delayed and therefore starting later in 2017/18. Due to this it is likely that a request will be made to roll the underspend into 2018/19.

Provide Good things for me to see, do and visit

There are no variances to report in the second quarter. It is predicted that majority of projects will be completed by the year end.

Enable others to work/do what they need to do (to meet their purpose)

There is a variance due to some of the projects being delayed and therefore starting later in 2017/18. Due to this it is likely that a request will be made to roll the underspend into 2018/19.

EXECUTIVE COMMITTEE6th March 2018**8. Housing Revenue Account**

- 8.1 Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April – December 2017.

The underspend on Repairs and maintenance (R&M) is due to fluctuations in the level of responsive repairs in the quarter which by their nature do not follow a set pattern together with external supplier invoices being received after the quarter end date. There is expected to be an overspend on R&M at the year end.

The underspend on Supervision & Management is due to vacant post salary savings pending a structure review. However, significant additional costs are expected before year end in connection with the ongoing Housing investigation (e.g. solicitor costs, temporary staffing etc).

9. Earmarked Reserves

- 9.1 The projected position at the start and end of next financial year is shown in Appendix 2. The balances on earmarked reserves are reviewed at the financial year end

10. General Fund Balances

- 10.1 The General Fund Balance as at the 31th March 2017 is £1.895m. A balanced budget was approved in February 2017 to include identified savings which have been built into individual budget allocations and also a planned use of balances for 2017-18 of £103k. The forecast General fund balances as at the 31st March 2018 is £1.792m.

11. Legal Implications

No Legal implications have been identified.

12. Service/Operational Implications

Managers meet with finance officers on a monthly basis to consider the current financial position and to ensure actions are in place to mitigate any overspends.

13. Customer / Equalities and Diversity Implications

No direct implications as a result of this report.

14. Risk Management

The financial monitoring is included in the corporate risk register for the authority.

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APPENDICES

Appendix 1 – HRA Monitoring April – December 2017-18

Appendix 2 – Earmarked Reserves

Appendix 3 – Savings and efficiency plan

AUTHOR OF REPORT

Name: Kate Goldey

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Tel: (01527) 881208

HOUSING REVENUE ACCOUNT (HRA)**REVENUE 2017/18 Quarter 3**

	2017/18 Full Year Budget £'000	2017/18 Budget to Date Apr - Dec £'000	2017/18 Actuals Apr - Dec £'000	2017/18 Variance Apr - Dec £'000	2017/18 Projected Outturn £'000	2017/18 Projected Variance £'000
INCOME						
Dwelling Rents	23,387	18,028	17,900	128	23,179	208
Non-Dwelling Rents	499	454	463	-9	506	-7
Tenants' Charges for Services & Facilities	591	446	426	20	626	-35
Contributions towards Expenditure	54	40	45	-5	54	0
Total Income	24,531	18,968	18,834	134	24,365	166
EXPENDITURE						
Repairs & Maintenance	4,912	3,610	3,474	-136	5,360	448
Supervision & Management	7,478	2,028	1,924	-104	7,658	180
Rent, Rates, Taxes & Other Charges	189	142	136	-6	154	-35
Provision for Bad Debts	400	0	0	0	400	0
Depreciation & Impairment of Fixed Assets	5,596	0	0	0	5,596	0
Interest Payable & Debt Management Costs	4,179	0	0	0	4,179	0
Total Expenditure	22,754	5,780	5,534	-246	23,347	593
Net cost of Services	-1,777	-13,188	-13,300	-112	-1,018	759
Provision for Job Evaluation	0	0	0	0	0	0
Net Operating Expenditure	-1,777	-13,188	-13,300	-112	-1,018	759
Interest Receivable	-53	0	0	0	-36	17
Revenue Contribution to Capital Outlay	1,050	0	0	0	1,050	0
Transfer to Earmarked Reserves	780	0	0	0	4	-776
(Surplus)/Deficit on Services	0	-13,188	-13,300	-112	0	0

HRA CAPITAL 2017/18 Quarter 3**Strategic Purpose****Help Me to Find Somewhere to Live in my Locality**

	Original Budget £'000	YTD Budget £'000	YTD Actuals £'000	YTD Variance £'000
Total Capital programme	7,586	5,690	3,301	-2,389

Financial Commentary:

The projects form the basis of the HRA 30 year capital improvement plan and are currently moving forward within the plan. The plan is currently being reviewed to ensure the correct budgets are in place to meet the improvement plan targets.

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Description	Balance b/fwd 1/4/2017	Transfers in existing reserve 2017/18	Transfers out existing reserve 2017/18	New Reserve 2017/18	C/fwd 31/3/2018	Comment
	£	£	£	£	£	
GF Earmarked Reserves						
Business Rates Grants	-7,406	0	0	0	-7,406	Small Business Rate Relief - Ringfenced grant
Commercialism	-50,000	0	0	0	-50,000	To help fund costs in relation to commercialism projects
Community Development	-18,535	0	0	0	-18,535	To support the costs associated with community projects
Community Safety	-356,735	0	356,735	0	0	External grant funding to be released over a number of years on Community Safety Projects ongoing
Corporate Services	-150,000	0	0	0	-150,000	Funding for Locality Enhancements
Customer Services	-12,000	0	0	0	-12,000	Contribution to WCC for an open portal
DWP Feris	-27,983	0	0	0	-27,983	Funding for new system
Electoral Services	-127,095	0	0	0	-127,095	To support the delivery of individual electoral registration and to set aside a reserve for potential refunds to government
Environmental Services	-38,500	0	25,500	0	-13,000	To fund tree works within the Borough and funding towards a new system
Equalities	-11,250	0	0	0	-11,250	To fund licence fees
Equipment Replacement	-100,000	0	7,850	0	-92,150	ICT equipment reserve
Housing Benefits Implementation	-26,731	0	0	0	-26,731	Specific welfare reform grant received
Housing Support	-504,469	0	0	-57,742	-562,211	Government Specific Grant - annual funding
Land charges	-9,137	0	0	0	-9,137	To fund potential litigation in relation to Land Charges
Land Drainage	-220,445	0	39,020	0	-181,425	To support costs associated with health and safety issues within the environment
Lifeline	-4,200	0	4,200	0	0	To support the costs associated with community projects
Mercury Emissions	-33,886	0	0	0	-33,886	To be used to re line the cremators
Public Donations	-19,767	0	6,000	0	-13,767	Accumulated donations for designated projects.
Sports Development	-40,617	0	40,617	0	0	Ringfenced grants for a number of sports development activities to improve Health and Wellbeing in the Borough
Town Centre	-43,682	0	0	0	-43,682	To support improvements in the Town Centre High Street
Warmer Homes	-11,580	0	0	0	-11,580	To support the costs associated with community projects (repair)
Totals	-1,814,018	0	479,922	-57,742	-1,391,838	
Place Partnership	-2,000	0	2,000	0	0	RBC share of place Partnership Balances
Totals	-2,000	0	2,000	0	0	
HRA Earmarked Reserves						
Supporting People(HRA)	-38,342	0	0	0	-38,342	Funding for post not all used in year
Community Care Prev Grant	-3,795	0	0	0	-3,795	Ongoing Older People's Project Funding (HRA)
Totals	-42,137	0	0	0	-42,137	
HRA Capital Reserve						
Capital Reserve-HRA	-19,468,926	0	0	0	-19,468,926	Reserve to enable the debt repayment on HRA, and future repairs and maintenance along with support for the Housing Growth Programme.
Totals	-19,468,926	0	0	0	-19,468,926	

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SAVINGS TO DELIVER THE EFFICIENCY PLAN 2017/18

Area	Cost reduction / Additional income growth/ Alternative Service Delivery	2017/18	Income projection 2017/18	Projected Variance	Comments April - September
		£'000	£'000	£'000	
Cross Organisational	Increases in income and growth (including compliance in relation to Council Tax)	300	426	-126	Additional income was identified to deliver the figure included in the efficiency plan. The income projections were approved as part of the MTFP which superceeded the efficiency plan.
Cross Organisational	Alternative Models of Service Delivery - Reviewing the provision of services with the aim to redesign and work with other partners to deliver savings	300	0	300	The commercial work that is being undertaken by officers will not deliver additional income or savings in 2017/18. Other savings have been achieved to ensure that the shortfall on income is mitigated
Customer Access & Financial Support	Improved efficiencies by moving to a new system for Revenues and Benefits	80	162	-82	Savings to be achieved as identified within the shared service and migration to one system across both Councils.
Cross Organisational	Organisational Management Review	135	32	103	A number of service reviews have delivered management savings. Further savings to be realised from a wider management review
Cross Organisational	Reduce waste in system	175	273	-98	Additional savings were included in the MTFP in relation to reducing waste from processes and systems. These saving projections were approved as part of the MTFP which superceeded the efficiency plan.
Cross Organisational	Reset budget from baseline of 2015/16	200	613	-413	Additional savings were included in the MTFP in relation to resetting the budget from previous years. These saving projections were approved as part of the MTFP which superceeded the efficiency plan.
Additional Business Rate Growth	Based on assumptions of additional growth from sites across the District – regeneration of the town centre	50	0	50	The additional business rate take is not yet known and will be reviewed when the formal return is submitted to Government in December. A prudent approach has been taken at quarter 2 to show no growth for 2017/18
TOTAL NEW SAVINGS / USE OF BALANCES /		1,240	1,506	-266	

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REDDITCH BOROUGH COUNCIL

EXECUTIVE

6TH MARCH 2018RISK MANAGEMENT STRATEGY 2018/19

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

To report to the Executive the proposed risk management strategy from 2018/19.

2. RECOMMENDATIONS

- 2.1 That the Executive consider the risk management strategy proposed and recommend to Council

3. KEY ISSUES

- 3.1 This strategy explains how we will implement sound management of risks and opportunities. Risk management is the culture, processes and structures that are directed towards effective management of potential opportunities and threats to achieving objectives. It affects everyone in the council and in the wider community. It makes sound business sense; effective risk management is good management.
- 3.2 The current risk strategy is outdated and does not reflect a modern approach to risk management that the Council needs to adopt to provide opportunities for innovation whilst managing the associated risks. The revised strategy document is attached at Appendix 1.
- 3.3 Risk needs to be managed rather than avoided and consideration of risk should not stifle innovation. The council recognises that it has to deliver services in an increasingly difficult financial framework. However, risk management is a tool for exploiting opportunities as well as a safeguard against potential threats. The council will therefore use risk management to promote innovation in support of our strategic purposes.

3.4 Legal Implications

Regulatory Requirement There is an ongoing requirement from the Accounts and Audit Regulations to produce an Annual Governance Statement (AGS) which is attached to our Annual Accounts, setting out the processes we have in place for managing the most significant risks to the achievement of our objectives. Our risk management processes are an integral part of the AGS.

Inspection We are increasingly being held to account by external audit for the way in which we have implemented risk management. We need to continue to demonstrate that we have a structured approach, which is embedded into our planning and reporting cycles and decision making processes at all levels.

3.6 Service/Operational Implications

A systematic approach to identifying and analysing risks is an integral part of all management processes and day-to-day working, rather than a separate initiative and once agreed training will be in place to support staff to mitigate and manage risks in the delivery of the Council services.

4. Customer / Equalities and Diversity Implications

None, as a direct result of this report.

5. RISK MANAGEMENT

The strategy will ensure the Council identifies, manages and mitigates risks.

6. APPENDICES

Appendix 1 – risk management strategy

7. BACKGROUND PAPERS

Available from Financial Services

AUTHOR OF REPORT

Name: Jayne Pickering – Executive Director Finance and Resources
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Tel: (01527) 881400

RISK MANAGEMENT

What is Risk Management, and Why do it?

What – The process of identifying possible risks to the council achieving its objectives. Followed by the evaluation of the potential consequences, their severity and likelihood of occurrence. Finally the use of effective methods of controlling or managing them, making the resultant level of risk acceptable.

- The right balance between innovation and change on one hand, and the avoidance of shocks on the other.

Why –

- Preserve & protect the council's assets, reputation, staff, councillors, customers, and anyone else to whom the council has a duty of care;
- Ensure compliance with statutory obligations;
- Inform key corporate & corporate planning, including for partnership working;
- Promote a risk aware culture where we are not averse to risk; we avoid unnecessary liabilities/costs, but encourage taking calculated risks where opportunities will benefit the council;
- Preserve & improve business performance & service delivery.

In addition, it meets the **CIPFA/SOLACE** requirements for authorities to establish and maintain a systematic strategy, framework and processes for managing risk.

APPENDIX 1

For risk management to be effective there must be a clear link between objectives and risk. It is therefore essential that risk management is embedded in the service planning process.

This Framework, combined with the Risk Management Top Tips for Managers Guide, forms our Risk Management Policy and Strategy..

RISK MANAGEMENT STRATEGY

RBC's approach to Risk Management

Strategy & Aim

Our Risk Management strategy will achieve:

- A culture of embedded risk awareness across the council that leaders enable, and for which individuals are responsible for creating and supporting;
- A positive culture, where we are not averse to embracing risks provided they have been well thought through and managed effectively;
- Assignment of clear roles & responsibilities for identifying, reporting and managing risk (see **Appendix I**);
- A common methodology for assessing and classifying risks;
- Consistent, but flexible, risk recording procedures which facilitate effective monitoring and reporting.

RISK MANAGEMENT FRAMEWORK

- Sets out the council’s objectives for the management of risk at both strategic and operational levels in all activity, within projects, partnerships and by suppliers;
- Describes the risk management framework by defining a simple, but robust, systematic approach to how risk will be managed across the council;
- Uses set criteria for managing and controlling risks;
- Considers risks in the setting of projects and formal reports to councillors, as appropriate;
- Ensures maintenance of risk registers and associated risk profiles;
- Ensures that associated thinking and practice is embedded in everyday processes, policies and activity.

*** Strategic Level Risks –** factors affecting the achievement of the council’s visions, aims and priorities *

*** Operational Level Risks –** factors that affect day to day service delivery *

The Risk Management cycle must be followed for **every** strategic risk and every operational service objective.

IDENTIFY

- A risk is an event or action that will have an affect on our ability to achieve our strategic or corporate objectives.
- Those best placed to identify risks are those responsible for the delivery of the objective. Therefore, at RBC, we identify risks when:
 - setting strategic priorities
 - setting objectives in Council Plans
 - in the early stages of project planning
 - entering partnerships
- **Strategic Risks** are identified in the Corporate Risk Register, which is the responsibility of CMT.
- **Operational Risks** are identified in each individual Service Plan to ensure the risks associated with all key business objectives are managed.

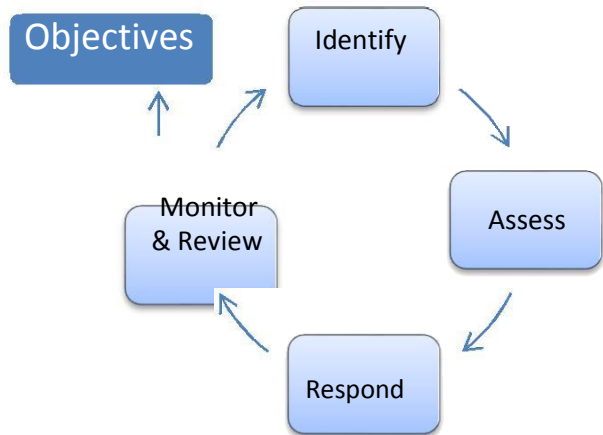
ASSESS

- Once identified, risks at RBC are assessed on the basis of the likelihood of their occurrence and the impact the event would have.

**** The ‘Risk Management Top Tips for Managers Guide’ describes each element of the Cycle, including assessment of likelihood and impact, in more detail and should be used in conjunction with the Framework. ****

RISK MANAGEMENT CYCLE

The council employs a **Risk Management Cycle**, which is represented as follows.



RISK MANAGEMENT FRAMEWORK

ASSESS contd.

Likelihood measured as:	Impact measured as:
<ul style="list-style-type: none"> • High • Medium • Low 	<ul style="list-style-type: none"> • Critical • Significant • Noticeable

The risk, after assessment, is considered in the Risk Matrix:

RISK ASSESSMENT MATRIX

LIKELIHOOD OF OCCURENCE	HIGH	4	7	9
	MEDIUM	2	5	8
	LOW	1	3	6
		NOTICEABLE	SIGNIFICANT	CRITICAL
		IMPACT		

The colour rating for the risk defines how we will respond to the risk, and sets out our Risk Appetite. Calculated controlled risks may be taken providing the risk exposure is within the council's tolerance levels. These are defined in the Risk Matrix as:

Unacceptable risk: immediate control improvement required
Acceptable risk: monitor closely and seek cost effective control improvements
Acceptable risk: review regularly and seek low cost control improvements if possible

RESPOND

- For each risk individually assessed, controls must be put in place to deal with the risk by:
 - Reducing the likelihood of occurrence
 - Reducing impact of occurrence
 - Changing consequences
- Consider risk mitigation using four Ts
 - Tolerate
 - Transfer
 - Treat
 - Terminate
- Once mitigating action is in place, reassess and rescore the risk to provide 'residual' risk. Record on risk register.

MONITOR & REVIEW

We have a dynamic process of review; identifying new risks, removing mitigated risks and tracking changing risk scores throughout the year. In addition, there are formal review points:

Corporate Risk

- Monitored formally on a six monthly basis by CMT
- Annual report to CMT

Operational Risk

- Monitored formally in Departmental meetings

On an annual basis all risks are reviewed feeding into the Annual Planning Process and the setting of objectives (see also the Performance Management Framework). This includes building in any lessons learned from risk events that have occurred during the year.

RISK MANAGEMENT HANDBOOK – Roles & Responsibilities

APPENDIX I

In the following table, risk management responsibilities relate to business as usual, projects, risks and financial performance

Employees	Resources – (Insurance Officer) <ul style="list-style-type: none"> Leading the annual review of the Risk Management Handbook/Policy and Strategy Maintaining and reporting on the Corporate Risk Register Advising Service Managers on the identification, assessment and management of operational risks during the Service Planning process Working with Service Managers on a quarterly basis to review risk management, as part of the Performance Management Framework Providing ongoing support and training to staff in relation to risk management. Consolidate inspection policy 		All Employees <ul style="list-style-type: none"> All council employees are responsible for ensuring there are robust and fit for purpose systems of internal control and risk management in place, and that they are aware of the risks that they: <ul style="list-style-type: none"> Are empowered to take Must avoid Must report upward Risk Owners are accountable for the management of their own risk, and these are defined in Risk Registers. All staff are responsible for reporting hazards/risks to their manager for escalation/consideration for inclusion in the Corporate Risk Register.
Managers	Senior Management Team / CMT <ul style="list-style-type: none"> Collectively, approving the risk management approach Considering the Risk Management Framework Individually, ensuring risk is managed effectively in their own service area, in line with the agreed strategy Ensure risk is managed and monitored effectively in shared services (hosted and non-hosted) in their area Affirming and supporting the work of risk management throughout the council, which is an important part of the council's corporate governance arrangements Monitoring corporate risks on a six monthly basis and annually in SMT meetings Reporting all new and amended risks to Insurance Officer for inclusion in the Corporate Risk Register, and to ensure they are linked to the budget planning process 		Service Managers <ul style="list-style-type: none"> Ensuring that all employees within their service understand and comply with the risk management policy & procedures Identifying, evaluating and managing operational risks and reporting any possible corporate risks to the Head of Service Ensure that operational risk registers are established for their services and regularly reviewed to ensure that risks are adequately monitored and managed Formally review all arrangements for risk management affecting their service areas at least annually as part of the business planning process
Members	Council The Leader of the Council is responsible for acting as the Lead Councillor for risk management.	Executive Committee Executive Committee is responsible for considering risk implications when making any decision Approve risk management strategy	Audit, Governance & Standards Committee Notified of Corporate Risk Register and its contents on an annual basis. Review on a quarterly basis
All Members	<ul style="list-style-type: none"> Considering risk implications in planning and decision making Have a responsibility to understand the strategic risks facing the council Bringing to the attention and discussing with officers any risks relating to the council's policies and activities, or any risks identified when undertaking duties as an elected member Have an understanding of the key council risks falling within their portfolio area, where relevant Providing leadership and direction for the management of risk on 		
Internal Audit	<ul style="list-style-type: none"> Undertaking audits of the council's Risk Management system and procedures in order to assess their effectiveness and compliance with the council's requirements as part of the corporate governance process Making recommendations to improve the effectiveness of Risk Management within the council 		

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**6TH March 2018**REDDITCH TOWN CENTRE REGENERATION INCLUDING THE OUTCOME OF THE ONE PUBLIC ESTATE EXERCISE****OPEN WITH EXEMPT APPENDIX 3**

Relevant Portfolio Holder	Cllr Greg Chance - Portfolio Holder for Planning, Regeneration, Economy and Transport
Portfolio Holder Consulted	√
Relevant Head of Service	Kevin Dicks, Chief Executive
Ward(s) Affected	Central & Abbey Ward
Ward Councillor(s) Consulted	
Key Decision / Non-Key Decision	Key decision
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended.	

1. SUMMARY OF REPORT

- 1.1 This report sets out a number of development concepts for Redditch Town Centre that could drive new investment and effectively re-position the town as a place to live, work, enjoy and invest. The development concepts and proposals are contained within a 'Regeneration Prospectus' which has been produced by the Council and its key partners, recognising the need to develop a new vision for the Town Centre that provides an exciting future for the town and improves the vibrancy and diversity of the offer within it.
- 1.2 The proposals have been informed by the outcome of the recent 'Redditch Town Centre – Place Review' process which has been undertaken by Worcestershire Place Partnership Ltd (PPL) through the Cabinet Office's One Public Estate (OPE) Programme. The Council had led this process in partnership with key partners such as Worcestershire County Council, NHS, Homes England, Fire and Police.
- 1.3 The report includes details of the suite of proposals, work undertaken to date by officers and the key implications for the Council.
- 1.4 Specifically for the Council, this report sets out the outline business case for the Council to consider working with public sector partners to create a new purpose built 'Public Services Hub' on a site on Church Road, owned by the Worcestershire NHS Trust and Homes England (HE) which would potentially have implications for the current Town Hall.

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2. RECOMMENDATION(S)

The Executive Committee is requested to **RECOMMEND TO COUNCIL THAT:**

- 1) The development concepts and proposals outlined in the Redditch Town Centre Regeneration Prospectus attached at Appendix 1 should be endorsed with a sum of £50,000 allocated to support the development of proposals contained within the Regeneration Prospectus; authority to be delegated to the Chief Executive to manage this budget in consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport;
- 2) The Council provides in principle support for the key recommendation of the One Public Estate Review report (at Appendix 2) which is for the creation of a new purpose built multi-agency Public Services Hub, with the preferred site at this stage identified as land owned by the NHS and HE on Church Road, with a final decision to be taken by the Executive Committee following consideration of a detailed business case setting out the strategic, economic, commercial, financial and management case for the Council to:
 - a. Lead on the negotiation of acquisition of land from the NHS and HE to facilitate the development of the new Public Services Hub;
 - b. Should the preferred option not be achievable, work to identify a suitable alternative option and work with the NHS and HE to progress an alternative solution for the Church Road site;
 - c. Lead on negotiations with partner organisations regarding their commitment to transferring services to the Public Services Hub;
 - d. Market the current Town Hall for re-development or conversion purposes.
- 3) To include an initial budget of £150,000 in the capital programme for 2018/19 to support the development of the business case for the new Public Services Hub and authority to be delegated to the Chief Executive to manage this budget in consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport.

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3. KEY ISSUES**Financial Implications**

- 3.1 The Place Review process has identified the potential financial implications for the Council and partners of working within a Public Services Hub.
- 3.2 According to indicative figures provided by Place Partnership it is estimated that the Council and its partners could achieve significant efficiency savings by co-locating in the Hub.
- 3.3 The proposal is that the Hub building could be funded through a mixture of funding sources including borrowing from the Public Works Loan Board, partner contributions, capital receipts generated by land sales and by leveraging in private finance potentially through setting up a Joint Venture arrangement. The precise funding arrangement would need to be examined further at the detailed business case stage.
- 3.4 It is estimated that by converting the Town Hall for residential uses and then disposing of the building within 3 years that the council could generate a significant capital receipt.
- 3.5 Furthermore, the regeneration of publicly owned land assets has the potential to generate new Business Rates revenue and Council Tax receipts.
- 3.6 To take forward the development of the business case for the Public Services Hub it is recommended that a sum of £150,000 is allocated in the Council's capital programme for 2018/19.
- 3.7 To support the cost of developing other proposals within the Regeneration Prospectus, it is also recommended that the Council allocates a further £50,000 whilst seeking funding contributions from other public sector partners including Worcestershire County Council, Local Enterprise Partnerships and the West Midlands Combined Authority.

Legal Implications

- 3.8 The proposals relate to land which is largely outside of the Council's ownership and control. Although there may be at the current time an agreement in principle with other public authorities to work together to achieve the objectives, the priorities of other authorities may change and there is no legal commitment for any other parties to commit land in their ownership to the objectives (at any or at an agreed price).
- 3.9 The Council has powers to purchase interests in land from reluctant (public or private sector) landowners compulsorily. Compulsory purchase powers are only available to the Council for a set range of purposes and may only be used if

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necessary for the delivery of a fully funded and deliverable scheme (which fits within one of the purposes). Even if such a scheme were in place, before purchasing compulsorily the Council would be required to demonstrate that the objectives of the scheme could not be achieved in any other way and that the benefit to the public interest outweighed the interference with private property rights. The threshold for justification of compulsory purchase is high as interference with property rights represents an infringement of human rights.

- 3.10 If compulsory purchase is necessary the process may take several years to complete and with the potential for protracted negotiations with landowners and a public inquiry, the costs would not be insignificant. Landowners may expect to sell their property by agreement at an inflated price so as to “save” on the costs of compulsory purchase. Landowners whose property is purchased compulsorily may be entitled to compensation above and beyond the value of the land itself.
- 3.11 The proposed developments / redevelopments would be subject to planning consent. The Council as the local planning authority would have to deal with all planning applications strictly on their planning merits.

Service / Operational Implications**Strategic context**

- 3.12 One of the themes within the Council’s adopted Economic Priorities is creating a ‘Vibrant Redditch’ with a specific focus on ‘enhancing the retail, leisure and residential offer’ of Redditch Town Centre’ and ‘improving the environment and urban fabric’ of the area. The accompanying Action Plan envisages the development of a high level vision for the Town Centre and a ‘Regeneration Prospectus’ that can set out the range of opportunities that could drive the renaissance of the town.
- 3.13 The need to improve the vitality and viability of Redditch Town Centre is expressed explicitly in the Council’s ‘Town Centre Strategy’ produced by Arup in September 2009.
- 3.14 Furthermore, the Borough of Redditch Local Plan No. 4, which was adopted in January 2017, provides the spatial context for improving the Town Centre and reinforces the key themes outlined in the Town Centre Strategy. One of the objectives of the plan is *‘to improve the vitality and viability of Town and District Centres in the Borough by day and night by promoting a vibrant mix of uses including residential’*. The plan includes policies aimed at achieving this objective including ‘Policy 31 – Regeneration for the Town Centre’ which identifies a number of key regeneration sites that have the potential to improve the Town Centre offer and create confidence in Redditch as a place to invest. A key element of Policy 31 is to improve the linkages between the Kingfisher Shopping Centre and the rest of the Town Centre and to encourage new development that complements the offer of the Kingfisher Shopping Centre.

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- 3.15 At a wider level, both of the Local Enterprise Partnerships (LEPs) that Redditch is a member of have prioritised the regeneration of town and local centres. Greater Birmingham & Solihull LEP (GBSLEP) is actively developing a 'Town and Local Centres Strategic Framework' to identify potential investment priorities.
- 3.16 Likewise, the Worcestershire LEP is also prioritising investment in key centres across the county and through its Local Growth Fund allocation is funding a number of projects aimed at supporting town/city regeneration plans.

Redditch Town Centre – key issues and challenges – rationale for change

- 3.17 It is recognised in the adopted Local Plan that Redditch Town Centre faces a number of challenges and opportunities. Since the development of 'Redditch New Town' in the 1960s, the role and function of Town Centres have changed significantly due to societal and commercial changes and as such there is a need to 'reboot' the New Town design to ensure that the town can better fit with 21st Century demands.
- 3.18 The Kingfisher Shopping Centre is seen as a key asset for the town providing 900,000 square feet (sqft) of retail / leisure space and is well served by a number of multi-storey car parks and public transport connectivity. The Centre has been improved in recent years with the current owners Capital & Regional investing significant sums in improving the offer with an internal refurbishment and the creation of a food/leisure hub. Recently the Centre has been further boosted by the arrival of 'The Range' who has taken the 46,000 sqft unit previously occupied by BHS. However, the decision of Marks and Spencer's to close their store has affected confidence.
- 3.19 The dominance of the Kingfisher Shopping Centre has meant that other areas of the Town Centre have suffered as a result. The wider Town Centre suffers from poor connectivity, accessibility and a lack of a vibrant daytime/evening cafe and restaurant culture. The town does benefit from the presence of the Church Green Conservation Area which is centred on St. Stephen's Church and includes a number of buildings of historic value. In addition, there are a number of parcels of land that require regeneration and could act as a stimulus for new development and investment. These include:
- The Church Road / North West Quadrant site which include Smallwood House, a bus depot, a former nightclub and a parcel of land owned by HE;
 - The Edward Street site is located adjacent to the Railway Station near to the western fringe of the Town Centre and is currently characterised by vacant parcels of land that provide a poor first impression of the town when arriving by train;

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- Furthermore, the Railway Station and adjacent land provides a poor gateway into the Town Centre and reinforces its image as an 'end of the line' station rather than serving as a welcoming entry point to a key destination;
 - Finally, there is a site at Prospect Hill located on the northern side of the Ring Road, currently used for car parking, which has the potential for new residential or office re-development.
- 3.20 At present, there is not a strong office market in Redditch Town Centre, largely due to the fact that the majority of demand for 'Grade A' accommodation is drawn towards Birmingham City Centre. The current rental level of approximately £5 to £10 per sqft renders any speculative development unviable. Despite this, there is considerable potential to stimulate demand for secondary office uses in the Town Centre given its location, large employment catchment area and the prospect of improved rail links to Birmingham. There is also an opportunity to drive new residential developments into the Town Centre, linked to an improved leisure, cultural and retail offer.
- 3.21 The Town Centre's public realm is in need of improvement and the Ring Road serves to create a man made barrier between the inner Town Centre and the out of town retail parks and residential areas, with pedestrians forced to navigate their way through uninviting subways. There is a need to re-think the 'New Town' highway design and look at ways in which vehicular traffic can be moved quickly and efficiently through the town whilst improving opportunities for cyclists and pedestrians to safely navigate around the urban environment and increasing public transport usage. Furthermore, Redditch Town Centre suffers from poor external perception and image and in recent times there has been a lack of new investment attracted into the town, other than the investment made by the owners of the Kingfisher Shopping Centre. The fabric and configuration of the town has not evolved to meet the changing needs of consumers and compared to neighbouring towns such as Solihull and Worcester is looking outdated, this makes it difficult to attract high quality new names to Redditch and is resulting in a loss of spend from the surrounding catchment area.

Redditch Town Centre Place Review

- 3.22 It is clear that despite some of the town's competitive advantages, Redditch requires new investment to regenerate and revitalise the Town Centre ensuring that it remains vibrant and successful in the future. This is essential to ensure that the town keeps pace with nearby centres that have well developed growth plans already in place.
- 3.23 The development of a 'Town Centre Place Review' as part of the Government's One Public Estate (OPE) initiative has provided the catalyst to consider and bring forward new regeneration opportunities that could benefit the town. The public sector has an extensive land ownership in the Town Centre with the majority of assets owned by the Borough or County Council. Almost 90% of

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assets are owned on a freehold basis with uses covering offices, retail units, and schools but also including health services, community buildings and the police station, courts, fire station and library. Some of these assets have already been identified as surplus or underused and others are in need of replacement due to high running and maintenance costs.

- 3.24 The Redditch Town Centre Place Review has been overseen by a Board comprised of key public and private sector partners including the Borough and County Councils, West Mercia Police, Hereford and Worcester Fire and Rescue Service, NHS, HE, Heart of Worcestershire College and the Kingfisher Shopping Centre. The boundary of the review covers the definition of the Town Centre as set out in the adopted Local Plan. The Place Review work has helped to the Council and its partners to better understand the opportunities available to regenerate the public sector estate in the Town Centre and to identify ways in which public sector partners can work in a more integrated and efficient way.
- 3.25 Furthermore, the Council has worked with key stakeholders such as Worcestershire County Council, the Kingfisher Shopping Centre, NHS and HE to develop a wider 'Regeneration Prospectus' that sets out a future vision for the Town Centre (see Appendix 1). The Prospectus identifies a conceptual plan for the future re-development of the Town Centre, building on the potential opportunities to re-develop surplus public sector land assets.
- 3.26 The Concept plan sets out a vision to create well defined quarters and a retail hub within the Town Centre which provide a complementary and exciting offer to residents and visitors. It also sets out a vision for an uplift in the town centre public realm to provide a more pleasant and enjoyable environment for residents and visitors.
- **Business Quarter (Prospect Hill, Church Road, Church Green West)**
The Church Road area has been long identified as a development opportunity area and has number of buildings of heritage value within the Church Green conservation area. The vision is for this location to become a business/commercial quarter that respects its heritage setting and that serves the public and private sector, building on improved rail services between Redditch and Birmingham and the development of the HS2 link. The key to unlocking the regeneration of this area and the creation of a business quarter that stimulates demand for new office developments will be the creation of a new Public Services Hub.
 - **Railway Station Quarter (Railway Station, Edward Street and surrounding area)**
The Railway Station is an important gateway into the town; however it currently gives a poor impression of Redditch for anyone arriving by train. The vision for this location to be significantly upgraded and regenerated with new investment in the Railway Station building and car park, the comprehensive re-development of adjacent vacant land parcels and high

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quality public realm improvements and improved connectivity into the Town Centre;

- **Cultural / Leisure / Residential Quarter (Grove Street, Red Lion Street, Alcester Street)**

It is envisaged that this area will become a focal point for the Town Centre with new high quality development coming forward to provide a mix of residential and commercial leisure / night time uses which complement the Palace Theatre;

- **Learning Quarter (Heart of Worcestershire College)**

The vision for this quarter is to further strengthen and reinforce the existing role that Heart of Worcestershire College plays in supporting the town's economy and the skills base of the Borough. Opportunities to improve the physical links between the College campus and the rest of the Town Centre will be identified and developed;

- **Retail Hub (Kingfisher Shopping Centre)**

The importance of the Kingfisher Shopping Centre to the success of Redditch Town Centre is recognised and it is anticipated that the plans and projects identified in the prospectus and through the OPE review process will encourage the owners of the Centre to invest and further develop the offer by bringing exciting new occupiers into the town;

- **Public realm and connectivity**

The vision is to create a high quality town centre environment and a sense of place. Development of new and improved public / community spaces, improved pedestrian links and signage and street furniture are at the heart of this vision. Furthermore, there is a need for improved connectivity between areas outside of the Ring Road and the Town Centre;

3.27 The delivery of this ambitious vision could be kickstarted by the re-development of the public sector assets located within the Town Centre. Investment from the public sector agencies can help to create significant confidence amongst private land owners and investors and this could in turn generate new re-development opportunities for privately owned sites in the Town Centre.

3.28 The proposed public sector assets to be brought forward for regeneration include Redditch Town Hall, Redditch Library, Police Station, Fire Station and Smallwood House Medical Centre. In addition, there are opportunities to regenerate land in and around the Railway Station and HE owned land adjacent to Smallwood House. The recommendations relating to the Council's own asset, the Town Hall is set out in detail in this report, but in summary the implications for other key stakeholders are as follows:

- **Worcestershire County Council;** Redditch Library is owned by the County Council and it occupies a prominent position on Alcester Street with Job

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Centre Plus (JCP) set to relocate to the Library in early 2018. The recommendation from the Place Review report is that an integrated Library / JCP should seek to relocate to a new 'Public Sector Hub' to achieve operational efficiencies and complement other public sector services. It is then recommended that a vacated Library should be demolished and cleared to make way for a new public square / piazza and small scale retail units fronting the entrance to the Kingfisher Shopping Centre. Consideration of any alternative use of the site will be part of detailed feasibility work.

- **NHS / HE;** Worcestershire Health and Care NHS Trust currently own Smallwood House which is located on Church Road and sits adjacent to the Church Green area. The building is currently used as a medical centre and has a locally listed facade on the front portion. Adjoining Smallwood House is a cleared parcel of land owned by HE which has been identified for re-development. Smallwood House and the adjoining HE land are identified in the Place Review as the preferred site for a new multi agency Public Services Hub;
- **Police / Fire ('Blue Light Services');** the existing Police Station (Local Area Policing Base or LAPB) is located on Grove Street and has been identified as being in need of improvement or replacement, whilst the Fire Service has a requirement to replace the existing Fire Station located on Middlehouse Lane. The recommendation from the Place Review report is that the development of a joint 'Blue Light Hub' facility should be pursued. However, this outcome is dependent on further feasibility, design and costing work being undertaken. If the existing LAPB site was vacated it could free up the site for either residential, retail or leisure re-development;
- **Railway Station Quarter** – the area in the immediate vicinity of the Railway Station and Edward Street is identified in the Council's Local Plan as a strategic town centre site. The area currently provides a poor initial image of Redditch as visitors arrive by train but there is the potential to transform the area creating new development opportunities, improving public realm and pedestrian links and improving the Railway Station itself. Initial discussions have taken place between officers and representatives of West Midlands Rail and there is a willingness amongst all parties to work together to explore opportunities for the re-development of the Railway site and on the back of this secure the comprehensive regeneration of the land that adjoins it.

To create a cohesive Railway Station Quarter, it is proposed to commission a masterplan to identify a new vision for this area, development proposals, a proposed delivery and funding strategy to facilitate land assembly and the re-development of land parcels. To deliver the vision, the Council may need to use its Compulsory Purchase Order (CPO) powers where land owners are unwilling to negotiate. In addition to Council resources, funding will be sought from key partners such as West Midlands Rail, Worcestershire County Council and the LEPs to support the cost of this important project.

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- 3.29 A copy of the final Place Review report is attached at Appendix 2. It is important to note that all of the recommendations pertaining to partners land assets will be subject to each partner's decision making processes and their inclusion in this report does not constitute a formal decision or commitment by each partner.

The Case for a Public Services Hub

- 3.30 A key recommendation arising from the Place Review work is the creation of a new build multi-agency Public Services Hub. The principle of the Public Services Hub is that key partners including the Borough Council, NHS, the Library, DWP, potentially the Police and other voluntary organisations could deliver their services from one site and reduce the running costs of the public estate. The released land assets could in turn generate capital receipts to fund the new Hub and would open up opportunities to drive the regeneration of the Town Centre. Additionally, the co-location of partners would allow for better service delivery across the entire public sector family and would help to achieve some of the service transformation that is also critical to a successful OPE programme.
- 3.31 The Place Review process has identified the current and future operational and space requirements of each partner. Based on the outcome of this work and stakeholder discussions an options assessment for the location of a Hub has been carried out identifying the costs and benefits of different sites, the options included:
- 1) Co-location with the Council within a refurbished Town Hall;
 - 2) New build Hub
- 3.32 Whilst it is recognised that the refurbishment of the Town Hall would maximise the use of an existing asset enabling the earlier implementation of the Hub proposal, and capital investment for a new build would be higher, a new build option could deliver a range of benefits. This includes a more efficient and flexible working space for the Council and its partners, the potential for more collaborative working, lower running costs from a modern and energy efficient building and the potential to generate new income streams by the letting of surplus space.
- 3.33 Indicative figures provided to the Council by Place Partnership estimate that the construction of a new build Hub facility could cost approximately £12 million and the annual running cost could be approximately £370,000 per annum. Furthermore, Place Partnership indicate that the Hub could generate revenue savings of up to £700,000 per annum, with the Council itself generating savings of almost £450,000 per annum compared to the status quo.

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Preferred option

- 3.34 The Place Review process identifies that the Council and its partners could achieve the greatest benefits by moving to a new purpose built Public Services Hub.
- 3.35 After considering the potential site options, it has been suggested by Place Partnership that the new Hub should be located on the land owned by the NHS Trust and HE at Church Road.
- 3.36 Smallwood House on Church Road is owned by the NHS, whilst the adjoining parcel of land is owned by HE. The site is seen to be the most developable site within the Town Centre and has the advantage of overlooking Church Green. It is understood that the combined size of the land owned by the NHS and HE (0.85 hectares) is large enough to accommodate a new 3 storey Hub comprised of 4,464 square metres of floorspace and appropriate car parking.
- 3.37 PPL has obtained an 'in-principle' agreement with both HE and the NHS Trust regarding the sale of their respective land assets to facilitate the delivery of the Hub. Further negotiations would be required and it is recommended that the Council should act as the acquiring body to bring the land required for the Hub into a single ownership, subject to terms and conditions being agreed.

Implications for the Council

- 3.38 The Place Review process has identified that parts of the Town Hall are underutilised and the internal fabric of the building is showing signs of age and is need of refurbishment. The option of refurbishing the Town Hall to create the new Public Services Hub has been considered, however this option is not preferred at this stage as it is considered that new build option can deliver greater efficiencies and savings for the public sector, improved service delivery and significant regeneration benefits for the Town Centre.
- 3.39 A vacated Town Hall presents a range of potential options for re-development. These could include:
- 1) Letting or selling the building in its current condition;
 - 2) Refurbishing the building for office uses;
 - 3) Refurbishing / converting the building for residential uses;
 - 4) Mixed use conversion;
 - 5) Demolition and clearance of the existing building to facilitate a mixed use development.
- 3.40 Initial advice from Place Partnership suggests that the most viable option financially is for the Council to seek to convert the Town Hall for a residential scheme and to dispose of the building within 3 years. It is estimated that such a scheme could generate up to 78 new residential units which would help to

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increase footfall and spending in the local economy and create demand for new business and investment. Other lower yield options have been explored and discounted at this stage including the potential demolition and re-development of the building for a mixed use or residential scheme. The work undertaken by PPL needs to be examined further at the detailed business case stage. The detailed financial workings are attached at the exempt Appendix 3.

- 3.41 The Executive Committee is only being asked at this juncture to endorse the principle of the Council leading the development of a business case for a new multi agency Public Services Hub, subject to more detailed work being undertaken and confirmation from partners that they can support the project.

Scale of the opportunity

- 3.42 The Council, along with Worcestershire County Council, commissioned Amion Consulting in November 2017 to provide a high level economic impact assessment (EIA) of the re-development proposals contained within the Place Review report and the wider Regeneration Prospectus. The focus of the EIA is principally on the economic impacts of the proposed town centre projects. The initial assessment concludes that the proposals, if fully realised, could potentially generate up to 1,500 new jobs. Of these jobs, 1,100 will be net additional resident based employment i.e. jobs created for Redditch residents. In addition, approximately £74.5 million of net additional GVA per annum within Worcestershire could be generated once the development proposals are fully completed and occupied.
- 3.43 The conclusion of the EIA is that the proposals contained within the Regeneration Prospectus could generate a significant long term economic impact for Redditch and transformative impact on the fortunes of the town creating new investment and confidence.

Resources and capacity

- 3.44 To progress the ambitious proposals set out in this report, there will be a need for the Council and its partners to allocate additional resources. The work required during phase two of the process is likely to include:
- Project management / delivery of the projects identified within the Regeneration Prospectus (subject to the Council and partners approval for the schemes);
 - Confirming that partners have the necessary outline approvals to commit to relocating to the Public Services Hub and to dispose of their existing land assets;
 - Developing detailed business cases for the proposed Public Services Hub and other key projects identified in the Prospectus;

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- Linked to the above, instructing architects and cost consultants to provide initial design and costing work and undertaking initial site surveys and investigations for the proposed Hub;
 - Negotiating terms for the Council to acquire the land required for the proposed Public Services Hub from relevant land owners;
 - Commissioning further soft market testing of the development proposals to ensure that there is sufficient market interest in bringing them forward;
 - Commissioning a masterplanning exercise for the Railway Quarter to identify a new vision, re-development opportunities and funding/delivery strategy within that area, subject to securing external funding;
 - Consultation with planners and other statutory bodies regarding the re-development proposals;
 - Scoping funding and delivery options.
- 3.45 The Council in its role as a community leader will need to commit resourcing of its own if it is to demonstrate a willingness to initiate a programme of change for the Town Centre. It is therefore proposed that the Council should budget for an initial sum of £200,000.
- 3.46 Further contributions will be sought initially from Worcestershire County Council, other public sector partners and the LEPs. The Council has already submitted a bid for funding to the GBSLEP to support the cost of the masterplanning work to help support the feasibility of a number of the town centre projects being proposed and other bids will be progressed as necessary.

Funding and delivery options

- 3.47 There are a range of funding and delivery options available to bring forward the individual project proposals. It is recommended that partners undertake further work to fully understand the available options and the benefits and risks of each option. At this stage, all options remain on the table, but it is likely that the Council and its partners will need to examine the feasibility of establishing a Joint Venture arrangement or setting up a Local Asset Backed Vehicle (LABV), where the public sector bodies would contribute the assets and the private sector partner contributes the expertise and resource to deliver the projects and potentially can offer access to private sector funding. This type of delivery vehicle has worked successfully elsewhere in the country, particularly with town centre regeneration schemes.
- 3.48 To support the cost of some of the 'enabling work' that would be required to support the re-development of key sites i.e. site acquisition, land assembly,

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demolition and clearance and public realm works, the Council and NWEDR have submitted a bid to the GBSLEP for £5 million of capital funding from its Local Growth Fund (LGF) allocation. The bid has been well received and has been ranked as an 'A rated' project by the LEP which means it is 'essential' to the delivery of the LEP's Strategic Economic Plan. The LEP has been encouraged by the level of ambition shown to date by the Council. The Council is now required to prepare and submit a full business case to the LEP to secure the funding and this will need to be done in conjunction with the wider programme of work. However, the Council will look to Worcestershire County Council, Worcestershire LEP and the West Midlands Combined Authority (WMCA) to provide additional resources and funding for specific projects, as funding becomes available.

Next steps and summary

- 3.49 The Regeneration Prospectus sets out a range of different development concepts and proposals that could bring new life to Redditch Town Centre. In turn, the OPE process has identified that the initiative lies with the public sector to act as a catalyst for the regeneration of the town by working innovatively to release surplus land assets and to collaborate to transform service delivery. It is worth noting that because of the obsolescence of the original infrastructure of the new towns nationally, many are in the process of redeveloping their principle shopping areas; Telford, Corby and Stevenage being recent examples where significant redevelopment has taken place, in order to make their centres fit for the 21st Century. Without this commitment, there is a danger that the town will continue to stagnate and decline and the economic outcomes outlined in this report will not be realised.
- 3.50 The next stage is to confirm the commitment of each public service partner to the development of a detailed business case for a Public Services Hub. It is anticipated that the development of the detailed business case will be completed by January 2019 with a detailed report brought forward to the Executive Committee for consideration. Confirmation will also be required from the Fire Service and Police as to their preferred options and it is anticipated that Worcestershire County Council will offer their endorsement of the proposals in the Regeneration Prospectus and will confirm their decision in relation to the future of the Library.
- 3.51 To ensure that there is momentum, it is proposed to establish a Redditch Town Centre 'Regeneration Board' led by the Chief Executive and Portfolio Holder for Planning, Regeneration, Economy and Transport and comprised of key strategic partners, building on the work taken forward by the Place Review Board that has been in operation during the OPE process. The Regeneration Board will be responsible for driving forward delivery of the overall regeneration programme including the development of business cases for projects.

EXECUTIVE COMMITTEE6TH March 2018**Customer / Equalities and Diversity Implications**

- 3.52 The project has identified that there is an opportunity to create a Public Services Hub within the town that will accommodate the Council and a number of public service partners. This will improve services across the entire public sector estate, generate additional income for the town and manage the property portfolio in a more efficient manner. These outcomes are at the heart of the One Public Estate initiative which seeks to transform services so they are fit for purpose.
- 3.53 A detailed assessment will need to be framed around the impact of change on the Council's service users and staff when the Hub is occupied. At this stage the project has developed a theoretical model which demonstrates that the site chosen can be delivered at an affordable price and meets the current operational requirements. However it is expected that through detailed design and decisions around disposal, wider consultation with the public / service users will be sought by the Council and its service partners. This will allow people to offer opinions and voice any concerns at the appropriate stage.

4. RISK MANAGEMENT

- 4.1 A detailed 'Risk Log' will need to be produced as part of the detailed business case. However an initial risk register has been produced as follows:

RISK REGISTER	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
Lack of stakeholder buy in and support	H	M	A	Continue to work closely with key stakeholders and ensure collaborative thinking is at the heart of decision making. Each partner to be invited to sit on the Regeneration Board.
Each land owner disposes of land assets individually rather than as part of a cohesive regeneration programme	H	L	A	As above.
Financial risks associated with proposed investment	H	L	A	Full business case will include detailed assessment of financial inputs i.e. build costs, sales prices, rental levels, demand, occupancy levels. No financial decisions will be made without a robust business case.
Reputational risk to Council and partners	M	M	A	Strong project management controls would need to be put into place to

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**6TH March 2018

RISK REGISTER	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
				ensure that projects deliver on time and to budget. Additional resource to be procured to supplement project capacity.
Inability to secure funding and investment	H	M	A	The Council has provisionally secured funding from GBSLEP to help unlock some of the regeneration proposals. The Council will also seek funding from Worcestershire LEP and the Combined Authority. It is anticipated that investment from the public sector will create the confidence for the private sector to invest in Redditch Town Centre.
Negative perception and image of Redditch	H	M	A	As part of the regeneration programme, the Council will work with key partners such as the Kingfisher Shopping Centre to look at how it can re-position Redditch and counter negative perceptions.
Market does not respond to the Council's vision	H	M	A	An initial market demand assessment has been undertaken by Place Partnership and has informed the proposals contained within the Regeneration Prospectus. Further market analysis will be commissioned to underpin the development of business cases for key projects including an assessment of demand for office uses, the residential market and retail and leisure opportunities.

5. APPENDICES

Appendix 1 – ‘Redditch Regeneration Prospectus’

Appendix 2 – Redditch Place Review Report produced by Place Partnership Ltd

EXEMPT Appendix 3 – Redditch Place Review financial information

6. BACKGROUND PAPERS

- Redditch Economic Priorities and Action Plan – report to Executive Committee – February 2018
- Redditch Town Centre Strategy (Arup) – published in September 2009

EXECUTIVE COMMITTEE**6TH March 2018**

- Borough of Redditch Local Plan No. 4 – adopted 30th January 2017 (refer to Policies 30 to 33)

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Redditch Town Centre Regeneration Prospectus



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Redditch Town Centre – Vision and Growth

01 Context

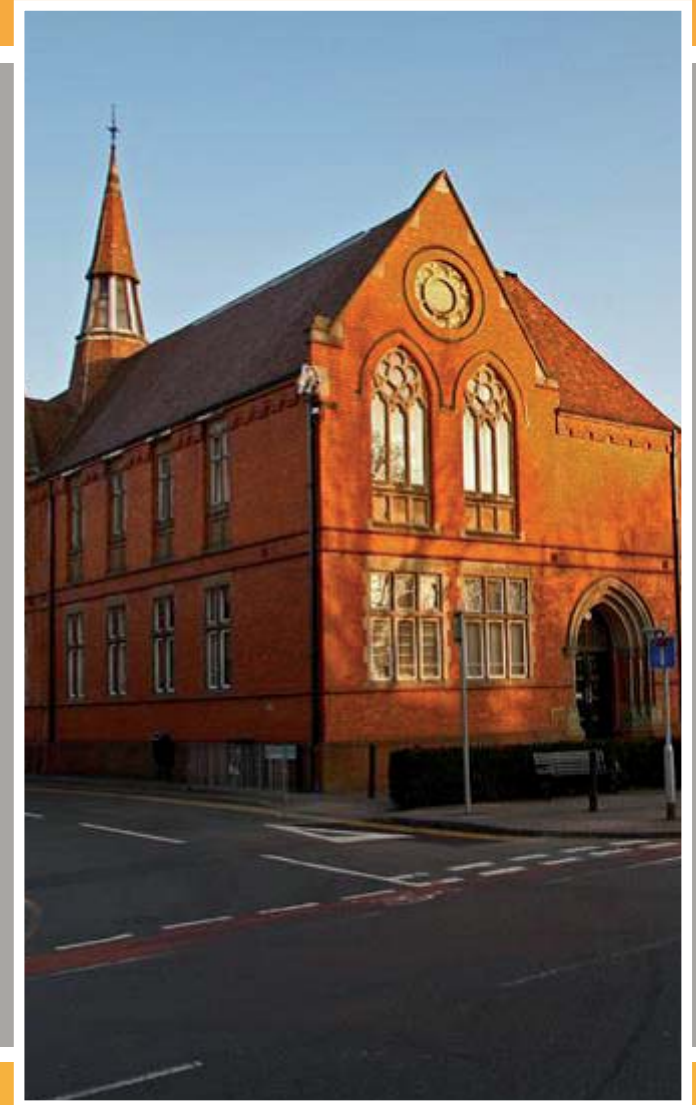
Redditch Borough is within the County of Worcestershire and borders Warwickshire County to the east and southeast. It is surrounded by Bromsgrove District to the west and north, Stratford District to the east and southeast and Wychavon District to the southwest.

Redditch offers easy access to the West Midlands conurbation as well as to culturally rich areas such as Stratford upon Avon and naturally rich areas such as the Cotswolds.

Redditch was formerly a market town until 1964 when it was designated as a New Town; a status it maintained up until 1985. During this period the Redditch Development Corporation was responsible for the growth of Redditch, predominantly to the east of the town.

The development of Redditch as a New Town has provided some key advantages, most notably around its excellent transport links. However, whilst the transport links and strategic location of the area are good, the legacy of the new town development for the town centre has resulted in a number of disjointed and disconnected areas being developed.

The focus for this prospectus, therefore, is to try and address these issues and work towards repairing some of the urban fabric in the town as well as providing new development opportunities to further enhance and develop the town's offer.



Redditch Town Centre – Vision and Growth

02 Location



As a former new town, Redditch benefits from excellent transport infrastructure which links residential, commercial and business districts to strategic transport networks (both road and rail).

Birmingham International Airport is less than 45 minutes away and rail services depart from Redditch Town Centre every 20 minutes to Birmingham New Street, with onward national and international connections.

Redditch Town centre is located 14.5 miles south of the Birmingham conurbation and benefits from direct access to the strategic road network that this association brings.

Redditch is strategically well placed to benefit from the proposed growth surrounding Birmingham Airport and the new HS2 station.

In order for Redditch to remain an attractive proposition it is considered that investment in the town centre is required so that this locational advantage can be maximised.



03 Town Centre context

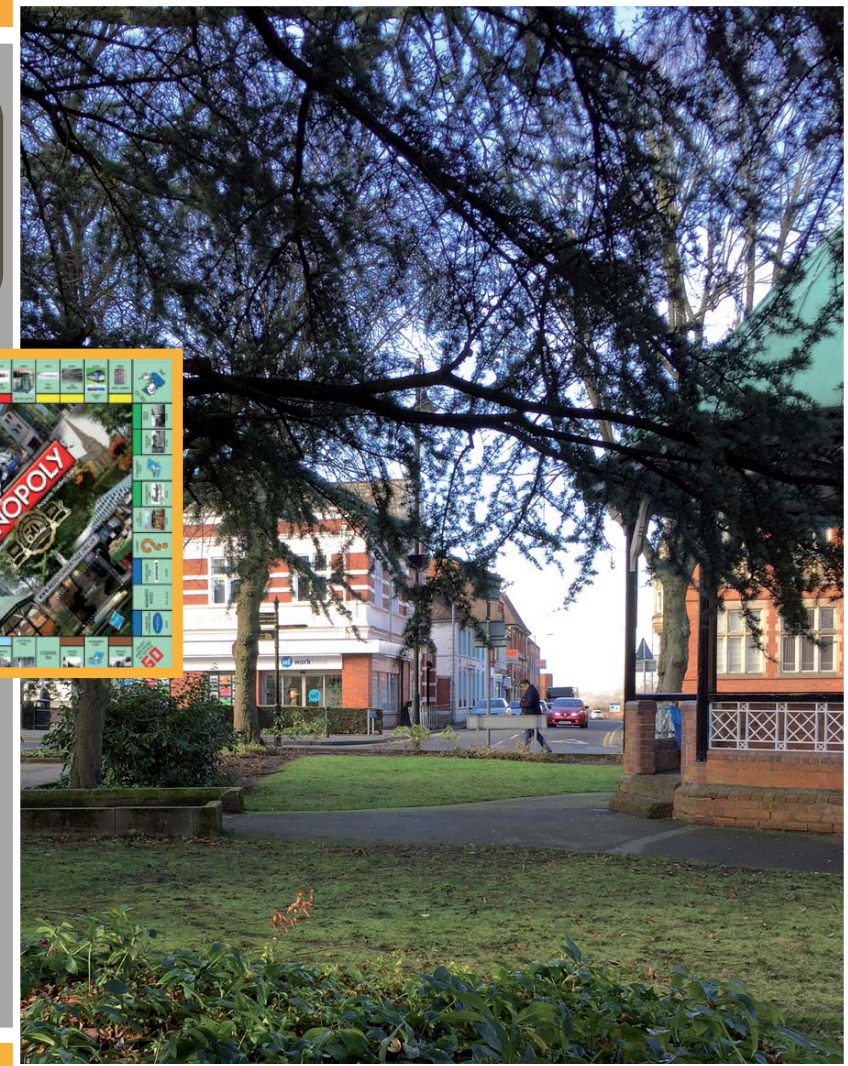
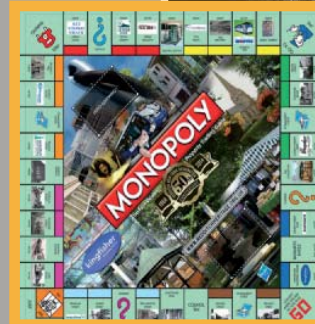


Redditch has a complex town centre which fulfils different roles and functions. Whilst Redditch has no 'High Street', the traditional heart of the centre is around Church Green and St. Stephens Church, with an outdoor market located at Church Green.

The main shopping focus of the town centre is the Kingfisher Shopping Centre. Originally opened in the 1970's, the Kingfisher Shopping Centre in the main shopping area in Redditch and has undergone substantial development which has contributed to it becoming one of the largest covered shopping centres in the West Midlands.

Despite some of these competitive advantages, Redditch requires significant investment to continue the regeneration of the area ensuring it remains a vibrant and successful town centre for the future.

This is to ensure it keeps pace with nearby centres and provides an attractive offer to complement the investment proposed within the town as a whole, most notably the new residential communities and the development of the Redditch Eastern Gateway, which has the potential to attract new inward investment into the town. Providing a good town centre offer will be vital in attracting business to the area.



Redditch Town Centre - Vision and Growth

04 Why Redditch?



Despite the advantages, an unfortunate legacy of the new town has been the disconnection of the old town centre, as a result of an inner ring road which tightly encloses the area, severing it from its residential hinterlands and constraining development opportunities to enable town centre growth.

In order to tackle these problems it is considered that a targeted and focussed regeneration plan is required. This will build on the work already achieved through small improvements to the public realm and the larger investments made by the Kingfisher Shopping Centre.

It is clear that opportunities exist within the town centre environment to improve on what is already a good retail offer. However, some of this will require diversification from a reliance on retail and a shift towards a centre that is multi-functional and has people living, working and relaxing all within the environment.

This renaissance is essential if Redditch is to be able to compete effectively with nearby towns for economic activity and growth, and to attract more affluent residents and visitors into Redditch Town Centre.



05 Future Growth in Redditch Town Centre



This prospectus showcases an ambitious regeneration programme that would transform the face of Redditch Town Centre. There is now a one off opportunity for the Town Centre to regain some of its former significance through the release of surplus, outdated public sector buildings and when this space is combined with other private sector stakeholders land there are significant areas that can be brought forward for regeneration.

Redditch is identified as a 'Strategic Centre' within the GBSLEP Strategic Economic Plan (SEP). The key diagram included within the SEP also confirms that Redditch is an expanding centre. This project has been established to unlock the potential that is available with the Town Centre through the re configuration and regeneration of the core area of the town.

The transformational change of Redditch Town Centre will not only provide further development opportunities but will allow for the Town Centre to develop in line with the proposed residential and commercial growth envisaged in the emerging Borough of Redditch Local Plan No.4. The Redditch Town Centre project will be transformational both in terms of the physical environment but also through delivering new job opportunities and providing new housing in a sustainable location. This will not only help to increase the prosperity and attractiveness of Redditch but would also help to deliver against the ambitious targets within the SEP to provide new jobs, houses and commercial space.



Redditch Town Centre - Vision and Growth

06 Visioning Statement



Redditch Town Centre - Vision and Growth

07 Development Potential - Concept Plan



Redditch Town Centre - Vision and Growth

08 Public Sector Review

The first phase of considering redevelopment within Redditch Town Centre has been via a public sector estate review known as the 'One Public Estate' initiative (OPE).

The public sector holds a significant real estate presence in Redditch town centre, which presents the public sector with a unique opportunity to initiate and drive economic growth, rationalisation and physical regeneration of the town. It is therefore important that the public sector helps to lever in further private sector investment in order to help to re-position Redditch and improve its fortunes.

The OPE Review process has included a comprehensive mapping of all public sector assets (freehold and leasehold) in the town centre was completed and property data collected from all of the public sector stakeholders to provide a framework for the review.

The majority of public sector assets in Redditch town centre are owned by either Redditch Borough Council or Worcestershire County Council.

Almost 90% of these assets in Redditch town are freehold with uses mainly as offices, retail units and schools but also including health services, community buildings and the police station, courts, fire station and library.

The long term vision of the review is to create well defined areas within the town centre all of which cohesively work towards its regeneration.



Redditch Town Centre – Vision and Growth

09 OPE Recommendations

The key recommendations from the Review are as follows:

Deliver a new public sector 'hub' on publicly owned land situated on Church Road the new hub would provide space for co-location of public services, drive transformation and efficiency savings and would also free-up other assets within the town for redevelopment;

Convert the existing Redditch Town Hall for primarily residential use;

Demolish the current library and invest in new high quality public realm and potential new retail block fronting the Kingfisher Shopping centre.

Existing Police Station to co-locate with the fire & rescue service and create a new standalone hub meaning the existing site would be available for redevelopment;

The decisions made in relation to the public sector estate will help to frame the future development of the town. However, it is recognised that there are other areas, which do not have public sector involvement that also require intervention and a plan to regenerate them.

The remainder of this prospectus considers the visioning for Redditch Town Centre in its entirety, building on the work undertaken through the OPE initiative.



Redditch Town Centre – Vision and Growth

10 Business Quarter



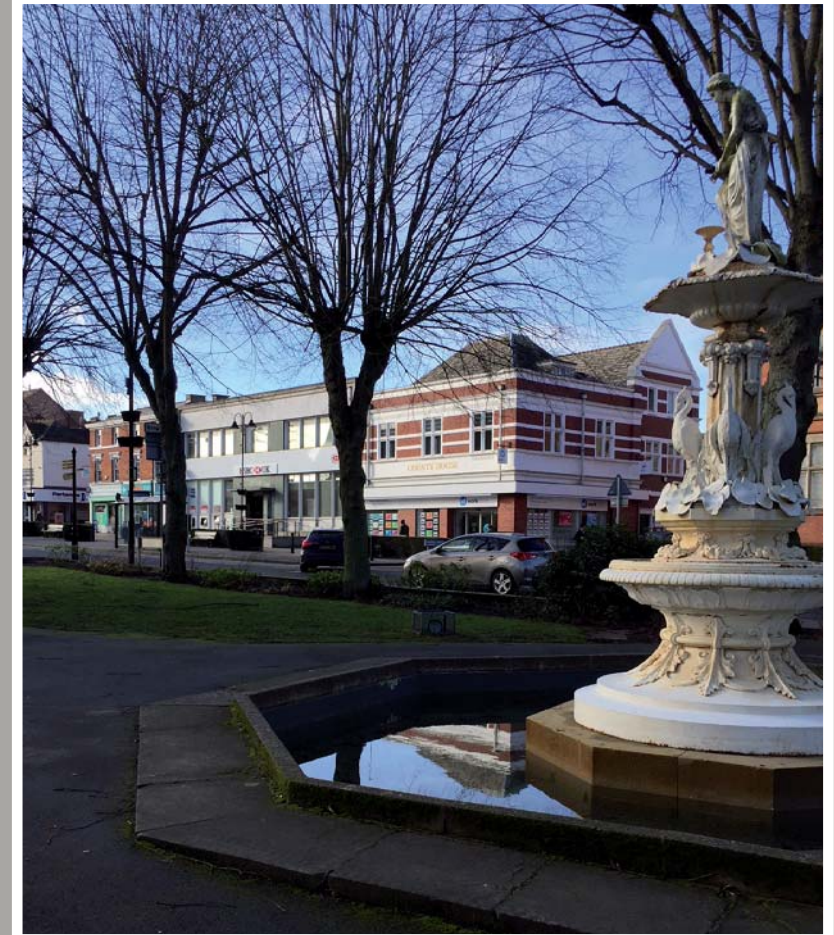
A new business quarter at Prospect Hill / Church Road and Church Green West, centred on a public sector hub utilising public sector assets.

The Church Road area has been identified as a development opportunity area, occupying a significant area within the Town Centre. The area has lots of character with a number of buildings that are locally or nationally listed within the Church Green conservation area.

The Smallwood House site, in conjunction with the adjoining land owned by the Homes & Communities Agency (HCA) is seen to be the most developable site within the town centre for the new public sector services hub and has the advantage of overlooking Church Green.

This location is seen to be the most suitable and potentially available location for a new Public Services Hub due to its central town centre location and potential to revitalise an area identified for regeneration.

It is considered that investment in the area by the public sector will help to stimulate private sector investment. Given the other buildings within this location, and the site's close proximity to the railway station, it is considered that the future vision for this area would be focussed on being the 'business quarter' of the town.



11 Railway Gateway

The Railway Station is an important gateway into Redditch Town Centre. However, in its current state it provides a poor first impression of Redditch for anyone arriving by train, with the vacant and derelict Edward Street site adjacent to the Station site and the unattractive premises that front onto Unicorn Hill adjoining the Station car park.

Redditch Borough Council is currently working pro-actively with West Midlands Rail to develop a joined up approach to seeking the comprehensive regeneration of the Railway Gateway and to also pursue opportunities to improve and increase rail services between Redditch and Birmingham, as part of the announced £1 billion of investment in the West Midlands network.

The area is identified in the Local Plan as being an important strategic development site and it provides the opportunity to:

- Provide an appropriate Gateway development;
- Repair the urban fabric and provide integration between the Station and the Town Centre;
- Provide new development that is designed to preserve and enhance the character of the surrounding area;
- Offer new residential and commercial opportunities in a location that offers good access to services and facilities.

It will be important that key partners such as West Midlands Rail are engaged with the redevelopment of this important gateway.

Mixed use development centred on the Railway Station, focussed primarily on residential development but also some commercial opportunities.



Redditch Town Centre - Vision and Growth

12 Cultural/Leisure/Residential Quarter



Redevelopment of surplus public sector assets for a variety of uses including residential, commercial leisure/night time economy uses
Redevelopment of private sector land to offer hotel and residential opportunities

The One Public Estate Place Review report considers the future of Redditch Town Hall and it is recommended that the Council should re-locate to a new Public services Hub on the Church Road site releasing the Town Hall for re-development or conversion.

The Place Review report recommends that the most viable option for the Town Hall is to convert it into a residential scheme creating 78 new units. Increased town centre residential provision should generate additional demand for leisure and cultural facilities and increase in spending in the local economy has the potential to draw new business and investment into the town centre.

Continue to promote the theatre and night time economy



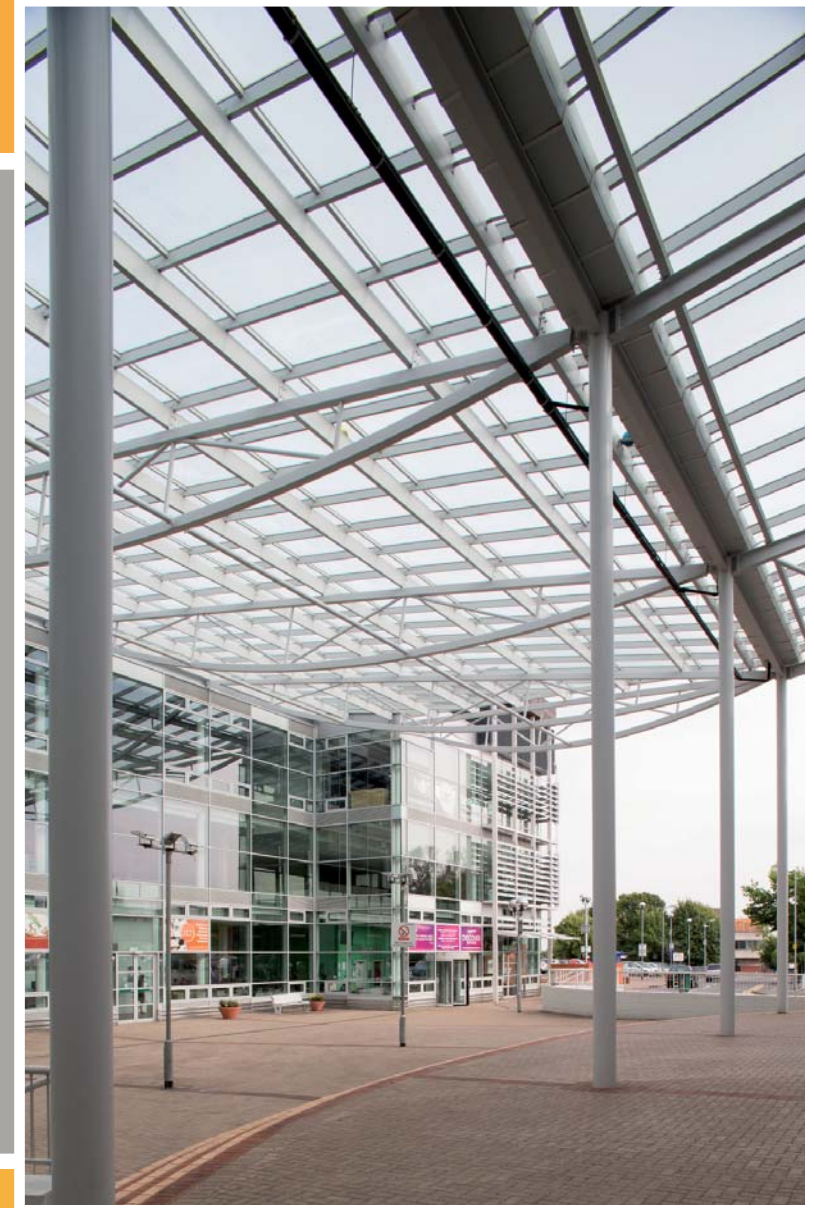
Redditch Town Centre – Vision and Growth

13 Learning Quarter



The Learning Quarter is anchored by the presence of Heart of Worcestershire College who occupy a significant area of land to the east of St. Stephen's Church. The College has invested in its Redditch campus in recent years with a variety of courses offered including construction, IT and Business'.

The focus for this area of town is on strengthening the existing role that Heart of Worcestershire College plays in supporting the town centre economy and as a key hub for developing the skills base of the Redditch area. The College has played an important role in shaping the emerging town centre regeneration and Place Review work and opportunities to further develop and expand the offer of the College within the town should continue to be explored. Furthermore, opportunities to improve the physical links between the College campus and the rest of the Town Centre needs to be identified and developed.



Redditch Town Centre – Vision and Growth

14 Retail Hub

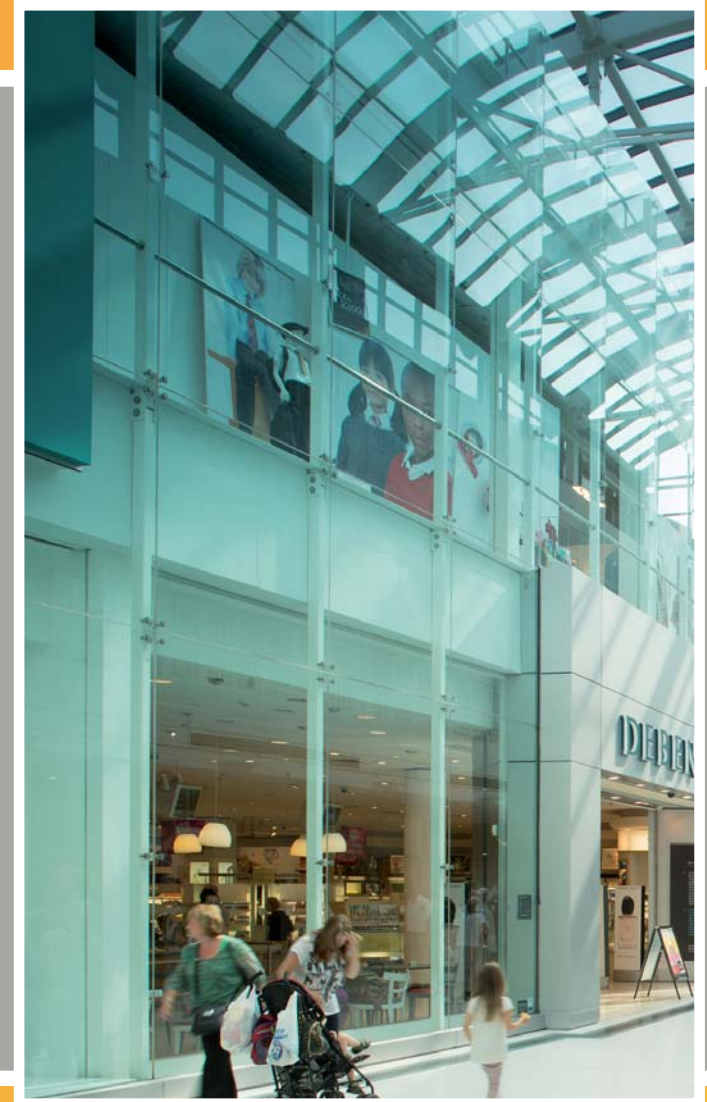


The Kingfisher Shopping Centre is actively benefitting from a multi-million pound investment programme, which has resulted in the creation of a new leisure and food hub, established a new fashion walk and revitalised the centre's central square.

Kingfisher Shopping Centre, which spans 920,000 sq ft, is anchored by leading high street names such as Debenhams, Next and Primark. The transformational work has seen Evesham Walk rejuvenated with modern, double storey shop fronts. The improved centre has encouraged H&M to upsize its unit to 23,000 sq ft, attracted 360 Play and The Range to the centre and brought a brighter and fresher environment for existing retailers.

In addition, the centre's food and leisure offer has developed into a dedicated leisure quarter, dubbed the 'Hub'. The vibrant area includes brands such as Pure Gym, Nandos, Prezzo, Real China, Delicious Desserts and a Vue cinema delivering a night-time economy for the town.

The Kingfisher Centre is an important asset for Redditch town centre. The continued development and diversification of the offer and land that the Centre owns around Redditch will be a vitally important element of helping to redefine and reshape the role of Redditch Town Centre as a whole. It is anticipated that the proposed additional public sector investment will create confidence in Redditch Town Centre as a place to invest and will help to entice more high quality occupiers into the town centre, including the Kingfisher Shopping Centre.



Redditch Town Centre – Vision and Growth

15 Public Realm



To create a sense of place and an improved environment it is vital that a clear public realm strategy is included to provide improved connectivity and legibility within the Town Centre.

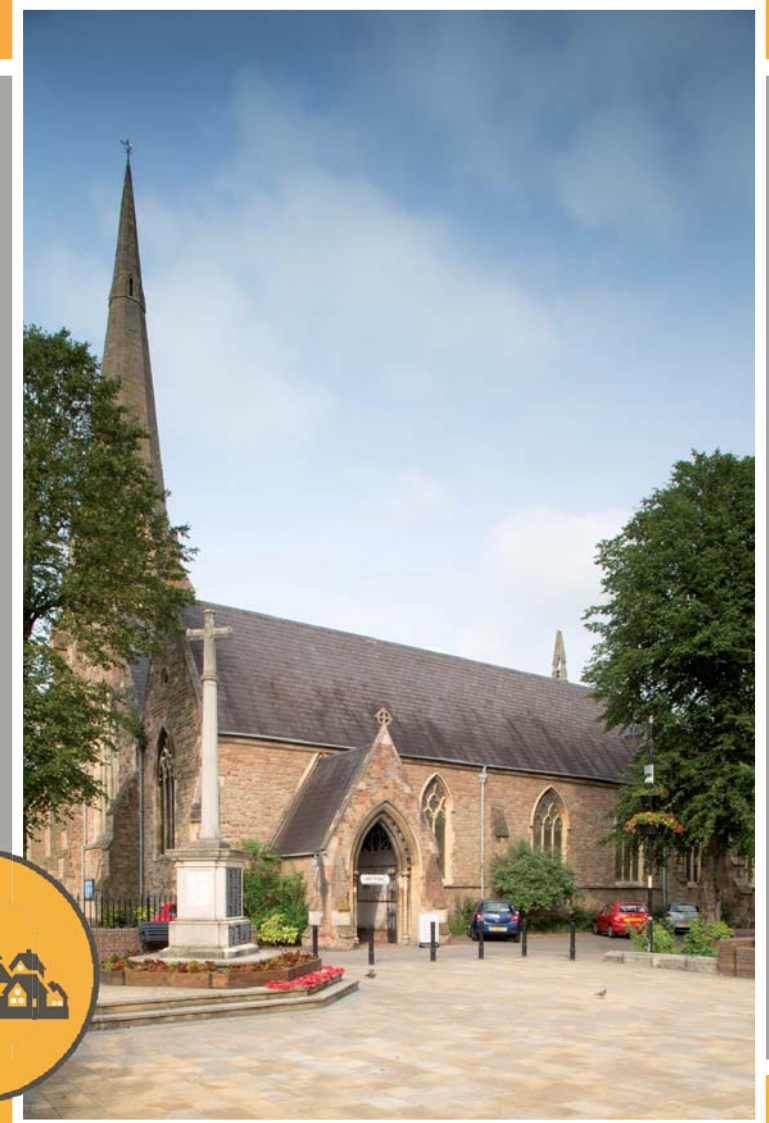
Development of new public realm within the town centre has commenced on site. Continued development of public spaces in each of the key areas and link key transport nodes such as the Railway Station with new development opportunities should continue to enhance the work already started;

An enhanced community space at Church Green and other public realm improvements to make the Town Centre feel more appealing to both residents and visitors.

Implementation of a new public/events space centred around the Palace Theatre and Town Hall;

Creation of public realm space and clear pedestrian links with small retail outlets and restaurants to create a more open and connected feeling between the Town centre and the entrance to the Kingfisher Shopping Centre.

Improved connectivity in terms of pedestrian linkages between areas outside of ring road, St Stephens Church, Town Hall/Library, Cinema and Railway Station.



Redditch Town Centre – Vision and Growth

16 The Ring Road

Whilst providing access to the town centre, the ring road also separates the centre from its hinterland, preventing its further expansion and inhibiting pedestrian connectivity.

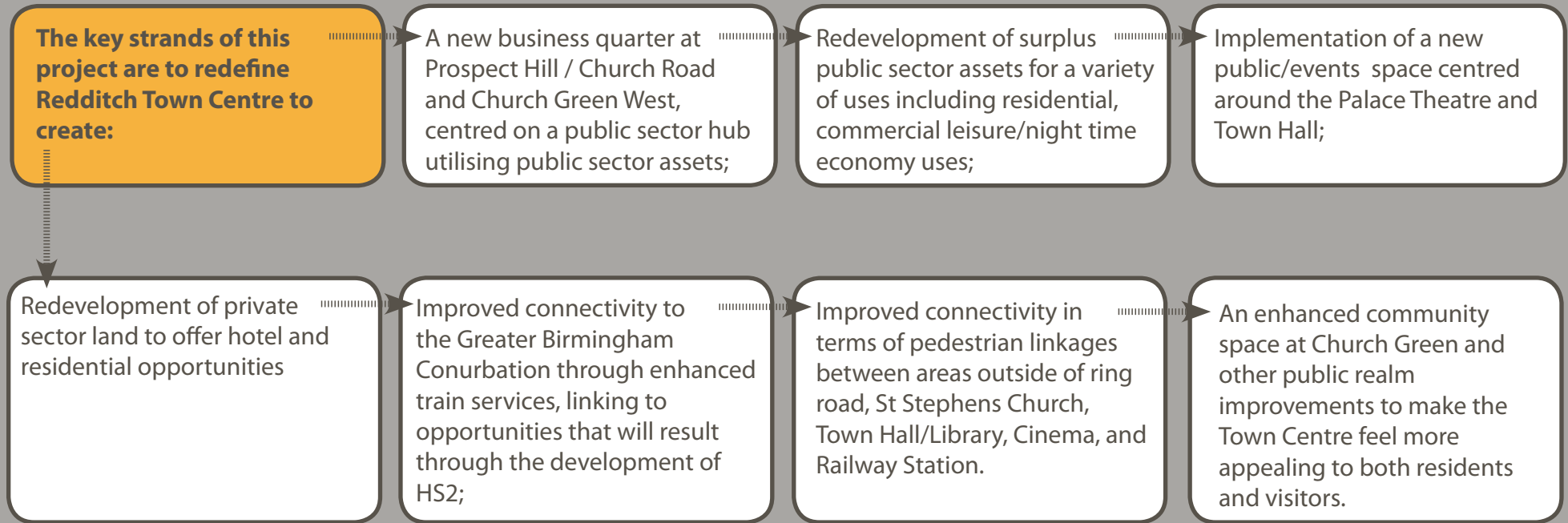
The primary purpose of the ring road, from the perspective of the visitor, is to provide access to the town centre and its car parks. This function does not however require the breadth and standard of carriageway which exists. The size of carriageway encourages speeds which are well above those associated with a normal town centre and respect for the pedestrian is limited. Therefore, the future of the road in relation to the town centre regeneration is key in terms of helping to redefine Redditch.

In order to consider this option in further detail there is a requirement to review the transport and connectivity within the Town Centre and explore options to break down the 'concrete collar' of the ring road. Work will include:

- Transport modelling
- Car parking Strategy
- Public transport review
- Potential re-alignment and/or rearrangement of traffic along the ring road
- Viability/design work to identify how the ring road can be improved for pedestrians and cyclists



17 Scale of Opportunity



18 Key Outputs



Key outputs from the recommendations

Employment creation

Additional economic activity

Increased support for existing developments

An enhanced public realm

To act as a stimulus for future economic growth

A new public sector Hub

The proposals will result in an increase in revenues generated from Council Tax and Business rates

19 Challenges

The following challenges exist, some are specific to Redditch, others are a result of the current economic climate.

Site Ownership

A number of the opportunity sites are held within various ownerships. The extent to which local authority assistance will be available through compulsory purchase powers must be established before implementation of the strategy can be considered in detail.

Critical Mass

It will not be possible to find an immediate solution for each and every opportunity site. Critical mass, particularly in the retail and leisure field, is an important factor and this can only be achieved by concentrating on a small number of opportunity sites initially.

Retailer Demand

In the current economic climate, property development is strongly end-user led. It is difficult to predict future demand and therefore a possible mismatch between the ability of the regeneration partnership to respond to current requirements can be an issue.

Funder/Developer Demand

Securing public and private investment and funding is crucial in delivering the site opportunities set out in this prospectus. Furthermore, there will need to be consideration of the most appropriate delivery vehicle.

20 Next Steps

Undertake feasibility work to define the opportunity areas in more detail, work to include:

Masterplanning work;

High level costings;

More detailed architectural concept plans;

Transport modelling and testing of proposals

Secure political support from Redditch Borough Council and Worcestershire County Council for the vision set out in this prospectus and proposals that relate to their specific land/property assets.

Establish a 'Redditch Regeneration Board' led by Redditch Borough Council and comprising of key stakeholders to drive forward the delivery of a defined regeneration programme.

Establish resources and capacity required to deliver the projects set out in this prospectus.

Scope potential delivery vehicles and identify a preferred option including potential funding streams.

In addition, an economic assessment of the overall project will be undertaken which will help to define the economic potential that exists within the town centre. In parallel with this work will be the requirement to engage and work closely with key stakeholders who are pivotal to delivering the proposals considered within this document.

Redditch Town Centre – Vision and Growth

Redditch Place Review 2017

One Public Estate and re-generating Redditch Town Centre Project Board Report

“Redditch will be successful and vibrant with communities that have access to great job opportunities, good education, excellent healthcare and a community that people will be proud to live and work in”

5 February 2018





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EXECUTIVE SUMMARY

This report provides a platform and direction for both public service transformation and the physical regeneration of Redditch town centre.

From inception through to completion and beyond this project would deliver capital receipts, reduced running costs, economic growth and a more efficient and integrated public service delivery model in line with the One Public Estate objectives and facilitates the stakeholder's collective ambitions to maximise opportunities for collaborative working and regeneration of the town centre.

This report verifies that the desired public service transformation is best achieved through co-location of the following public sector bodies within a new public services Hub development, ideally located on land situated at Church Green West currently owned by the NHS and the HCA.

- Redditch Borough Council
- Redditch Library
- Worcestershire Health and Care Trust NHS Fund
- Job Centre Plus (JCP)
- Worcestershire County Council (touchpoints)
- Citizens Advice Bureau
- West Mercia Police (in part or as a whole depending on option selected)

The sites are comprised Smallwood House Health Centre owned by the NHS and a cleared site owned by the HCA. Redevelopment of these sites could provide a unique and exciting opportunity for a public and private sector partnership to deliver an innovative "one stop shop" for public services. The concentrated public sector presence in the area would boost the town centre's economy and also invigorate the wider office market, attracting business and investment to the town centre.

As the land at Church Green West would be integral to the success of this project, Place Partnership has obtained in principal agreement from both the NHS and HCA to sale of their respective interests, subject to terms and conditions being agreed. It is recommended that Redditch Borough Council acts as the acquiring body to simplify governance and funding arrangements.

In order to deliver the new Hub, capital funding of approximately £12m will need to be raised to facilitate land acquisition and physical construction of the new hub. It is assumed that West Mercia Police take minimal space at the Hub and locate their main Local Area Policing Base (LAPB) with the Fire Service at Middlehouse Lane.

A range of potential funding sources to achieve the required £12m have been identified which include:

- Prudential borrowing
- Capital receipts from sale of surplus assets
- Revenue stream from retained and better used assets
- Revenue stream from occupiers of the new hub
- Capital reserves from board member organisations
- GBS Local Enterprise Partnership bid (up to £5m)
- One Public Estate
- Joint ventures with other public and private sector organisations

This report recommends that a combination of funding sources are drawn upon in order to ensure best value for all borrowing requirements. A key funding source exists via a recent Local Growth Fund expression of interest submission for £5m by the Borough Council has been awarded a priority "A" ranking by the Greater Birmingham and Solihull LEP. If the formal bid, which is currently being formulated, is approved the availability of funding for related infrastructure

works and land assembly will assist overall financial viability and provide added momentum to these projects.

In addition to capital considerations, this report demonstrates that aggregated annual running costs for the public sector can be reduced by a minimum of £350,000 and potentially up to £700,000 p.a., in comparison with retaining the status quo.

The regeneration works could also provide in excess of 137 new homes from the town hall conversion (78) and redevelopment of the police station site (59). New job opportunities in the construction, retail and office sectors could be created which will generate additional demand for circa 600 residential dwellings in Redditch.

The benchmark for all options is the status quo, which assumes the asset continues to be utilised as is. On the basis of this table, the recommendations made in this report for each asset are:

Town Hall

We recommend that the Town Hall should be retained, converted into residential units (78) and sold within a period of 3 years

A range of lower yielding refurbishment options including office and hotel have been modelled in addition to demolition and re-build options for both residential and mixed use.

Increased town centre residential provision would not only generate additional income for Redditch Borough Council through a variety of sources but also increase use of local facilities such as the multi storey car parks, restaurants, retail shops and bars. This increase in footfall and spending in the local economy has the potential to draw new business and investment, into the town centre.

Through the collocation with the partner organisations a revised and improved space usage could be achieved in the new hub, resulting in further revenue savings. Based on our desktop analysis and benchmark figures the current space usage of 7,236 sqm may be reduced to 2,264 sqm by introducing new and dynamic workplace strategies.

Library

The Library might be considered for demolition and public realm works with retail outlets could be built in this strategic town centre location. This would enhance the entrance to the Kingfisher Shopping Centre and provide natural pedestrian linkage to the High Street. This would also provide a “piazza” type environment for public events. The intended investment would create an area where people can stop, relax and socialise, as well as hosting a variety of events. A design could incorporate elements such as lighting columns, a water feature with fountain jets which can be drained to create events space, a glade of trees, seating and greater integration of the Kingfisher Centre into the wider design of the square. The square may be further enhanced by improved town centre links with the addition of a canopy stage, as well as with nearby retail outlet developments and the opening up of the pedestrian access between the Kingfisher Centre and the Church Green area as part of the redevelopment works.

This option would require demolition and regeneration but as with most public realm works could yield wider economic benefits in terms of attracting and retaining footfall as well as re-generating the town centre.

The development of a retail block (up to 500m² of A1/A3) within the same location would improve the overall street scene and increase day and night time vitality & viability. However an alternative could be for the owners of the Kingfisher Centre to redevelop the unit adjoining the piazza to create a number of A1/A3 outlets fronting the piazza.

The Library site sits between the Town Hall and the Church Green West site. Better linkage between these two hives of activity could stimulate High Street footfall and improve the appeal of Redditch as a destination and residence.

The potential relocation of the Library into the new Hub may reduce the space requirements to 800 sqm from the current 2,553 sqm. The JCP might occupy an additional 400 sqm, releasing the Library building for potential redevelopment. The reduced areas in the planned new build Hub may result an annual recurring revenue savings for WCC of £147,000.

Blue Light services

A separate report has been produced for West Mercia Police outlining their options for the existing Police Station site in the town centre and their options for relocating their base within Redditch. This report recommends that the Police collaborate with the Fire & Rescue Service and develop a joint facility on Middlehouse Lane and maximise both co-location and service integration opportunities. The Police could also retain a town centre presence by taking space within the new Hub. The vacant police site may then be disposed of for residential redevelopment

Hub contingency

In the event that suitable site assembly within the Church Green West area cannot be achieved, the alternative option is to refurbish and upgrade the existing Town Hall. This would require current Redditch Borough Council's activities to be consolidated into smaller areas to accommodate the public sector partners and any surplus space could be let out to third parties to generate rental income.

Next Steps

The next steps which should be taken to advance this review are as follows:

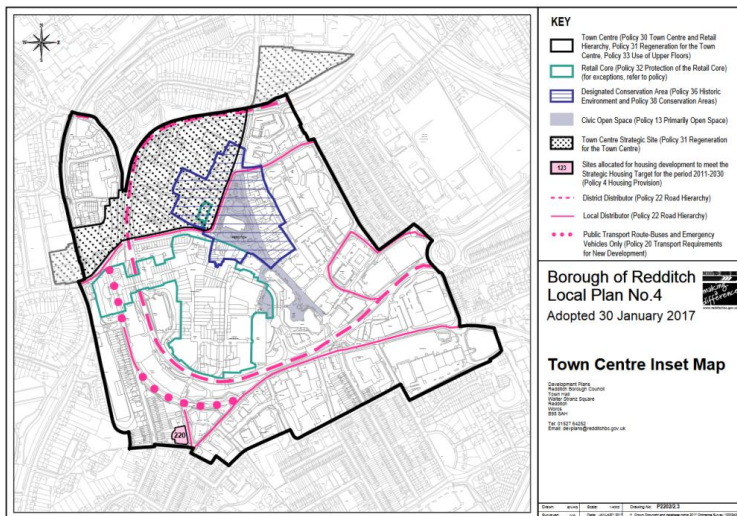
- Review and endorsement of the recommendations in this report by the Board.
- Necessary approvals to be sought by stakeholders from their respective governance structures.
- Place Partnership to secure an option agreement on both Smallwood House and/or the HCA land to facilitate the construction of the new Hub.
- Redditch Borough Council to take the role as lead authority in respect of land and property acquisitions which are required to complete this review.
- Place Partnership to procure a suitable strategic delivery partner to deliver the scheme and develop a timetable for rollout.
- Preferred funding and delivery methods need to be selected.
- Confirmation required from West Mercia Police as to whether they require a LAPB adjoining the new Hub or in conjunction with the Fire Service.
- Detailed studies of the titles to all land and property involved in this project need to be undertaken.
- Instruction needs to be provided to an architect to draw up some schematic designs for the new hub site.
- Further engagement with Network Rail and the train service operator to initiate and drive change in this area, creating a more attractive and vibrant gateway to the Town Centre.
- Engagement with the freehold owner of the bus engineering depot owner to discuss possibilities of relocating the facility. Acquisition of this site introduces design and space flexibility for the hub. Alternative relocation options need to be further explored.

I. INTRODUCTION

Redditch was developed as a new town in the 1960's and was formerly one of the primary locations in Worcestershire for retail and business. Its shopping centre, The Kingfisher Centre, was in recent memory one of the key covered shopping centres in the UK.

Redditch town centre's economy is ripe for regeneration, as over the years it has suffered relative decline in appeal as a destination due to lack of investment and competition from other local towns and cities. The public sector is poised to kick start this regeneration owing to the concentrated land holding in the town centre and collective will amongst stakeholders to maximise this unique opportunity.

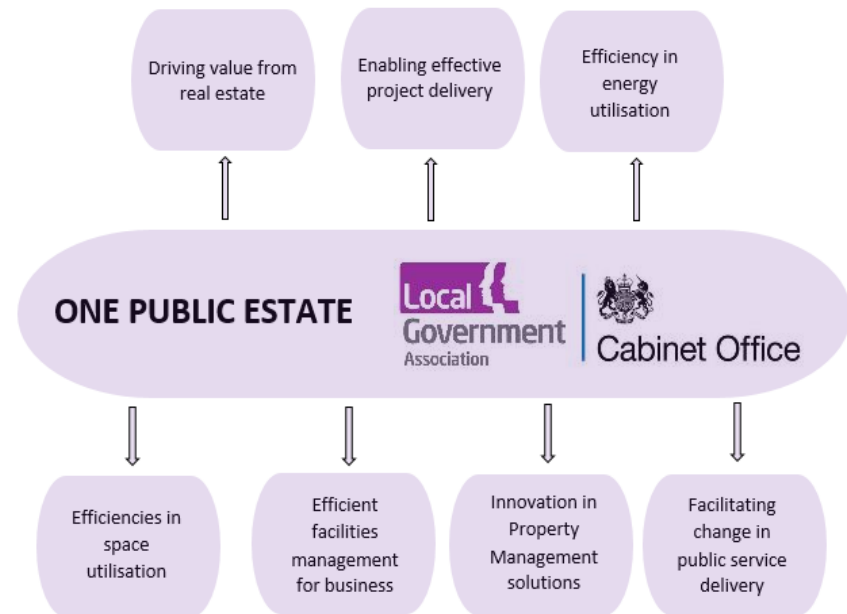
References in this report to the town centre adopt the definition of the Borough of Redditch Local Plan No 4 Town Centre Inset Map as shown below.



In 2016 Place Partnership submitted a proposal to the LGA/GPU for One Public Estate funding in support of key opportunities in Redditch. The purpose of the review is to identify opportunities to utilise the assets more efficiently resulting in the release of surplus land and property for redevelopment, reducing operational costs for the public estate and improving the way in which services are delivered to the public.

One Public Estate, as well as transforming public services, can be a catalyst to reinvigorate the town and to prevent future leakage of economic growth to other centres.

The benefits of completing this Place Review will manifest in a range of positive property focussed outcomes as follows:



The public sector holds a significant real estate presence in Redditch town centre, with all of the assets which are the subjects of this review being within the inner section of the ring road. This presents the public sector with a unique opportunity to initiate and drive economic growth, rationalisation and physical regeneration of the town in pursuit of the four core OPE objectives. In addition, collaboration with major private sector partners such as the Kingfisher Centre amplifies the potential of this review.

The foundations of the Redditch Place Review are based upon the OPE’s four core objectives, which are:



Creating economic growth (new homes and jobs)



Generating capital receipts



More integrated, customer-focused services



Reducing running costs

The four OPE objectives have been developed to reflect the needs and aspirations of Redditch which will form the core of this review:

- **Creating economic growth** – The completion of this project will significantly contribute to the County wide vision of ‘World Class Worcestershire’

through using the public sector asset base to drive economic growth and development, regeneration and inward investment through the creation of improved employment, housing, retail and leisure opportunities.

- **Generating capital receipts**– Releasing surplus land and property to provide development opportunities which generate capital receipts and/or revenue streams to support income generation targets for the public sector.
- **More integrated, customer-focussed services** – Exploring co-location and service integration opportunities across the public sector to deliver customer focussed services.
- **Reducing running costs** – Maximising opportunities to reduce the asset base of the public sector through more efficient utilisation of space, employing modern and forward thinking working practices and occupying more energy efficient buildings which are sustainable and fit for future growth.

The delivery of these objectives will quantify what success looks like for Redditch.

Redditch is identified as a ‘Strategic Centre’ within the GBSLEP Strategic Economic Plan (SEP) and also an expanding centre. This ambitious project has been established to capitalise on the potential of Redditch as acknowledged and supported by the GBSLEP SEP, through re-configuration of the town centre. The ultimate goal of the project is to bring fresh life and energy into Redditch, which establishes an identity for the Town and also supports the wider growth of Birmingham.

In addition to the property focussed benefits, there will also be wider economic benefits to the town centre re-generation which are anticipated to be:

2,000 new jobs

The regeneration will create job opportunities in the construction, retail, office and leisure sectors. New jobs will bring prosperity to the Town and attract a skilled workforce which increases the appeal of the Town for more national and international business occupiers.

137+ new homes

The new homes could be created through the conversion of the Town Hall (circa 78 units), residential development of the police station site (circa 59 units), and potential additional demand can be generated through the inward investment as a positive outcome of the project. This provision would contribute towards the housing requirements for the Borough but more importantly provide quality town centre accommodation which supports development of a vibrant community.

New commercial/leisure space

This space would provide facilities which may establish a more prominent and buoyant leisure economy in the Town Centre, particularly during the evening which could currently be improved. The potential creation of bowling, additional cinema, restaurant and bar outlets would encourage people to use the town centre more frequently, and also attract visitors from outside of the Borough.

Inward investment

The public sector would act as a catalyst, attracting inward private sector investment into the Town Centre. A particular focus around key areas such as the Train Station, the existing office market, Kingfisher Centre and High Street are all hotspots requiring investment to support our objectives of revitalising the Town Centre.

Town Planning

This Place Review has progressed against the background of the adopted Redditch Local Plan No 4, which provides a planning policy framework for sustainable economic growth and expansion of the town up to 2030 and identifies both residential and commercial growth, further requiring this project to proceed.

The Plan identifies capacity for new housing with the allocation of land for an additional 3,000 houses within the Borough. The proposed Eastern Gateway site offers potential for up to 100,000m² of new employment development which brings the prospect of creating in excess of 2,000 new jobs.

Regeneration of Redditch

The public sector holds a significant landholding within Redditch town centre highlighting the significance of its ability to influence the physical and economic revitalisation of the town.

Aside from the physical regeneration aspect of the project, there is a wider economic effect of improving the employment opportunities and housing provision in a sustainable and expanding location. This contributes to both the ambitious targets in the SEP but also the wider appeal of Redditch as a place to live and work.

A critical factor of this project's success is incorporation of public realm improvement works. There needs to be greater pedestrian connectivity throughout the town centre and also the "concrete collar" of the ring road addressed to improve vehicular access. This increases the prospects of investments into the town. However the above are only ideas and recommendations for infrastructural developments are beyond the scope of this OPE feasibility exercise.

There is currently little demand for commercial space in the Town Centre, evidenced by vacancy rates on the High Street and lack of demand for office space. Utilisation of the public sector as a catalyst for growth will stimulate both business demand and enterprise, offering high quality commercial floor space in the town centre.

Economic objectives could be fulfilled through the collaboration of stakeholders and also use of Redditch Borough Council's CPO powers, a strategic consideration to accelerate change where required.

This review is essential for Redditch, as the public sector estate mainly comprises low quality, inefficient and underutilised assets some of which are located upon prominent town centre re-development sites. The analysis undertaken as part of this review has evidenced that the recommendations made can deliver up to 137+ homes, 2,000 new jobs, £3.6m in capital receipts and annual running cost savings of between £350,000 and £700,000 p.a. and a key feature of this review being a significant positive transformation in delivery of public sector services. This review also has the potential to deliver wider benefits through attracting inward investment and utilising the significant public sector presence to catalyse regeneration of the town and boosting its profile locally and nationally helping to reinforce Redditch as somewhere people are proud to both work and live.

It is acknowledged that in order to deliver the above objectives, capital resources will be required. There is inherent capital which can be realised from existing assets but there will also need to be external funding to support the delivery. A range of funding options have been identified within this report and they are detailed in Chapter VII.

A Programme Board, comprising both public and private sector stakeholders with real estate and service interest within Redditch town centre, has been formed to oversee the exercise which meets on a monthly basis to monitor and accelerate

progress. The Board is made up of representatives from the following public bodies and Chaired by the Chief Executive of Bromsgrove District and Redditch Borough Councils – Kevin Dicks:

- Redditch Borough Council
- Worcestershire County Council
- Worcestershire Health & Care NHS Trust
- Housing & Communities Agency
- West Mercia Police
- Hereford & Worcestershire Fire & Rescue Service
- Heart of Worcestershire College
- North Worcestershire Economic Development & Regeneration
- Place Partnership Limited

This report will detail the outcome of the options considered and outline the feasibility work undertaken to evaluate a range of projects involving public sector assets in Redditch town centre identified through the process of the Redditch Review.

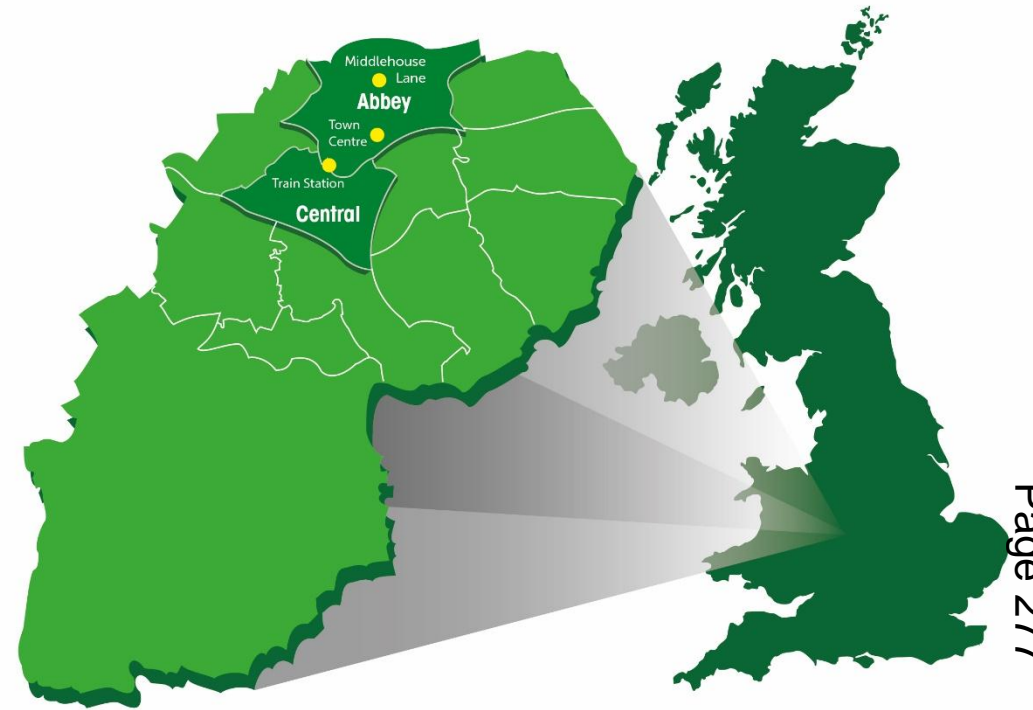
II. REDDITCH ON THE MAP

Redditch is a new town, developed throughout the 1960's, 70's and 80's which is located in north-east Worcestershire and has a population estimate of 84,743. The population is served by a number of first, middle and high schools, Heart of Worcestershire College Campus, a Vue Cinema and a Theatre. In addition, there is a leisure centre, Abbey Stadium, located on Birmingham Road and a large town centre covered shopping centre, the Kingfisher with anchor stores Marks and Spencer, Primark, Debenhams, Boots, Savers, Poundlands and Superdrug.

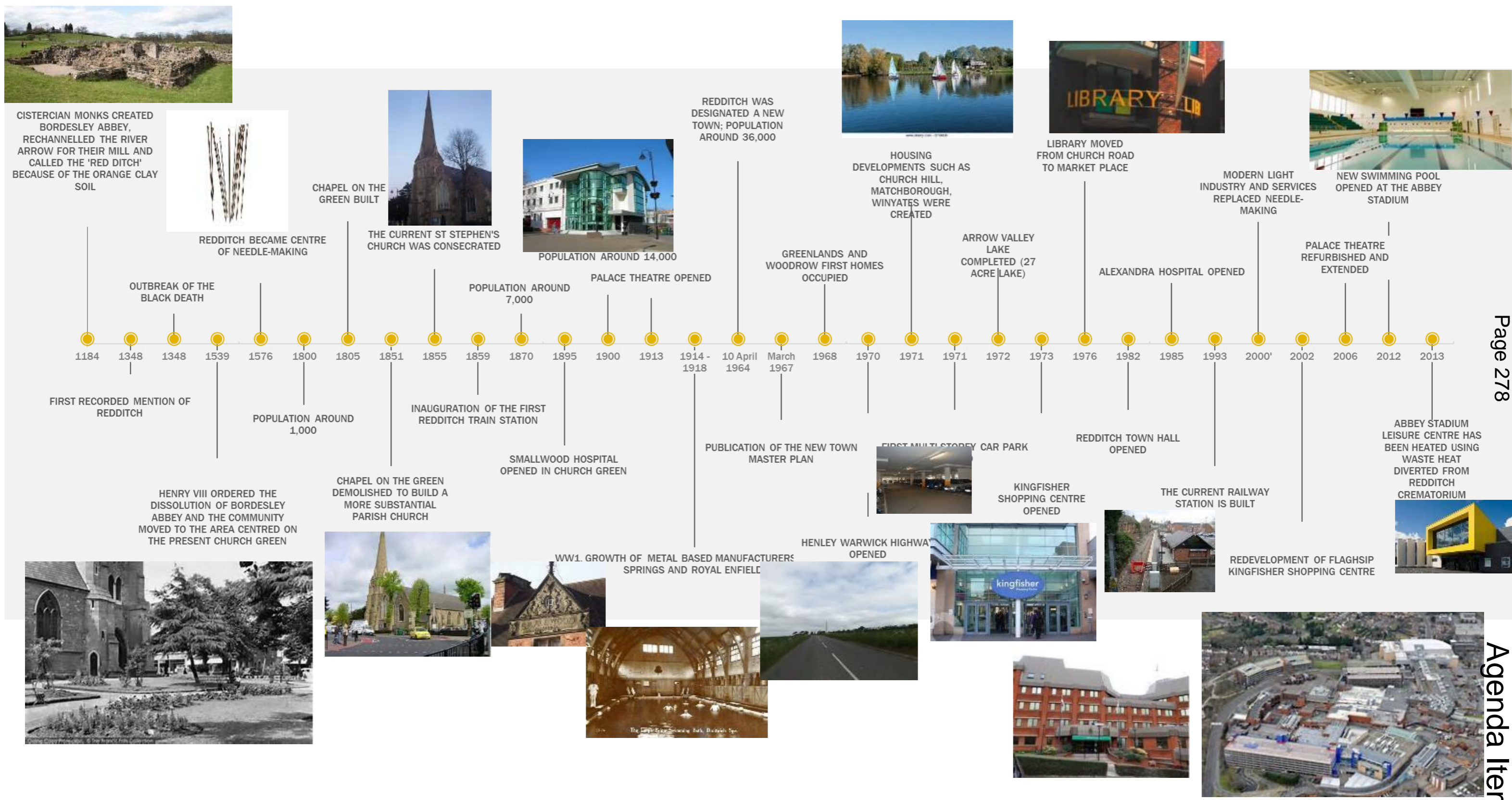
Redditch is well connected to the M5, M40 and M42 motorways providing good access to the Midlands and the South, with the main access routes into Redditch via the M42 being the A441 or A435 and the A448 via junctions 4 or 5 of the M5. The town is also well known for the only cloverleaf exchange in England situated at the junction of the A441 and A448. Birmingham Airport is 19 miles from Redditch Town Centre.

The town benefits from good public transport links, with regular train services into Birmingham New Street from the railway station on Unicorn Hill and bus services which operate from the bus station in the town centre, which was rebuilt in 2002 as part of the Kingfisher Shopping Centre expansion.

Redditch even has its own edition of Monopoly!



1. The History of Redditch



2. Redditch Today

Following its development as a new town in the 60's, 70's and 80's there has been a lack of significant regeneration of Redditch. In contrast, competing areas have surpassed Redditch. A distinct lack of investment into the town along with growth of competition has contributed towards the decline and appeal of Redditch as a retail, amenity and business destination.

2.1 Economy

Present day, the town's economy is largely based upon the manufacturing/engineering sectors. These sectors have grown in Redditch since the original re-location from Birmingham and the Black Country, evidenced by significant mergers and acquisitions from overseas businesses. With circa 6 million people living within commutable distance of Redditch, this provides a strong base for creating employment opportunities.

This opportunity is already being capitalised upon with the current "Redditch Eastern Gateway" Project which is set to deliver additional jobs. Led by Stoford Developments, the project will provide circa 100,000 m2 of high profile employment space (B1, B2 and B8 uses) and act as a key driver in developing Redditch's wealth of engineering and manufacturing expertise.

Despite the Redditch Eastern Gateway project, since its inception as a new town, there is an overall lack of employment land and modern premises offer in Redditch which is restricting the ability for the town to grow. The proposed town centre re-development driven by the One Public Estate initiative is poised to act as a catalyst for further economic growth, unlocking the potential of the town and generating capacity to support economic and demographic growth both in Redditch and wider areas such as Birmingham.



Walter Stranz Square, Redditch

2.2 Real Estate Market

2.2.1 Residential Market

Redditch hosts a wealth of shops and is in close proximity to major cities such as Birmingham (15 miles). There is a variety of housing stock available suitable for all markets, with offers ranging from simple 1 bedroom flats to large detached dwellings. There is a wealth of character around the “Old Town” area with affordable older properties situated in the St. George’s, Mount Pleasant and Smallwood areas. Properties achieving values at the higher end of the market can be found in Astwood Bank, Feckenham and Callow Hill.

The areas of Lodge Park, Woodrow, Webheath, Greenlands, Batchley, Winyates, Matchborough, Churchill, Oakenshaw and Brockhill provide properties constructed post 1960’s with a variety to suit all budgets. A mix of Victorian and Edwardian properties are located in Webheath, Crabbs Cross, Headless Cross, Mount Pleasant, Riverside, Smallwood, Enfield and Astwood Bank. The main school catchment areas are Walkwood, Callow Hill, Church Hill North, Winyates Green and Webheath which naturally attracts families.

There is an appetite from investors in the town, evidenced by rental yields supported by good links to other Midlands areas, young families and professionals which is anticipated to grow following the Redditch Eastern Gateway project and proposed town centre re-generation.

New housing developments are prominent in Redditch with Taylor Wimpey’s “Millward Gardens” in Webheath, Bovis Homes’ “Millwood Meadows” off Weights Lane, David Wilson Homes’ “Abbey Gate” on Woodrow Drive and Persimmon Homes’ “Meadow View” on Hewell Road to name a few.

Since the development of Redditch as a new town in the 1960’s, society’s requirements have evolved in both cultural and commercial terms. There is now

a requirement for residential accommodation, leisure and employment facilities. The town centre offers an abundance of opportunity to provide such facilities to ensure the town centre meets contemporary and future needs. Residential units play a key part in the updating of the town centre as they are fundable and given demand for town centre living, saleable which generates income for the Borough Council.

Redditch has a unique opportunity to pioneer the development of the 21st century “new town” concept through providing residential supply in the town centre, shifting the balance away from concentrated commercial properties.

Property type	Avg. value	Avg. price paid	Sales volume	Value change
Detached	£348,796	£319,179	336	+12.08% (£37,589)
Semi-detached	£196,079	£186,356	339	+2.76% (£5,269)
Terraced	£154,655	£153,486	283	+5.53% (£8,105)
Flats	£127,828	£110,463	103	+6.31% (£7,590)

Average property prices over the last 12 months (Source: Zoopla)

2.2.2 Office Market

The office market in Redditch town centre is characterised predominantly by Grade B/C space in multi-let buildings. At present, Grosvenor House and St. Stephen’s House are two of the main office buildings offering space in the Town Centre. Town Centre rents are relatively low, achieving anywhere in the region of £5 to £10 per square foot. The office market in the town centre has been overshadowed by a stronger out of town office market with demand for offices between 1,500 sq ft and 5,000 sq ft where rents up to £18 per square foot would be expected. This demand emanates from private investors and owner/occupiers for self-contained units. Perhaps the most notable recent out of town letting is the take up of just under 12,000 sq ft of space by MWH Global, the water treatment specialist (commercial details not disclosed).

The town centre office market is driven by small businesses which seek short and flexible terms. There is a lack of self-contained buildings with dedicated parking within the town centre and with limited rail accessibility to the outlying residential areas, demand for town centre office space is restricted.

At present, there is not an office market in Redditch Town Centre, particularly given that the majority of demand will be drawn towards the neighbouring City of Birmingham. Despite this, Redditch has significant potential with strong road links, vast employment catchment given the residential density of the locality and potential to improve rail links to Birmingham. The current rental tone of £5 to £10 per sq ft per annum renders any speculative office development unviable.

Redditch has huge future potential, as it is in position to provide competitively priced office space with short journey times to Birmingham City Centre. It is recognised that the public sector will need to play a lead role in regenerating the office market by de-risking schemes through Joint Ventures with developers. New development which caters to the market and captures demand from local areas can help to transform the tone of the market in the Town Centre.

2.2.3 Retail Market

Redditch has a heritage as a market town, with the current markets located adjacent to St Stephen’s Church having relocated from the purpose built covered market area to the rear of the Kingfisher Centre. This covered market area is currently vacant, and could offer valuable retail space subject to the footfall being directed there.

The nearest supermarket to the Town Centre is Lidl, located just east of Grove Street. The closest large supermarket to the Town Centre is Asda’s superstore which is approximately 20 minutes’ walk from the Town Centre. There is potential for a local convenience store within the centre, on the site of Car Park 3

owned by Kingfisher Centre, which could be comparative in success with the Tesco Metro situated in Birmingham New Street for example.

The main retail outlet in Redditch is the Kingfisher Shopping Centre, based in the Town Centre comprising circa 1.3 million square ft of retail space, it serves approximately 965,000 residents in the immediate catchment area. In addition, there are smaller retail parks situated throughout Redditch including Trafford Retail Park and Abbey Retail Park hosting retailers such as Argos, Home Bargains and Iceland.

Rents within the Kingfisher centre range from £40 to £80 per ft² (ITZA) and houses anchor tenants Debenhams and Primark.

Any new retail will need to compliment, rather than compete with, the Kingfisher given its dominant presence. There is a distinct opportunity between the Heart of Worcestershire College and High Street/Kingfisher Centre via Peakman Street thoroughfare in addition to attracting new retail provision along Redditch High Street.

The current vacant units present in the Town Centre provide the opportunity to create more family dining and eatery options, which would complement the existing leisure offer within Redditch Town Centre.



The Kingfisher Shopping Centre, Redditch

2.2.4 Leisure Market

Redditch benefits from a range of leisure and recreational facilities including Town Centre attractions such as the Palace Theatre, Shipleys Bingo and the 7 screen Vue Cinema. There are some restaurants, serving a range of foods, in addition to seven public houses and a number of fast food outlets.

Wider Redditch provides a range of leisure facilities such as Abbey Stadium which provides both indoor and outdoor sports facilities, two swimming pools at the Kingsley Sports Centre and Hewell Road and Arrow Vale Leisure Centre and Arrow Vale Park (which consist of a Countryside Centre and Water Sport Centre).

To the north west of the Town Centre, a Holiday Inn Express offering 100 rooms within close proximity to the public transport bus and train networks. Travelodge has expressed an interest in developing a circa 60 room development within Redditch Town Centre. The Town lacks provision of any branded upper-grade hotels, which presents an opportunity to cater for this market through the Place Review.

Anecdotal and survey evidence suggests that there is a lack of quality night time and family orientated dining to complement the strong retail offer and recent cinema opening. A lack of restaurant provision within the Town Centre restricts the both the evening and daytime economy. Investment into public realm works not only presents the opportunity to create new restaurant outlets, but also link the footfall from the Kingfisher Centre to the High Street. This increase in footfall would boost the appeal of retail outlets on the High Street improving and complimenting the existing Town Centre retail/leisure offer.



Abbey Stadium, Redditch

III. PLACE REVIEW METHODOLOGY

A comprehensive mapping of all public sector assets (freehold and leasehold) in the town centre was completed and property data collected from all of the public sector stakeholders to provide a framework for the review. The map also identifies other assets e.g. St Stephens Church, The Kingfisher Centre, properties on North side of Alcester Street, land at Edward Street and land owned by Network Rail at Redditch Railway Station, which may be relevant to Place Review initiatives or could be a significant component of emerging proposals for the regeneration of the town centre. This map and a schedule of assets can be found at Appendix 1. The public sector estate is strategically placed to be used as a catalyst to regenerate the area with new housing, retail and recreational facilities through the rationalisation and redevelopment of assets that are no longer fit for purpose.

The majority of public sector assets in Redditch town centre are owned by either Redditch Borough Council or Worcestershire County Council. Almost 90% of these assets in Redditch town are freehold with uses mainly as offices, retail units and schools but also including health services, community buildings and the police station, courts, fire station and library. Some have been identified as surplus or underused and others are in need of replacement due to relatively high running and maintenance costs.

Following a workshop held at the beginning of May 2016 stakeholders were consulted to identify some of the issues relating to the delivery of services from existing assets in the town, and to determine key strategic and operational requirements.

The information collected from stakeholders was used to scope potential projects that might form the subject of an initial options appraisal and outline feasibility exercise. Some projects are interdependent e.g. the development of a

public sector hub and proposals for redevelopment of Smallwood House site and Town Hall as possible multi-agency hub locations.

A programme board was constituted with representatives from all key stakeholders and chaired by Redditch Borough Council's Chief Executive to oversee the review and to provide executive approval and direction in meeting the aims and objectives of the review.

Options appraisals have considered financial viability, potential funding sources, procurement methods and compliance with OPE objectives. To inform future decision making an assessment has been made regarding levels of occupancy and usage, suitability, running costs and net present value of assets.

The following key assumptions were made in developing the option appraisals:

1. Reduced accommodation standards and 2:1 staff to desk ratio. However, assumptions relating the police requirements have at this stage used their approximate current space usage of 1,800 m². This usage estimate is pending further ongoing space requirement analysis.
2. Capital cost estimates are inclusive of land acquisition, construction, external works, fees and a provision for fitting out.
3. Estimated running costs for new build based on BCIS rates assuming BREEAM standard of Very Good.
4. Cash flows have modelled total potential income and expenditure over a 25 year period into perpetuity, including capital receipts and rental income from release of surplus assets where appropriate.
5. The cash flow model is generally used to appraise investment projects whereas in this case it has enabled a comparison of discounted revenue and capital costs for different options over a period of years. A range of capitalisation rates between 6% and 8% have been used for all cash flows. This reflects projected borrowing rates and also the perceived project risks (e.g. land assembly, income from asset disposals and lettings, future changes in operational and service needs). It should be noted that the rate of return that has been used may be adjusted to reflect perceived risks and although

this would alter the NPV, the differential between options would remain relatively unchanged.

IV. STAKEHOLDERS

The Redditch Place Review board is comprised a wide and diverse range of public and private sector partners. All partners share the common goal of making Redditch a better place where people have access to great education, excellent healthcare and a community that people will be proud to live and work in. The universal commitment from all partners ensures that the scale of proposed change is significant.

The Place Review is being led by Place Partnership:



“We are here to drive the transformation of Redditch with the support of stakeholders, working towards achieving the vision for the town. We strongly believe that the Place Review will direct and positively contribute towards the change needed to create the vibrant, sustainable and thriving community for residents, visitors and businesses for generations to come”

In addition to the Place Partnership project team, the Redditch Place Review Board includes the following stakeholders, all of whom are committed to achieving the vision for Redditch to create a thriving and sustainable economy:

Redditch Borough Council

Kevin Dicks – Chief Executive

Jayne Pickering – Executive Director of Finance

Ruth Bamford – Head of Planning and Regeneration



Worcestershire County Council

Nigel Hudson – Head of Strategic Infrastructure and Economy



West Mercia Police

Richard Elkin – Director of Enabling Services



Hereford and Worcester Fire and Rescue Service

Nigel Snape – Head of Legal Services



National Health Service

Mark Fenton – Head of Estates and Facilities Management



Redditch Place Review 2017
 OPE and re-generating Redditch Town Centre
 5 February 2018

Homes and Communities Agency

David Charmbury – Specialist, Accelerated Delivery



Regeneration Manager

St. Stephen's Church

Reverend Paul Lawler



Heart of Worcestershire College

Stuart Laverick – Principal



Kingfisher Shopping Centre

Ken Williams – General Manager



Rail Services

Collette Brown-Bolton – Network Rail - Senior Surveyor



Robert Hornsey – Head of Cross City Services London Midland



North Worcestershire Economic Development and Regeneration

Dean Piper – Head of Economic Development and Regeneration



Jonathan Elmer – Economic Development and

V. ASSETS INVOLVED



TOWN HALL REDDITCH, Walter Stranz Square, B98 8AH

Title number: WR126315

Land area: 8,145 sqm / 87,640 sq ft / 2.01 acres

Building area: 7,236 sqm / 77,859 sq ft in the following breakdown

Lower Ground Floor	1,094 sqm / 11,771 sq ft
Ground Floor	1,818 sqm / 19,562 sq ft
1st Floor	1,349 sqm / 14,515 sq ft
2nd Floor	1,274 sqm / 13,708 sq ft
3rd Floor	1,041 sqm / 11,201 sq ft
4th Floor	660 sqm / 7,102 sq ft

Current occupiers: Redditch Borough Council, Nursery

Alternative utilisation options:

1. Residential conversion
2. Re-development to mixed use (retail/leisure/hotel/residential)
3. Grade-A office conversion
4. Grade-B office refurbishment
5. Conversion to hotel
6. Residential redevelopment (including demolition of current building)

Annual running costs: £7.89 psf





LIBRARY REDDITCH, 15 Market Place, B98 8AR

Title number: WR139151
Owner: Worcestershire County Council
Land area: 933 sqm / 10,043 sq ft / 0.23 acres
Building area: 2,553 sqm / 27,469 sq ft
 Ground Floor 1,174 sqm / 12,632 sq ft
 1st Floor 805 sqm / 8,662 sq ft
 2nd Floor 574 sqm / 6,176 sq ft

Current occupiers: Library, Job Centre Plus

Alternative utilisation options:

1. Residential conversion
2. Grade-A office conversion
3. Grade-B office conversion
4. Hotel conversion
5. Retail conversion
6. Demolition for Public Open Space

Annual running costs: £7.00 psf



POLICE STATION REDDITCH, Grove Street, B98 8DD



Title number: WR87251

Owner: West Mercia Police & Crime Commissioner

Land area: 3,141 sqm / 33,797 sq ft / 0.8 acres

Building area: 3,384 sqm / 36,412 sq ft in the following breakdown

Basement	37 sqm /	398 sq ft
Lower Ground Floor	407 sqm /	4,379 sq ft
Ground Floor	635 sqm /	6,833 sq ft
1st Floor	1,132 sqm /	12,180 sq ft
2nd Floor	1,173 sqm /	12,621 sq ft

Current occupiers: WMP

Alternative utilisation options:

1. Residential redevelopment
2. Grade-A office redevelopment
3. Grade-B office refurbishment
4. Development of a brand new police station
5. Refurbishment of the current police station

Annual running costs: £7.80 psf



Holtham Collection.

Redditch Fire Station & Appliances: 1990.



FIRE STATION , 226 BIRMINGHAM ROAD, REDDITCH, B97 6EL

Title number:

Land area: 3,500 sqm / 37,660 sq ft / 0.86 acres

Building area: 933 sqm / 10,071 sq ft in the following breakdown

Current occupiers: HWFRS

Current annual running costs: £46,000 p.a.



SMALLWOOD HOUSE REDDITCH, Church Green West, B97 4DJ



Title number: HW135680

Land area: 4,271 sqm / 45,956 sq ft / 1.06 acres

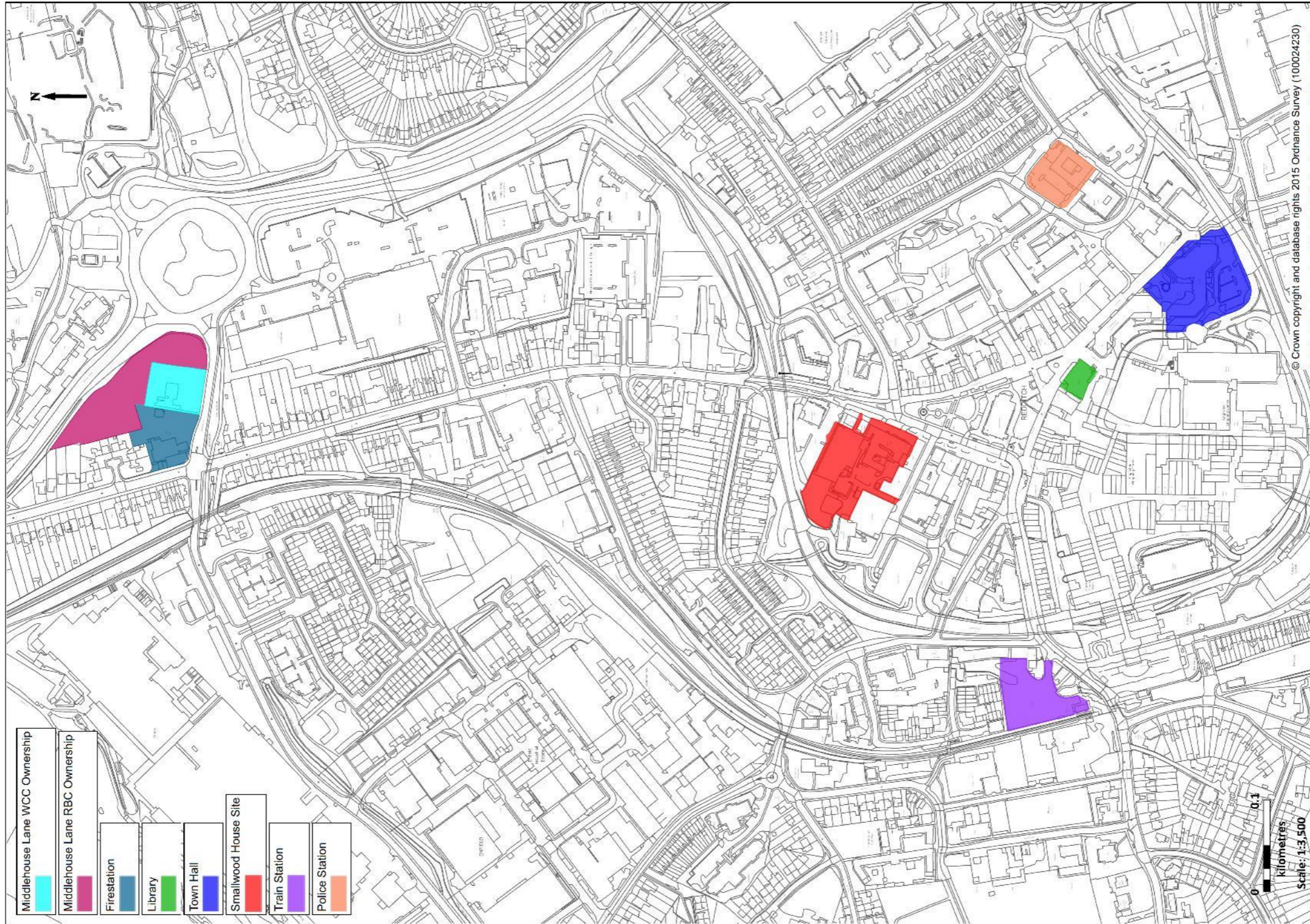
Building area: 1,613 sqm / 17,356 sq ft in the following breakdown

Current occupiers: NHS

The front façade of the building is locally listed.

More recent additions to the rear can be demolished and redeveloped to office buildings.

The assets detailed above are shown in the plan below:



VI. ONE PUBLIC ESTATE PROJECTS

The long term vision of this review is to create well defined quarters within the town centre all of which cohesively work towards its regeneration. The illustration opposite provides a potential layout. The blocks in red comprise 4 storey buildings and yellow 3 storey.

- **Location 1** – Train Station Quarter. An improved gateway into Redditch with clear pedestrian links.
- **Location 2** – Leisure quarter. Originally this area was envisaged as a leisure quarter, providing retail/leisure/hotel and residential. However, this would only be financially viable if the asset was held in perpetuity. The alternative, more feasible option is to convert solely to residential as evidenced in the option appraisal.
- **Location 3** – Threadneedle House (yellow block) and the Library (red block). Threadneedle House is currently being converted for residential use. The Library building could be demolished and the cleared site utilised to create public realm works including water fountains, clear pedestrian links through to the Kingfisher Centre and possibly small retail outlets/restaurants.
- **Location 4** – Commercial Quarter – This location will form an administrative district which provides commercial office space for both the public and private sector, with potential to absorb demand for office space from Birmingham.
- **Location 5** – Residential Quarter. Additional homes provided to provide quality places to live for people and compliment the Town Centre regeneration as well as helping achieve the Town’s housing targets.



1. Town Hall



The Town Hall, the main municipal offices for Redditch Borough Council, has been identified as a key public sector asset with significant potential for co-location, refurbishment and redevelopment opportunities.

This is a 6 storey, concrete framed building with brick elevations, built in the 1970s and comprising some 7,236m² of net internal area and located within 0.86 hectares (2.01

acres) (total ownership site area shown outline in red on the Site Plan in Appendix 2), including an external 56 space car park. The property is located at the southern end of Alcester Street opposite the Palace Theatre, Rileys Indian Restaurant, a Weatherspoons public house and other potential leisure based retail outlets.

Threadneedle House, a property that was originally linked to the main structure was sold a few years ago and more recently separated from the main structure. This is currently undergoing refurbishment and conversion to form 48 apartments, which has recently been marketed.

The Town Hall currently houses 380 RBC staff. Other third party users include the Citizens Advice Bureau (CAB) and a nursery.

It is apparent that parts of the Town Hall are presently under-utilised and the internal space is showing signs of age and in need of refurbishment. A space audit and benchmarking exercise was undertaken and options investigated with a view to improving the use of the building for better service delivery, potential for cost savings and opportunities for income generation or relocating to a new Public Services Hub with the same potential savings in conjunction with other partner / occupier organisations.

The following options were considered:

Option 1 – Do nothing

Option 2 – Review current utilisation of space within the Town Hall and create vacant space, using existing furniture within the building.

Option 3 – Review current utilisation of space within the Town Hall and create vacant space by forming open plan working spaces, investing in new furniture and new ways of working.

Option 4 – Relocation of Redditch Borough Council together with current interested tenants / licensees from the Town Hall to another building within Redditch, to release the building for refurbishment / redevelopment.

Option 5 – Sale of whole and leaseback of part refurbished offices and reception for municipal use the remainder being converted for alternative uses such as a hotel or residential (owned by a third party).

Outcome

An appraisal of the options for the Town Hall has demonstrated that Option 2 would provide a cost effective means of improving space utilisation for RBC but may not provide better ways of working and utilisation of space. Subject to capital investment greater space efficiencies might be achieved with the opportunity to release even more surplus space for alternative uses if Option 3 were employed. With the exception of Option 2 none of these options would be likely to generate sufficient value to finance the substantial capital investment required for transformation of office space and services, alternatively Option 5 would result in significantly increased revenue costs for RBC which would be the opposite of what would be desired by the Council.

In light of these findings the Review has focused on **Option 4** relating to a combined RBC/Public Sector Hub in collaboration with other public sector partners as a means of sharing financial risk and facilitating the release of other assets in the town centre (e.g. Smallwood House, library, registry office and potentially the police station if relocation with the Hub proved to be the preferred option).

Cost estimates used to evaluate this project have subsequently been refined and superseded by those provided by Quantity Surveyors for the appraisal of the Public Sector Hub.

Town Hall Disposal / Redevelopment

Upon relocation to the new Public Services Hub the existing offices would become vacant and disposal or reuse at the earliest date must be considered as a priority to ensure that unoccupied property costs are kept to a minimum.

Future uses that have been considered for the former Town Hall are as follows:

- **Letting or selling the office space in its existing condition as a whole or in parts** - On the face of it this option is the least expensive in terms of capital expenditure and potentially produces an acceptable income or capital receipt from the building but there may be little demand unless the space is let at a low rent. This type of space would not generally attract the best users and there could be a high turnover of tenants. This use would require intensive management and although costs should be recoverable through a service charge there may still be voids where costs are not recoverable. This use is not likely to create greater vitality within the town centre.
- **Refurbishing to create more modern office space that would demand a higher rent** – This option would create more desirable space but it is clear from the lack of take-up of office space within the town centre that there is very little demand at this moment in time. This situation may change through time as office rents in Birmingham become so high that companies are forced out into the regions.
- **Conversion to form 78 new apartments** - In theory this option would produce a good return on cost but is very much dependent upon demand and a very conservative approach has to be taken to letting or selling the apartments. Threadneedle House will provide a good indicator as to the demand for apartments within the town centre. However, the quality, size and price of the apartments is also going to be a key factor in creating desirable accommodation as well as the location.
- **Mixed use conversion creating either hotel and residential, residential and office, or hotel and office with perhaps a small amount of retail on the ground floor** – There is a requirement for a 60+ bed hotel within the town and conversion of part of the building for this use is possible. This use clearly would not occupy the whole building so other alternative uses linking with the hotel would need to be considered. A3, food retail, uses on the ground

floor could marry in very well with a hotel and potentially residential or office within the remaining space.

- **Demolition of the existing building with a view to redevelop the site for retail, leisure, hotel, residential or mixed use** - Demolition of the building would create a 0.8 hectare (1.98 acres), slightly sloping site, in a very prominent location next to the ring road with easy pedestrian access into the town centre, access from the ring road and good links into the Kingfisher Centre and the adjoining multi-storey car park. This option could potentially have a very marked effect on the town centre. However, the cost associated with the demolition would be high, and to make this option stack up financially and therefore attractive to a developer, funding to demolish the building and clear the site may be necessary. This could be one of the projects where funding through the LEP (see Chapter VII) could be justified.

2. Redditch Library regeneration



Redditch Library is owned by Worcestershire County Council and is situated in the Town Centre occupying a prominent High Street position fronting one of the entrances to the Kingfisher Shopping Centre. Jobcentre Plus (JCP) is due to relocate to the library in early 2018.

It is proposed that a future relocation of an integrated Library/JCP as part of a new public sector hub would complement other services and strengthen the role of the Hub as a key town centre destination.

The relocation of this service would result in the library building becoming vacant. Given the building's prominent position, the most beneficial opportunity is considered to be demolition of this building utilising the cleared site to extend the public realm and create a community focal point between the High Street and the Kingfisher Shopping Centre.

A demolition of the building could potentially be funded from the GBS LEP grant, as detailed in Chapter VII. Whilst the demolition of the building does remove an asset with inherent value, as detailed in the alternative option financial

appraisals, the demolition and resulting public realm works have a clear focus on the regeneration of the Town Centre both aesthetically and economically.

The public realm works proposed in this location would include seating areas, water features and restaurant outlets as detailed overleaf. The intended investment would create an area where people can stop, relax and socialise, as well as hosting a variety of events. A design could incorporate features such as lighting columns, a water feature with fountain jets which can be drained to create events space, a glade of trees, seating and greater integration of the Kingfisher Centre into the wider design of the square. The square could be further enhanced by the addition of a canopy stage, as well as with nearby retail outlet developments and the opening up of the pedestrian access between the Kingfisher Centre and the Church Green area as part of the redevelopment works.

Demolition rather than re-use of the Library Building would open up the access way to one of the main entrances into the Kingfisher Centre that is currently shrouded by the Library. A new piazza could be created and public realm works would need to be undertaken to create a venue for public events throughout the year. However, an unattractive open void would also be created if demolition of the Library is considered on its own. A new, smaller, single storey development of up to 500 m² of retail space (A1/A3) potentially providing a new café and restaurants would help create greater viability & vitality within that area of the town centre.

However an alternative could be for the owners of the Kingfisher Centre to redevelop the unit adjoining the piazza to create a number of A1/A3 outlets fronting the piazza. An example of how this may appear is shown below.

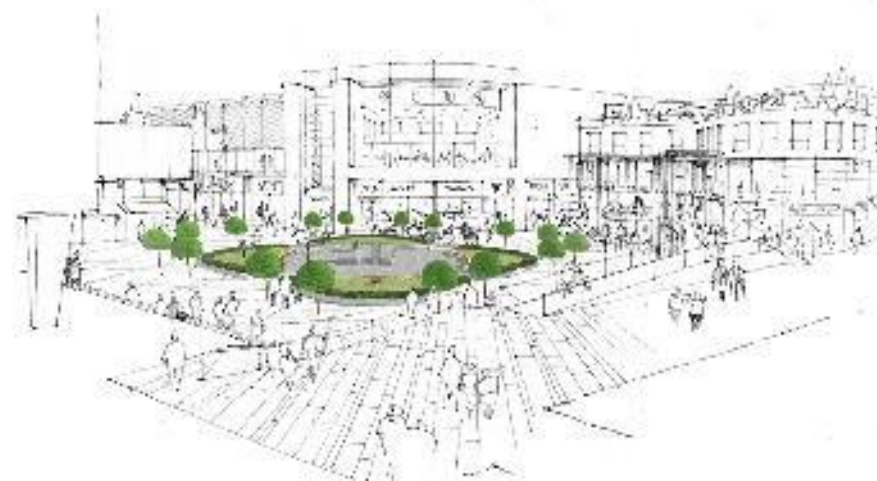


The purpose of introducing these features is to provide the Town Centre with a more open and connected feel. Presently, there is a disconnect between the prominent Kingfisher Centre and the High Street which is lined with vacant units. By creating a Town Centre focal point, sandwiched between a regional shopping centre and high street, it may generate footfall and also improve the prospects of letting the vacant units. In conjunction with a shop front improvement scheme, the regeneration of this area would be a catalyst to revitalising the Town Centre economy.

The examples of public realm works overleaf provide a visual representation of the aim for the cleared library site. In addition to public amenities such as seating areas and water features, construction of glass fronted restaurant outlets would vastly improve the evening economy of the Town which is currently

absent. Tenants could include national food outlet brands which typically occupy such town centre locations.

The resulting “Urban Square” provides opportunities for daytime and evening events for children and adults alike. This type of development has proved a great attraction for families in other Towns such as Londonderry/Derry, Manchester and London.





Londonderry/Derry City Centre Public Realm

Source: fpmccann.co.uk



Greengate Public Realm, Salford, Manchester

Source: David Dixon



Duke of York Square, London

Source: Davis Landscape Architecture

Covered Market Area

An underutilised, open sided but roofed area comprising of 505m² of ground floor space adjoining a back site walkway known as Market Walk (see plan below) has potential to be redeveloped for alternative uses.

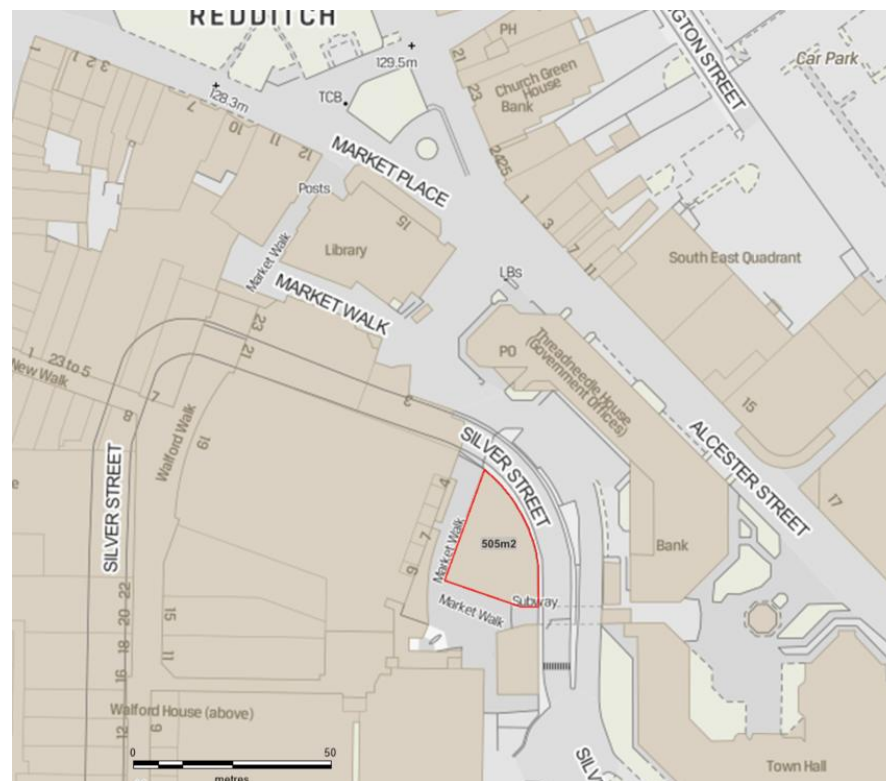
The former 'covered market area' could be developed to house the proposed relocation of the public/customer facing Hub ('One Stop Shop'). The Public Services Hub would include all of the services proposed to be located with a back office and include, a police desk, WCC, RBC, JCP, CAB, planning portal and the public library and meeting rooms.

However, the available ground floor space is not very large and expansion beyond the existing floor plate is not possible without major redevelopment that would need to include nearby buildings.

The covered market area does not lend itself to housing the back office requirements on top of the public facing services due to the small footprint of the site, the 'back site' nature of the location and the close proximity of other high rising buildings. There would be very limited spatial separation between the buildings due to their close proximity to one another that may raise issues around fire risk, right of light, security and privacy.

Due to the enclosed nature of this location and the necessity to split the public facing and back office requirements, this would not be a preferred option for the Public Services Hub.

An alternative use for the covered area could be as a secure-store to house town centre event equipment and possibly market stalls. This could be achieved by building up the two exposed sides.



Covered Market area

3. 'Blue Light' Services

3.1 West Mercia Police



The existing police station (Local Area Policing Base – LAPB) has been included within an estate rationalisation program announced by the Police and Crime Commissioner in 2013. This also aligns to the “Looking to 2020” vision document that sets out ambitions for the Police up to 2020 and beyond.

The existing LAPB which is located on Grove Street in

Redditch town centre was originally constructed in the late 1970s and comprises approximately 3,384 m² (GIA) of useable space over 4 floors. The property is located on a sloping site of approximately 0.32 hectares (0.8 acres) as delineated on the attached plan in Appendix 2.

1,800m², the approximate current internal space usage, is also being used as the gross internal space requirement for the new build but this area is an estimate and subject to ongoing further space requirements analysis.

A separate report has been produced highlighting the feasible options in relation to the future operation of police services within Redditch which are summarised below:

- **Refurbishment and retention of existing Local Area Policing Base (LAPB) -** Due to its age and construction there are presently a number of problems with the fabric of the building including high levels of asbestos. The property is also significantly larger than today’s policing requirements would demand and suffers from high costs of operation.
- **Build a new standalone LAPB - The land area required to comply with current standards and housing a building of only 2 stories has been estimated by architects to be 1.2 acres based on a total gross internal area of 1,800m² and assuming a provision of 60 car parking spaces. If the new LAPB is out of the town centre, provision would need to be considered for the town centre Safer Neighbourhood Team (SNT). This provision (probably to cater for 24 hours policing for 3 officers) can be provided within the Public Service Hub proposed to be located off Church Green West.**
- **Build a new LAPB in conjunction and jointly with the fire station** Space requirements could be further reduced to 1,620m² when considering a combined build and sharing services with the fire service on Middlehouse Lane. It is possible that space requirements could be increased or further reduced but this will not be fully determined until full spatial analysis is undertaken when final requirements are determined. This option will be detailed in the next section and would provide an overall reduction in build cost allocation and land take. There would also be a reduction in overall running costs compared to a standalone station.

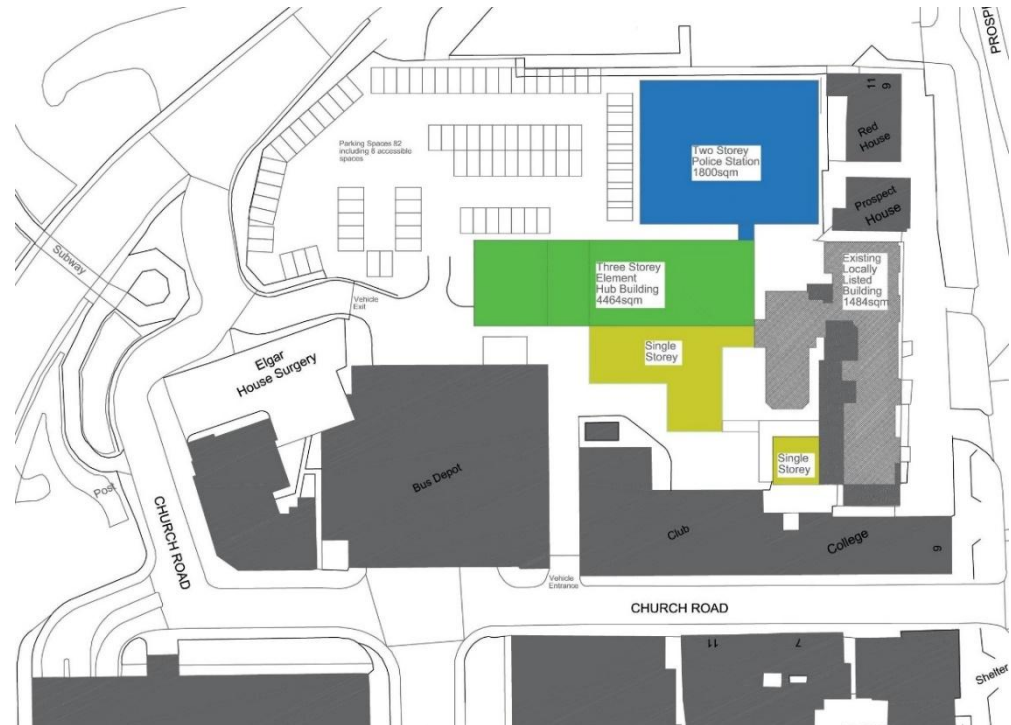
However, being outside of the town centre provision for SNT officers within the Public Services Hub would need to be considered.



Plan A – Combined Police and Fire ‘Blue Light’ facility on WCC & RBC land on Middlehouse Lane

It is important to mention that currently there is a policy conflict between the planned developments and the actual allocation of the site for housing.

- **Build a new LAPB in conjunction and jointly with the new Public Services Hub** – Acquiring both the Smallwood House and adjoining HCA site off Church Green West would provide enough land to build the Public Services Hub and a new LAPB. At this stage integration with the Hub has not been considered and therefore the estimated gross internal area remains at 1,800m² but there could be a physical link and front counter presence within the Hub reception. Plan B shows a possible layout of the Hub and LAPB on the Church Green West land. This option does remove the need to have a separate area within the Hub for 24 hour use by SNT officers. This requirement could be included with the LAPB rather than the Hub.



Plan B – LAPB in conjunction with Public Services Hub

3.2 Hereford & Worcester Fire and Rescue Service



The Fire & Rescue Service has a requirement to replace the existing fire station located at Middlehouse Lane as it is both dated and suffering from subsidence.

The existing fire station is located on the corner of Middlehouse Lane and the Birmingham Road. The main building is a brick built 3-storey structure comprising of approximately 936m² (GIA) located on a relatively level site of 0.35 hectares (0.86 acres).

A recent analysis has concluded that based on evidence of risk of fire, incident activity, road network and home locations for retained fire fighters that Redditch station would be best placed either on, or near, the current location at Middlehouse Lane.

The development of a new fire station on adjoining land owned by Worcestershire County Council, or that owned by Redditch Borough Council would be the ideal scenario and although the new station could be built on the land owned by Fire Service there would be much less disruption and no loss of land to service the fire station during the construction phase by building on the adjoining land.

This approach would require co-operation by the County and/or Borough Council.

A multi-agency hub with the Police is another possibility that would satisfy the



requirements of both blue light services. This option, considered within the options for the relocation of the police station in the next section, would again require co-operation by both

Worcestershire County Council and the Borough Council since the

land take would be greater than that required for the fire station alone and the extent of the County land would not be sufficient.

Plan A in section 3.1 shows an example of the combined service which for this example uses a land area of 0.74 hectares (1.83 acres). This option would still leave 0.64 hectares (1.59 acres) of land for future redevelopment and the opportunity to generate a capital receipt.

The combined hub would provide an opportunity for service integration and also reduce the build area requirements for each individual service. This is achievable due to the sharing of building services and facilities such as reception and toilets. The estimated GIA for a standalone police station is 1800m² and fire station at 1100m². The combined area total could potentially be reduced to 2,610 equating to 1,620m² for the police and 990m² for fire.

The Fire Service have allocated funding to enable the development of the new fire station and the project is in position to move to feasibility stage.

Outcome

Dependent upon the police making a decision in relation to their options for relocation or refurbishment of the existing station, the joint Blue Light facility would be the most rational decision.

However, the fire service will first need to move forward with plans to build a new station. This can be as a standalone project or in conjunction with the police to produce a joint 'blue light' Hub that would hopefully produce some integration between the services and thus further potential cost and space saving.

The option for the redevelopment of the land adjoining the existing fire station for either retail or residential use could still be considered even if the joint 'blue light' development on the Borough & Worcestershire County land went ahead. However, the reduction in available land from 1.03 hectares (2.55 acres) to 0.64 hectares (1.59 acres) may prove to be insufficient for the supermarket operator.

If the decision is taken to relocate the LAPB to Church Green West it would mean a separate town centre base for SNT officers is not required. Further integration of the police operation could also be considered as part of the Public Services Hub thus reducing the space requirements within an individual LAPB. However, space would still be required to house staff either within the LAPB or the Hub and as such there would still be the cost of occupation either paying rent / licence fee or a capital sum through a JV vehicle.

Further feasibility work and more accurate costings can be produced when we have a better understanding of the blue light services preferred option.

Relocation from the existing LAPB would potentially free up a town centre site for residential, leisure or retail development which could also include the 'stopping-up' of Grove Street and creating a link to the adjoining retail site. However, the demolition costs associated with the existing building would be high, , due to the presence of asbestos within the building which in turn would reduce the net capital receipt for the site. Currently we are not aware of any retail or leisure occupier demand for the LAPB site. It is also crucial to bear in mind that the Town Hall is recommended for residential conversion; redevelopment of the LAPB site concurrently with the Town Hall for residential use may result in an oversupply.

4. Public Sector Hub

There is an opportunity to create a public sector hub in the town centre to provide a single point of delivery for a range of integrated public and voluntary sector services building on the success of existing partnership ventures such as Connecting Families.

A broad assessment of space requirements for potential Hub partners has been used to evaluate possible options for co-location with RBC either within a refurbished Town Hall or a new build on either HCA/NHS land at Church Rd /Smallwood House or the land adjoining the Railway Station or the site of the current library. All would require substantial capital investment but could potentially deliver significant service transformation benefits and efficiency savings for partners in line with the OPE objectives. A new build would also act as a catalyst for redevelopment facilitating other regeneration objectives.

The potential partners interested in relocating into a new Public Services Hub together with their space requirements are as follows:

Partner	GIA
RBC (Office)	1,236 m ²
RBC (Civic)	420 m ²
Printing	168 m ²
Library	800 m ²
Job Centre Plus	400 m ²
NHS	1,000 m ²
Publicly accessible areas (Hub)	440 m ²
Police	TBD
HCA	TBD
Citizens Advice Bureau	TBD
National Probation Service	TBD

Accord Housing	TBD
Worcestershire County Council	TBD
Others	TBD

The following options for a Hub have been considered and assessed using a discounted cash flow model to determine comparative life cycle costs (further details of each option and a summary of outcomes are provided at Appendix 3):

Town Hall refurbishment to accommodate:

Option 1 – RBC, a Public Sector Hub and surplus space

Option 2 – RBC, a Public Sector Hub, Library & JCP

New Build Accommodation

Option 3 – RBC and a Public Sector Hub

Option 4 – RBC, Public Sector Hub, Library & JCP

Option 5 – RBC, Public Sector Hub, Library & JCP and relocated LAPB & Parking

Outcome

A refurbishment of the Town Hall would maximise use of the existing asset enabling earlier implementation of hub proposals. Whilst the capital investment required for a new build would be significantly higher, this offers an opportunity to stimulate redevelopment of other key town centre sites and increased OPE regeneration benefits. However, a purpose built public sector hub would provide additional benefits including efficient and flexible working space, the potential for further collaborative and joined up working, lower running costs from a modern and energy efficient building and potential for income streams from letting of surplus space.

The project finance for construction could be funded via the disposal of surplus assets, prudential borrowing, central government grant funding, private sector equity (JV) and making better use of retained assets which will generate a revenue stream to cover the financing costs.

When modelled over a 25 year period and beyond this option compares very favourably in Net Present Value terms with the status quo and retention of existing assets.

4.1 Smallwood House / HCA Land



The Smallwood House site, in conjunction with the adjoining land owned by the Housing & Communities Agency (HCA) is seen to be the most developable site within the town centre and has the advantage of overlooking Church Green.

The Smallwood House site and the adjoining HCA land on Church Green West comprises approximately 0.43 hectares (1.06 acres) and 0.42

hectares (1.04 acres) respectively, outlined in red on the site plan in Appendix 2.

This location is seen to be the most suitable and potentially available location for a new Public Services Hub due to its central town centre location and potential to revitalise a rundown area of the town.

Smallwood House itself was constructed as a hospital in 1895 and remains a medical centre today in the ownership of Worcestershire Health & Care NHS Trust. The current building comprises a total of 1,613m² of gross internal space and is locally listed so that any redevelopment of this site would need to take this into consideration which in effect may mean that the facade Church Green West would need to be retained together with part of the adjoining structure.

Potentially the front portion of the existing building could be refurbished and let commercially for shops, coffee bar and restaurants. There would be sufficient land to the rear of those parts that need to be retained to house the new build hub, offices, library and LAPB.

The merits and challenges of retaining the façade plus part of the adjoining structure have been discussed with architects, and we have been advised that in so doing it would not only be difficult to achieve acceptable modern office specification but differing floor levels would seriously compromise the configuration and efficiency of the new space. In addition, incorporating the original structure is likely to increase development costs. If the new building was set back beyond the existing buildings which could then be refurbished to provide an alternative viable use then that may be less costly but this option would use the space theoretically allocated for parking around the new building.

It may be possible to retain elements of the facade e.g. the middle section and still achieve the goal of a landmark new building. However it is recommended that an architect is commissioned to further analyse the possible options and detailed costings around retention of Smallwood House.

A schematic plan showing the potential new build adjoining Smallwood House together with the LAPB is shown on page 36 under the section relating to West Mercia Police (Plan B). The plan shows the new 3 storey Public Services Hub building comprising of 4,464m² together with an adjoining LAPB comprising of 1,800m² and makes full use of the both sites including parking although a fair

proportion of the required parking for the proposed scheme could be provided within the nearby multi-storey car park 7 (owned by Capital & Regional and Oak Tree Capital Management, who also own the Kingfisher Centre) if not redeveloped as retail function.

The land owned by the HCA used to house the 3-storey concrete framed block known as the Smallwood Health Centre. This was demolished in 2013 and the site cleared ready for redevelopment. The HCA were originally considering disposal of the site for residential development but a recent marketing campaign did not generate the required interest. The HCA received offers to purchase the site for car parking, however, use of the land for car parking would be contrary to planning policy.

A former nightclub building (shown shaded in purple on the site plan in Appendix 2) has recently been demolished and planning permission has been granted to build a 4 storey residential block comprising 27 apartments (a 3D impression of the new build is shown below). This new residential scheme will complement the proposed Hub development although any new planning application will need to consider any 'right of light'.



It is understood that the Trust would be willing (subject to the Trust's Board approval) to dispose of this asset but would want to retain some clinical space within the proposed new Public Services Hub to replace the services, lost due to the closure of the current medical centre, that would be required within that location. The services to be retained would need to be temporarily relocated elsewhere during the development phase of the site.

Negotiations are also taking place with the HCA to acquire the adjoining site that would certainly be required if the LAPB is to be based with the Hub.

A combined RBC/Hub scheme would provide the foundation for an ambitious and vibrant mixed use development in this part of the town centre comprising public sector, residential and commercial uses. To ensure that regeneration opportunities for this site are not lost both NHS and HCA assets need to be retained in public ownership pending the conclusion of the review and outcome of a detailed feasibility exercise for the development of a new public sector hub.

Outcome

It is understood that the Worcestershire Health & Care NHS Trust would be willing (subject to the Trust's Board approval) to dispose of the Smallwood House asset but would want to lease clinical space within the proposed new Public Services Hub to replace the services, lost due to the closure of the current medical centre, that would be required within that location. The services to be retained would need to be temporarily relocated elsewhere during the development phase of the site.

The proposed method of acquisition of the freehold of the site from the Trust would be by way of a 3 year 'Option Agreement' which would allow the prospective purchaser of the site the right to buy but subject to them obtaining satisfactory planning permission, obtaining the funding to purchase the property

and undertake all necessary surveys. All permissions and agreements to lease with prospective tenants for the Hub could also be agreed during this period. The purchaser must have the right to complete on giving reasonable notice or terminate the option.

Negotiations are also taking place with the HCA to acquire the adjoining site that would certainly be required if the police decided to locate the LAPB with the Public Services Hub. However part of the site may also be required to accommodate part of the Hub building or services associated with the use of the building even if the LAPB were located elsewhere. It is unlikely that the whole site would be needed from day one but should be kept for expansion or other viable uses.

This land should provide additional commercial office accommodation should further demand be generated from the Smallwood House development thereby becoming a strategic town centre site and commercial focus to act as a catalyst for the wider regeneration of the Church Green West area.

5. Railway Gateway

The area in the immediate vicinity of the station and Edward Street is identified in the Council's Local Plan as part of a strategic town centre site.

There may be potential opportunities for using Network Rail land and other adjoining land to facilitate early regeneration of this part of the town centre and to strengthen the role of the station as an important gateway.

Ideally this needs to be considered in the context of plans for the redevelopment of the former industrial site at Edward Street. The site is approximately 0.48 hectares in area and located on the corner of the Bromsgrove Road & Edwards Street. For the regeneration of the Edward Street area Local Plan No. 4 should be used to guide the redevelopment.

Local Plan No 4 Policy 31 States the Edward Street is appropriate for any Town Centre use.

In 2016 the owners of the site had been considering a residential scheme but were approached by a supermarket chain with the intention of developing a new store on the site but this option fell away due to the store operators finding a better option. The owners have cleared the site demolishing all of the buildings on the land including those that were locally listed. No redevelopment plans have as yet been submitted for approved for this site and the owners have, up until recently, been promoting the site as a car park. This activity has now ceased.

Network Rail do not have plans to redevelop the station which is currently leased to a train service operator. However, discussions with both Network Rail and West Midland Rail have revealed a willingness by all parties to explore opportunities for redevelopment of the Network Rail site as a means of securing investment in an improved station and related commercial facilities as part of a town centre regeneration initiative.

The section within the Redditch Town Centre Strategy Report (RTCSR), produced in 2009, relating to the train station states that in redeveloping the train station



area it is considered essential that the opportunity is captured to improve connectivity between the rail station, the bus station and onwards into the town centre. It is important to ensure that the public realm is of high quality, that it incorporates 'spaces' which improve navigability and leave a lasting impact on users. Redevelopment should also ensure the integration of active frontages, cafes and restaurants that can

complement a station area and support its integration with the town centre. This area should be seen as a 'gateway' to Redditch.

The initial image of Redditch as people arrive by train is currently poor with the undeveloped Edwards Street site on one side and the unattractive back side of the takeaway premises that front Unicorn Hill adjoining the train station car park on the other.

Further meetings will be held during 2018 between RBC, Network Rail and West Midland Rail in an attempt to bring forward improvements to this important gateway site.

VII. Funding & Delivery Options

1. Funding Sources

There is a range of potential funding options which can support the delivery of the town centre transformation and regeneration.

- Prudential borrowing
- Capital receipts from sale of surplus assets
- Revenue stream from retained and better used assets
- Revenue streams from occupiers of new hub
- Capital reserves from board member organisations
- Greater Birmingham and Solihull Local Enterprise Partnership bid
- One Public Estate (Phase 6)
- Joint ventures with other public and private sector organisations

One of the key factors in securing private sector ‘buy-in’ is to be able to de-risk projects and demonstrate stability. A local authority which shows a strong plan and leadership and is willing, if necessary, to use its powers of compulsory purchase to assemble land can do this.

Having made initial enquiries we are of the opinion that there are a number of developers/funders in the market for JV opportunities in the town, on the assumption of clear objectives and a positive message from the council, backed up by a robust masterplan.

Fundamentally, partners will need to consider the long term revenue impact of proposals and whether to use their public sector covenant to facilitate development (e.g. through a sale and leaseback or JV arrangement with a private developer), or to finance development by means of a combination of borrowing and reinvested capital receipts from asset disposals.

In collaboration with the Greater Birmingham and Solihull LEP, RBC has recently submitted a bid for LGF funding to assist in the unlocking of development opportunities and to transform the town centre through targeted intervention measures including infrastructure improvements, land assembly and where required gap funding for projects. This will enable redevelopment proposals to be brought forward in a planned and cohesive way to achieve the Council's vision for a revitalised town centre. 10% of the total £5,000,000 anticipated award (up to £500,000) can be drawn down in advance to assist with preliminary due diligence works such as site investigations, professional fees and feasibility studies.



2. Delivery Options

2.1 Prudential borrowing - Public Works Loan Board (PWLB)

The Board could elect to fund the project through prudential borrowing via Redditch Borough Council. The PWLB is a statutory body which issues loans to local authorities. Loans can be secured for up to 50 years, at rates around 2% to 2.5%¹.

In accordance with Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, this form of funding would require a Minimum Revenue Provision (MRP).

Redditch Borough Council would be required each year to set aside a proportion of its revenues as provision for debt. This provision relates directly to capital expenditure financed by borrowing. In accordance with Section 3 of the Local Government Act 2003, councils must determine and keep under review the amount they can afford to borrow. The capital expenditure must be justified and consider aspects of the expenditure to include service objectives, value for money, sustainability, affordability and practicality.

Pros	Cons
<ul style="list-style-type: none"> • Low cost of borrowing. • Assets remain in public sector ownership and do not need to be transferred to third parties. • Repayment based on revenue, which can be supported by operational cost savings and further generated from rent, business rates, council tax, car parking charges etc. 	<ul style="list-style-type: none"> • Long term repayment commitment predicated on future income projections. • Procurement of a contractor for a project as large as this may induce procurement complexities. • The council's ability to repay the loan is very sensitive to fluctuations in revenue streams.

¹ Source: Department for Communities and Local Government: Capital Finance – Minimum Revenue Provision (2012)

2.2 LABV (Local Asset Backed Vehicle)

A Local Asset Backed Vehicle (LABV) is a mid to long term joint venture between one or more public sector bodies and a private sector partner and is particularly useful where there are a number of assets involved. The public sector bodies usually contribute the assets and the private sector partner provides the expertise and resource to deliver physical regeneration.

Depending on the objectives and the agreed form of business plan, investments can then be sold (to realise a capital receipt) or retained (to realise a revenue receipt) for both the public and private sector partners. As the parties are equal partners and contributing equal value to the joint venture, the returns to the partners are divided equally. This split can be subject to negotiation depending upon the resource contributed by each party.

This model saves on procurement costs and time by procuring a trusted partner and developing a partnership with them to deliver multiple sites over a specified period; the public sector potentially removes the need to separately procure similar projects during the term of the joint venture (depending on the terms of the original procurement). Benefits can also be realised from cross-subsidising where capital receipts from valuable sites are used to de-risk others.

Pros	Cons
<ul style="list-style-type: none"> • Freedom to negotiate terms and conditions between the parties. • Rationalisation of asset base. • Generation of income streams. • Service delivery transformation. • Delivery of economic and social values. 	<ul style="list-style-type: none"> • Failure to set clear objectives can reduce effectiveness of LABV. • Lack of transparency between partners reduces effectiveness. • Difference in governance arrangements between public and private partners can cause delays. • Complex model limits the private sector partners available.

2.3 Income Strip

A more recent innovation used to deliver development is via the ‘income strip’ which is a form of sale and leaseback. There are a number of investors and annuity funds in the market targeting long term income from undoubted covenants such as government bodies and local councils and pay significantly improved yields to reflect their reduced risk.

If Redditch Borough Council were to leverage the strength of their covenant within the deal by taking an overriding long term lease, paying a rent lower than market level, and then sub-letting to an occupier at a higher rent it would enable delivery of required property/regeneration whilst generating an income for RBC. The development would effectively be forward funded via the sale of the RBC lease to the fund, potentially releasing a modest land value, with the option for RBC to purchase the freehold at the end of the term. This structure would necessitate entering into a partnership with a developer and a fund.

Pros	Cons
<ul style="list-style-type: none"> • Opportunity to acquire the freehold interest at the end of the term. • Release of capital. • Rental level below market rate, enabling sub-lettings to generate income. • Fixed rent increases linked to RPI with potential for cap and collar adding a level of certainty. 	<ul style="list-style-type: none"> • The structure of this model is inflexible. • Long term commitment to RPI which can fluctuate. • Rent is paid to a private sector entity.

2.4 Development Agreements

On single sites in public sector ownership where there is a positive land value generated by the desired end use, a conditional contract or simple option/development (i.e. contractual) agreements can be used. Either the site is sold, potentially with an element of overage, or, once the scheme has been delivered profit is shared, usually with the developer taking a priority return. Site-specific Development Agreements are useful to establish co-operation between partners on issues like planning, finance, land acquisition, transport and the public realm.

Pros	Cons
<ul style="list-style-type: none"> • Redevelopment process is handled entirely by the developer. • No relinquishment in interest from asset(s) involved, purely a share of profits and expenses from the project(s). • Partnership working can achieve benefits that would be absent if partners work in isolation. 	<ul style="list-style-type: none"> • Procurement timescales can delay and add cost to the project. • A share of profits is lost to the developer. • The relationship between parties is governed by a document drawn up from the outset. • Disputes between parties during the life of the agreement can lead to litigation.

3. Funding packages

The following funding resources could be combined to realise the individual real estate development projects.

3.1 Town Hall

RBC as a sole investor	Involvement of a JV/LABV partner
<ul style="list-style-type: none"> RBC equity. Prudential borrowing up to the required total amount of investment. 	<ul style="list-style-type: none"> Partners' equity up to the required total amount of development. RBC equity. Prudential borrowing for gap financing.

3.2 Library

WCC as a sole investor	Contributions
<ul style="list-style-type: none"> WCC equity. Prudential borrowing up to the required total amount of investment. 	<ul style="list-style-type: none"> WCC equity. RBC's financial contribution. Partner organisations contributions. Prudential borrowing for gap financing.

3.3 Redditch Police Station

The current police station is recommended for disposal. The below package is compiled for the development financing of a new police station either in a standalone building or as recommended in a joint blue light services facility

WMP as a sole investor	Involvement of HWFRS as a partner
<ul style="list-style-type: none"> WMP equity. Prudential borrowing up to the required total amount of investment. Capital receipts from disposal of the existing police station). 	<ul style="list-style-type: none"> WMP equity. HWFRS as co-investor in a sale and lease back structure. Prudential borrowing for gap financing. Capital receipts from disposal of the existing police station

3.4 Fire Station

The new fire station will be developed on the land owned by WCC in Middlehouse Lane. There could be a land swap deal in a money-worth transaction.. Co-location with the police in a blue light services facility will result in more efficient building costs.

HWFRS as a sole investor	Involvement of WMP as a partner
<ul style="list-style-type: none"> HWFRS equity. Prudential borrowing up to the required total amount of investment. 	<ul style="list-style-type: none"> HWFRS equity. WMP as co-investor. Prudential borrowing for gap financing.

3.5 Public Services Hub

The hub will require approximately £12m to construct, requiring a range of funding sources to be drawn upon.

RBC as a sole investor	Involvement of other Public Sector Bodies
<ul style="list-style-type: none"> RBC equity. GBSLEP funding up to 10% only of funding for land acquisition if feasible. Prudential borrowing up to the required total amount of investment or gap financing. 	<ul style="list-style-type: none"> Partners' equity up to the required total amount of development. RBC equity. Prudential borrowing for gap financing. RBC capital receipts from disposal of surplus assets
Involvement of a JV/LABV partner	
<ul style="list-style-type: none"> Partners' equity up to the required total amount of development. RBC equity. Prudential borrowing for gap financing. Sale and lease back structure. 	

VIII. CONCLUSIONS & RECOMMENDATIONS

1. Conclusions

The initiative lies with the public sector to trigger a remodelling of the town centre with an innovative asset management strategy aimed at stemming the risk of economic decline and withdrawal of major investment from the town.

The proposals outlined in this report would provide significant service transformation benefits for the public sector in the town centre as well as stimulating wider regeneration. The Board need to consider if the capital investment required may be justified in terms of the following:

- Potential efficiency savings and reduced running costs
- Release of capital receipts from sale of surplus assets
- Creation of Gross Value Added for the town centre
- Safeguarding both existing and new private sector investment.
- Facilitating the transformation of public services and community “well-being”

These benefits would be fully maximised by pursuing the option of constructing a new public sector hub on the site of Smallwood House/HCA land . This is subject to the outcome of a detailed options appraisal for the future location of the LAPB.

It is vital that the transformation is led from a service delivery perspective, collating current and future requirements from partners and engraining this within the design and specification of the new building to enable future growth and flexibility.

The Risks

- The cohesion of stakeholders is essential. Without collaborative thinking, the regeneration of the town centre could take place at a much slower pace and on an ad-hoc and disjointed basis. This would not support the economic objectives of the town, and would fall short of maximising the opportunity to re-invigorate Redditch’s economy.
- The individual assets identified as being in scope of this project could be considered individual projects. Pursuing these assets as individual projects would result in a disparate regeneration exercise weakening the synergy.
- The financial modelling used for this project is very sensitive to changes in the assumptions used e.g. build costs, sales prices, rental levels, demand, occupancy levels etc.
- This project would require significant funding which results in the public sector being exposed to commercial lending terms and funding partners’ yield expectations.
- Maintaining status quo would not correspond with the OPE objectives resulting in an outdated building stock, poor connectivity in the town centre and excessive operating costs for public sector buildings.
- This project carries a reputational risk to all stakeholders. In the event that any aspect of this project falls short of the anticipated delivery timescales, funding and projected benefits this could adversely impact the anticipated success of the project and the Borough Council.
- Without sufficient marketing to boost the profile of this ground-breaking regeneration exercise, the local and national awareness of the projected

benefits will be limited. One of the key principles of marketing is “do something good and talk about it”.

- The existing infrastructure will require significant improvements to support the anticipated growth in the economy.

The Opportunities

- Collectively, the stakeholders hold significant influence over the shape of the town centre. Through working together, infrastructure improvements can be used to amplify the benefits of town centre regeneration by providing better connectivity to new and existing developments. In addition, the benefits of the OPE engagement will facilitate discussions at a higher level within central government, with the HCA for example.
- Despite the assets identified being potential individual projects, with a collaborative approach from stakeholders the full synergistic benefits can be realised.
- Through using soft market testing and engaging early with potential developer partners, more accurate figures could be applied to reduce uncertainty.
- A range of funding options are available on the market and long term commercial relationships can be established.
- With the realisation of this project, the main OPE objectives will be fulfilled and surplus assets can act as a funding source for the public sector.
- The stakeholders have the opportunity to develop a nationally recognised facility which is an exemplar of the OPE objectives and improves the way in which public sector services are delivered.

- With proper town marketing activity, supported by all partners, there will be a better image created for the town centre as a destination for business, leisure and residency.
- The growing opportunities within the town centre may support the need for infrastructure improvements. In addition, the GBSLEP monies can significantly support public realm improvements and connectivity within the town centre.
- Significant savings could potentially be achieved for the Borough Council, the County Council and West Mercia Police taking the recommendations of this report:

The other third party stakeholders have not provided running cost data for analysis.

- The recommended hub developments and conversions can be phased to avoid unnecessary further relocation costs. Once the new hub is developed, the tenants can relocate into that and value-add projects in the vacated assets can be started.

2. Recommendations

2.1 Individual asset recommendations

2.1.1 Redditch Town Hall

The Town Hall should be retained, converted into residential units (78) and sold within a period of 3 years.

A range of lower yielding refurbishment options including office and hotel have been modelled in addition to demolition and re-build options for both residential and mixed use.

Increased town centre residential provision would not only generate an income for Redditch Borough Council but also increase use of local facilities such as the multi storey car parks, restaurants, retail shops and bars. This increase in footfall and spending in the local economy has the potential to draw new business and investment, into the town centre.

2.1.2 Redditch Library

Worcestershire County Council could contribute towards the success of the project through transferring the asset into Redditch Borough Council's ownership. This would facilitate demolition of the building in order to allow creation of an improved piazza-type public realm area. The intended investment would create an area where people can stop, relax and socialise, as well as hosting a variety of events. The square could be further enhanced by the addition of a canopy stage, as well as with nearby retail outlet developments and the opening up of the pedestrian access between the Kingfisher Centre and the Church Green area as part of the redevelopment works.

In exchange for contributing the Library, the County Council will hold an interest in the new hub therefore the transfer of the asset and the demolition of the building would be the last step of the project.

2.1.3 Redditch Police Station

The existing police station is outdated therefore the recommended option is to relocate. The decision to either co-locate with the fire & rescue service or construct a standalone LAPB adjacent to the public sector hub lies with the decision makers of the respective authorities. It is also recommended that the current LAPB building is redeveloped into either residential or commercial retail use. At this stage there has not been any retail occupier enquiry for the site and strategic consideration is required for a postponed and phased residential redevelopment to avoid oversupply in town centre residential stock. Therefore the site should remain in Local Authority control.

2.1.4 Redditch Fire Station

Both Worcestershire County Council and Redditch Borough Council should cooperate with Hereford and Worcester Fire & Rescue Service to facilitate construction of a new fire station.

2.1.5 Public Sector Hub

The steps to consider in delivering a public sector hub are as follows:

- a) Secure acquisition of Smallwood House and HCA land through option agreements with the NHS and the HCA.
- b) Appoint a strategic delivery partner.
- c) Appoint architects to develop spatial schemes for further discussion by the Board. If achievable in planning terms try to exclude the retention of

Smallwood House to avoid incremental construction costs hence risk the economic viability.

- d) Undertake pre-construction due diligence to include legal title checks and site investigations (desktop and intrusive).
- e) Decision needs to be made as to whether the public sector hub should be located as part of and linked with the back office functions within the Smallwood House site or, although not recommended, as a separate entity located within the former covered market area.

2.2 Funding and Delivery Options

It is recommended that stakeholders explore all funding and delivery options identified in this report to support delivery of the project.

In order to successfully deliver the proposed regeneration, it is recommended that a joint venture between the public and private sector is pursued. The current market values in Redditch render projects unviable by the public sector alone. This is substantiated in our financial feasibility analyses.

Where necessary, additional land assembly for key town centre regeneration sites can be facilitated by Redditch Borough Council through its Compulsory Purchase powers under S.225 of the Town and Country Planning Act 1990. This empowers the local authority to acquire land compulsorily to facilitate regeneration or to achieve the proper planning of an area.

Any disposal of local authority land and property must comply with the provisions of Section 123 of the Local Government Act 1972. This can mean best value in monetary terms but assets can also be sold at less than best consideration in the event the sale achieves wider economic, social or environmental objectives.

Next steps

- The Board is requested to endorse the overall approach as recommended in this Place Review.
- For all stakeholders with a land/property interest in the project to seek approval from their respective governance structures to proceed with the project.
- An option agreement on both Smallwood House and the HCA land needs to be secured as this is the preferred site for the new hub.
- There needs to be a lead authority for this project which deals with land and property acquisition, this is recommended to be Redditch Borough Council.
- Engagement with a suitable strategic delivery partner to work alongside Place Partnership to deliver the scheme and develop a timetable for rollout.
- Preferred funding and delivery methods need to be selected.
- A decision from West Mercia Police is required as to whether they require a base adjoining the hub or the fire station on Middlehouse Lane to enable appropriate space planning of the sites to take place.
- Detailed studies of the titles to all land and property involved in this project need to be undertaken.
- Instruction needs to be provided to an architect to draw up some schematic designs for the new hub site.
- Engagement with the freehold owner of the bus engineering depot owner to discuss possibilities of relocating the facility.

ACKNOWLEDGEMENTS

We would like to acknowledge the work undertaken to produce the vision for Redditch Town Centre.

Redditch Borough Council

Kevin Dicks
Jayne Pickering
Ruth Bamford
Emma Newfield
Alison Grimmett

Worcestershire County Council

Nigel Hudson

West Mercia Police

Richard Elkin

Hereford and Worcester Fire and Rescue Service

Nigel Snape

Worcestershire Health & Care NHS Trust

Mark Fenton

Homes and Communities Agency

David Charmbury

North Worcestershire Economic Development and Regeneration (North Worcs)

Dean Piper
Jon Elmer

Kingfisher Shopping Centre

Ken Williams

Network Rail and London Midland

Collette Brown-Bolton
Robert Hornsey

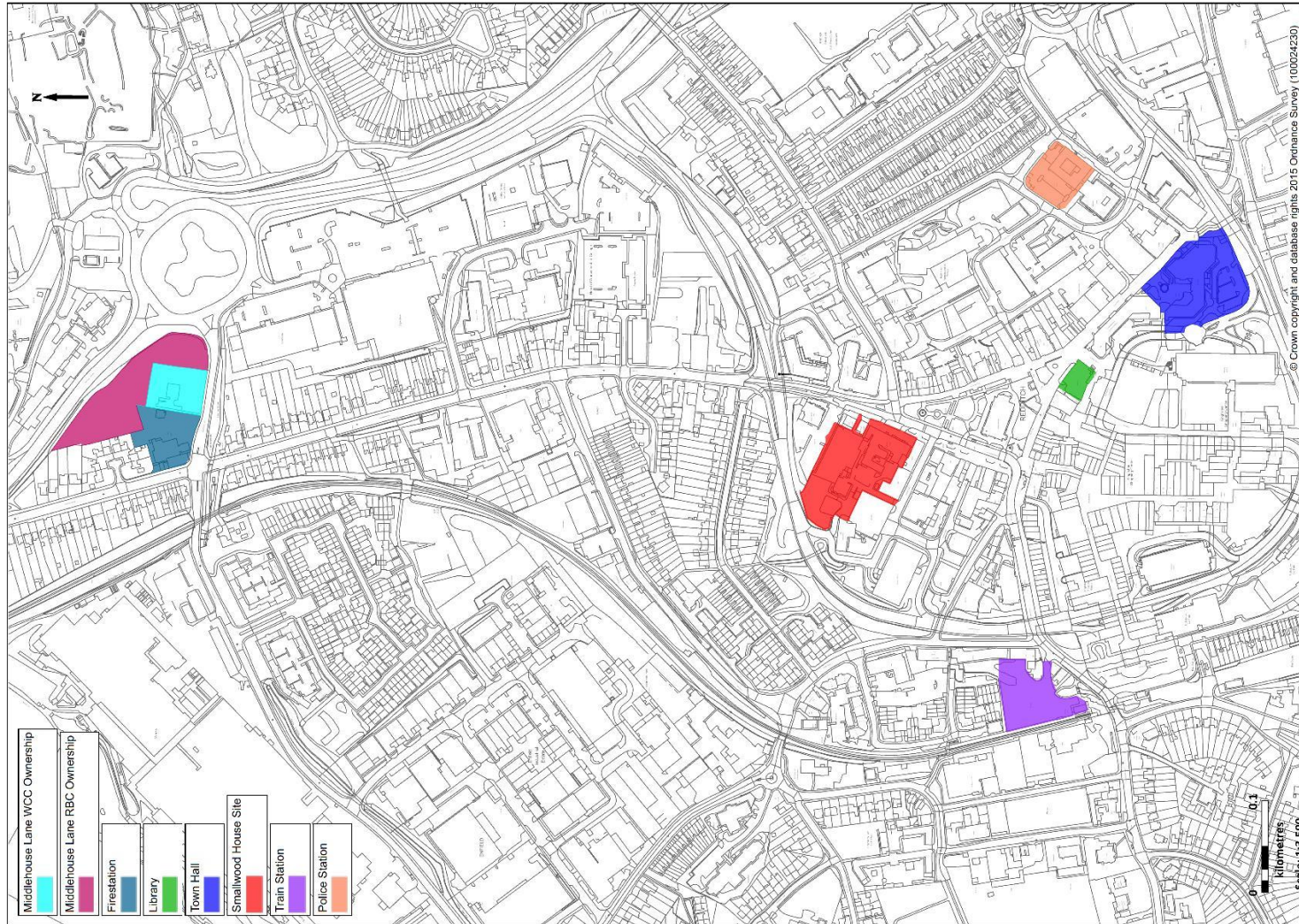
Heart of Worcestershire College

Stuart Laverick

St. Stephen's Church

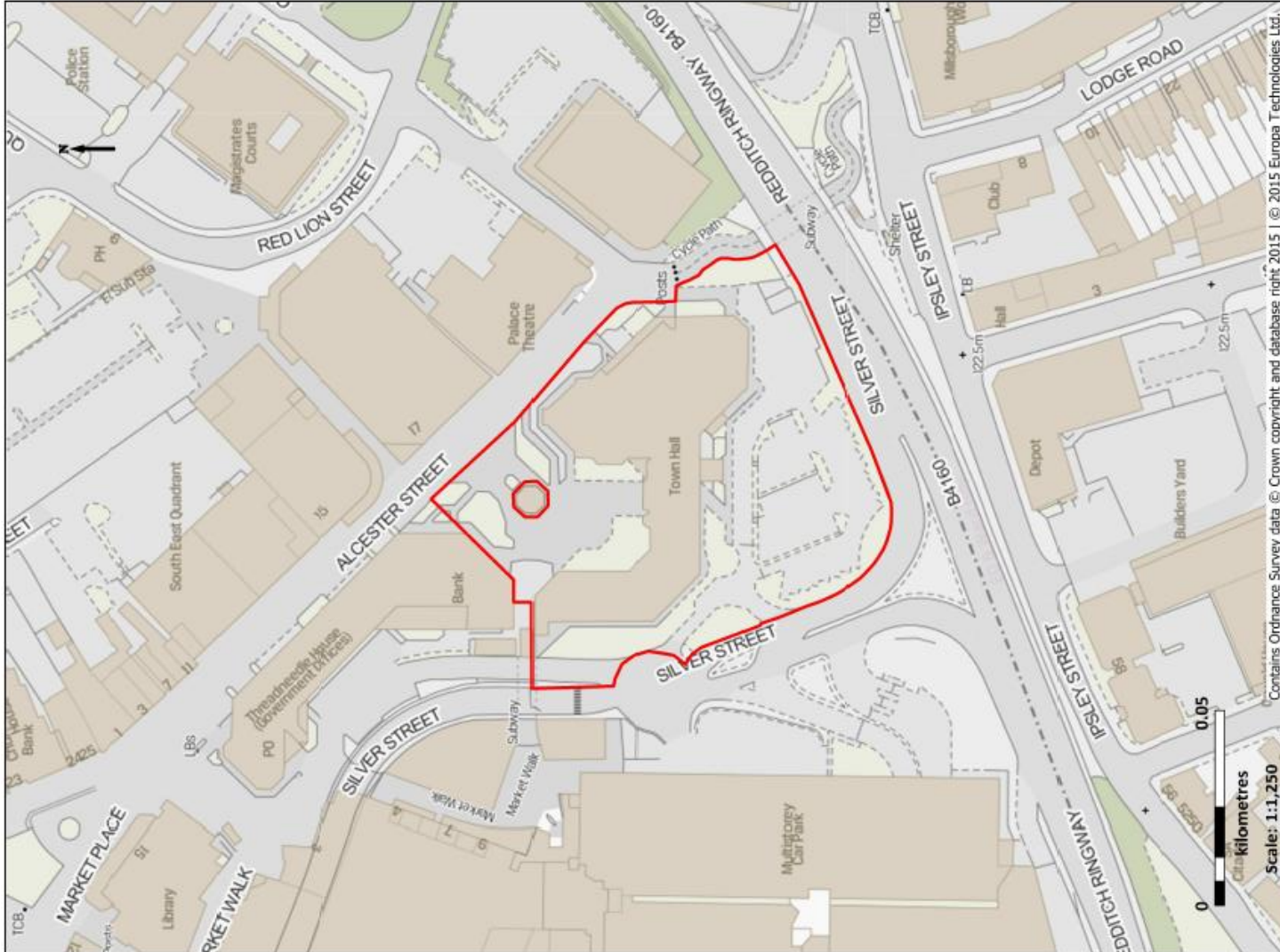
Reverend Paul Lawler

APPENDIX 1 – Map and Schedule of Assets




APPENDIX 2 – Site Plans

2.1 Town Hall



Place Partnership
Unit 2 Kings Court
Charles Hastings Way
Worcester, WR5 1JR

Redditch Town Hall
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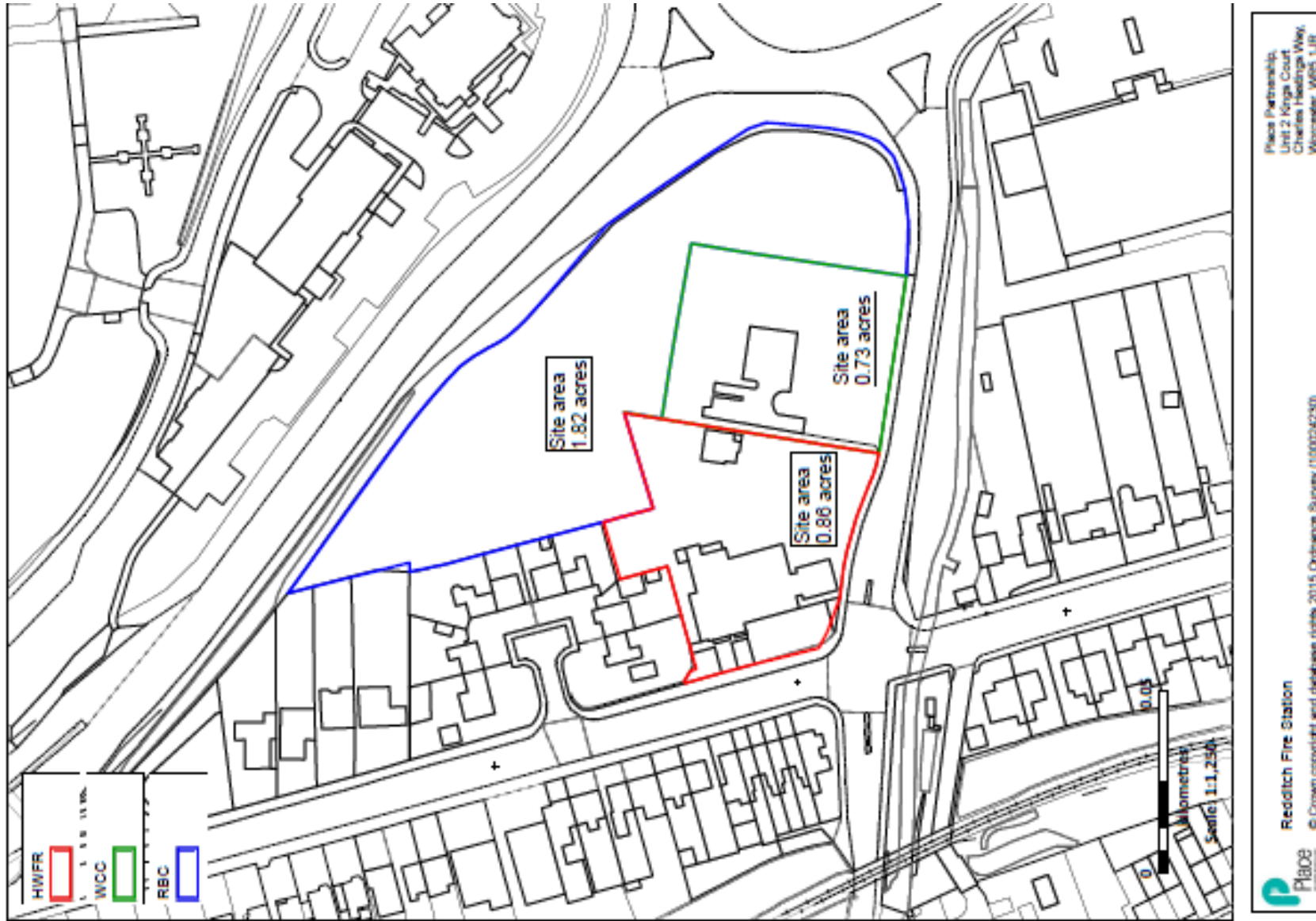
2.2 Library



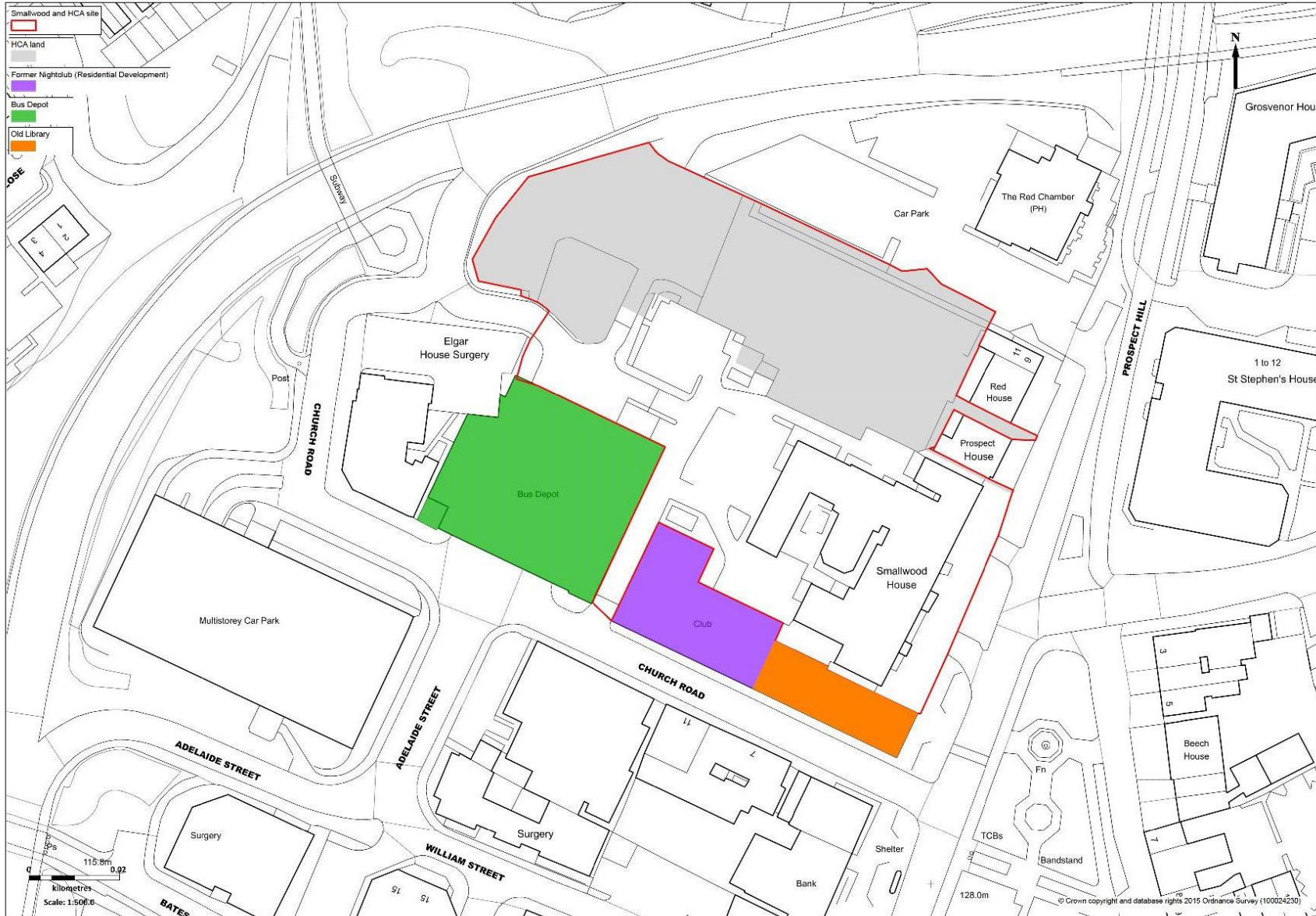
2.3 West Mercia Police



2.4 Middlehouse Lane – H&WFRS, WCC and RBC land



2.5 Church Green West sites



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Planning Committee

Wednesday, 17 January 2018

MINUTES

Present:

Councillor Andrew Fry (Chair), Councillor Yvonne Smith (Vice-Chair) and Councillors Roger Bennett, Michael Chalk, Matthew Dormer, Gareth Prosser, Jennifer Wheeler and Nina Wood-Ford

Officers:

Ruth Bamford, Steve Edden and Andrew Fulford

Democratic Services Officer:

Amanda Scarce

50. APOLOGIES

There were no apologies for absence.

51. DECLARATIONS OF INTEREST

There were no declarations of interest.

52. CONFIRMATION OF MINUTES - 13TH DECEMBER 2017

As there had been a delay in preparation of the minutes the Chair allowed Members 10 minutes to read through these to ensure that they were happy with the content.

It was highlighted that, at page 4 of the minutes the petition referred to actually had more than 35 signatures on it.

RESOLVED that

The minutes of the meeting of the Planning Committee held on 13th December 2017 be confirmed as a correct record and signed by the Chair.

53. UPDATE REPORTS

.....
Chair

Planning

Committee

Wednesday, 17 January 2018

It was noted that there were no update reports for any of the items being considered at this meeting.

54. APPLICATION 2017/01269/FUL - 5 HAWTHORN ROAD, REDDITCH - MR STASHU RZEZNICZAK

Single storey side/rear extension forming additional bedroom and ensuite and change of use from dwelling (C3) to house of multiple occupation with 7 bedrooms (sui generis)

RESOLVED that

having regard to the development plan and to all other material considerations, planning permission be GRANTED subject to:

the conditions detailed on pages 4 and 5 of the main agenda report but with Condition 5 substituted as detailed below:

Substitute Condition 5

- 5) No more than 7 people shall permanently reside at the premises at any one time and the landlord shall keep and maintain a written record of the permanent residents at this premises. This record shall be made available for inspection whenever requested by the local planning authority.**

Reason: To minimise the impact on adjoining occupiers.

During consideration of the report the Chair asked for it to be noted that the address referred to in the heading of the report should be 5 Hawthorn Road, Batchley, Redditch, Worcestershire B97 6NG.

55. APPLICATION 2017/01312/OUT - 533, EVESHAM ROAD, REDDITCH - MR LARKIN

Outline application (matters of layout and scale to be considered) for the demolition of outbuildings, retention of former public house (533 Evesham Road) and erection of 2 new dwellings with shared access.

RESOLVED that

having regard to the development plan and to all other material considerations, OUTLINE planning permission be GRANTED subject to the conditions detailed on pages 13 to 15 of the main agenda report.

A verbal update was given by the Planning Officer in respect of page 11 of the agenda report, under Impact of the proposals on

Planning

Committee

Wednesday, 17 January 2018

highway safety, it was noted that it should refer to two dwellings and not four as stated in the report.

56. APPLICATION 2017/01366/FUL - 271 BIRCHFIELD ROAD, REDDITCH - MR J ZOLLMAN

It was noted that this item had been withdrawn from the agenda.

57. APPLICATION 2017/01396/FUL - 70, HEATHFIELD ROAD, REDDITCH - MR KULBIR SINGH

Demolition of the existing storey rear buildings together with external steel stairs to erect single storey rear extension to enlarge the retail unit with a new shop front and new access to first floor.

The following people addressed the Committee under the Council's public speaking rules:

Mr David Haselden – objector

Mr Amardeep Bharj – agent for the applicant

RESOLVED that having regard to the development plan and to all other material considerations, planning permission be **GRANTED** subject to the conditions detailed on page 25 of the main agenda report.

The Meeting commenced at 7.00 pm
and closed at 8.06 pm

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Planning Committee

Wednesday, 14 February 2018

MINUTES

Present:

Councillor Andrew Fry (Chair), Councillor Yvonne Smith (Vice-Chair) and Councillors Roger Bennett, Michael Chalk, Matthew Dormer, Wanda King, Nina Wood-Ford and Natalie Brookes

Officers:

Amar Hussain, Helena Plant and Simon Jones

Democratic Services Officer:

Sarah Sellers

58. APOLOGIES

Apologies for absence were received from Councillor Gareth Prosser and Councillor Jennifer Wheeler. Councillor Natalie Brookes attended as substitute for Councillor Jennifer Wheeler.

59. DECLARATIONS OF INTEREST

There were no declarations of interest.

60. CONFIRMATION OF MINUTES OF THE PLANNING COMMITTEE HELD ON 17TH JANUARY 2018

RESOLVED that

The minutes of the meeting of the Planning Committee on 17th January 2018 be confirmed as a correct record and signed by the Chair.

61. UPDATE REPORTS

The published Update Reports for the various Applications to be considered were noted.

.....
Chair

Planning

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Wednesday, 14 February 2018

62. APPLICATION 2017/00700/OUT - REDDITCH GATEWAY LAND ADJACENT TO THE A4023 COVENTRY HIGHWAY REDDITCH

Hybrid application comprising: Outline planning application (with matters of appearance, landscaping, layout, scale and details of internal circulation routes reserved) for the development on a phased basis of 32ha of employment land for business/industrial uses (Use Classes B1, B2, B8). The development shall include: landscaping, parking, associated infrastructure, utilities, drainage (including SUDS) and ground engineering works; and Full planning application for Phase 1 Ground Engineering works, and details of means of access to the site from the A4023.

Officers reminded Members that at the meeting of Planning Committee on 13th December 2017, permission had been granted for the part of the planning application relating to the Eastern Gateway project that falls within the Redditch Borough Council boundary (Ref 2017/00700/OUT). Bromsgrove District Council had also granted permission for the part of the application falling within their boundary at their Planning Committee meeting in December 2017. However, when Stratford-on-Avon Planning Committee met on 6th December 2017 the application relating to the part of the site within the Stratford-on-Avon District Council boundary was deferred for further information to be obtained. That information had been submitted to Stratford-on-Avon District Council and as a result Redditch Borough Council had been asked to comment on it as a consultee. For this reason the report before members was to seek their views as consultees, and not for any new decision to be made.

It was noted that application ref 2017/00700/OUT had been a hybrid application covering the granting of outline permission and the construction of essential infrastructure for the site.

It was further noted that Stratford-on-Avon Planning Committee had since requesting the further information in December determined the application on 31st January 2018. Members were referred to the summary of the decision set out at pages 1 and 2 of the Update Report which had been granted subject to amendments to conditions 19 and 20 regarding HGV routing and HGV annual surveys.

In summary, and regardless of the decision on 31st January, the consultation would need to be responded to and Members of the Committee were requested to endorse the officer response which covered the following matters:-

1. Proposed changes to the building zone within the Southern parcel of land that falls within Stratford-on-Avon District Council part of the site. This would result in the western edge of the

Planning

Committee

Wednesday, 14 February 2018

proposed development zone being moved back further away from the boundary with existing buildings in Redditch. In addition the height of buildings in this zone of the site would be reduced from 21 metres to 15 metres. Officers reported that these changes (as represented by Parameters Plan 5372-205L) would represent a betterment on the previous position.

2. Highways Briefing Note 180110 which had been produced by the Applicant to address concerns raised by Stratford-on-Avon Planning Committee regarding HGV management including lorry routing and the proposed bond of £200k. Officers advised that this note made provision for future reviews of the lorry routing to be undertaken and further provision for this would be covered by revised conditions 19 and 20.

Members discussed the proposed consultation response as set out on Page 8 of the man agenda, and in doing so it was noted that:-

- The changes referred to in the Parameters Plan do not directly affect the Redditch part of the site;
- That traffic routing had already been determined as part of application ref 2017/00700/OUT;
- That contributions to improve highway infrastructure would be made to the relevant County highways authorities; and
- That a Steering Group would be set up by Stratford-on-Avon District Council to oversee pre-application engagement with local stakeholders and consultees as referred to at para 7 on page 2 of the Update Report.

RESOLVED that

- (i) **No objection be raised to the amendments proposed in respect of that part of the application which falls into Stratford-on-Avon District;**
- (ii) **Members endorse the comments under the heading "Officer Appraisal" set out at page 8 of the main agenda.**

**63. APPLICATION 17/01255/FUL - UNIT 2 LIGHT HOUSE WORKS
FECKENHAM ROAD ASTWOOD BANK B96 6DS - MR SHAUN
STREET**

Change of use of part of building from an Industrial use to a Shop (Class A1) and Cafe/ Restaurant (Class A3) (Part Retrospective) and the installation of a ventilation flue in roof.

Planning

Committee

Wednesday, 14 February 2018

Mr Shaun Street, the Applicant, addressed the Committee under the Council's public speaking rules.

RESOLVED that

Having regard to the development plan and all other material planning considerations, planning permission be GRANTED subject to the conditions detailed on pages 16 to 17 of the main agenda report.

64. APPLICATION 17/01270/FUL - WHITEOAKS HILL TOP WEBHEATH REDDITCH B97 5PQ - MR JASON GOULD

Demolition of existing garage and erection of a detached house and creation of a new access and driveway for Whiteoaks.

Mr Jason Gould, the Applicant, addressed the Committee under the Council's public speaking rules.

RESOLVED that

having regard to the Development Plan and all other material planning considerations, planning permission be GRANTED subject to the conditions detailed on pages 26 to 30 of the main agenda report.

65. APPLICATION 17/01361 - THE STABLES FARM SHOP ASTWOOD LANE ASTWOOD BANK REDDITCH B96 6PS - MR J COCKBURN

Re - development of The Stables for the erection of 1 new dwelling and associated works including demolition.

It was noted that the Update Report included an amendment to Condition 7 set out on page 35 of the main agenda, and Officers explained that this related to the removal of permitted development rights.

RESOLVED that

having regard to the Development Plan and all other material planning considerations, planning permission be GRANTED subject to the conditions detailed on pages 34 to 36 of the main agenda report but with Condition 7 substituted as detailed below:

Substitute Condition 7

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- 7) **Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England) Order 2015 (or any Order revoking and re-enacting that Order) no development included within Schedule 2, Part 1, Class A and Schedule 2, Part 2, Classes A and B shall be carried out without the prior approval of the local planning authority to an application in that behalf.**

Reason: To protect the openness of the Green Belt.

66. **APPLICATION 17/01460/FUL - 8-10 UNICORN HILL TOWN CENTRE REDDITCH B97 4QU - LADBROKES CORAL GROUP PLC**

Change of use from betting office (sui generis) to adult gaming centre (sui generis).

It was noted that the Police Crime Risk Manager had made no adverse comment on the application as set out at page 3 of the Update Report.

Mr Haris Kasuji, representative for the Applicant addressed the Committee under the Council's public speaking rules.

It was noted that the application before Committee related to planning issues only, and matters regarding gambling activities at the site would fall to be determined under the separate regulatory regime for licensing.

RESOLVED THAT

having regard to the Development Plan and all other material planning considerations, planning permission be GRANTED subject to the conditions detailed on page 43 of the main agenda.

67. **APPLICATION 18/00015/FUL - UNIT 2 149 IPSLEY STREET SMALLWOOD REDDITCH B98 7AA - MR M S FAROOQUI**

Change of use of ground floor shop to Class A5 Hot Food Takeaway use

RESOLVED that

having regard to the Development Plan and all other material planning considerations, planning permission be GRANTED subject to the conditions detailed on pages 47 and 48 of the main agenda

Planning

Committee

Wednesday, 14 February 2018

The Meeting commenced at 7.00 pm
and closed at 8.49 pm



Audit, Governance & Standards

Thursday, 1 February 2018

Committee

MINUTES

Present:

Councillor Jane Potter (Chair), Councillor Tom Baker-Price (Vice-Chair) and Councillors Natalie Brookes, Michael Chalk, Andrew Fry, Mark Shurmer, Yvonne Smith and David Thain

Also Present:

D Jones, R Percival and N Preece (Grant Thornton)

Officers:

Andy Bromage, Chris Forrester and Jayne Pickering

Democratic Services Officer:

Jess Bayley

78. APOLOGIES AND NAMED SUBSTITUTES

An apology for absence was received on behalf of Councillor Pat Witherspoon.

79. DECLARATIONS OF INTEREST

There were no declarations of interest.

80. MINUTES

The Chair explained that an issue had been raised by the external auditors in respect of the Minutes. To provide time for this issue to be addressed the Chair proposed that the Committee should postpone confirmation of the minutes until the following meeting.

.....
Chair

Audit, Governance & Standards Committee

Thursday, 1 February 2018

RESOLVED that

the minutes of the meeting of the Audit, Governance and Standards Committee should be re-submitted for consideration at the following meeting of the Committee.

81. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Executive Director of Finance and Corporate Resources presented the Monitoring Officer's report and in so doing highlighted that no complaints had been received since the last meeting of the Committee. Training was in the process of being delivered to Members at political party group meetings in respect of Social Media and Data Protection and the non-aligned Member had been offered this training on a one-to-one basis. Members could request further training though were advised to refer this to the Member Support Steering Group for consideration.

RESOLVED that

the Monitoring Officer's report be noted.

82. INDEPENDENT MEMBER APPOINTMENT - VERBAL REPORT

The Committee noted that Mr Jones's tenure as the non-voting co-opted Independent Member of the Audit, Governance and Standards Committee was due to end shortly. Following his appointment as the Lead Risk Member for the Committee for a further 12 months, and confirmation that he was willing to remain, Members concurred that Mr Jones should be reappointed as the Independent Member of the Committee for a further four year term.

RESOLVED that

Mr Dave Jones be reappointed as the Independent non-voting co-opted Member of the Audit, Governance and Standards Committee for 2018 – 2022.

83. EXTERNAL AUDIT - ANNUAL AUDIT LETTER 2016-17

The Annual Audit Letter 2016/17 was presented for Members' consideration by Mr Richard Percival from Grant Thornton. Members were advised that this had been produced in October 2017, following decisions made at the previous meeting of the Committee.

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A number of points were highlighted in this report for Members' consideration:

- The annual audit letter provided a commentary in respect of the Council.
- In terms of the Value for Money (VfM) conclusion the auditors were satisfied with the Council's arrangements except in respect of financial reporting and financial sustainability.
- As a consequence the VfM conclusion had been qualified in the Audit Opinion.
- Financial reporting and financial sustainability had also been identified as risks due to identified weaknesses.
- The VfM conclusion applied to 2016/17 and significant improvements had been achieved in both areas since then.
- In some cases the external auditors had identified good financial planning, such as the £480,000 savings identified for Leisure and Cultural Services. However, in other areas there remained the need to deliver savings, such as in respect of the proposed Management Review.
- The government had requested extra work in respect of Housing Benefit Grant Certification and this was reflected in the fees that had been recorded for Members' consideration.

Following the presentation of this report Members discussed some further points in detail:

- The potential for reassurance to be provided in respect of improvements to financial reporting and financial sustainability. Members were advised that this had improved, with managers undertaking in-year monitoring of budgets and improvements in the reconciliation of budgets.
- The changes to monitoring arrangements at quarter three of the financial year, which entailed challenging Heads of Service to consider budget levels alongside savings.
- The work of the Senior Management Team (SMT) in reviewing the Council's budgets on a line-by-line basis.
- The suggestion from Grant Thornton for a RAG rating system to be introduced for monitoring savings. Members were advised that this had not yet occurred, though Officers were intending to do so in 2018/19.
- The unidentified savings that remained in the budget and the action that had been requested from Heads of Service to address this. The Committee was informed that Heads of

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Service were required to submit business cases justifying the need for additional budgets where funding was considered insufficient.

- The improvements that had been made to Performance Monitoring. The first Performance Monitoring report, focusing on the strategic purposes and measures, had recently been presented for the consideration of the Executive Committee and it was intended that these would be presented on a bi-monthly basis.
- The delays in respect of the Management Review, which was scheduled to achieve £250,000 savings. Members were advised that this would still take place though later than anticipated due to unforeseen circumstances.
- The progress that had been achieved with providing managers with direct access to budget reports. Members were advised that this was not possible as the Financial Service Team's software was not user friendly. However, Officers were intending to address this in the long-term.
- The potential for Heads of Service to attend meetings of the Audit, Governance and Standards Committee to explain any overspending and / or poor forecasting for budgets within their remit as well as to discuss unidentified savings.
- The ongoing provision of monthly budget updates to managers and the option for managers to meet with their accountants where necessary.
- The availability of appropriate resources to enable Officers to submit the Council's accounts by the new deadline in the summer in 2018. Officers advised that appropriate resources had been obtained and Members were reassured that the deadline would be met.
- The internal control weakness that had been identified by the external auditors and what this entailed. The Committee was informed that this related to PSN forms which previously had not been submitted on time, though adjustments to the system meant that deadlines were now met.

Members noted that budget reports continued to include gaps where savings had not been realised as anticipated. Budget reports were presented for consideration at meetings of the Corporate Management Team (CMT) to ensure continuing awareness and to provide an opportunity to identify action that could be taken to address any gaps. However, Members commented that further action was needed to enhance the resilience of the Council's financial management processes. In this

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context Members suggested that CMT should be encouraged to develop a clear action plan to deliver the unidentified savings.

RECOMMENDED that

the Corporate Management Team put together a clear action plan to deliver the unidentified savings in 2017/18.

RESOLVED that

the Annual Audit Letter 2016/17 be noted.

84. EXTERNAL AUDIT PLAN

Mr Neil Preece, from the external auditors Grant Thornton, presented the Audit Opinion Plan 2017/18. In presenting this report a number of matters were emphasised for the Committee's consideration:

- The main consideration when working on the Audit Opinion Plan was materiality. A benchmark was utilised to enable the external auditors to focus on the bigger items and the same methodology had been used for this as in the previous year.
- There were a number of key challenges and risks that had been identified for the Council.
- There were four key risks that had been identified for the authority including; valuation of Council House properties, pension fund liabilities (a common risk for most Councils), employee remuneration and operating expenses.
- The external auditors would pick up on some of the issues raised in the VfM conclusion for 2016/17.

After the report had been presented Members requested clarification on a number of areas:

- The potential for the Council to improve in year financial reporting and the robustness of the authority's Medium Term Financial Plan, in line with the external auditor's VfM recommendations.
- The significant proportion of operational costs for the Council and the reasons why these were higher than employee remuneration. Members were advised that operational costs included expenditure on the Housing Revenue Account (HRA) and housing benefits.

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- The authority's ability to meet the early close timeframe for publication of the audited local government accounts. Officers advised that the Council had a timetable in place and was aiming to meet the new deadline.
- The pension fund for Council staff and the extent to which the Council's contribution could be calculated given that the authority participated in the Worcestershire pension fund alongside other Councils in the county. Members were advised that the actuary calculated contributions based on the number of employees and other key variables.
- The use of FRS 19 to calculate pension contributions.
- The need to take into account not just existing employees but previous employees who had paid into the pension fund when calculating the Council's pension liabilities.
- The risks that had been identified for the Council in the VfM audit. Members were advised that two of these risks followed recommendations that had been made the previous year and a further risk related to recent developments in the Housing Department.
- The VfM audit was conducted by the external auditors in accordance with guidance from the National Audit Office (NAO).
- The potential for assurance to be provided to Members at this stage in the year. Members were advised that it would not be possible for the external auditors to provide assurance until the end of the process when a VfM conclusion would be issued.
- The reason why any misstatements were considered trivial when valued at under £66,000 and how this figure had been identified. Members were advised that the figure was selected based on a calculation of 1 per cent of the Council's gross overall expenditure.
- The extent to which errors involving figures valued at £500 or £1,000 would be identified by the external auditors. The Committee was informed that testing was undertaken based on random sampling. As such, if errors were not identified in one year it was likely they would be identified in a subsequent year.
- The review of the installation of IT software for the Payroll system. Officers explained that currently staff had to undertake work manually, though Officers were working with the software provider in an attempt to streamline this.
- The length of time that it was taking to review this IT software, which had been scheduled for completion by September 2017.

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Members were advised that this was a problem with the system which was also impacting on other local authorities.

- The £66 million gross expenditure on revenue for the Council. Officers clarified that this did not include capital costs and were figures for Redditch Borough Council only, rather than shared costs.
- The size of the HRA account. Officers clarified that this was £26 million.

RESOLVED that

the 2017/18 Audit Opinion Plan be noted and agreed.

85. INTERNAL AUDIT PROGRESS REPORT

The Head of the Internal Audit Shared Service presented the Internal Audit Progress Report for Members' consideration and in so doing highlighted that the report had been written in December 2017 and therefore there might have been further developments in some areas since then. During the presentation a number of points were highlighted:

- There were a number of high priorities detailed within the appendices to the report. For all of these high priorities action plans had been produced to enable officers to address key issues.
- A number of the recommendations that had been made in respect of Environmental Waste had been addressed through corrective action before the final report was published.
- Cash collection had been identified as a high priority that had been rolled over from the previous year.
- There was a high priority in terms of resilience for St David's House. There was a clear action plan in place to address some of the issues that had been identified in this audit.
- A number of follow up actions were being undertaken by the Internal Audit team to ensure that recommended actions were being implemented.
- There was a clear escalation process in place which was enacted where recommendations were not implemented.

Following presentation of the recommendations Members discussed various issues in further detail:

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- The number of high priority recommendations and the extent to which this number was acceptable for a local authority. Officers advised that this did not cause undue concern.
- The number of recommendations per audit. Members were advised that this varied according to the focus of the audit.
- Progress with recommendations that had been made in respect of CCTV. Officers advised that Internal Audit had felt that a manual system was not appropriate and officers had since found a way of automating the system.
- The Council's work on a skills matrix for staff and the implications for use of agency staff by the authority in the long-term.
- The content of the suspense account and the need for transparency to achieve assurance that significant funding would not be held in this.
- The changes that had been recommended in relation to business waste charges and the extent to which this had been addressed properly. It was agreed that this should be added to the action plan.
- The continuing receipt of cash payments by the Council and action that could be taken to encourage customers to pay for services in other forms.
- The future introduction of a Local Authority Trading Company (LATC) and the need for robust audit systems to be in place in order to assess the performance of this company compared to the existing service.

RESOLVED that

the report be noted.

86. INTERNAL AUDIT - DRAFT AUDIT PLAN

The Head of the Internal Audit Shared Service presented the 2018/19 provisional Internal Audit Plan. The Committee was advised that a different approach had been adopted to developing the plan this year. The content of the plan was risk oriented, taking into account both corporate and service risks. The Internal Audit team had consulted with both the Senior Management Team (SMT) and Heads of Service about the content and time had been taken to ensure that the content related to the Council's strategic purposes. The content of the plan would be reviewed six months after its adoption and would be amended if adjustments were found to be needed. This would ensure that the plan was flexible and

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responded to changing circumstances. Any proposed changes to the plan would be reported for the Committee's consideration.

The same number of days, 400, had been allocated by Internal Audit to auditing the Council's services as in previous years. Work would be prioritised in accordance with whether issues were considered to be low, medium or high priority issues. The content was linked closely to that of Bromsgrove District Council due to the close working relationship of the two authorities in respect of shared services. Where there were shared services attempts had been made to share the allocated budget between the two Councils fairly. However, in some cases more time would be allocated to the internal audit at one Council than at another where a particular service was more prevalent for that authority and this would be reflected in the costs. For example more days had been allocated to auditing car parks in Bromsgrove than in Redditch due to different arrangements being in place in the two districts.

A number of performance indicators had been identified for inclusion in the plan. These were the same as those in place in 2017/18. Reports would be provided to the Committee in terms of performance in relation to these indicators on an ongoing basis.

Members noted that the stores had been identified as a potential risk for the Council and this would be subject to an internal audit during the year. The Committee was advised that the stores were used by Housing and Environmental Services and this was a relatively complex area for review.

The Committee also noted that four days had been allocated to an internal audit of the bus operator's grant. Questions were raised as to why time had been allocated to this following the decision in 2016/17 to end financial support from pre 9.30am travel. Officers advised that this was required to help process grant claims and sign off previous arrangements. Members requested that officers investigate whether this would be needed for inclusion in subsequent plans.

RESOLVED that

- 1) the content of the provision Internal Audit Plan be noted;
and**
- 2) the Key Performance Indicators be noted.**

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87. TREASURY MANAGEMENT STRATEGY, PRUDENTIAL INDICATORS AND MINIMUM REVENUE POLICY PROVISION 2018/19

The Executive Director of Finance and Corporate Resources presented the Treasury Management Strategy 2018/19. During the presentation of this report the following matters were highlighted for Members' consideration:

- The Council had adopted CIPFA's code of practice in respect of treasury management eight years previously.
- The Capital Financing Requirement (CFR) underlined the Council's need to borrow for capital purposes.
- The local authority, like most Councils, tended to borrow from the Public Loans Works Board (PLWB).
- Due to risks of exposure in respect of liquidity the Council had to ensure that it had access to £3 million in cash within three months.
- Like many local authorities the Council had authorised limits for borrowing as well as operational limits for officers.

After the report had been presented Members discussed a number of areas in detail:

- The reasons why the investments on new borrowing requirements were increasing and what this entailed. Officers explained that this was the Council's forecast borrowing which was needed to support the capital programme. There was an assumption being made that borrowing would need to increase.
- The levels at which the costs of borrowing could fluctuate over time.
- The potential to use the Council's capital receipts to invest in capital spending.
- The potential for Members to be provided with more information about the contents of the Council's Capital Programme.
- The arrangement whereby funding was borrowed from the Housing Revenue Account (HRA) by the General Fund and the potential need to borrow from other sources in the long-term.
- The arrangements by which officers built calculations around sustainability into the Council's Medium Term Financial Plan (MTFP).

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- The need for more borrowing in the long-term to help accommodate the costs arising from the housing growth programme.

RECOMMENDED that

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

88. CORPORATE GOVERNANCE AND RISK UPDATE (INCLUDING S11 ACTION PLAN MONITORING)

The Executive Director of Finance and Corporate Resources explained that the report had been provided to ensure Members received overarching information in respect of corporate governance and risks.

Information had been provided about the Council's accounting policies. Within this policy it was proposed that the minimum limit for accruals would be £5,000. It had been agreed with the Council's external auditors that this would be a reasonable level.

Members were advised that action was being taken to improve on the Council's monitoring of savings. This included taking into account assumption about local demographics. Heads of Service were also being encouraged to review fees and charges on a line by line basis, rather than to impose a standard increase across all services, as well as to undertake benchmarking when setting fees.

RESOLVED that

the Accounting Policies be approved for use for the closure of the 2017/18 accounts and production of the 2017/18 Statement of Accounts.

89. FINANCIAL SAVINGS MONITORING REPORT

The Executive Director of Finance and Corporate Resources explained that the report detailed the savings that had been achieved by the Council compared to the aims that had been recorded in the Efficiency Plan. The Council was performing better than had been anticipated in the Efficiency Plan in terms of

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delivering savings. However, some of the predictions detailed in that plan had been very different to the actual savings achieved and improvements needed to be made in forecasting.

Shortfalls had been recorded for Leisure and Cultural Services, the Management Review that had featured in the previous Medium Term Financial Plan and Business Rates.

Questions were raised as to why the Council's income and savings were different to predictions detailed in the Efficiency Plan. To an extent it was noted that this was because the Efficiency Plan had had to be finalised in October 2016 four months before the Council had set its budget. In addition the delay with the Management Review had been unforeseen, but had had to be postponed due to issues that had arisen in respect of the Housing Department.

RESOLVED that

the financial position for savings in the period April to December 2018 be noted.

90. COMMITTEE ACTION LIST AND WORK PROGRAMME

The Committee was advised that the representatives from the external auditors, Grant Thornton, would be presenting three reports at the following meeting, rather than the two listed in the work programme. The following reports would be presented by the external auditors:

- External Audit – Update Report.
- External Audit – Informing the Risk Assessment.
- External Audit – Housing Benefits Grant Report.

The Meeting commenced at 7.00 pm
and closed at 8.40 pm

Redditch Borough Council**Grants Panel Meeting****Wednesday 7th March 2018****Notes**

Councillors: Gay Hopkins (Chair), Dave Bush, Greg Chance, Mark Shurmer and Yvonne Smith

Officers: Helen Broughton and Ann Dallison

Duration: 6.30pm to 8:15pm

1. Apologies for absence

There were no apologies for absence received for the meeting.

2. Declarations of Interest

There were no declarations of interest.

However, during the course of the meeting Councillor Smith advised that she had received a telephone call from a representative of Batchley Support Group regarding the Grants Panel decision making process.

3. Major Grants Applications

The Panel considered nine applications that had been received for the relaunched Help Me Run a Successful Voluntary Sector Business – £50k category. There was £5,600 available.

Each Application was scored in accordance with the Council's Grants Programme requirements, with Officer recommendations having been made on some of the key elements of each application.

Further to the scoring process undertaken at the meeting, the Panel agreed that recommendations be made to the Executive Committee in accordance with the results of the scoring table attached as Appendix 1.

RECOMMENDED that

- 1) the Grants for 2018/19 Help Me Run a Successful Voluntary Sector Business – £50k Relaunch be awarded to the successful Applicant as set out in Appendix 1 to these Notes.**

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Appendix 1

VCS Grants Panel
Wednesday 7th March 2018
Major Grants Re-launch Applications

Organisation	Project Name	Amount requested	Score	Recommended for approval Yes / No	Comments
<u>Help me to run a successful voluntary sector business</u>					
Bromsgrove and Redditch Network	Volunteer Centre Redditch	£5,600	45	YES	Reconsidered as scored 45 – SUCCESSFUL
Jestaminute Community Theatre CIC	Helping JCT to help others	£5,600	35	NO	
Redditch Youth & Community Enterprise (Consortium bid)	HeadGym Children's Programme	£5,600	-	-	Not scored - project rather than core funding
Your Ideas Youth and Community Project	Your Ideas Youth and Community Project	£5,600	45	NO	Reconsidered as scored 45 – NOT SUCCESSFUL
Redditch United in the Community	Football's Our Fight	£5,519	-	-	Not scored - project rather than core funding
Batchley Support Group	Core Funding	£5,600	35	NO	
What's Your Point	What's Your Point	£5,310	37	NO	
Sandycroft	Sandycroft Support Services	£5,600	41	NO	
Indigo Arts	Indigo Young Artists Collaborative (Pilot)	£5,600	-	-	Not scored - project rather than core funding
	Total	£50,029			
Total budget available					£5,600
Amount requested by 'recommended' project					£5,600
Underspend					NIL

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Overview & Scrutiny

Annual Report

2017/18

REDDITCH BOROUGH COUNCIL

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FOREWORD BY THE CHAIR

I am very pleased to present the annual report for the Overview and Scrutiny Committee. I would also like to thank Councillor Tom Baker-Price for his work in chairing the Committee at the start of the municipal year. This report provides an account of the work that the Committee has undertaken during the last twelve months and highlights progress that has been made.

We received a number of informative presentations this year including on Economic Development, the Place Partnership and several updates from the Herefordshire and Worcestershire Sustainability and Transformation team.

The Committee has continued to scrutinise the Council's budget through the Budget Scrutiny Working Group to examine and understand better the finances of the Council. The Performance Scrutiny Working Group has also carried out some valuable work. Both of these working groups have proved particularly useful in helping members to understand the council and its workings better and in so doing to make recommendations to Council which have proved helpful.

The Overview and Scrutiny Committee has worked to ensure that Council services are fit for purpose and enhance the wellbeing of our residents. It has also embarked on a number of Task Group and Short Sharp reviews. These have included one on civil contingencies and another on homelessness.

Our first joint scrutiny group with Bromsgrove on the Staff Survey was a successful project which all members felt was a worthwhile exercise in joint working between the two sets of councillors.

We have been kept updated on the West Midlands Combined Authority Overview and Scrutiny Committee by Cllr Nina Wood-Ford, who has also reported back to the Committee on developments of the Health Overview and Scrutiny panel at the County Council.

Finally, I would like to express my gratitude to all my fellow Committee Members for the hard work, support and enthusiasm that they have shown. I would particularly like to thank Councillor Gay Hopkins for her contributions and support over the years as Vice Chair of the Committee. I am also very appreciative of the hard work of Officers who support the work of the Committee, and would like to thank our lead support officers, Jess Bayley and Amanda Scarce, for the excellent work they have produced.



**Councillor Jane Potter,
Chair, Overview and Scrutiny Committee
Redditch Borough Council**

INTRODUCTION

There is an annual requirement for the Overview and Scrutiny Committee to produce a report outlining its work and achievements during the previous year. The report contains information about the reviews that have been undertaken by Task Groups, Short Sharp Review Groups, and the work of the Crime and Disorder Scrutiny Panel. The report also provides an opportunity to reflect on the achievements of joint scrutiny Committees to which Redditch Members have been appointed.

This year scrutiny Members have continued to undertake more detailed scrutiny of the Council's budget and service performance through the work of the Budget Scrutiny and Performance Scrutiny Working Groups. The outcomes of these groups' work are detailed in the report below.

This report has been produced by Senior Democratic Services Officer (Redditch) with help from the Democratic Services Officer in consultation with the Chair of the Committee and the remaining eight Members.

KEY PRINCIPLES OF SCRUTINY

Members at Redditch Borough Council aim to ensure that the Overview and Scrutiny process complies with the four key principles of scrutiny identified by the Centre for Public Scrutiny (CfPS), the organisation set up to promote effective scrutiny in local government. The four key principles of effective scrutiny are:

- to provide a critical friend challenge to executive policy-makers and decision-makers;
- to enable the voice and concerns of the public and its communities to be heard;
- for scrutiny to be carried out by independent minded governors who lead and own the scrutiny process; and
- to drive improvement in public services.

MEMBERSHIP GALLERY

The following Councillors have served as members of the Overview and Scrutiny Committee this year.



Councillor Jane Potter
Chair of the Committee



Councillor Gay Hopkins
Vice Chair



Councillor
Matthew Dormer



Councillor
Andy Fry



Councillor
Pattie Hill



Councillor
Gareth Prosser



Councillor
Paul Swansborough



Councillor
Jenny Wheeler



Councillor
Nina Wood-Ford

A SNAPSHOT OF REPORTS / PRESENTATIONS RECEIVED THROUGHOUT THE YEAR

During the course of the year the Committee received a number of reports and presentations on a variety of subjects. Further details about the reasons why issues were selected for scrutiny and the outcomes of the scrutiny process are detailed below.

Seasonal Garden Waste Collection

In September the Head of Environmental Services presented a report outlining the Council's plans to introduce a garden waste collection service and Members were able to consider the proposals carrying out their pre-scrutiny function. The report set out details of the operation of the proposed new service including costs and projected revenue. Officers reported that Redditch had the lowest rate for composting in the county at 2.18% and that the introduction of a garden waste service should divert some waste away from the normal domestic collection. Provision of this service without significant capital outlay would be achieved by entering into an agreement with Bromsgrove District Council for their existing garden waste collection service covering Bromsgrove properties to be extended to Redditch.

Members explored a number of issues relating to the new service including likely levels of take up, options for extra brown bins to be provided, the proposed charging rates and other methods that could be used to counter the very low composting rates. At the end of the pre-scrutiny process Members endorsed the proposals in respect of this matter from officers, which were subsequently endorsed by the Executive Committee.

Economic Development

In December the Head of North Worcestershire Economic Development and Regeneration (NWEDR) gave a presentation on the economic outlook for Redditch and the various options to promote growth and economic prosperity that were being pursued by NWEDR on behalf of the Council. Members learnt that the economy in Redditch is linked to that of Birmingham and challenges include providing more job opportunities in the Borough for skilled workers, improving the image of Redditch as an employment area and being able to re-develop existing industrial sites to attract new employers.

Members were interested to hear more about the links of the Council with the two Local Enterprise Partnerships (LEPS - Greater Birmingham and Solihull and Worcestershire) and the West Midlands Combined Authority (WMCA) and what could be done through membership of these organisations to enhance the economic offer either through grant funding or opportunities to promote the area. Two projects being actively pursued were the option for Redditch to become a Business Improvement District and use funds raised from this for local projects, and the One Public Estate project, which would see the Council collaborate with other local public sector land owners to improve the town centre.

Herefordshire and Worcestershire Sustainability and Transformation Plan

In 2017/18 the Overview and Scrutiny Committee continued to receive updates in respect of progress with the delivery of the Herefordshire and Worcestershire Sustainability and Transformation Plan (STP). This had first been identified as a suitable topic for scrutiny at an Overview and Scrutiny training session in 2016 and

representatives of Worcestershire Health and Care Trust and Worcestershire Acute Hospitals NHS Trust (WAHT) had attended meeting of the Overview and Scrutiny Committee to provide Members with an update on the requirements for the plans and areas of local interest.

In July 2017 the Committee received an update on the STP which highlighted the progress that had been made with completing the plan and consulting with local stakeholders about implementation. A further update was subsequently provided in January 2018 when Members learned that the STP had now formed the basis of a formal partnership in the local area. Key staff had been recruited to co-ordinate communications as well as project delivery. Specific initiatives had also been established, including work on a Local Maternity Systems Plan.

Members learned that Neighbourhood Teams had been appointed across Herefordshire and Worcestershire to help address local health issues in line with the STP's objectives. This includes two Neighbourhood Teams in Redditch and Members are keen to invite representatives of these local teams to attend future meetings of the Overview and Scrutiny Committee to discuss the impact of the STP.

Due to the significance of health services to all residents the Committee extended an invitation to every Member to attend meetings when these presentations were delivered. A further update on the Herefordshire and Worcestershire STP is scheduled for the consideration of the Committee later in 2018.

Committee level Budget Scrutiny

Despite the work of the Budget Scrutiny Working Group Members agreed that, to ensure transparency, a number of key budget items should continue to be considered at meetings of the parent Overview and Scrutiny Committee. Primarily this was conducted via the pre-scrutiny process, whereby Members considered reports on various aspects of the Council's budget prior to a decision being taken by the Executive Committee. The following items were considered in this manner:

- Fees and Charges 2018/19
- Housing Revenue Account 2018/19
- Medium Term Financial Plan 2018/19 – 2021/22
- Local Discretionary Relief Scheme

A number of recommendations were proposed through the pre-scrutiny process and the majority of these were approved.

Place Partnership

During the year the Committee received a presentation from the Managing Director of the Place Partnership. This presentation focused on the work of the partnership and the services that it provided on behalf of the Council. Members learned about the origins of the Place Partnership and the progress that had been achieved in delivering services in recent years. The Committee was also advised that the partnership had started to achieve savings for partners in the second full year of its operation.

Members were informed about a number of high profile projects that the partnership had been involved in delivering in the local area. This included Hindlip Park and Evesham

Fire Station. Members were interested to note that the partnership had been involved in work on the One Public Estate initiative, which will have implications for regeneration in Redditch town centre. It should be noted that the Overview and Scrutiny Committee is scheduled to pre-scrutinise a report in respect of the One Public Estate at a meeting on 1st March after this report will have been published.

Redditch Local Strategic Partnership

The Overview and Scrutiny Committee received an annual update in respect of the work of the Redditch Local Strategic Partnership (LSP) in June 2017. Members learned that the Redditch Partnership Executive Group (RPEG) was supported by the work of various theme groups; the Redditch Community Wellbeing Trust, the Positive Activities Sub-Group and the Economic Development Theme Group. The Committee was also informed that the partnership had four key priorities; health inequalities, education attainment, the Redditch economy and leading transformational change of public services in the local area.

Members welcomed news that a local directory of services was in the process of being developed which would help to signpost interested parties to appropriate service providers in the local area. This directory would be accessible through the Council's website and available for external organisations to utilise.

Leisure Service Provision – Pre-Scrutiny

Following scrutiny of leisure services by a short sharp review group in 2015 and pre-scrutiny of the Council Plan and Leisure intervention work earlier in 2017 the Overview and Scrutiny Committee agreed to pre-scrutinise proposals in respect of the future delivery of Leisure and Cultural Services in October 2017. A presentation, setting out the background to an independent review of the Council's leisure and cultural services, was delivered for Members' consideration. As much of the information was commercially sensitive the Committee did need to consider many details in exempt session.

Various different options were discussed in respect of the most appropriate approach for the Council to adopt in future to deliver Leisure and Cultural Services. This included considering the potential for services to continue to be delivered in house, to be delivered by an external trust, which had been the option favoured by the scrutiny short sharp review group in 2015, to be outsourced to a private company or to be delivered by a new local authority trading company (LATC). Based on the information provided the Overview and Scrutiny Committee recommended that the Council should progress with the LATC model. This model was endorsed by the Executive Committee in October 2017. It should be noted that the Overview and Scrutiny Committee is scheduled to pre-scrutinise the business case for the Leisure and Cultural Services LATC at a meeting on 1st March 2018 after this report will have been published.

Recommendation Tracking

The Overview and Scrutiny Committee received an update on progress that had been received in respect of scrutiny recommendations in June 2017. It is anticipated that a further update monitoring progress with implementation of approved scrutiny recommendations will be presented for Members' consideration at the first meeting of the Committee in 2018/19.

CRIME AND DISORDER SCRUTINY

Membership: Councillors Matthew Dormer (Chair), Pattie Hill, Gareth Prosser, Paul Swansborough and Nina Wood-Ford.

The Police and Justice Act 2006 required every local authority in England and Wales from April 2009 to have a designated Committee with responsibility for scrutinising the work of the local Crime and Disorder Reduction Partnership (CRDP), often referred to as a Community Safety Partnership. Under this legislation Scrutiny Committees are only permitted to hold the partnership as a whole to account not individual partner organisations. The Crime and Disorder Scrutiny Panel, established in 2010 as a Sub-Committee of the Overview and Scrutiny Committee, has been allocated responsibility for scrutinising the work of the North Worcestershire Community Safety Partnership, which covers the Redditch area.

The first meeting of the Crime and Disorder Scrutiny Panel in 2017/18 took place on 27th September 2017. During this meeting Members received an update on the work of the North Worcestershire Community Safety Partnership in the preceding six months. Particular attention was given to issues surrounding anti-social behavior (ASB) in the Borough and an analysis of the areas where this was the most prevalent. Members also received a presentation about preventing violent extremism and the duties placed on local authorities in this regard under the Counter Terrorism and Security Act 2015.

The Panel is due to meet again in March 2018.

HEALTH OVERVIEW AND SCRUTINY

Councillor Nina Wood-Ford was the Council's representative on the Worcestershire Health Overview and Scrutiny Committee (HOSC) in 2017/18. District and Borough Councils are invited to appoint representatives to the HOSC to ensure that the interests of the district in relation to health are taken into account. Councillor Wood-Ford provides regular updates on the work of HOSC for the consideration of the Redditch Overview and Scrutiny Committee. She can also report any items suggested for the consideration of HOSC on behalf of Redditch Members.

During the year Councillor Wood-Ford has advised the Redditch Overview and Scrutiny Committee about the outcomes of discussions of the following topics at meetings of HOSC:

- Access to primary care including treatment from GPs and alternative options such use of pharmacists and upskilling of nursing staff.
- Changes to commissioning policies affecting hip and knee replacement surgery across Worcestershire.
- The Care Quality Commission rating of Worcestershire Acute Hospitals NHS Trust as being inadequate (July 2017) and the subsequent review by the Care Quality Commission in January 2018;
- Discussions with the newly appointed Chairman and Chief Executive of Worcestershire Acute Hospitals NHS Trust;
- Transport issues and the provision of bus services between Worcester Royal Infirmary and Redditch;

- Additional funding of £29m to be spent improving Worcester Royal Infirmary and some of the specific projects that this would fund; and
- The rate of nursing vacancies affecting health services in Worcestershire.

WEST MIDLANDS COMBINED AUTHORITY OVERVIEW AND SCRUTINY COMMITTEE

For the municipal year 2017/18 Councillor Nina Wood-Ford was appointed as the Redditch Borough Council representative on the WMCA Overview and Scrutiny Committee which had been established in 2016/17.

Councillor Wood-Ford has reported that the WMCA Overview and Scrutiny Committee has discussed the following topics at recent meetings:

- A report on data from the authority's performance dashboard and performance trends. Subjects such as air quality in the region and the new data protection regulations due to come into force in 2018 had also been discussed alongside issues relating to economic growth.
- Plans to increase the number of apprenticeships within the region from approximately 42,000 at present to 84,000 by 2030.
- That the WMCA had been given permission to recruit new staff to support the authority's Committees and that it was anticipated that this would have a positive impact on the capacity of bodies such as the WMCA Overview and Scrutiny Committee.
- That the Mental Health Task and Finish review, to which Councillor Wood-Ford had been appointed, was progressing well and investigating the potential for Housing First to be introduced across parts of the region. Officers assured Members that the Council was working closely with the WMCA in respect of Housing First as it was recognised that this had been highlighted in both the Mental Health Task Group and Homelessness Short Sharp Review Group's findings.
- That the Land Commission Task and Finish Group had identified challenges with meeting housing targets and had been investigating the potential for alternative providers to help supply social housing in the region. Modular homes had been raised as a possible option as part of these discussions.
- That the Skills and Productivity Task and Finish Group had been investigating skills pathways as well as how the region compared to other parts of the country.

WORKING GROUPS

This year working groups, informal sub-committees of the Overview and Scrutiny Committee, have continued to review the Council's budget and service performance (as detailed on the Council's measures dashboard) respectively.

BUDGET SCRUTINY WORKING GROUP

Membership: Councillors Jane Potter (Chair), Matthew Dormer, David Thain, Yvonne Smith and Jenny Wheeler.

The Budget Scrutiny Working Group was established in June 2016 to provide scrutiny Members with an opportunity to investigate budgetary matters in greater detail. The Overview and Scrutiny Committee had taken a decision to introduce the working group in light of the challenging financial circumstances facing local government.

Meetings of the group were held every month in 2017/18. During these meetings Members considered a range of subjects including the following:

- The Council's Efficiency Statement and progress with the implementation of the aspirations detailed within this.
- Budget pressures for the Council and the action planned to achieve savings and / or generate further income for the Council.
- The Medium Term Financial plan. The group pre-scrutinised the content of the plan and raised a number of questions which helped to ensure that key details were addressed.
- The Housing Revenue Account (HRA). Again the group had pre-scrutinised the content of the HRA and had been keen to ensure that funding received by the Council through Right to Buy was reinvested in new properties.
- The Fees and Charges 2018/19. Members had pre-scrutinised the fees and charges and had raised a number of questions which addressed key issues that had been addressed before a final decision was taken by the Council.
- Council contracts, including the Council's contract procedure rules. These rules changed during the course of the year and Members welcomed amendments that strengthened these rules given the challenging financial circumstances facing local authorities.
- Quarterly Financial Monitoring Reports. The group scrutinised the figures provided in these reports and the trends these revealed in relation to the Council achieving savings.
- The Council's Housing Growth Programme and the potential benefits arising from this programme both in terms of housing provision to local residents and in respect of the Council's finances.

PERFORMANCE SCRUTINY WORKING GROUP

Membership: Councillors Matthew Dormer (Chair from September 2017), Natalie Brookes, David Thain, and Nina Wood-Ford. (Councillor Baker-Price was the Chair of this group up to September 2017).

Performance monitoring is a key aspect of good practice in the scrutiny process nationally. Redditch as the Council, in partnership with Bromsgrove District Council, has developed a bespoke approach to managing service performance. This involves focusing on performance measures for services, rather than targets, and progress in respect of these measures is logged on a corporate dashboard. The working group was established to monitor performance in relation to these measures on the dashboard as well as to identify any areas missing from the dashboard.

The group adopted a new approach to reviewing the dashboard this year. Members agreed to focus on the measures listed for each strategic purpose in turn and to identify any areas where further information might be helpful. In some cases Members identified examples of measures where the data had not been updated for some time and therefore the content was out of date. More commonly Officers were working to deadline to update the measures but there was a lag in the availability of data (for example in some cases the data is only available on a quarterly or an annual basis). The group has advised Officers on a number of occasions that where possible commentary should be provided to help clarify for the benefit of elected Members both trends for a particular measure as well as the reasons for any delays in providing further data

During the year Members considered a number of specific issues including the following:

- Provision of housing for care leavers and the extent to which measures could be introduced on the Council's dashboard to monitor provision of support to care leavers.
- Action that could be taken in relation to abandoned shopping trolleys and the extent to which that could be monitored through introducing relevant measures on the dashboard.
- The work of the Place teams and the measures adopted for these teams.
- Measures relating to rates of anti-social behaviour (ASB) and crime. Members learned that this data was obtained from partner organisations and there could be a lag in obtaining new information.
- Difficulties experienced by Members accessing the dashboard on their iPads. Members learned that visitor Wifi services had caused some difficulties, though there was also a password issue which was identified and resolved mid-year.
- The speed with which Members could navigate the dashboard on their iPads. A new tab was introduced during the year which enabled Members to negotiate the dashboard more quickly.
- Rent arrears and the action taken by the Council to improve collection rates.
- Measures relating to management of the Council's business centres and action that is being taken to encourage businesses to utilise available units.

In October 2017 the Member Support Steering Group noted that all Members would find the content of the measures dashboard helpful. However, many Members have not had the same experience accessing the dashboard as members of the Performance Scrutiny Working Group. For this reason members of the working group have been nominated to act as Member Champions in respect of the dashboard.

TASK GROUPS AND SHORT, SHARP REVIEWS

The final reports of all completed investigations can be found on the Council's website within the Overview and Scrutiny section.

HOMELESSNESS SHORT SHARP REVIEW

Membership: Councillors Nina Wood-Ford (Chair), Natalie Brookes, Anita Clayton, Pattie Hill and Antonia Pulsford.

Completed September 2017

In March 2017 the Overview and Scrutiny Committee received a proposal to undertake a scrutiny review of homelessness in the Borough. The request was made following a campaign in the local community which had been launched by the Council with the aim of raising awareness as to the situation of homeless people and the ways by which they can be assisted. This was set up as a "short sharp review". Following a delay for the local and general elections, the review commenced in June 2017.

The terms of reference were :-

- To review relevant Council policies and practices in respect of people experiencing or at risk of becoming homeless.
- To establish the current levels of homelessness in Redditch.
- To clarify the potential causes of homelessness.
- To analyse the potential impact of homelessness on a person's physical and mental health.
- To assess the existing support available to people who are homeless or at risk of becoming homeless.
- To scrutinise the potential impact of the new Homelessness Reduction Bill on homelessness levels.
- To review the findings of any scrutiny Task Groups that have investigated homelessness in other parts of the country and to identify any actions arising from these reports which could be replicated in Redditch.
- To investigate any opportunities for organisations to work in partnership to support to people who are homeless or at risk of becoming homeless.
- To identify any additional action that the Council could take to address homelessness in the Borough.

During the review the group gathered evidence from a range of sources. Interviews were held with Council Officers in the Housing Options team, Private Sector Housing and Customer Access and Financial Support team, the Portfolio Holder for Housing, Councillor Mark Shurmer, and external representatives from St Basils, Redditch Night Stop, the YMCA, the CAB – Bromsgrove and Redditch, Radiate Redditch and the St Stephen's Church Food Bank. Members also revisited the findings in respect of a review of homelessness that had been conducted by the Social Overview and Scrutiny Committee in 2006.

The group established that there are many forms of homelessness; rough sleepers, sofa surfers, living in temporary accommodation, and people who, through no fault of their own, fall on hard times such as due to divorce, losing a job and problems within families and stepfamilies. Other causes can be alcohol and substance abuse and mental health problems. Whilst provision for young people was found to be in place in the Borough, the

review identified what seemed to be a gap for single people with no dependents aged over 35.

The review resulted in five recommendations, including that Redditch Borough Council should participate in a pilot scheme for a project called Housing First subject to funding being provided for this by the WMCA. Redditch was felt to be a good location for testing this scheme which aims to provide housing and support workers for homeless persons with complex needs. Substance abuse was also identified by the review as a significant issue for homeless persons and Members have requested that the local charity providing support for addicts (Swanswell) be invited to a future meeting of the Overview and Scrutiny Committee to talk about their work in the Borough.

As part of the review amendments to the Councils Housing Allocations Policy were considered and discussed; Members recommended that the changes to the policy should be approved.

MENTAL HEALTH SERVICES FOR YOUNG PEOPLE TASK GROUP

Membership: Councillors Nina Wood-Ford (Chair), Andrew Fry, Gay Hopkins, David Thain and Jenny Wheeler
Completed: March 2017.

Although the group completed its initial remit and reported back with recommendations in March 2017, some further work was carried out over the summer of 2017. Specifically the group met again to consider issues around PSHE (Personal Social and Health Education in schools and the link between such lessons being provided to children and whether this in turn impacts positively on mental health outcomes.

Members were keen to explore this issue further and were disappointed that none of the schools they contacted responded to the questionnaire that was sent out.

The Overview and Scrutiny Committee has previously agreed that the group should reconvene in due course to consider the impact of their recommendations. At the time of writing a date for a meeting of the group to be arranged remained to be confirmed.

CIVIL CONTINGENCIES SHORT SHARP REVIEW

Membership: Councillors Gareth Prosser (Chair), Matthew Dormer and Yvonne Smith
Due to complete: March 2018.

In July 2017 the Overview and Scrutiny Committee agreed to set up a short sharp review to look at civil contingencies and emergency planning. The review was proposed a month after the fire that occurred at Grenfell Tower in London which unfortunately resulted in significant loss of life. The fire and the approach adopted by organisations in the aftermath of the fire had implications from an emergency planning perspective and highlighted the need for local authorities to have robust plans in place for dealing with emergency situations.

The review started to meet and gather evidence from September 2017 and the final report is due to be considered by the Overview and Scrutiny Committee at its meeting on 1st March 2018.

The terms of reference for this review were:

- 1) To review how the Council complied with legislative requirements and the Council's procedures to keep relevant risks under review.
- 2) To scrutinise the plan(s) used by the Council in discharging its duty and to assess whether the Council ensures they are credible, relevant and effective during a crisis.
- 3) To ensure the Council is prepared and able to provide emergency advice.
- 4) To invite partner category 1 responders to comment on the Council's emergency plan to ensure best practice, prevent duplication and ensure residents receive an integrated response.
- 5) To seek best practice from the experiences of other local authorities nationally by reviewing relevant cases.

Through a combination of interviews and written feedback, the review received feedback from Hereford and Worcester Fire and Rescue Service, West Mercia Police, West Midlands Ambulance Services NHS Foundation Trust, Worcestershire Acute Hospitals NHS Trust and Worcestershire County Council. The senior officers at the Council with responsibility for Emergency Planning were interviewed, together with the North Worcestershire Civil Contingencies and Resilience Manager. The review also considered the legislative framework as set out in the Civil Contingencies Act 2004, the arrangements in place in Worcestershire for multi-agency working to respond to civil emergencies and the local arrangements whereby support for emergency planning is provided through a shared service for the three North Worcestershire Authorities hosted by Wyre Forest District Council.

Overall the group was satisfied that the Council is well prepared to respond to any emergency situations the might unfortunately occur. At the time of writing this report the group are proposing to put forward two recommendations, that the Council's emergency plan should be reviewed on an annual basis, and that the Overview and Scrutiny Committee should receive an annual update in respect of the Council's emergency planning arrangements. The Executive Committee will consider the group's report and findings on 6th March 2018.

JOINT OVERVIEW AND SCRUTINY INVESTIGATIONS**STAFF SURVEY JOINT SCRUTINY TASK GROUP****Review Host: Bromsgrove District Council****Redditch Borough Council representatives: Councillors Tom Baker-Price, Jane Potter (Vice Chair) and Jenny Wheeler.****Bromsgrove District Council representatives: Councillors Steve Colella (Chair), Caroline Spencer and Shirley Webb.****Completed: October 2017**

As set out in the 2016/2017 annual report, Members agreed in October 2016 to set up a joint scrutiny task group with Members of Bromsgrove District Council's Overview and Scrutiny Board, to consider the outcomes of the Councils' staff surveys conducted in 2013 and 2016. This joint approach was considered appropriate in light of the fact that many staff work in services shared across the two Councils. This was the first Joint Task Group involving these two authorities only.

Concerns arising from the poor staff response rate to the two surveys inspired this review. The Task Group was allocated the following terms of reference:-

- To consider how to increase the response rates in future.
- To consider the merits of the questions both in terms of desired outputs and number of questions.
- To establish reasons for the low response rates.
- To benchmark the survey with other similar organisations
- To make recommendations to the Bromsgrove Overview and Scrutiny Board and Redditch Overview and Scrutiny Committee.

Over a series of meetings between November 2016 and June 2017 the Task Group carried out a detailed review of the outcome of the staff surveys and the measures being put in place by officers to address the poor response rate and associated issues. Interviews took place with senior officers including the Head of Business Transformation, and Organisational Development, the Human Resources and Development Manager and the Chief Executive.

The final recommendations from the Task Group were considered at the meeting of Overview and Scrutiny Committee on 26th October 2017. The Task Group made four recommendations namely:

- 1) That a Member of the Overview and Scrutiny function be appointed to the role of Leader Councillor for Supporting Staff;
- 2) That a quarterly update on the Programme Board's Action Plan be received by the Overview and Scrutiny Committee; and
- 3) That the Performance Scrutiny (RBC) and Measures Dashboard (BDS) Working Groups' terms of reference be updated to include an area covering performance management processes, performance targets and objective setting across both authorities;

- 4) That the Lead Councillor for Supporting Staff and the relevant Portfolio Holder from each Council assist in the formulation of all future staff surveys and attend staff briefings.

The first 3 recommendations were adopted and the fourth one was recommended to the Executive. However, after debating the issue at its meeting on 31st October 2017 the Executive decided not to adopt recommendation 4.

OVERVIEW AND SCRUTINY CONTACT DETAILS

For additional copies of this report, or to find out more about Overview and Scrutiny at Redditch Borough Council, please contact:

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Further Information

Further information about the Overview and Scrutiny process at Redditch Borough Council can also be found on the Council's dedicated web pages. To access these web pages please use the web address attached here:

<http://www.redditchbc.gov.uk/council/the-council/overview-and-scrutiny.aspx>

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