



Executive Committee

Tue 11 Sep
2018
7.00 pm

Committee Room Two
Town Hall
Redditch

REDDITCH BOROUGH COUNCIL

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

Committee

Tuesday, 11th September, 2018

7.00 pm

Committee Room 2 Town Hall

Agenda

Membership:

Cllrs:	Matthew Dormer (Chair)	Bill Hartnett
	David Bush (Vice- Chair)	Gareth Prosser
	Tom Baker-Price	Mike Rouse
	Greg Chance	Craig Warhurst
	Brandon Clayton	

1. Apologies

2. Declarations of Interest

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

3. Leader's Announcements

4. Minutes (Pages 1 - 12)

5. Redditch Local Lottery (Pages 13 - 32)

6. Anti Social Behaviour Crime and Policing Act 2014 - Implementation of Provisions (Pages 33 - 50)

7. Draft Council Tax Support Scheme and Wider Support Framework (Pages 51 - 68)

8. Write Offs April 2017 to March 2018 - Annual Report (Pages 69 - 74)

9. Finance Monitoring Quarter 1 2018/19 (Pages 75 - 88)

10. Performance Report

This report has been published in a separate colour supplement.

11. Overview and Scrutiny Committee (Pages 89 - 98)

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12. Minutes / Referrals - Overview and Scrutiny Committee, Executive Panels etc.

To receive and consider any outstanding minutes or referrals from the Overview and Scrutiny Committee, Executive Panels etc. since the last meeting of the Executive Committee, other than as detailed in the items above.

13. Advisory Panels - update reports

Members are invited to provide verbal updates, if any, in respect of the following bodies:

- a) Constitutional Review Working Panel – Chair, Councillor Matthew Dormer;
- b) Corporate Parenting Steering Group – Council Representative, Councillor Gareth Prosser;
- c) Grants Panel – Chair, Councillor Greg Chance;
- d) Member Support Steering Group – Chair, Councillor Matthew Dormer; and
- e) Planning Advisory Panel – Chair, Councillor Matthew Dormer.

14. Exclusion of the press and public

Should it be necessary, in the opinion of the Borough Director, during the course of the meeting to consider excluding the public from the meeting on the grounds that exempt information is likely to be divulged, it may be necessary to move the following resolution:

“That, under S.100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (to be specified) of Part 1 of Schedule 12 (A) of the said Act”.

These paragraphs are as follows:

Subject to the “public interest” test, information relating to:

- Para 2 – the identity of any individual;
 - Para 3 – financial or business affairs;
 - Para 4 – labour relations matters;
- and may need to be considered as ‘exempt’.

15. Leisure Services Business Plan (Pages 99 - 292)

16. Leisure and Cultural Services - Proposed Service Restructure (Pages 293 - 322)

17. Housing / HRA - Overview and Recovery Plan (Pages 323 - 424)



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MINUTES

Present:

Councillor Matthew Dormer (Chair), Councillor David Bush (Vice-Chair) and Councillors Tom Baker-Price, Greg Chance, Brandon Clayton, Bill Hartnett, Gareth Prosser and Michael Rouse

Also Present:

Councillors Roger Bennett and Pattie Hill

Mrs N. Wood-Ford

Officers:

Kevin Dicks, Clare Flanagan, Sue Hanley, Dean Piper and Sarah Sellers

Democratic Services Officer:

Jess Bayley

16. APOLOGIES

An apology for absence was received on behalf of Councillor Craig Warhurst.

17. DECLARATIONS OF INTEREST

There were no declarations of interest.

18. LEADER'S ANNOUNCEMENTS

The Chair thanked all those present for attending the meeting of the Executive Committee at the slightly earlier time of 6.00pm. He explained, as detailed in a written update to Members on his announcements, that he would need to leave the meeting early to attend a meeting with the Mayor of the West Midlands Combined Authority area, Andy Street.

During consideration of this item concerns were raised that the early start time for this meeting was occurring at a time when

.....
Chair

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changes were being made to other Committees, including the rescheduling of meetings of the Constitutional Review Working Party in August and full Council in September. Members were urged to ensure that these changes did not compromise the access of Members and the public to information about decisions that were being taken through the democratic process.

It was noted that in some of these cases changes had been made to accommodate the needs of both Members and Officers, for example the meeting of Council in September had been rescheduled to ensure that senior Officers could be present at the Council meeting.

19. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday 10th July 2018 be approved as a correct record and signed by the Chair.

20. SCRUTINY OF CARE LEAVERS SHORT SHARP REVIEW - FINAL REPORT

Members welcomed former Councillor, Nina Wood-Ford, who presented the findings of the Scrutiny of Care Leavers' Short Sharp review on behalf of the group. During the delivery of her presentation the following points were highlighted for Members' consideration:

- Following a notice of motion to Council in January 2018 Members had been tasked with undertaking an overview and scrutiny review of the financial support available to care leavers.
- The group had focused on; the legal duties of local Councils towards care leavers; the position of care leavers in Redditch in 2018; the steps taken by other Councils to meet the needs of care leavers; and the options available to assist care leavers.
- Evidence had been gathered from a range of sources including; interviewing officers from Worcestershire County Council, interviewing officers from Redditch Borough Council who managed the Council Tax service, the *Wolf at the Door* report; Worcestershire Care Leavers' Strategy; and information about how other Councils were supporting care leavers.
- The group had found that legal reforms had led to improvements to the support available to care leavers, including better planning for those aged over 18, young people

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remaining in foster placements for longer and personal advisors being provided to care leavers.

- As a Corporate Parent Redditch Borough Council had a duty to have regard to care leavers when carrying out its functions.
- Debt problems and difficulties with budgeting had been identified as problems for care leavers, though many received good advice in relation to this.
- The government had no plans to introduce guidance as to how Councils should treat care leavers in relation to Council Tax. This therefore needed to be determined at the local level.
- There were 72 care leavers residing in Redditch, 28 of whom were recorded as having Council Tax liability.
- In total 19 of these care leavers qualified for support under the Council's Council Tax Support Scheme and nine were liable to pay Council Tax.
- In proposing their recommendations the group had aimed to secure actions that would be cost effective, easy to administer and apply for and would be available to care leavers.
- The proposals would require means testing of care leavers aged 22 to 25.
- The group felt the best option for supporting care leavers would be to amend the Council Tax Support Scheme. This was preferred to amending the Hardship Fund as that was meant to be used on a discretionary basis. Changing the Council Tax support scheme would also be cheaper for the Council than amending the hardship fund.
- The group had concluded that the fairest approach would be to include care leavers from outside Redditch. However, Officers could not forecast the costs involved in extending the scheme to care leavers from outside Redditch as it was uncertain how many would move to the Borough.
- The group's third proposal had been made as any changes to the Council Tax Support Scheme would only come into effect in April 2019, following consultation.
- The third recommendation proposed that assistance should be provided to care leavers in the interim period, in 2018/19, for care leavers residing in Redditch from the Hardship Fund.
- This third proposal, if agreed, would cost the Council £10,3000 to implement.

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

- The costs involved in delivering the changes to the Council Tax Support Scheme and the reasons for the different costs associated with the group's third recommendation. Officers explained that the Council needed to cover the full costs of the interim arrangement to support care leavers through the

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hardship fund. The £10,300 that had been quoted was an estimate.

- The potential to extend the scheme only to young people leaving care who lived in Redditch. Mrs Wood-Ford advised that the group had explored this opportunity but had been advised that the Council could then be subject to a legal challenge from care leavers who had moved into Redditch from outside the borough.
- The restriction of the interim support to Redditch care leavers. Mrs Wood-Ford advised that Officers had confirmed that this was acceptable.

Reference was made to the Overview and Scrutiny Committee meeting held on 9th August 2018 when Members had considered the report. Following a detailed discussion Members had approved the Scrutiny Group's proposals at that meeting.

During consideration of this item Councillor Tom Baker-Price proposed an amendment to the proposals. This proposal was seconded by Councillor Dormer. This amendment read as follows:

- 1) "The executive affirms its commitment to introduce reforms to the council tax support scheme for care leavers at the earliest opportunity which achieves the following objectives:
 - i) To reduce the net liability for council tax to zero until the care leaver's 21st Birthday.
 - ii) To provide transitional support for care leavers that enables a reduction in liability for council tax up to and including zero from a care leaver's 21st birthday until the care leaver's 25th birthday.
- 2) In the interim to support care leavers, the council tax support hardship policy should be amended to ensure the net liability of care leavers to pay council tax until their 25th birthday is reduced to zero providing they have left Worcestershire County Council care and are living independently. This is an interim measure and support under the hardship policy should end when reform has been implemented.
- 3) The head of customer services is asked to ensure officers whose role includes supporting care leavers experiencing council tax debt, are provided with appropriate training on corporate parenting and in consultation with the portfolio holder for corporate management explores additional measures to support care leavers to achieve financial independence."

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In proposing the amendment Councillor Baker-Price explained that many care leavers were very vulnerable, having often experienced abuse in their early life which could cause life-long issues. A significant proportion of those in the criminal justice system had been in care as had many people who were homeless. Councillor Baker-Price suggested that to address this there was a need to introduce a support system based on prevention and all of the precepting authorities had a role to play in this. Members of Redditch Borough Council, as Corporate Parents, needed to recognise the lived experience of care leavers.

Councillor Baker-Price expressed concerns that the group had not consulted with care leavers during their review. Members were advised that he had recently met with some care leavers and they needed support. He also raised concerns that means testing would be highly bureaucratic which would add costs to the scheme proposed by scrutiny Members. Councillor Baker-Price explained that his proposals would correspond with those made by other Councils in Worcestershire in respect of care leavers, which would ensure consistency across the county.

Members discussed the amendment and noted the following:

- The delays that had occurred during the course of the scrutiny review which meant it had been completed in seven rather than six months. The Committee was advised that following the elections the group had lost their Chair and this had caused some delays. Officers had also had to wait to gather information from external sources in respect of the recommendations which had added to the timescales.
- The reasons why it had been felt that a scrutiny review was required to investigate support that could be provided to care leavers.
- The need for Members appointed to scrutiny reviews to attend every meeting where possible.
- The need for any changes to the Council Tax Support Scheme, as detailed in the first amended recommendation, to be subject to consultation with the public. It was suggested that this should be reflected in the Executive Committee's decision on this item.
- The need for the Head of Customer Access and Financial Support to work with the Head of Community Services, as the lead officer for safeguarding, in respect of training officers. Again it was suggested that this should be reflected in any decision to be taken by the Executive Committee.
- The questions that had been raised by the Overview and Scrutiny Committee in respect of the means testing and how this would work.

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- The numbers of children and young people living in care in Redditch compared to other districts in the county. Members were advised that when the review was proposed there were two young people living in care in Wyre Forest District compared to 133 young people living in care in the Borough of Redditch.

RESOLVED that

- 1) **the Executive Committee affirms its commitment to introduce reforms to the Council Tax Support Scheme for care leavers at the earliest opportunity, subject to statutory consultation on the Council Tax Support Scheme, which achieves the following objectives:**
 - iii) **to reduce the net liability for Council Tax to zero until the care leaver's 21st Birthday;**
 - iv) **to provide transitional support for care leavers that enables a reduction in liability for Council Tax up to and including zero from a care leaver's 21st birthday until the care leaver's 25th birthday;**
- 2) **the Head of Customer Access and Financial Support, with the help of the Head of Community Services, is asked to ensure officers whose role includes supporting care leavers experiencing Council Tax debt, are provided with appropriate training on Corporate Parenting and, following consultation with the Portfolio Holder for Corporate Management, explores additional measures to support care leavers to achieve financial independence; and**
- 3) **the Scrutiny of Care Leavers Short Sharp Review Final Report be noted.**

RECOMMENDED that

- 4) **in the interim to support care leavers, the Council Tax Support Hardship Policy should be amended to ensure the net liability of care leavers to pay Council Tax until their 25th birthday is reduced to zero providing they have left Worcestershire County Council care and are living independently. This is an interim measure and support under the hardship policy should end when reform has been implemented.**

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(The Chair left the meeting towards the end of this item, prior to a vote on the matter. In his absence the Deputy Leader, Councillor David Bush, chaired the remainder of the meeting).

21. REDDITCH TOWN CENTRE REGENERATION

The Chair opened the item by noting that discussion of the matter had been postponed from July at the request of the Chair of the Overview and Scrutiny Committee, Councillor Joe Baker. This had occurred because the Executive Committee had only provided 17 days' notice of the item in the Executive Work Programme rather than the 28 days' notice that was legally required for key decisions. The matter had been pre-scrutinised by the Overview and Scrutiny Committee, though no recommendations had been proposed and the Chair of the Committee had not taken part in the proceedings for that item. The Chief Executive advised that the Chair of the Overview and Scrutiny Committee had been unable to participate as the constitution required that no member who had previously taken part in making a decision on a matter, in this case the One Public Estate regeneration of the town centre considered in March 2018, could subsequently scrutinise the issue. In line with the 1972 Local Government Act's guidelines in respect of chairing Council meetings Councillor Baker had left the room to ensure that another Member could Chair the meeting in his absence.

The Head of Economic Development and Regeneration for North Worcestershire presented the report and highlighted that the report in respect of One Public Estate that had been considered in March 2018 had identified a preferred site for a public sector hub; on Church Road. Officers were now suggesting that this should no longer be the preferred location due to the costs involved. There was also a lack of market evidence that this was the most appropriate location for such a hub. Instead, Redditch Town Hall had been identified as a site that was more appropriate for a public sector hub. Members were advised that the Council would continue to work with partner organisations and work on existing proposals in relation to the railway quarter and relocation of the library into the hub.

Following the presentation of the report the Committee discussed a number of matters in detail:

- The new evidence that had emerged in respect of the most appropriate location for a public sector hub in the town centre. Officers advised that this was based on an assessment of the market conditions, with the market for office accommodation in Redditch being quite weak.
- The extent to which partner organisations were supportive of the change to the proposed location for the public sector hub.

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The Committee was informed that the partner organisations had indicated they were supportive of these proposals.

- The potential for the Town Hall to act as a public sector hub and the reason why other options were not being explored. Officers advised that it was important to maintain footfall around the area of the Town Hall.
- The potential for residential properties to be included in the regeneration of the town centre and the reasons why a residential zone was no longer explicitly referred to in the report. Members were advised that this would be considered but was not detailed in the report.
- The option for Redditch Town Hall to be converted into residential properties. The Committee was informed that this did not form part of the town centre regeneration plans.
- The potential to introduce residential properties in the town centre which could be used by those both using public transport and people who used their own vehicles.
- The speed with which the plans for regenerating the town centre had progressed and the timescales in which it would be implemented in the future.
- The consultation that had already been held in respect of the town centre regeneration and how this had informed plans for the future.
- The options that had been considered in March by the Executive Committee and pre-scrutinised by the Overview and Scrutiny Committee.

In discussing the proposal questions were raised as to whether reference could be made to including residential properties in the recommendation for the Executive Committee to support a new multi-purpose public sector hub. However, Members were advised that this was not possible as the proposal had been based on using the Treasury Five case model, which did not take into account residential matters. However, it could be taken into account as part of the work on the regeneration prospectus.

During consideration of this item Councillor Bill Hartnett proposed an amendment to the proposals detailed in the report. This amendment was seconded by Councillor Greg Chance.

The amendment proposed that the second resolution in the report should be amended to the following:

“To progress proposals outlined in the Redditch Regeneration Prospectus, with the initial focus on commissioning specialist support to produce a new vision and masterplan for the Railway Station Quarter, undertake feasibility work for the Library site and include consideration of residential use in the town centre, utilising the £50,000 already agreed by Council and that delegated authority

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is given to the Chief Executive to procure this support, after consultation with the Deputy Leader and Portfolio Holder for Economic Development, Town Centre and Commercialism.”

On being put to the vote the amendment was lost.

At the end of discussions on this item Members thanked the Head of North Worcestershire Economic Development for his work on the report. The committee noted that he would be leaving the organisation shortly for another authority and Members wished him well for the future.

RECOMMENDED that

- 1) the Council provides in principle support for the creation of a new purpose built multi-agency Public Services Hub, with a final decision to be taken by the Executive Committee following:**
 - a) the production of a detailed business case setting out the strategic, economic, commercial, financial and management case;**
 - b) identification of potential location options for the Hub and a recommended preferred site for the Hub; and**
 - c) negotiations with partner organisations regarding their commitment to transferring services to the Public Services Hub.**

Subject to the approval of recommendation 1 above the Executive Committee RESOLVED:

- 1) that delegated authority be given to the Chief Executive to procure external specialist support to develop the business case as detailed at paragraphs 3.3 - 3.4, utilising the £150,000 already agreed by Council, after consultation with the Portfolio Holder for Economic Development, Town Centre and Commercialism; and**
- 2) to progress proposals outlined in the Redditch Regeneration Prospectus, with the initial focus on commissioning specialist support to produce a new vision and masterplan for the Railway Station Quarter and undertake feasibility work for the Library site, utilising the £50,000 already agreed by Council and that delegated authority is given to the Chief Executive to procure this support, after consultation with the Deputy Leader and**

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Portfolio Holder for Economic Development, Town Centre and Commercialism.

22. OVERVIEW AND SCRUTINY COMMITTEE

Officers confirmed that there were no outstanding recommendations for the consideration of the Executive Committee.

RESOLVED that

the minutes of the Overview and Scrutiny Committee held on 5th July 2018 be noted.

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

Officers confirmed that there were no further referrals for Members' consideration.

24. ADVISORY PANELS - UPDATE REPORTS

Members provided verbal updates in respect of the following bodies:

- a) Constitutional Review Working Party – Chair, Councillor Matthew Dormer

In the absence of Councillor Dormer Officers advised that the following meeting of the Constitutional Review Working Party would take place on Tuesday 21st August and would start at 6.30pm.

- b) Corporate Parenting Board – Council representative, Councillor Gareth Prosser

Councillor Prosser advised that he had attended the first meeting of the Board the previous week. During this meeting a presentation had been delivered by a group of young people who were living in care across Worcestershire. The main issue that had been raised during this meeting had been the frequency with which social workers moved on and it had been reported that there was an issue with the retention and recruitment of social workers. This was in the process of being addressed by Worcestershire Social Services.

Every member of the Board would be attending a training session on 20th September. In the meantime Members were advised that the Board's annual report could be viewed online,

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though a paper copy could be accessed at reception in Redditch Town Hall.

c) Grants Panel – Chair, Councillor Greg Chance

Councillor Chance reported that during the latest meeting of the panel Members had considered a number of grant applications. Members were keen to review how decisions were made by the Panel, though it was important to ensure that decisions were based on consideration of the applications. The cross-party panel was working well, as in previous years, and Councillor Chance welcomed the contribution of the new Members who had been appointed in 2018/19.

d) Member Support Steering Group Party – Chair, Councillor Matthew Dormer

In the absence of Councillor Dormer Officers advised that the following meeting of the group would take place in October 2018.

e) Planning Advisory Panel Party – Chair, Councillor Matthew Dormer

In the absence of Councillor Dormer Members were advised that the meeting of the Planning Advisory Panel that was due to take place in August had been cancelled as the lead officer was on leave.

The Chair confirmed that the Planning Advisory Panel would be invited to consider plans for the regeneration of the town centre during meetings in 2018/19.

The Meeting commenced at 6.00 pm
and closed at 7.20 pm

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REDDITCH BOROUGH COUNCIL**EXECUTIVE
COMMITTEE****Date 5th September 2018****REPORT TITLE** Redditch Local Lottery

Relevant Portfolio Holder	Cllr Tom Baker-Price
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole
Ward(s) Affected	
Ward Councillor(s) Consulted	
Key Decision / Non-Key Decision	Non-Key Decision
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. SUMMARY OF PROPOSALS

- 1.1 This report is to consider setting up a local community lottery to directly benefit local community groups and charities that are likely to be impacted by continuing reductions in local authority funding.
- 1.2 The Council continues to seek out commercial business models and innovative ways to achieve its Strategic Purposes. In this respect, the development of a local authority community lottery has recently been proven in a number of other councils and would be suited to the Redditch Borough.

2. RECOMMENDATIONS

- 2.1 **It is recommended that the associated Business Case and the establishment of a local lottery are approved.**
- 2.2 **The preferred option to appoint an External Lottery Management (ELM) is approved and the appointment of Gatherwell Ltd is progressed.**
- 2.3 **Two officers are appointed to be responsible for holding the licence and submit the necessary application to the Gambling Commission.**

3. KEY ISSUES**Financial Implications**

- 3.1 The set up of the lottery requires an initial investment of £10,000 as set out in the attached business case.
- 3.2 Ongoing costs to run the lottery would be the cost of the licence renewal and some level of marketing and promotions; estimated up to £2,500 per annum.
- 3.3 The ELM The business case estimates a net return of £63,821 if taken up by 3% of the player population of the district.

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Legal Implications

- 3.4 The council will be required to apply to the Gambling Commission for an Operator Licence which will govern the operation of the lottery.
- 3.5 The council will hold a contract with the ELM to deliver the lottery online.

Service / Operational Implications

- 3.6 The Lottery will be delivered by an External Licensed Operator (ELM); Gatherwell Ltd. This is a replicable model run by many other local authorities.
- 3.7 The good causes that raise funds through the lottery will liaise directly with the ELM and they also deal with all ticket sales and related enquiries.
- 3.8 The licence holders or a responsible colleague will be required to approve good causes and monthly payments. All of this is online and automated. If they are unsure of the cause then further information can be requested. The council holds the right to reject or remove any cause.

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Customer / Equalities and Diversity Implications

3.9

Identify the potential positive and negative impacts on specific groups				
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Both younger people and older people may benefit through groups securing income to provide services and activities for their needs.		Younger people will not be eligible to play the lottery
	People with caring Responsibilities			There is no differential impact
	People with a disability			There is no differential impact
	Women or men			There is no differential impact
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact
	Religion or belief (including lack of belief)			Religious groups may not agree with gambling as a method of raising income.
	People who are lesbian, gay or bisexual			There is no differential impact

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People who are transgendered			There is no differential impact
People who are in a marriage or civil partnership			There is no differential impact
Women who are pregnant / on maternity leave			There is no differential impact
Socio-economic impacts (Including impact on child poverty issues and deprivation)		People on low incomes or without bank accounts/payment cards or access to the internet may feel excluded.	
Public Health impacts (How will your proposal impact on the general health of the population of Redditch Borough)			There is no differential impact

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4. RISK MANAGEMENT

- 4.1 All funds are managed on behalf of the council by the ELM and the jackpot prize is always an insured sum. There is no rollover and if there is more than one winner they all win the £25k. If funds build in the prize pot these are held for weeks when greater prize sums are won. Additional 'bolt on' draws can also be held to distribute prize sums if necessary. Prize funds cannot be used for any other purpose.
- 4.2 The operational risk essentially lies in people not choosing to buy tickets and if that were to be the case, the council would be able to consider its option not to renew its licence, and close the scheme down.
- 4.3 The remaining low level risks for the lottery are set out in the attached business case.

5. APPENDICES

Appendix 1 - Final business case for Redditch Lottery

6. BACKGROUND PAPERS**7. KEY****AUTHOR OF REPORT**

Name: Mark Hanwell

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Final Business Case

A Community Lottery for Redditch Borough Council

Author:	Mark Hanwell with AVDC
Date:	July 2018
Release Version:	1

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1. Executive Summary

The concept of a Community lottery has been identified by the commercial managers as a proven business model delivered in many other councils raising funds for local good causes. It works by enabling good causes to help themselves with the council facilitating this by holding the operating licence in an umbrella manner.

This business case explores how Redditch Borough Council can adopt the model to address some of the financial challenges.

The council historically provides substantial financial support for local good causes and different communities across the borough, supporting a number of corporate aims. Applying the already successful lottery model has the potential to keep the benefits enjoyed from this system of discretionary funding and could significantly reduce the council's costs to provide them. A Redditch Borough Community Lottery could help move the organisation from providers to facilitators.

The investment required is relatively low to include project implementation support and appointment of an External Licenced Management company totalling £10k with annual costs for the licence renewal, marketing and staff costs estimated around £2,500 a year.

The model proposed is considered to be a successful lottery due to its unique selling point (USP) over those already in the market place. A community Lottery facilitated by the council is focused on;

- Delivering the proceeds locally – A community lottery delivers benefits only to local causes, unlike any other provider
- Delivering winners locally – whilst anyone can play, it is likely that players will be locally based and hence it will be easier to maximise PR value from winners' stories and encourage more participation
- Facilitating a wider benefit – whilst the lottery will help offset current funding through a substitution approach, it will also enable local good causes to fundraise in partnership with the council. This can be seen as the council enabling causes (some of which it has previously supported) to help themselves.
- Ability to claim that the council take nothing from the lottery; cost recovery is possible, but it is recommended to use the proceeds generated to off-set or top up against discretionary spend.
- Helping to shift residents' perceptions of what the council can do, and is therefore in line with a commercial approach.
- Gaining access to further customer data

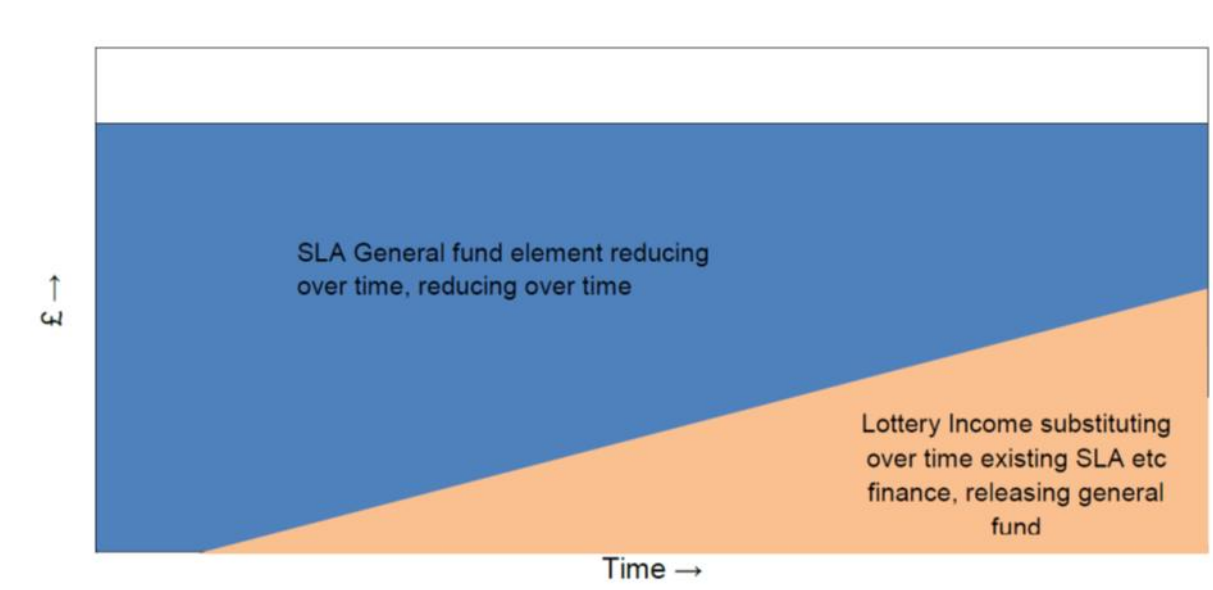
This business case explores a 'do nothing' option, internal delivery and external delivery of a lottery through a partner.

It establishes how delivery in partnership with an Externalised Licenced Manager (ELM) company is the best option replicating the already now proven model developed by Aylesbury Vale District Council and using their support to project manage the implementation.

Funds raised for the council can be used to substitute grant funding as greater pressure develops on discretionary funding.

The substitution approach conceptually works as shown in the graphic below;

Income is created from the community Lottery (50% of ticket sale price), and through an administration charge from all good causes run through the council'



The lottery is run online, and is accessible through a variety of devices. This is an increasingly popular and successful method, which fits with a drive towards a digital and commercial delivery emphasis.

There are virtually no risks in implementing the preferred model, assuming successful launch and nearly all investment risk sits with the ELM who already have the technology at hand. Ongoing financial risk is limited to the cost of the licence and marketing. Risk around ticket sales sits with the ELM.

2. Introduction

Using the Five Case Model the council continues to explore how it can deliver better services and outcomes for residents. With continued reductions and pressure on budgets the council is seeking to develop more commercial income streams.

This business case explores the opportunity to develop a Community Lottery for Redditch Borough Council that can contribute to meeting pressures on discretionary funding to local good causes.

Aylesbury Vale District Council first developed the proposed model in November 2015 and since then over 50 other councils have replicated it.

3. The Strategic Case

As financial pressures continue to grow, the Commercial Strategy group for Redditch Borough Council is exploring new ways of increasing income, reducing processes, bureaucracy and costs whilst maintaining high levels of service and customer satisfaction.

The group consider how to sell more services to the general public, wider public sector and private sector to increase the income position of the council, and explores what those services should and could be.

The concept of a Community lottery has been identified by the commercial managers as a proven business model delivered in many other councils raising funds for local good causes. It works by enabling good causes to help themselves whereby the council facilitates by holding an Operators Licence in an umbrella manner.

3.1 Organisational Overview

Lotteries have long been a way of smaller organisations raising income. They are regulated by the Gambling Act 2005. Councils already provide a service in granting licences for small society lotteries and gambling activities used by good causes to raise funds but are not able to grant themselves a licence and thus have to apply direct the Gambling Commission for an Operators Licence.

There are different types of lotteries available, however the Community Lottery is considered as a large society lottery.

Society lotteries are promoted for the benefit of a non-commercial society. A society is non commercial if it is established and conducted:

- For charitable purposes
- For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity
- For any other non-commercial purpose other than that of private gain.

There are two variants of society lotteries, the main difference being who issues the licence (local authorities permit small lotteries and the Gambling Commission permits large lotteries). A large society lottery:

- Has proceeds that exceed £20,000 for a single draw
- Has aggregate proceeds from lotteries in excess of £250,000 in any one year

A small society lottery:

- Does not have proceeds that exceed £20,000 for a single draw
- Does not have aggregate proceeds from lotteries in excess of £250,000 in any one year.

In all cases, lotteries have to deliver a minimum of 20% of proceeds to good causes

3.2 The Case for Change

Redditch Borough Council currently provides discretionary grant funding to many organisations. These are split between major grants which are seen to meeting the strategic priorities of the council. In 2017/18 this totals so far approximately £135,000.

The council also awards smaller grants under the Stronger Communities theme which in 2017/18 totals £16,548.

Funds raised through a Community Lottery could substitute to generate savings in the discretionary fund or be used as additional grant funding. There could be a reduction in

applications from smaller organisations that are able to generate the same or greater level of funding directly through the lottery resulting in additional efficiencies for the council.

3.3 Existing arrangements

The council doesn't currently provide this service but as detailed above it presents a clear opportunity to generate income to help communities.

It is noted that a Community Lottery has a unique selling point (USP) to compete with those already in the market place.

A Community Lottery facilitated by the council is focused on:

- Delivering the proceeds locally – A Community Lottery delivers benefits only to local causes, unlike any other provider
- Delivering winners locally – whilst anyone can play, it is likely that players will be locally based and hence it will be easier to maximise PR value from winners' stories and encourage more participation
- Facilitating a wider benefit – whilst the lottery will help offset current funding through the substitution approach, it will also enable local good causes to fundraise in partnership with the council. This can be seen as the council enabling causes (some of which it may have previously supported) to help themselves.
- Ability to claim that the councils take nothing from the lottery; cost recovery is possible, but it is recommended to use the proceeds generated to off-set or top up against discretionary spend.
- Helping to shift residents' perceptions of what the councils can do, and is therefore in line with a commercial approach.
- Gaining access to further customer data

This business case explores a 'do nothing' option, internal delivery and external delivery of a lottery through a partner – an Externally Licenced Manager (ELM)

3.4 Benefits and Risks analysis

A Community Lottery has the potential to provide income to support local good causes and so, if successful, could have the following benefits:

	Benefits	Risks
Financial	<ul style="list-style-type: none"> • A percentage of the ticket price goes directly to good causes, similar to other lotteries that operate. • save money by helping to substitute/reduce SLA costs over time. • reduced staff costs, if the council chooses to operate a lottery with an external lottery manager(ELM). This option would mean the council would facilitate self- 	<ul style="list-style-type: none"> • this is a potentially low-risk scheme, which requires low investment, to cover officer time and external implementation support, initial licence fees and annual licence fees. Running a lottery in partnership with an external lottery manager (ELM), as discussed later, it is estimated that ongoing costs would not exceed £5000 per annum. • however, this risk would only be low if the lottery is run in partnership with an ELM; if it was to be run in

	<p>help for community groups, as well as substituting existing costs.</p> <ul style="list-style-type: none"> • deliver an income, in terms of operator charges and a central good cause fund 	<p>house, the risks in terms of investment could be extremely high, as detailed in the options appraisal.</p>
Reputational	<ul style="list-style-type: none"> • enhance the council's reputation as a dynamic council which leads the way – facilitating community fundraising in a difficult economic climate. • enabling communities to help themselves. 	<ul style="list-style-type: none"> • there is the possibility of damage to the council's reputation, in the unlikely case that the lottery becomes connected to corruption or avoidable failure. • The council's reputation could also be damaged in the event that the council launches the lottery and has to close it due to lack of interest. (However, the council could still argue it tried to do something in difficult circumstances). • there could also be a negative reaction from residents who may perceive the lottery to be a stealth tax, as they already pay their council tax.
Political	<ul style="list-style-type: none"> • deliver the benefits – i.e. protecting the environment, developing communities. • Giving to good causes brings prestige to members serving their communities. A lottery could enable similar prestige. 	<ul style="list-style-type: none"> • discretionary giving is something that has come to part of what councils do and has come to be depended on by different pockets of the wider community. It not only creates a degree of prestige for the organisation but also individual members who support those causes and sit on decision panels. Some of this impact could be lost. • there is a possibility that some members will not like the reduction in this discretionary giving and will not see the lottery as a positive initiative.
Commercial	<ul style="list-style-type: none"> • starting a lottery to help replace discretionary funding is strongly tied to a commercial ethos, whereby most services have to start paying for themselves. • with recent bad press around national charities, their fundraising tactics and costs, this is a prime time to promote a scheme which helps local causes. • for participants there is a much higher probability of winning the jackpot, compared to the national 	<ul style="list-style-type: none"> • some critics may perceive this idea to encourage gambling, which, in extreme cases, could lead to addiction and is not something a council should be doing. However, there are already a number of charity lotteries and this does not appear to be a problem. However the ELM does not promote gambling in a hard-hitting way; the emphasis is on helping the community. • with 185,000 charities in the UK, it could be a risk to set up another avenue of charitable giving. The council could also be criticised for taking business from other charity

	<p>lottery.</p> <ul style="list-style-type: none"> • with the growth in technology, operating an online lottery would provide multiple opportunities to access potential players and for them to easily participate (using a range of digital devices). • A Community Lottery would give more to good causes than, say the national lottery • Camelot, the best known lottery provider, is seen as a successful commercial company. The lottery has the potential to have positive commercial associations. 	<p>lotteries. However, the proposed option gives local good causes a potentially more effective facility with which to fundraise, rather than labour-intensive raffles etc. and would be giving opportunities to smaller groups.</p>
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3.5 Delivery options

Working with Aylesbury Vale District Council the business case for a Community Lottery has been explored considering three options for delivery;

- i) Do nothing
- ii) Deliver in house
- iii) Deliver through external partner

i) Do nothing

Under this option, the status quo remains, with no lottery in place. Over time this will see discretionary funding come under increasing pressure with no viable alternative other than further cuts. Staff costs would still continue to rise and so the situation could never stay the same.

Strengths:

- The council continues to reap the benefits of the status quo. These include good PR for helping community groups, attracting more money into the organisations and thus the borough.

Weaknesses:

- The council is unlikely to have the finance to keep offering discretionary funding at the level, unless they choose to prioritise it at the expense of other, potentially key services.
- There is no planned alternative to assist with the delivery of these types of activities in the medium long term. This leaves politicians vulnerable in the medium long term at being faced with the decision of cutting this funding.

ii) Deliver in house

This option would require the establishment of the necessary posts and systems to run a lottery in house. This has not been fully costed, but it is considered somewhere in the region of a £80-100k for set-up costs alone. This would include a lottery manager and the necessary development of software systems to enable the lottery to run.

Strengths:

- Redditch Borough Council would be seen as leaders in the field
- The council could keep supporting community causes thus continuing towards delivering corporate objectives.
- Maintain positive PR for the council brand.
- There could be a comfortable fit with the commercial approach of going into new territory and looking for alternative ways of working.

Weaknesses:

- The council does not have the internal expertise to set up the software for an online lottery. This would have to be brought in at commercial rates.
- The council would need to develop a completely new area of operation for the lottery. This would involve at the very least a lottery manager and assistant as well as having to source software to run the lottery itself and associated operating costs.
- No experience at all in this field and so no knowledge of how to deal with potential difficulties.
- There could be a negative perception from the public and charities that the council is potentially trying to take business from good causes.
- There could be a negative perception from the public that they already pay their council tax.
- The council could be seen to encourage gambling.

iii) Deliver through external provider

This option would see a partnership with an existing deliverer of lotteries in the market place (an External Lottery Manager – ELM). This in effect means ‘buying into’ an existing lottery manager’s products.

Strengths:

- The council would be commissioning experts in the field to run the lottery which would be much lower risk – less chance of malfunctioning, legal errors etc.
- An ELM takes care of complexities around lottery licences etc.
- The council could keep supporting community causes thus continuing towards delivering corporate objectives.
- Positive PR for the council brand.

- This may be a more comfortable fit with the commercial approach than option B above, as it would be less costly and very low risk and could also be a strong example of partnership working.

Weaknesses:

- The council could be seen to indirectly encourage gambling.
- The ELM will take a percentage of the ticket price
- There could be a negative perception from the public and charities that the council is potentially trying to take business from good causes – although in part this is mitigated by using an ELM.
- There could be a negative perception from the public that they already pay their council tax and the council is trying to take more of their money.

Taking into account the above analysis, this business case concludes that the best option is iii) **Delivery through an external provider**. This is primarily due to the now proven business model and delivery method with other councils as well as the minimised investment and risk.

3.6 Potential scope

The lottery works on a minimum play of one ticket per week for a minimum 4 week subscription or one off 5 week payment. This is taken monthly from the player's account, and thus equates to a minimum monthly expenditure for the player of £4.33 (or higher should they wish to purchase multiple tickets/support multiple good causes).

Ticket price and Mechanics	
Cost per ticket	£1
Draw Frequency	1 per week

Proceeds Apportionment		
	% Allocation	£ Allocation per ticket
Good Causes	50	£0.50
Prizes	20	£0.20
The Council	10	£0.10
Lottery Provider (admin)	17	£0.17
VAT	3	£0.03
Totals	100	£1.00

This sees 50% return to good causes, with the council receiving 10% (to substitute discretionary funding to good causes), for all tickets purchased by supporters of local organisations.

The council will also raise 50% return from having a central fund to accommodate players who are not wanting to choose a specific good cause.

Aylesbury Vale District Council with a similar player population currently generate circa £17,000 per annum through this evidencing almost 30% of players.

Prize Structure		
	<i>Winning Odds</i>	<i>£ Prize</i>
6 numbers	1,000,000:1	£25,000
5 numbers	55,556:1	£2,000
4 numbers	5,556:1	£250
3 numbers	556:1	£25
2 numbers	56:1	3 free tickets

The prize structure offers players the opportunity to win prizes of up to £25,000. The odds of winning the 'grand prize' are the same as this is an insured prize and players select their numbers of choice.

Rate of play and ticket price

It is clear that the ticket price has a significant bearing on the success of the lottery. A high ticket price reduces the administration costs, which in turn leaves more money available for good causes.

AVDC concluded that research¹ indicates there is a significant drop-off in the take-up rates (up to a potential 69% less participation, equating to around 50% less revenue) if a ticket is priced at £2 instead of £1.

A high ticket price also has the potential to reduce participation due to resistance to the (inaccurate) perception that council would be generating 'profit' from charitable enterprise.

It is the research into the public perception of appropriate lottery ticket pricing that is the most significant factor to consider when selecting a preferred model for the lottery. A £2 entry would also place the model in direct competition with the National Lottery.

Player modelling

Below is the anticipated income that the lottery could generate for each local authority. In terms of the percentage take-up, the population considered is the over-16 population of areas (although it should be noted that you do not have to live in area to play the lottery – family members/friends etc. living in other parts of the country are able to play, which does increase the scope of either model).

¹ Respondents' answers when asked the question: "How much should a lottery ticket cost?" The survey was carried out by an independent survey provider called The Leadership Factor in June 2013. The total respondent group was over 1,100 people.

Redditch Player Modelling

Year	Ticket Price £	% of RBC Player Pop.	Number of Players	Tickets bought per week	Number of weeks	Gross Return	RBC share (10%)	Good Causes (50%)	Prizes (20%)	ELM (17%)	VAT (3%)
1	1	1.00%	682	1	52	35456	3546	17728	7091	6028	1064
2	1	1.50%	1023	1	52	53184	5318	26592	10637	9041	1596
3	1	2.00%	1364	1	52	70912	7091	35456	14182	12055	2127
4	1	2.50%	1705	1	52	88641	8864	44320	17728	15069	2659
5	1	3.00%	2046	1	52	106369	10637	53184	21274	18083	3191

4 The Financial Case

As can be seen in the Player Modelling table above, if the scheme achieves 3% take up of the player population it could be generating gross sales of £106,369.

Whilst the business model identifies the operating costs picked up by the ELM and taken from ticket sales there are still costs that fall to the council. These are:

- An initial licence application fee, annual licence fee and Membership of the Lotteries Council totalling circa £1000
- Marketing costs including staff time, amounting to less than £1,500 per annum (this includes communications and media support)

All other administration costs, website costs, hosting etc. are all borne by the ELM. This includes handling all financial transactions in a similar manner to that which a conveyancing solicitor holds money for clients. The top prize is an insured sum and the prize fund pot is built over time to cover all other winnings. If the prize fund pot was to grow unnecessarily large the scheme can hold additional prize draws to ensure distribution in accordance with the licence. Prize funds cannot be used for any other purpose.

With commissioned project management support from AVDC the investment is set out below;

	First Year Costs	Ongoing Costs
AVDC support	£6000	
Licence fees	£650	£650
Lotteries Council Membership	£350	£350
ELM Platform	£3000	
Staff Marketing		£1500
TOTAL	£10,000	£2,500

4 Next Steps

Following agreement and approval to the business case the implementation would move to securing Executive Committee approval and then the licence application process. AVDC support provides all the necessary policies to accompany the licence as well as

production of a Communications and Marketing Strategy through to assistance with the launch to good causes and subsequent ticket sales.

The Gambling Commission currently have a turnaround target of 16 weeks for new applications but during this time the ELM is able to develop the platform bespoke to the council (A name would need to be chosen and web site name secured) and complete project implementation based on ticket sales planned from estimated date for award of the licence.

With Cabinet approval sought in September 2018 it is estimated a launch could be achieved in early spring 2019.

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EXECUTIVE

11th September 2018

ANTI SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014 – IMPLEMENTATION OF PROVISIONS

Relevant Portfolio Holder	Cllr Gareth Prosser
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis, Head of Community Services
Ward(s) Affected	All
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	No

1. SUMMARY OF PROPOSALS

- 1.1 The purpose of this report is to provide an overview of the Anti Social Behaviour, Crime and Policing Act 2014, as updated in December 2017 and highlight any changes in the statutory Home Office guidance which are likely to have a direct impact on the Council.
- 1.2 The report also proposes a series of amendments to the Council's Scheme of Delegation to enable this Council to best utilise and implement the ASB tools and powers under the Act.

2. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND that

- 2.1 **The powers available to the Council under the Anti Social Behaviour, Crime and Policing Act 2014, as amended in December 2017 be noted;**
- 2.2 **The Council's Scheme of Delegation is amended, in accordance with the recommendations outlined in Section 3.6 of this report, to allow relevant officers to apply these tools and powers.**

3. KEY ISSUES

Financial Implications

- 3.1 There are no direct financial implications arising from this report. Should additional resources be required in the future, any requests will be subject to the Council's normal budget approval process.

Legal Implications

- 3.2 The Anti Social Behaviour, Crime and Policing Act 2014 came into force in October 2014, with further statutory guidance issued by the Home Office in December 2017. The Act introduced changes to how local agencies deal with anti social behaviour, streamlining the tools available to them so that they can be

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more effective. The 19 tools and powers provided in the previous Anti Social Behaviour Act 2003, were reduced to just 6 in the 2014 Act.

- 3.3 In order for this Council to effectively apply its powers under the 2014 Act, amendments to the Council's Scheme of Delegation are required.

Service / Operational Implications

- 3.4 The Anti Social Behaviour, Crime and Policing Act 2014, provides the following tools and powers which are of relevance to this Council and support the Strategic Purpose 'Keep My Place Safe and Looking Good':

- a) Civil Injunction (Sec. 1 – 21 of the Act) – is a way of stopping individuals from engaging in anti social behaviour by either prohibiting certain activity or requiring some positive intervention. An Injunction is sought against an individual who is causing nuisance or annoyance within a housing related context or whose anti social behaviour is causing harassment, alarm or distress elsewhere (i.e. non-housing related). To include a positive requirement within the terms of an injunction the Council must (i) believe it is necessary; (ii) have the resource to make it happen; and (iii) have a named individual or organisation that will ensure compliance with the requirement.
- b) Criminal Behaviour Order (Sec. 22 – 33 of the Act) – gives agencies the power to deal with the hard core of persistently anti social individuals who also engage in criminal activity. The court may make a criminal behaviour order against an offender, on conviction of **any** offence, if two conditions are met: (i) the person has also engaged in behaviour that caused or was likely to cause harassment, alarm or distress to one or more persons; and (ii) the court considers that making the order will help in preventing the offender from engaging in such behaviour.
- c) Dispersal Power (Sec.34 - 42 of the Act) – allows police officers to direct people to leave a public place and not return for a specified time (maximum 48 hours) if two conditions are met: (i) the police officer has reasonable grounds to suspect that, the presence or behaviour of the person in the locality has contributed to or is likely to contribute to members of the public in the locality being harassed, alarmed or distressed, (or the occurrence crime or disorder); and (ii) the police officer considers that giving a direction to leave is necessary, for the purpose of removing or reducing the likelihood of anti social behaviour, crime or disorder. The police officer may also require the surrender of any item being used to harass, alarm or distress members of the public.
- d) Community Protection Notice (CPN) (Sec. 43 – 58 of the Act) - prohibits persons aged 16 or over, businesses or organisations from committing anti social behaviour, which has a detrimental effect on the quality of life of those in the locality. The CPN can include requirements to ensure that problems are rectified and that steps are taken to prevent the anti social behaviour occurring again. In these cases the behaviour must be of a persistent or

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continuing nature and be unreasonable. CPNs replaced measures such as litter clearance notices, defacement control notices and street litter control notices.

- e) Public Space Protection Order (PSPO) (Sec. 59 – 75 of the Act) – is used to stop individuals or groups from committing anti social behaviour in a public space, which has, or is likely to have a detrimental effect on the lives of those in the area. The restrictions and requirements of the order are set by the council and these can be blanket restrictions or requirements that are targeted against certain behaviours by certain groups at certain times. Orders can also restrict access to public spaces (including certain types of highway) where that route is being used to commit anti social behaviour. This tool replaces Designated Public Place Orders, Gating Orders, and Dog Control Orders and can be enforced by police officers, police community support officers and authorised council officers. **(See Appendix A)**
- f) Closure Power (Sec. 76 – 93 of the Act) – This power allows the police or council to close a premises quickly if it is being used, or is likely to be used, to commit nuisance or disorder. A Closure Notice is issued out of court in the first instance and following this the Closure Order can be applied for through the courts. The Notice can close premises for up to 48 hours out of court but cannot stop the owner or those who habitually live there from accessing the premises. The Order can close premises for up to six months and can restrict all access. Both the Notice and the Order can cover any land or any other place, whether enclosed or not, including residential, business, non-business and licensed premises. Breach of a Notice or an Order is a criminal offence with a sentence of up to three months in prison for breach of the Notice and up to six months for breach of an Order. Both can also attract an unlimited fine for residential and non-residential premises
- g) The Act also contains legislation, which is pertinent to the Council's Housing Service and Registered Providers of Social Housing, for the Recovery of Possession of Dwelling Houses, (Sec. 94 – 100) enables relevant landlords to expedite the eviction of anti social tenants in order to bring faster relief to those affected by their behaviour. This measure gives absolute ground for possession of secure and assured tenancies in specific cases of anti social behaviour or criminality, as long as certain conditions have been met and the landlord has also complied with its legal obligations
- h) The Community Remedy, (Sec. 100 – 103 of the Act) gives victims a say in the out of court punishment of perpetrators for low level crime and anti social behaviour. This tool is used by the Police, in consultation with their relevant partners and the Community Remedy document is produced and published by the Police and Crime Commissioner.
- i) The Community Trigger / ASB Case Review, (Sec. 104 – 105 of the Act) gives victims of ASB the ability to request action, starting with a review of their case, where a locally defined threshold is met. The West Mercia Police and Crime Commissioner has given permission locally for North

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Worcestershire Community Safety Partnership to deal with all ASB Case Reviews /Community Triggers. The locally agreed threshold is that the Case Review/Trigger can be activated if a victim has made three or more reports relating to the same anti social behaviour problem in the past six months to the Council, Police or a Registered Housing Provider (Social Landlord) and they feel that no action has been taken. Or, at least three individuals and/or groups in the local community have made reports about the same problem in the past six months to the Council, Police or Registered Housing Provider (social landlord) and they feel that no action has been taken. The Case Review/Trigger can also be requested on behalf of someone else if their written consent is obtained.

- 3.5 **Appendix B** sets out more detailed information about each of the key provisions of the Anti Social Behaviour, Crime and Policing Act 2014, as updated in December 2017.

Proposed Amendments to Council's Scheme of Delegation

- 3.6 In order to enable all relevant Council officers to utilise the powers under the Act, the following amendments to the Council's Scheme of Delegation are recommended:-

- a) That the Head of Community Services and the Head of Housing Services, in consultation with the Principal Solicitor be given delegated authority to seek a Civil Injunction in accordance with Sec. 1 – 21 of the Anti Social Behaviour, Crime and Policing Act 2014.
- b) That the Head of Community Services, the Head of Environmental Services, the Head of Worcestershire Regulatory Services and the Head of Planning and Regeneration Services be given delegated authority to serve Community Protection Notices, (and Fixed Penalty Notices in the event of a breach) in accordance with Sec. 43 – 58 of the Anti Social Behaviour, Crime and Policing Act 2014.
- c) That the Head of Community Services, the Head of Housing Services, Head of Environmental Services and Head of Leisure and Cultural Services be given delegated authority to initiate and implement the consultation process required to make a Public Space Protection Order in accordance with Sec. 59 – 75 of the Anti Social Behaviour, Crime and Policing Act 2014.

As recommended in the statutory guidance, the decision to make a Public Space Protection Order will be put to the Executive Committee/Council.

- d) That the Head of Community Services, the Head of Housing Services, the Head of Environmental Services, the Head of Planning and Regeneration Services and the Head of Worcestershire Regulatory Services be granted delegated authority to issue a Closure Notice (up to 48 hour) and to apply

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for a Closure Order in accordance with Sec. 76 – 93 of the Anti Social Behaviour, Crime and Policing Act 2014.

- e) That the Head of Community Services and the Head of Housing Services be granted delegated authority to seek Absolute Grounds for Possession of a secure or assured tenancy where anti social behaviour or criminality have been proven in court, subject to the required conditions being met in accordance with Sec. 94 – 100 of the Anti Social Behaviour, Crime and Policing Act 2014

Customer / Equalities and Diversity Implications

- 3.7 The Act provides opportunities to improve how the Council deals with anti social behaviour, providing a variety of tools and powers that help the Council and its community safety partners to resolve issues in the community quickly and effectively. The Act also enables the Council to continue to work closely with its partners to achieve the best results for its residents and provides a mechanism by which agencies actions can be scrutinised by those directly affected by anti social behaviour.
- 3.8 Use of these ASB tools and powers will have a positive impact on residents and customers affected by anti social behaviour, including members of minority communities that may be targeted by harassment for a variety of reasons.

4. RISK MANAGEMENT

- 4.1 The Council has a statutory duty to exercise its functions with due regard to the effect of those functions on crime, disorder, ASB and reoffending. The Council must also do all it reasonably can to prevent crime, disorder, ASB and reoffending throughout the District. Failure to appropriately implement the powers and tools available to the Council to address these issues could result in the potential for legal challenge by those affected by crime and disorder. There is also the potential for reputational damage to the Council.

5. APPENDICES

Appendix A – NWCSP Briefing Paper on Public Space Protection Orders

Appendix B – Provisions of the Anti Social Behaviour, Crime and Policing Act 2014, as updated in December 2017

6. BACKGROUND PAPERS

Anti Social Behaviour, Crime & Policing Act 2014 – Updated Statutory Guidance from the Home Office (Dec 2017)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/679712/2017-12-13_ASB_Revised_Statutory_Guidance_V2.1_Final.pdf

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CPS - Criminal Behaviour Orders Legal Guidance

<https://www.cps.gov.uk/legal-guidance/criminal-behaviour-orders>


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1




North Worcestershire
Community Safety Partnership

PSPO – Public Space Protection Order

Bev Houghton
Community Safety Manager
23rd January 2018

2



Purpose of a PSPO

- Designed to stop people committing anti-social behaviour in a public space.
- Behaviour having or likely to have a detrimental effect on quality of life
- Persistent or continuing in nature
- Unreasonable

3

Who can make a PSPO



- District Councils in consultation with Police, PCC and other relevant bodies
- Restrictions set by Council and enforced by a Police Officer, a PCSO or Council Enforcement Officer.
- Breach of a PSPO is a criminal offence, a fine of up to £100 can be issued and a fine up to level 3 (£1,000) can be imposed on prosecution.

4

What can be tackled



- PSPO legislation replaced DPPOs, Gating Orders and Dog Control Orders
- Any previous orders in place at October 2017 automatically transitioned into PSPOs
- The transitioned orders remain in force up to a maximum of 3 years from the point of transition (i.e. until October 2020)
- A single order can include multiple restrictions and requirements
- It can prohibit or restrict certain activities or place requirements on individuals carrying out certain activities (i.e. dogs must be kept on leads in a designated area)

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5

Where can a PSPO be used



- On any public space within the Council's area of operation. The definition of public space is wide and can include any place which the public or section of the public have access
- The Council must consult with partners, stakeholders and community representatives, particularly any specific groups likely to have a particular interest such as residents' associations, regular users of a park or those involved in specific activities in the area e.g. buskers and other street entertainers.

6

What to consider



- **Vulnerability** - Any use of these powers must be compliant with the Human Rights Act 1998 and the Equality Act 2010 (in particular the public sector equality duty pursuant to section 149) along with all other relevant legislation. Particular consideration should be given to the needs and circumstances of the most vulnerable when applying any powers to ensure that they are not disproportionately and unreasonably impacted upon. Local agencies must be satisfied that the behaviour meets the legal tests
- **Risk Assessment** - Agencies should assess the risk of harm to the victims, and their potential vulnerability, when they receive a complaint about anti-social behaviour. This should be the starting point of a case-management approach to dealing with anti-social behaviour complaints. The welfare, safety and well-being of victims must be the main consideration at every stage of the process

7

What to consider



- **Proportionality** – as PSPOs restrict what people can do or how they behave, the order must focus on specific behaviours and must be proportionate to the detrimental effect being caused; and must be necessary to prevent the behaviour continuing/recurring
- **Reasonableness** – The restrictions being introduced should be reasonable and designed only to prevent or reduce the detrimental effect of the behaviour taking place
- **Openness and accountability** – The council must publish the draft order in accordance with Secretary of State regulations and ensure that the draft is on the website as a minimum

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8

What to consider



- **Controlling the presence of dogs** – When making requirements or restrictions on dogs and their owners, local councils should consider whether there are suitable alternative public areas where dogs can be exercised without restrictions. Councils should also consider if the proposed restrictions will displace dog walkers onto other sensitive land, such as farm land or nature conservation areas
- Consideration must also be given to how any dog walking restrictions would affect those who rely on assistance dogs, ensuring that any prohibition or requirement is compliant with the provisions of Equality Act 2010 or consider what exemptions should apply for assistance dogs

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What to consider



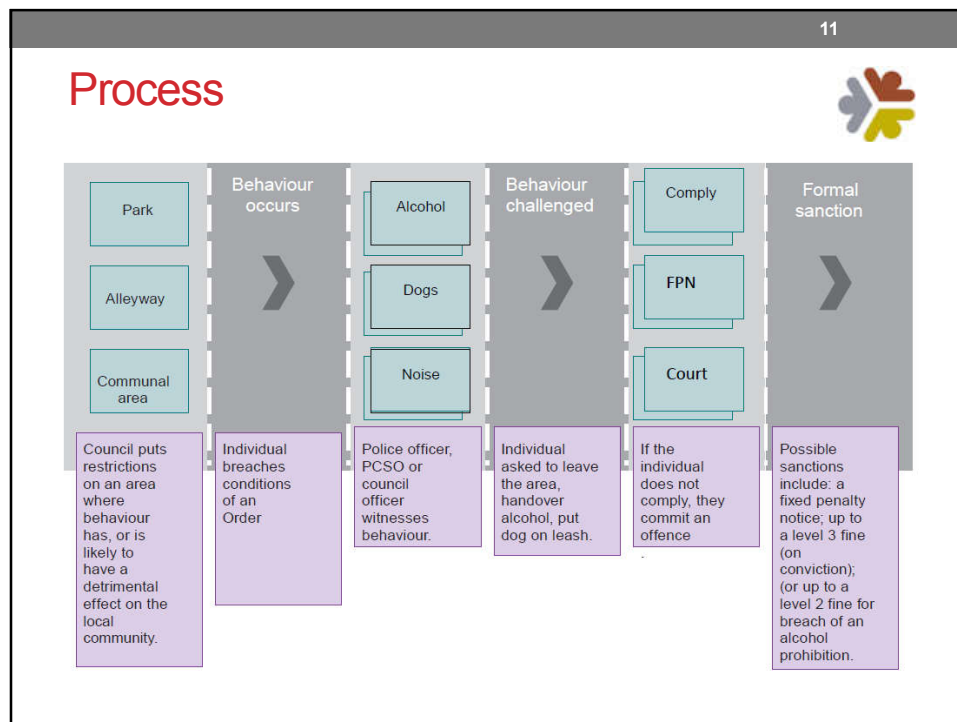
- **Homelessness and rough sleeping** – PSPOs should not be used to target people solely on the fact they are homeless/sleeping rough. Orders should only be used to address the specific behaviour that is causing a detrimental effect on the community in the area's quality of life
- **Group hanging around/standing in groups/playing games** - Councils should not inadvertently restrict everyday sociability in public spaces. A PSPO should target specifically the problem behaviour that is having a detrimental effect on the community's quality of life, rather than everyday sociability, such as standing in groups which is not in itself a problem behaviour

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What to consider



- **Young People** - Councils should think carefully about restricting activities that young people are most likely to engage in. Restrictions that are too broad or general in nature may force the young people into out-of-the-way spaces and put them at risk. In such circumstances, councils should consider whether there are alternative spaces that they can use.
- **Early and informal interventions** - Early intervention, especially through informal approaches, may often be all that is necessary to stop incidents of anti-social behaviour. Such interventions can establish clear standards of behaviour and reinforce the message that anti-social behaviour is not tolerated. It is recommended that the use of informal methods be considered first in most cases, and particularly when dealing with young people as a means of preventing poor behaviour from escalating



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Summary

Purpose	Designed to stop individuals or groups committing anti-social behaviour in a public space.
Who can make a PSPO	<ul style="list-style-type: none"> Councils issue a Public Spaces Protection Order (PSPO) after consultation with the police, Police and Crime Commissioner and other relevant bodies.
Test	Behaviour being restricted has to: <ul style="list-style-type: none"> be having, or be likely to have, a detrimental effect on the quality of life of those in the locality; be persistent or continuing nature; and be unreasonable.
Details	<ul style="list-style-type: none"> Restrictions and requirements set by the council. These can be blanket restrictions or requirements or can be targeted against certain behaviours by certain groups at certain times. Can restrict access to public spaces (including certain types of highway) where that route is being used to commit anti-social behaviour. Can be enforced by a police officer, police community support officers and council officers.
Penalty on breach	<ul style="list-style-type: none"> Breach is a criminal offence. Enforcement officers can issue a fixed penalty notice of up to £100 if appropriate. A fine of up to level 3 on prosecution.
Appeals	<ul style="list-style-type: none"> Anyone who lives in, or regularly works in or visits the area can appeal a PSPO in the High Court within six weeks of issue. Further appeal is available each time the PSPO is varied by the council.
The legislation	Sections 59 to 75 of the Anti-social Behaviour, Crime and Policing Act 2014.
Protecting the vulnerable	<ul style="list-style-type: none"> Consideration should be given to how the use of this power might impact on the most vulnerable members of society. Consideration should also be given to any risks associated with displacement, including to where people may be dispersed to. There is value in working in partnership to resolve ongoing problems and find long term solutions.

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North Worcestershire
Community Safety Partnership

Questions

Bev Houghton

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Appendix B:**Provisions of Anti-Social Behaviour, Crime and Policing Act 2014, as updated in December 2017**

Civil Injunction: This is a civil power that can be applied for by a range of agencies to deal with anti social individuals. Agencies that can apply for an injunction include; District Councils, Housing Providers, the Environment Agency and the Police. Applications must be made to County Court or High Court and to Youth Court for those under 18 years of age.

An injunction can prohibit the offender from doing certain things (prohibitions) but can also require them to undertake certain activities (positive requirements). These should aim to tackle the underlying causes of the anti-social behaviour and could include such requirements as attending an anger management course, participating in substance misuse awareness sessions, or attending a job readiness course.

Breach of an injunction is not a criminal offence but is dealt with by a civil contempt of court, which is punishable by up to two years in prison and/or an unlimited fine. For those aged under 18, breach proceedings are dealt with in youth court and could result in a supervision order, curfew or an activity requirement. Only in the most serious of cases, would the court consider imposing a detention order on a young person for breaching the terms of an injunction. This would be limited to those between 14 and 17 years of age and limited to a maximum of 3 months detention.

The 2017 amendments to the Home Office guidance add information to emphasise the potential use of injunctions to tackle gang related activity, either directly on gang members or on those being exploited by gangs, in order to disrupt their activities. Specific reference is now made to tackling issues such as 'county lines' where urban gangs exploit children and vulnerable people to move drugs and money to suburban areas, market and coastal towns.

Criminal Behaviour Order (CBO): The CBO is available on conviction for any criminal offence in any criminal court and can be used to curb the anti-social behaviour of an offender, even if the behaviour is not linked to the original conviction.

For instance, updated guidance highlights that a CBO can be used to address the anti-social behaviour of gang members to prevent them from associating with certain individuals or to require them to attend a job readiness course to help them to get employment. It is similar to the Civil Injunction in that it can include prohibitions and positive requirements. However, unlike the Injunction, it is a criminal offence to fail to comply with an order without reasonable excuse. Breaches of CBO by those aged under 18 are dealt with in the youth court. In all other cases, the offence will be considered by Magistrates or Crown Court.

Updated guidance draws attention to a guide published by the Crown Prosecution Service to assist the police and local councils in preparing CBO applications, setting out the general principles to consider.

Dispersal Power: This power can be used by the police to disperse anti-social individuals from a specific locality for up to 48 hours, to provide immediate short-term respite to the local community. The power is authorised by a Police Inspector or above and as well as dispersing of individuals from a location, police officers can also confiscate any item that they believe has been used, or is likely to be used, in anti-social behaviour. Failure to comply with the direction is an offence, which can result in imprisonment or a fine. Although there is no requirement to consult the council before authorising use of the dispersal power, the authorising officer in the police may consider doing so in some circumstances.

Community Protection Notice (CPN): The CPN is intended to deal with particular, on-going problems, or nuisances that negatively affect a community's quality of life by targeting those responsible. CPNs can be used to tackle a wide range of problem behaviours including graffiti, rubbish and noise. It can be issued against any person over the age of 16 or a body, including a business. A person found guilty of failing to comply with a CPN without reasonable excuse is liable to a fine of up to £2,500 (£20,000 in the case of a body).

In addition to designated council officers, CPNs can also be issued by police officers and police community support officers. The Home Office notes that councils already take the lead in dealing with many of the issues that can be targeted by a CPN and the updated statutory guidance recommends that other issuing bodies should involve local councils when deciding whether or not to proceed.

The guidance now also emphasises that the issuing body should be satisfied that there is sufficient evidence that the activity in question is having a detrimental effect on others' quality of life, is persistent or continuing and is unreasonable. It is also noted that there is some cross over with the Council's responsibilities to deal with statutory nuisance and the updated guidance details how these powers can and should work together to achieve the best results for the affected residents. There is also a need to have due regard to the Equality Act 2010.

Public Spaces Protection Order (PSPO): A PSPO is intended to deal with a particular nuisance or problem in a particular area, which is detrimental to the local community's quality of life by imposing conditions on the use of the area that apply to everyone. They are intended to help ensure that the law abiding majority can use and enjoy public spaces, safe from anti social behaviour. District Councils are responsible for making a PSPO, but police officers and police community support officers can also play a role in enforcing the orders. Orders are issued by councils after consultation with the police, PCC and other relevant bodies.

Council officers, if granted powers by their Chief Executive, can also enforce the restrictions and requirements. It is an offence to fail to comply with an order without reasonable excuse and can result in a fine of up to £1,000. Following a number of legal challenges to PSPOs nationally, a large proportion of the updates to the statutory guidance relate to clarifying the consultation and implementation of these orders. The guidance gives additional information about the need for proportionality, comprehensive consultation, accountability and the need to consider the impact on vulnerable and at risk groups when considering implementation. (Appendix A)

The Act provides the ability for authorised local authority officers, police and police community support officers to issue a fixed penalty notice for failure to comply with both a CPN and a PSPO as an alternative to prosecution. The amount of the fixed penalty notice can be set by the local authority but cannot exceed £100

Closure Power: The closure power can be used by local authorities and the police to close premises that are causing nuisance or disorder. The power comes in two stages. The closure notice can be used out of court to provide short term relief up to a maximum of 48 hours. The notice can then be extended upon application for a closure order to the magistrates' court for a period of up to three months. At any time before the expiry of the closure order, an application may be made to the court for an extension (or further extension) of the order up to a total of six months.

Recovery of Possession of Dwelling-Houses: The purpose of the new absolute ground for possession is to speed up the possession process in cases where anti-social behaviour or criminality has already been proven in another court. Landlords will no longer have to prove that it is reasonable to grant possession but, instead, courts must grant possession if the landlord followed the correct procedure and at least one of the specified conditions is met.

The updated guidance provides more detail about the notice required to the tenant and also provides more technical detail on requirements to seek possession on discretionary grounds and also further technical information referring to secure or assured tenancies.

Community Remedies: The Act requires The West Mercia Police and Crime Commissioner to prepare a community remedy document for his area with a list of actions to be carried out by a person who has a) engaged in anti-social behaviour or has committed an offence and b) is to be dealt with for that behaviour or offence without court proceedings.

An action is considered appropriate to be carried out by a person only if it has one or more of the following objects:

- assisting in the person's rehabilitation;
- ensuring that the person makes reparation for the behaviour or offence in question;
- punishing the person

The Act sets out rules for out-of-court disposals for anti-social behaviour and conditional cautions. This includes a duty to consult victims before deciding what conditions to attach to a conditional caution.

ASB Case Review / Community Trigger: The Case Review/Community Trigger allows victims who feel that they have not received an adequate response to their ASB complaint to call for a review of their case.

At the request of the West Mercia PCC North Worcestershire Community Safety Partnership leads on the implementation of ASB Case Reviews on behalf of the Council and the other responsible authorities. An agreed countywide process is in place to ensure a consistent approach and to avoid confusion for victims.

Wherever possible, the CSP also tries to mirror arrangements across West Mercia and Warwickshire. To activate the Review/Trigger victims need to meet the agreed threshold of three or more reports relating to the same anti social behaviour problem in the past six months to the Council, Police or a Registered Housing Provider (Social Landlord) where they believe no action has been taken. Or at least three individuals and/or groups in the local community have made reports about the same problem in the past six months to the Council, Police or Registered Housing Provider (Social Landlord) and they believe that no action has been taken. The Community Trigger can also be activated by a third party with the victim's consent

Within 5 working days of receipt of the application a member of the respective District/Borough Council's community safety team will confirm whether the threshold has been met. Within 10 working days of this confirmation, a case review will be conducted by a review Panel made up of the responsible organisations and any other partners involved, to discuss the anti-social behaviour and what further actions can be considered and taken. Recommendations will be made as necessary to progress the case in consultation with the victim.

A final written response is sent to the applicant(s) by the Community Safety Partnership, explaining the findings of the Review Panel and detailing any suggestions and actions that will be taken to resolve the anti-social behaviour case.

Updated Home Office guidance on implementing the review process focuses on the vulnerability of victims and suggests that a risk assessment process is employed as part of the decision on whether the threshold has been met and also makes recommendations on information sharing and publicising of the process.

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LOCAL COUNCIL TAX SUPPORT SCHEME 2019/20

Relevant Portfolio Holder	Cllr Tom Baker-Price
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda Singleton
Ward(s) Affected	All
Ward Councillor(s) Consulted	None Specific
Key Decision / Non-Key Decision	Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 The Council Tax Support Scheme (CTSS) must be reviewed annually.
- 1.2 This report provides information on the work undertaken by the Customer Access and Financial Support Service to date on the redesign of the CTSS for implementation by 1st April 2019 and sets out proposals for public consultation.

2. RECOMMENDATIONS

The Executive Committee is asked to RESOLVE:

to undertake a formal consultation with the major preceptors and the public on the proposed design of a revised scheme to take place for 8 weeks from 1st October. The results of the consultation will be presented to Overview and Scrutiny and Executive in January when it will consider any recommendations that will go to full Council in February.

3. KEY ISSUES

- 3.1 The CTSS replaced Council Tax Benefit with effect from 1 April 2013.
- 3.2 Under the Government's Council Tax Reduction provisions, the scheme for Pensioners is determined by Central Government and the scheme for working age applicants is determined by the Council. Pensioners broadly receive the same level of support that was previously available under the Council Tax Benefit scheme.
- 3.3 The current scheme for working age applicants is a means tested one, but has been amended since 2013 both to require a minimum payment from working age applicants of 20% and to update the scheme in line with changes to Housing Benefit that have occurred since its introduction.
- 3.4 The scheme has also been amended each year for general changes in applicable amounts and for non-dependant deductions.

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- 3.5 Council has previously agreed a minimum council tax contribution from working age claimants as 20% and the proposals set out in this report recommends this contribution remain at 20% for the lowest income households.
- 3.6 The introduction of Universal Credit in Redditch in 2017 has introduced many challenges for the Council in terms of the administration of Council Tax Support Scheme as well as the collection of Council Tax. It has also resulted in a delay in eligible persons claiming CTSS, and created additional paperwork for claimants to complete.
- 3.7 In view of the problems being experienced, it is proposed that the CTSS is fundamentally redesigned to address;
- a. The problems with the introduction of full service Universal Credit; and
 - b. The inevitable increase in administration costs due to the high level of changes received in respect of Universal Credit.

Financial Implications

- 3.8 The financial impacts for existing claimants will continue to be profiled and the final scheme presented following the consultation period.
- 3.9 It is proposed that the overall costs of the scheme itself will remain broadly within current expenditure and therefore there will be no significant financial impact to the Council and the Major Precepting Authorities (Worcestershire County Council, Fire Authority and Police).
- 3.10 The estimated current level of expenditure for the CTSS for working age claimants only is approximately £2.4m. The changes proposed are primarily designed to prevent additional administration costs that will inevitably occur with the introduction of full service Universal Credit and not to reduce the costs of the scheme or make the less financially able to pay more council tax. The scheme will be easier for the public to understand and provide a greater degree of personal financial independence.
- 3.11 The income changes for claimants migrating to Universal Credit are unknown and therefore the profiling that has been carried out is based on existing legacy benefits across the current caseload. The predicted expenditure is therefore subject to change when claimants migrate from legacy benefits to Universal Credit.
- 3.12 Where an individual may suffer exceptional hardship, the scheme will include provisions to allow for transitional support to be given through the hardship fund.
- 3.13 There is a cost to upgrade the computer system in order to administer an income banded scheme. This includes a one off cost of approximately £45,000 and annual

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maintenance of approximately £9,000 The initial cost would be paid for from existing reserves.

Legal Implications

- 3.14 On 1 April 2013 Council Tax Benefit was abolished and replaced by a new scheme discount scheme. Under s13A and Schedule 1A of the Local Government Finance Act 1992 (inserted by s10 Local Government Act 2012), each local authority was required to make and adopt a Council Tax Support Scheme specifying the reductions which are to apply to the amounts of council tax payable within their districts
- 3.15 Statutory Instrument 2012/2885, "The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012" ensured that certain requirements prescribed by the Government were included in each Scheme (subsequently amended by S.I. 2012/3085)
- 3.16 As the billing authority the Council is required by the Local Government Finance Act 2012 to consider whether to revise its scheme or to replace it with another scheme, for each financial year.
- 3.17 The Authority must adopt its scheme, and make any revisions, no later than 11th March in the financial year preceding the one when it will take effect.
- 3.18 Paragraph 3 to Schedule 1A into The Local Government Finance Act 1992 set out the preparation that must be undertaken prior to the adoption or revision of a scheme, including prescribed consultation requirements.
- 3.19 In addition, where there are changes to the scheme, the authority is obliged under paragraph 5(4) of Schedule 1A if any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.

Service / Operational Implications

Council Tax Reduction and the Full Service Roll Out of Universal Credit

- 3.20 The introduction of Universal Credit brings a number of challenges to the administration of CTS and also the collection of Council Tax generally. Since the Universal Credit full service roll out we have experienced the following:
 - The reluctance of Universal Credit claimants to make a prompt claim for CTS leading to loss of entitlement;
 - A high number of changes to Universal Credit cases are received from the Department for Work and Pensions (DWP) requiring a change to CTS

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entitlement. On average 40% of Universal Credit claimants have between eight and twelve changes in entitlement per annum.

- These changes result in amendments to Council Tax liability, the re-calculation of instalments, re-issued bills, delays and the loss in collection; and
- The increased costs of administration as a result creating a need for additional staff resource.

- 3.21 The existing means tested CTSS is too reactive to change and is no longer viable.
- 3.22 The move to a new more efficient scheme from 2019 is now imperative to avoid increased staffing costs and simplify the administration scheme for the Council and for applicants.
- 3.23 An income banded scheme is proposed to both address the administration problem of dealing with high numbers of changes to income, as well as simplify the process for claimants.

How the new scheme will address the issues

- 3.24 It is proposed that the new CTSS is more clearly defined as a Council Tax Discount. Along with a number of disregards and exemptions the scheme will discount council tax according to the claimants income band.
- 3.25 The proposal is for a simple scheme which will address the problems associated with Universal Credit as follows:
- 3.25.1 The scheme will require a simplified claiming process. In the case of Universal Credit applicants *any* Universal Credit data received from the DWP will be treated as a claim for CTS. Where information is received from DWP, the entitlement to CTS will be processed without the need to request further information from the taxpayer. This will have the following distinct advantages namely:
- Speed of processing – claims will be able to be calculated simply and promptly without the need to request further information which inevitably leads to delays.
 - Maximising entitlement to every applicant. As there will be no requirement for Universal Credit applicants to apply, entitlement to CTS will be maximised with a reduced risk of loss of discount or the need for backdating.
 - Maintenance of collection rates – the new scheme will avoid constant changes in discount, the need for multiple changes in instalments and therefore assist in maintaining collection rates.

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3.25.2 The income bands will be wide and therefore avoid constant changes in discount. The current CTSS is very reactive and will alter even if the overall change to the person's liability is small. This is leading to constant changes in Council Tax liability, the need to recalculate monthly instalments and the requirement to issue a large number of new Council Tax demands. The effect of this is that Council Tax collection is reduced and administration of both CTS and CT collection increases..

The new scheme, with its simplified income banding approach, will have the following advantages:

- Only significant changes in income will affect the level of discount awarded;
- Council Taxpayers who receive CTS will not receive multiple Council Tax demands and adjustments to their instalments.

3.25.3 It provides a modern approach to changes in entitlement. The current CTSS is based on a traditional, old-fashioned benefit approach, which alters entitlement on a weekly basis when there is a variation in income. The amount households are asked to contribute to their council tax from their income is calculated by comparing their income with their 'applicable amount'. This is the minimum income set by Government which a household sharing the same circumstances is expected to live on. A taper is then applied for every additional £1 earned resulting in frequent changes every time a household income varies. The new scheme is designed to reflect a more modern approach. Where discount changes it will be effective from the day of the change rather than the Monday of the following week;

3.25.4 It is a simpler scheme. The current CTSS documentation is large, benefits based and is unduly complex. The intention is to make the new scheme document simpler, reducing the level of complexity and making it more understandable to applicants.

3.26 Any liable person adversely affected by the proposals will be supported through transitional arrangements funded from the Hardship Fund.

Customer / Equalities and Diversity Implications**The proposed 2019/20 Scheme**

- 3.27 It is proposed that the CTS scheme is fundamentally redesigned to address;
- The problems with the introduction of full service Universal Credit; and
 - The inevitable increase in administration costs due to the high level of changes received in respect of Universal Credit.
- 3.28 Work has been carried out on a proposed new scheme design, the main features of which comply with the original principles of the scheme as follows:

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- Principle 1** Every household with working age claimants should pay something;
Principle 2 The scheme should incentivize people into work;
Principle 3 The most vulnerable people should be protected.

- 3.29 It is proposed that the current means tested scheme is replaced by a simple income band model.
- 3.30 An example of the approach is shown below but is **purely indicative to add context** at this early stage. The actual figures Council will be asked to approve later in the year are likely to be different. Profiling of the current claims will continue over the summer time to ensure that the scheme is still in line with budget expectations and also looks to minimise any losses to individual claimants.

Indicative Example of potential Grid Model Approach

Client Group		Example Weekly Income Band	Council Tax Discount %
Single	A	£0 - £74.99	80%
	B	£75 - £149.99	60%
	C	£150 - £224.99	40%
	D	£225 - £299.99	20%
Couple	A	£0 - £114.99	80%
	B	£115 - £189.99	60%
	C	£190 - £264.99	40%
	D	£265 - £339.99	20%
Family + 1 child	A	£0 - £164.99	80%
	B	£165 - £239.99	60%
	C	£240 - £314.99	40%
	D	£315 - £389.99	20%
Family 2 or more children	A	£0 - £214.99	80%
	B	£215 - £289.99	60%
	C	£290 - £364.99	40%
	D	£365 - £434.99	20%

- 3.31 The income levels will be based on:
- The overall expenditure of the scheme to remain as at present;
 - The changes have only been made to the working age scheme as the current scheme for pensioners is prescribed by Central Government;

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- Ensuring maximum number of applicants are protected wherever possible; and
- Ensuring any losses to individual applicants are minimised.

3.32 Any change to the scheme will inevitably result in both winners and losers and the aim is to design a scheme that minimises both the number of losers and any financial loss incurred. The Hardship Fund will be available to minimise the impact and protect individuals where appropriate, through transitional support.

3.33 The proposed scheme aims to help those in receipt of CTS to manage their finances more easily and over a longer term by reducing the amount changes to their CTS.

The proposed scheme also aims to provide claimants with more surety as the amount of discount they will receive over a period of time provided their income remains broadly similar.

3.34 The aim of the schemes set out in 3.33 are in line with our strategic purpose to help people be more financially independent.

3.35 The initial modelling will provide projected effects from separate income banded schemes. This will allow identification of the effects of the changes to the scheme at a household level, and will show where claimants will be better off if changes are made and where household income will reduce as a result of the changes.

3.36 The modelling will also include the impact of the “no change” option. The retention of the existing LCTS scheme and the natural migration of claimants from legacy benefits to Universal Credit will create winners and losers and these need to be considered alongside the effects of a change to an income banded scheme.

3.37 These projected effects from the modelling of no change, and the two income banded schemes will be included in the final recommendations report. Where as a result of a change to an income banded scheme the award is reduced applicants will be able to apply to the Hardship fund for transitional support.

3.38 Officers will continue to provide support to any person liable for council tax who is experiencing severe hardship. This may be in the form of personal budgeting advice, short term financial support, debt management advice, or support to maximise income. Officers work with the local DWP, Locality Teams, Connecting Families and local job coaches to provide a holistic approach to financial support needs. This will continue and be supported by an enhanced Hardship fund

3.39 The highest level of discount will remain at 80% and will be awarded to those in Band A of the table. This will automatically apply to claimants that are in receipt of a passported benefit such as Income Support, Jobseeker’s Allowance (income based) and Employment Support Allowance (income related) or the maximum award of Universal Credit.

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Other proposals

- 3.40. The scheme allows for variation in the size of the household as the levels of income per band increase when an applicant has a partner and/or dependants.
- 3.41 The current scheme applies a deduction for non-dependants living in the household. The proposed schemes suggests reducing the number of non-dependant disregards to two, with a higher and lower rate of £3.50 per week where the non-dependent is in receipt of welfare benefits and £7 per week where they are in work. This continues to ensure fairness within the schemes as the whole household income will be considered when LCTS is determined.
- 3.42 The current disability benefits such as Disability Living Allowance, Personal Independence Payment will continue to be disregarded for income purposes as will Employment Support Allowance (support component) and Carer's Allowance. This is to ensure maximum support for disabled persons.
- 3.44 War pensions and war disablement pensions will continue to be disregarded.
- 3.45 Child benefit and child maintenance payments will continue to be disregarded.
- 3.46 The proposed schemes are being modelled with a capital limit for working age claimants will be set at £6,000 and also retaining the current £16,000 limit. Any capital below this amount will not affect a claimant's entitlement to CTS. The £6,000 limit is significantly lower than the current scheme and recognises that the aim of the scheme is to support the most vulnerable. The effect of lowering the limit will be shown from the full modelling, and included in the full consultation.
- 3.47 A new provision will be included to provide support for care leavers who will be provided with 100% Council Tax support up to the age of 21. Additional support will be provided for care leavers aged 21 and up to 25, with support tapering down to the 80% support by aged 25.
- 3.48 Changes will be effective from the date of change rather than the Monday of the following week.

Hardship Policy

- 3.49 The current CTSS scheme contains provision for taxpayers to make an application for additional discount where they experience exceptional hardship. It is proposed that the new scheme contains the same provisions to protect individuals who experience exceptional hardship. Where any group of person is likely to experience hardship, this will be addressed as part of the overall scheme design. The Hardship Policy will continue to be an integral part of the scheme for the foreseeable future.

Consultation

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- 3.50 As the proposals are a fundamental change to the current approach full consultation is required with major precepting authorities and with the public. It is intended that the consultation take place over 8 weeks. It will consist of an online survey, and paper copies will be available on request. Existing working age claimants will be advised via letter that the consultation is taking place. The general public will be alerted via press release, social media and our website. The major preceptors will be written to, as will a variety of CVS organisations.

The result of the consultation will be included in the report to Overview and Scrutiny and Executive, setting out the final recommendation

- 3.50 Under the Public Sector Equality Duty (section 149 of the Equality Act 2010) the Council must have due regard to (i) eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advancing equality of opportunity between people from different groups, and (iii) fostering good relations between people from different groups. To this end an equality impact assessment (Appendix 1) has been carried out to inform the final recommendations.

4. RISK MANAGEMENT

- 4.1 Any changes to council tax support can have financial implications for the Council and the major preceptors as well as for our residents and therefore extensive financial modelling has been carried out to understand the implications of the proposals.
- 4.2 Officers ensure that support on managing finances and advice on other potential benefits is made available to anyone experiencing financial hardship.
- 4.3 Any changes to the CTSS must be consulted on. The consultation must be meaningful and allow an appropriate period of time as failure to do so could result in a challenge.
- 4.4 There is a risk of increased staffing resource requirements and/or deterioration of service levels due to increased variation/complexity in administration processes if the scheme is not revised to take into account Universal Credit changes.
- 4.5 Council Tax collection rates are likely to reduce as the impact of Universal Credit and the administration it is driving into our systems grows, unless the scheme is revised to take account of these challenges.

5. APPENDICES

Appendix 1 – Equality Impact Assessment

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Appendix 2 – statutory disregards and discounts

6. BACKGROUND PAPERS

Held in Revenues Service

AUTHOR OF REPORT

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Equality Assessment Record

1. What is the name of the service, policy, procedure or project being assessed?

Council Tax Support Scheme (CTSS)

2. Briefly describe the aim of the service, policy, procedure or project. What needs or duties are it designed to meet?

The CTSS provides assistance to people on low incomes to help them pay their council tax.

When council tax benefit was abolished and replaced by localised council tax schemes in 2013, central government protected pensioners with a view that they are unable to take advantage of employment and unable to alter their financial situation.

The proposed alterations to the scheme will continue to protect pensioners who will get the same level of council tax support as they do now.

The proposals to change the CTRS from 2019/20 are as follows:

- Move to an income banded scheme instead of a means tested benefit. Claimants will fall into one of 4 bands depending on their household income. The grid has been developed to include single people, couples, families with 1 child and families with 2 or more children. Each band has 4 income brackets which entitles the claimant to either a 80%, 60%, 40% or 20% reduction in their Council Tax.
- The scheme allows for variation in the size of the household as the levels of income per band increase when an applicant has a partner and/or dependants.
- The proposed scheme does not apply a deduction for non-dependants living in the household.
- A standard earnings disregard will be applied across all claimants of £25. This will encourage people to move into work.
- Current income disregards will continue such as Disability Living Allowance, Personal Independence Payments, the support component of Employment Support Allowance, Carer's Allowance, war pensions, war disablement pensions, child benefit and child maintenance payments.
- The capital limits before entitlement is stopped will be £6,000.
- Extended payments and student provisions will be removed.
- Care leavers who will be disregarded for Council tax purposes up the age of 21 and then will receive a diminishing discount up to the age of 25 regardless of income

3. Indicate which of the following applies:-

This is a current service or policy and should be equally accessible to all sections of the Community or all employees

No

A decision is likely to be made to change, reduce or stop providing this service.

No

A new initiative or service is being considered or proposed.

Yes

4. List your known customers and stakeholders (e.g. partner organisations, community groups)

People of working age on low incomes.

5. Describe simply how you know who they are?

The Local Government Finance Act prescribes details of the scheme to be used for pension age applicants under the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012.

Certain aspects of the scheme for working age applicants are also included within those regulations.

6. How relevant is the General Equality Duty to this service, policy or procedure?

Rate as H, M, L (high, medium or low) or No relevance. If all answers are “low” or “no” relevance go straight to question 10. When considering relevance for each protected group, use professional judgment and experience, previous Equality Impact Assessments, or any other information that you have to hand which demonstrates how relevant a service is to a particular protected group.

Protected Group	Indicate H/M/L or No Relevance	Evidence used	Further evidence needed Yes/No
Age	L	<p>The changes will impact negatively on some working age claimants. Where hardship is established they will be supported through transitional hardship funding.</p> <p>Pensioners are protected so the impact is not considered to be significant.</p>	N

		<p>The retention of the discretionary hardship fund will support low income working age claimants to mitigate the impact on working age households that are unable to pay the liability or who are detrimentally affected.</p> <p>Current caseload shows that 50% of our caseload is working age and 50% are pensioners</p>	
Disability	N	The proposed changes to the scheme continues to disregard disability benefits	N
Transgender (Gender Dysphoria)	N	No impact	N
Marriage and Civil Partnership	N	No impact	N
Pregnancy and Maternity	N	No impact	N
Race	N	No impact	N
Religion or Belief	N	No impact	N
Sex (Male/ Female)	N	No impact	N
Sexual Orientation	N	No impact	N

7. Is there evidence of actual or potential unfairness for the following equality groups?

Protected Group	Indicate Yes or No	Evidence of unfairness	Further Evidence Needed Yes/No
Age	N	<p>When creating the local scheme, the Council have given due regard to central government's stipulation that people of pension age must be protected.</p> <p>In previous public consultation the principle of 'Every household with working age claimants should pay something' was agreed.</p> <p>This principle ensures a degree of fairness as it applies across all groups who are of working age.</p>	N

		<p>The scheme is devised to incentivise working age people to seek employment.</p> <p>For those who are in severe hardship or unable to increase their income, the Council manages a discretionary hardship fund to support them following a detailed review of the individual's and household's circumstances.</p>	
Disability	N	The proposed changes to the scheme continues to disregard disability benefits	N
Transgender (Gender Dysphoria)	N	n/a	N
Marriage and Civil Partnership	N	n/a	N
Pregnancy and Maternity	N	n/a	N
Race	N	n/a	N
Religion or Belief	N	n/a	N
Sex (Male/ Female)	N	n/a	N
Sexual Orientation	N	n/a	N

If all answers are “No”, go straight to Question 10.

8. What is the justification for any actual or potential unfairness identified in question 7, for example, disproportionate cost? Describe briefly your reasons.

Protected Group	Justification for actual or potential unfairness
Age	N/A
Disability	N/A
Transgender (Gender Dysphoria)	N/A
Marriage and Civil Partnership	N/A
Pregnancy and Maternity	N/A
Race	N/A
Religion or Belief	N/A
Sex (Male/ Female)	N/A
Sexual Orientation	N/A

9. If you have identified any area of actual or potential unfairness that cannot be justified, can you eliminate or minimise this?

Hardship Fund is available to people of any age to apply for additional support and their need would be assessed on a case by case basis.

10. Describe simply or list the additional information used to complete this assessment including professional judgment and how that was used in your decisions.

Research and financial modelling by Policy in Practice, along with professional judgement, data and evidence of Council Tax support claimants, and feedback from FIT Officers has been used to consider whether this proposal is fair and equitable.

11. What plans do you have to monitor any changes identified?

The following will be will be monitored each year.

Claim numbers

Cost of the scheme

Applications for hardship and/or transitional relief

12. The actions required to address these findings are set out below.

Action Required	By Whom	By When	Signed when completed	Priority	Expected outcomes
Agree consultation on scheme	Council	October 2018			
Agree final scheme	Council	February 2019			

13. Equality assessment undertaken by Amanda Singleton, Head of Customer Access and Financial Support

7th August 2018

When you have completed this assessment, retain a copy and send an electronic copy to the Policy Team (Equalities) attaching any supporting evidence used to carry out the assessment.

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Appendix 2

STATUTORY DISREGARDS

- ◆ These are the people that are disregarded for the purpose of calculating Council Tax discounts.
 - ◆ Under 18s or where child benefit is still in payment
 - ◆ 18 and 19 year old who are at or have just left school
 - ◆ Full time students and their non-British spouses/dependants including student nurses, apprentices and people on youth training schemes.
 - ◆ People who are severely mentally impaired.
 - ◆ Some care workers.
 - ◆ People in certain hostels or night shelters
 - ◆ Prisoners, people on remand, or other detainees except those charged of or convicted for non-payment of Council Tax or fines.
 - ◆ People who are being looked after in care homes
 - ◆ People who are resident in hospital or in hospital for more than six weeks
 - ◆ Diplomats and members of visiting forces or international bodies with headquarters in the UK
 - ◆ Members of religious communities such as monks and nuns.

STATUTORY DISCOUNTS

- ◆ Single person discount, for people living on their own = 25% reduction.

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REDDITCH BOROUGH COUNCIL**EXECUTIVE
COMMITTEE****11th September 2018****WRITE OFFS APRIL 2017 – MARCH 2018**

Relevant Portfolio Holder	Councillor Tom Baker-Price
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda Singleton - Head of Customer Access & Financial Support
Wards Affected	All

1. SUMMARY OF PROPOSALS

- 1.1 The report sets out data in respect of the write off of unrecoverable debts in 2017/18.

2. RECOMMENDATIONS

The Executive is requested to note the report.

3. KEY ISSUES**Financial Implications**

- 3.1 Provision is made within the Council's budget to allow for bad debts to be written off. The value of write off is well within the existing provisions. The current bad debts provisions are as follows:

	£000
Council Tax	619
Non-Domestic Rates	956
Housing Benefit Overpayments	1,107
Sundry Debtors	128
Housing Rents	454

The provisions above are set aside to reflect the costs associated with RBC element of the debt. The figures as provided within the Appendices show the total debt including that funding by the precepting partner agencies. Bad debt provisions are calculated each year based on total value and age of debt raised and are agreed by external auditors.

- 3.2 Details of written off debts during the period for Council Tax, Non Domestic Rates, Former Tenant Arrears and Overpaid Housing Benefit are attached at Appendix 1. A total of £714k of unrecoverable debt was written off during this financial year. This compares with £597k in 2016/17.

REDDITCH BOROUGH COUNCIL**EXECUTIVE
COMMITTEE****11th September 2018**

- 3.3 Fluctuation in the value of write offs is due to the timing of write off action being taken and does not indicate a trend. A debt is only written off when officers are confident that there is no further economical action that can be taken to recover the debt, and as such there is no timetable for the write off of debt.
- 3.4 The tabulation below sets out for comparative purposes the value of debts collected during 2017/18 to debts written off.

Debt Type	Collected 2017/18 (£)	Written Off
Council Tax	42,558,402.34	118,280.52
Non-Domestic Rates	36,757,287.76	314,076.95
Sundry Debts	tbc	tbc
Housing Benefit O/P	687,063.75	62,016.57

- 3.7 It is important to note that officers write back debts where information later comes to light that enables further recovery action to be taken.

Legal Implications

- 3.8 Legal advice is sought where appropriate in respect of the recovery of outstanding debts and action taken in accordance with procedures dependent on the debt in question.

Service / Operational Implications

- 3.9 All possible recovery action is taken in respect of debts before write off of the debt is considered.
- 3.10 The vast majority of write offs are agreed by officers of the Council, at a level appropriate to the value and nature of the debt.
- 3.11 Two accounts with amounts outstanding of £538 and £2,095 were agreed for write off by the Director of Finance and Corporate Resources, in conjunction with the Portfolio Holder for Finance and Financial Support due to the customers suffering from extreme hardship.

Customer / Equalities and Diversity Implications

- 3.12 The Council's Write Off Policy makes provision for customers to be treated fairly and equally.
- 3.13 Officers endeavour to provide support to help the individual to become financially independent. Where a customer is identified as being in debt officers try to work with them to provide budgeting, money management and debt advice.

**EXECUTIVE
COMMITTEE****11th September 2018**

4. RISK MANAGEMENT

- 4.1 Failure to authorise the write off debts results in unrecoverable debts remaining on our financial systems. This is not in accordance with audit requirements

5. APPENDICES

Appendix 1 – Write offs April 2017 – March 2018

6. BACKGROUND PAPERS

There are no background papers in relation to this report.

AUTHORS OF REPORT

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REDDITCH BOROUGH COUNCIL**EXECUTIVE
COMMITTEE****11th September 2018****Appendix 1****Write Offs of Council Tax - April 2017 – March 2018**

Reason	
Gone away	19,267.10
Deceased no funds in estate	4,195.22
Bankruptcy	54,136.86
Uneconomical to pursue	3,530.83
Admin Order/IVA*	43,808.05
Automatic w/o +1/-1p	-0.07
Balance under £5.00	863.61
Other	815.94
Credits - unable to refund	-8,337.02
Total	118,280.52

*IVA – Individual Voluntary Arrangement

Write Offs of Non-Domestic Rates - April 2017 – March 2018

Reason	
Gone away	19,636.54
Liquidation/Winding up	294,389.86
Uneconomical to pursue	63.69
Automatic w/o +1/-1p	0.01
Credits - unable to refund	-13.15
TOTAL	314,076.95

** CVA – Company Voluntary Arrangement

REDDITCH BOROUGH COUNCIL**EXECUTIVE
COMMITTEE****11th September 2018****Write Offs of Former Tenant Arrears (HRA)**
April 2017 – March 2018

Reason	£
Gone away	40,056.65
Deceased no funds in estate	13,339.27
Bankruptcy	633.80
Uneconomical to pursue	49,969.12
Statute Barred	6,048.82
Imprisonment	915.12
Other	111.96
Total	111,074.74

Write off of Sundry Debts – April 2017 to March 2018

Reason	Amount £
Gone Away	15,312.99
Deceased	666.21
Under £5.00	140.10
Bankruptcy	13,119.54
Hardship	12,034.64
Uneconomic to recover	48,846.52
Out of time (6 years)	18,074.21
Total	108,194.21

**EXECUTIVE
COMMITTEE****11th September 2018****Write off of Overpaid Housing Benefit – April 2017 to March 2018**

Reason	Amount £	No. of cases
Deceased	11,593.02	37
Individual Voluntary Arrangement	5,293.91	13
Bankruptcy	9,761.39	7
Not reasonable to recover	874.18	18
Uneconomic to recover	407.36	46
No prospect of recovery	16,209.83	61
Debt Relief Order	16,093.61	24
Gone away	-179.76	1
Other	1,963.03	14
Totals	62,016.57	221

EXECUTIVE COMMITTEE

11th September 2018

Finance Monitoring Quarter 1 2018/19

Relevant Portfolio Holder	Councillor Tom Baker-Price
Relevant Head of Service	Jayne Pickering
Non Key Decision	

1. Purpose and summary

This report details the Council's final financial position for 2018/19 for both General Fund and Housing Revenue Account

2. Recommendations

The Executive Committee recommend to Council:

- 2.1 **Approval that an increase in the 2018-19 Capital Programme of £10k to be funded from reserves towards the existing capital scheme for the new Haven online booking system.**
- 2.2 **Approval that an increase in the 2018-19 Capital Programme of £25k s106 monies for various public realm improvements in vicinity of Elvington Close, Matchborough.**

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 2018/19
- 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 £9.094m original budget as included in the table below is made up of the budget approved in February 2018.

In addition the Latest Budget 2018/19 of £9.333m includes transfers to/from reserves of £239k which is shown in appendix 2.

EXECUTIVE COMMITTEE

11th September 2018

**Revenue Budget Summary – Overall Council
 Financial Year 2018/19**

Please note figures have been rounded

Strategic Purpose	Original Budget 2018/19 £'000	Revised budget 2018/19 £'000	Budget to date 2018/19 £'000	Actuals 2018/19 £'000	Variance 2018/19 £'000
Keep my place safe and looking good	3,829	4,200	1,284	1,192	-92
Help me run a successful business	3	3	-46	-82	-36
Help me be financially independent	358	300	66	81	15
Help me to live my life independently	156	156	-144	-147	-3
Help me find somewhere to live in my locality	864	864	91	-13	-104
Provide Good things for me to see, do and visit	1,391	1,416	365	351	-13
Enable others to work/do what they need to do (to meet their purpose)	2,494	2,494	2,128	2,297	169
Totals	9,094	9,333	3,743	3,680	-63
Corporate Financing	-9,094	-9,333	-2,510	-2,620	-110
Grand Total	0	0	1,233	1,060	-173

Financial Commentary:

There are a number of significant variances across the strategic purposes. The summary above 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.

The variances to report are :

- Additional income within Development Management **£65k** is due to a higher number of applications being received in the first quarter compared to last year. This is also due to now charging for commercial applications also compared with previous years.

EXECUTIVE COMMITTEE

11th September 2018

- There are a number of small savings on general supplies and service budgets.

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 are a number of savings on business rates and utility budgets for leased buildings of **£18k**
- Within the business centres additional income has been received to profile. However it is expected to balance to the budget at the end of year.

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.

- The slight overspend is due agency staff being used to cover vacant posts within the first quarter that are proving difficult to recruit to.

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.

- There are no significant variances this quarter to report.

Help me find somewhere to live in my locality

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 as a consequence of posts not being filled. It is anticipated that this will be addressed in the full housing review.

Provide Good things for me to see, do and visit

The majority of budgets within this purpose relate to Leisure and culture services.

- There are no significant variances to report within this first quarter.

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.

- There are a number of unallocated savings that sit within the corporate / enabling service of **£197k** to quarter 1. It is anticipated that these will be offset by service savings during the year as detailed with savings monitoring at point 4 below.
- There are a number of small savings on general supplies and service budgets

EXECUTIVE COMMITTEE

11th September 2018

Corporate Financing

- The variance shown **£110k** is due to receiving a discount for making an advance payment on pensions.

4. Savings Monitoring

4.1 The medium term financial plan included £721k of savings identified to be delivered during 2018/19. The breakdown of these savings is attached at appendix 3. To quarter 1 £179k has been realised against the budgeted April to June savings of £180k. In addition there are £777k of unidentified savings for 2018/19 which sit within the corporate / enabling service as highlighted in the table above. Officers are reviewing the current financial position to enable any additional savings or increases in income that have been realised in the first quarter to be allocated against the unidentified savings

5. Cash Management

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 2018 (Actual)	7.0	Borrowing
As at 30 th June 2018	2.5	Borrowing

Borrowing

Outstanding as at the 30th June 2018 are £2.5m in short term borrowing with associated borrowing costs within the quarter of £7k and £103.929m in long term borrowing with associated costs in the quarter of £888k. All long term borrowing costs relate to the HRA.

An interest payable budget has been set of £34k for 2018/19 due to expenditure relating to current capital projects.

Investments

At 30th June 2018 there were £2m investments held.

EXECUTIVE COMMITTEE

11th September 2018

6. Capital Budgets

**Capital Budget Summary – Overall Council
Financial Year 2018/19**

6.1

Please note figures have been rounded

Strategic Purpose	Original Budget 2018/19 £'000	Revised budget 2018/19 £'000	Budget to date 2018/19 £'000	Actuals 2018/19 £'000	Variance 2018/19 £'000
Keep my place safe and looking good	2,275	2,275	528	166	-362
Help me run a successful business	80	80	20	0	-20
Help me to live my life independently	948	948	217	210	-7
Provide Good things for me to see, do and visit	6	6	2	2	0
Enable others to work/do what they need to do (to meet their purpose)	50	50	12	0	-12
Totals	3,359	3,359	779	378	-401

Keep my place safe and looking good

The variance for quarter 1 mainly relates to the fleet replacement budget. Discussions are now being made to agree specifications with a plan to place orders for the autumn.

Help me run a successful business

The procuring of the required works have begun and orders for payment will then follow in due course.

Help me to live my life independently

Projects have commenced in the first quarter and therefore there are no significant individual variances in the quarter 1 to report.

Provide Good things for me to see, do and visit

Projects have commenced in the first quarter and therefore there are no significant individual variances in the quarter 1 to report.

Enable others to work/do what they need to do (to meet their purpose)

There is a variance in quarter 1 due to the project not yet commencing but it is expected to within the second quarter of 2018/19.

EXECUTIVE COMMITTEE

11th September 2018

7. Housing Revenue Account

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April – June 2018.

8. Earmarked Reserves

The position at the start and end of 2018/19 is shown in Appendix 2.

9. General Fund Balances

The General Fund Balance as at the 31st March 2018 is £1.790m. A balanced budget was approved in February 2018 to include identified savings which have been built into individual budget allocations. This also included a planned use of balances for 2018/19 of £89k.

10. Legal Implications

No Legal implications have been identified.

11. 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.

12. Customer / Equalities and Diversity Implications

No direct implications as a result of this report.

13. Risk Management

The financial monitoring is included in the corporate risk register for the authority.

APPENDICES

Appendix 1 – HRA Monitoring April – March 2018/19
Appendix 2 – Earmarked Reserves 2018/19
Appendix 3 – Savings Monitoring 2018/19
Appendix 4 – Strategic Purposes detail 2018/19

AUTHOR OF REPORT

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HOUSING REVENUE ACCOUNT (HRA)**REVENUE 2018/19 Quarter 1**

	2018/19 Full Year Budget £'000	2018/19 Budget to Date Apr - Jun £'000	2018/19 Actuals Apr - Jun £'000	2018/19 Variance Apr - Jun £'000
<u>INCOME</u>				
Dwelling Rents	22,805	6,176	6,174	2
Non-Dwelling Rents	483	347	389	-42
Tenants' Charges for Services & Facilities	648	203	193	10
Contributions towards Expenditure	18	5	14	-9
Total Income	23,954	6,731	6,770	-39
<u>EXPENDITURE</u>				
Repairs & Maintenance	5,187	1,301	1,355	54
Supervision & Management	8,542	930	736	-194
Rent, Rates, Taxes & Other Charges	149	37	45	8
Provision for Bad Debts	400	0	0	0
Depreciation & Impairment of Fixed Assets	6,129	0	0	0
Interest Payable & Debt Management Costs	4,179	0	0	0
Total Expenditure	24,586	2,268	2,136	-132
Net cost of Services	632	-4,463	-4,634	-171
Net Operating Expenditure	632	-4,463	-4,634	-171
Interest Receivable	-36	0	0	0
Revenue Contribution to Capital Outlay	280	0	0	0
Transfer to Earmarked Reserves	-876	0	0	0
(Surplus)/Deficit on Services	0	-4,463	-4,634	-171

Financial Commentary:

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April - June 2018

The three major variances are due to the following:

- **Non-dwellings rents:** the timing of annual advance bills being raised
- **Repairs & Maintenance:** voids repairs costs have been higher than expected. However, the variance may reduce in future quarters once the costs of replacement boilers have been capitalised
- **Supervision & Management** The variance shown is due to salary savings as a consequence of posts within the budget not reflecting the current structure and the needs of the service are being

HRA CAPITAL 2018/19 Quarter 1**Strategic Purpose****Help Me to Find Somewhere to Live in my Locality**

		2018/19 Full Year Budget £'000	2018/19 Budget to Date Apr - Jun £'000	2018/19 Actuals Apr - Jun £'000	2018/19 Variance YTD £'000
C1012	1-4-1 Housing Replacement	1,902	476	0	-476
C1201	Catch Up Rep-Bath Replacements	100	25	0	-25
C1202	Catch Up Rep-Kitchen Upgrades	100	25	3	-22
C1203	Catch Up Repairs	0	0	51	51
C1204	Asbestos General	1,000	250	0	-250
C1205	Structural Repairs	60	15	0	-15
C1206	General Roofing	50	13	0	-13
C1207	Electrical Upgrades	400	100	131	31
C1209	Upgrade Of Central Heating Systems	400	100	39	-61
C1210	Window Replacements	100	25	0	-25
C1222	Equipment & Adaptations	696	174	150	-24
C1241	Solid Wall Insulation	0	0	18	18
C1242	Repairs To Sheltered Housing Stock	0	0	0	0
C1243	Winslow Close Heating	0	0	0	0
C1246	Ext Cladding & Wall Hanging	0	0	0	0
C1247	Insulation	0	0	0	0
C1248	Drainage	0	0	3	3
C1249	Water Supply	50	13	0	-13
C1250	Environmental Enhancements	375	94	4	-90
C1251	Masonry Works	0	0	0	0
C1253	Bathroom Voids	0	0	0	0
C1254	Kitchen voids	0	0	0	0
C1255	FRA Works	500	125	0	-125
C1256	Stock Condition Survey	150	38	0	-38
C1257	Fencing Renewals	90	23	0	-23
C6300	Design & Supervision	350	88	0	-88
		6,323	1,581	399	-1,182

Financial Commentary:

The projects form the basis of an interim capital improvement plan pending the outcome of a comprehensive stock condition survey. The survey will be used to inform the budgets required for the 30 year business plan.

Works are also currently being undertaken on a needs only basis pending the survey outcome

1-4-1 Housing Replacement: a new development of 11 properties is currently progressing towards possible completion in August 18

Description	Balance b/fwd 1/4/2018	Transfers in existing reserve 2018/19	Transfers out existing reserve 2018/19	New Reserve 2018/19	C/fwd 31/3/2019	Comment
GF Earmarked Reserves	£	£	£	£	£	
Business Rates Grants	-7,406	-10,839	0	0	-18,245	Small Business Rate Relief - Ringfenced grant
Commercialism	-47,505	0	500	0	-47,005	To help fund costs in relation to commercialism projects
Community Development	-3,905	0	0	0	-3,905	To support the costs associated with community projects
Community Safety	-270,470	0	270,470	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
Electoral Services	-47,763	0	0	0	-47,763	To support the delivery of individual electoral registration and to set aside a reserve for potential refunds to government
Equalities	-11,250	0	0	0	-11,250	To fund licence fees
Equipment Replacement	-83,200	0	0	0	-83,200	ICT equipment reserve
Housing Benefits Implementation	-80,565	-24,011	0	-22,885	-127,461	Specific welfare reform grant received
Housing Support	-568,857	0	6,258	0	-562,599	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	-161,660	0	0	0	-161,660	To support costs associated with health and safety issues within the environment
Leisure	-20,760	0	0	0	-20,760	To support set up costs relating to the new Leisure company
Mercury Emissions	-33,886	0	0	0	-33,886	To be used to re line the cremators
Parks and Open spaces	-10,000	0	0	0	-10,000	To fund a review of the local allotments.
Public Donations	-12,646	0	0	0	-12,646	Accumulated donations for designated projects.
Sports Development	-19,561	0	19,561	0	-0	Ringfenced grants for a number of sports development activities to improve Health and Wellbeing in the Borough
Town Centre	-55,716	0	0	0	-55,716	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	-1,617,867	-34,850	296,789	-22,885	-1,378,813	
HRA Capital Reserve						
Capital Reserve-HRA	-19,835,404	0	0	0	-19,835,404	Reserve to enable the debt repayment on HRA, and future repairs and maintenance along with support for the Housing Growth Programme.
Totals	-19,835,404	0	0	0	-19,835,404	

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REDDITCH - SAVINGS & ADDITIONAL INCOME FROM 18-19 BUDGET ROUND

Appendix 3

Department	Description of saving	2018-19 £'000	Comments	Quarter 1			
				On target Y/N	Additional (add to to in yr savings) £'000	below target Y/N	Pressure £'000
Business Transformation	Annual Revenue Budget Saving	-177	Review of IT contract spend	Y			
Community Services	accommodation charge	-18	Review of budget required	y			
Community Services	telephones	-4	Review of budget required	y			
Community Services	travellers and unauthorised campers costs	-7	Review of budget required	y			
Community Services	staff savings from reduced mileage and reduced hours	-3	Review of budget required	y			
Community Services	additional income	-2	Review of income generated	y			
Community Services	NNDR	-1	Savings identified	y			
Community Services	accommodation charge	-18	Review of budget required	y			
Corporate	Amalgamate postage budget	-14	Savings identified	Y			
Corporate	RBC staff awards	-3	Savings identified	Y			
Corporate	Insurance	-27	Savings identified	Y			
CAFS	Reduction in Hrs	-5	Savings identified	Y			
CAFS	Additional income	-125	Additional income based on previous year	Y			
Environmental Services	Fuel and Vehicle R&M	-67	Savings identified	Y			
Environmental Services	Materials, equipment and waste disposal	-21	Savings identified	Y			
Environmental Services	Overtime	-6	Savings identified	Y			
Environmental Services	Utilities	-4	Savings identified	Y			
Environmental Services	Contractors and Credit Card Fees	-5	Savings identified	Y			
Environmental Services	Increase in cremation income	-50	Additional income generated	Y			
Environmental Services	Additional work for County Council and inflation of fees	-15	Additional income generated	Y			
Environmental Services	Replacement waste bins	-72	Revenue savings achieved by capitalising all bin replacements	Y			
Corporate	Subscriptions	-4	Savings identified	N			4
Corporate	Subscriptions	-25	Savings identified	Y			
Corporate	Subscriptions	-8	Savings identified	Y			

Department	Description of saving	2018-19 £'000	Comments	On target Y/N	Additional (add to to in yr savings) £'000	below target Y/N	Pressure £'000
Leisure & Cultural Services	savings on spend budgets	-5	Mainstream funding no longer needed received/in place	y			
Leisure & Cultural Services	Furniture purchase for Chamber and CR2/3 - budget allocation is more than required	-4	Savings identified	y			
Leisure & Cultural Services	Vehicle Costs	-3	Savings identified	y			
Leisure & Cultural Services	savings on accommodation costs	-8	Savings identified	y			
Leisure & Cultural Services	Additional income	-20	Increased income generated at Palace Theatre	y			
TOTAL		-721			0		4

Keep my place safe and looking good.

Department	2018-19 Annual budget £'000	2018-19 Budget to date £'000	2018-19 Actuals to date £'000	2018-19 Variance to date £'000	percentage variance	Financial Commentary
Bereavement Services	-1,094	-274	-277	-3	0%	
Building Control	1	0	-2	-3	0%	
Car Parks/Civil Enforcement Parking	28	7	7	0	0%	
Community Safety	781	422	394	-28	-7%	
Core Environmental Operations	296	74	76	2	0%	
Core waste Operations	1,023	256	257	2	0%	
Development Management	107	27	-38	-65	-241%	
Engineering	303	88	96	8	9%	
Environmental Health	550	157	153	-4	0%	
Environmental Mgmt	395	99	99	0	0%	
Place Teams	1,206	302	315	13	4%	
Planning Policy	243	61	55	-6	-9%	
Trees & Woodland Management	261	65	55	-10	-15%	
Totals:	4,100	1,284	1,192	-92		

Help me run a successful business

Department	2018-19 Annual budget £'000	2018-19 Budget to date £'000	2018-19 Actuals to date £'000	2018-19 Variance to date £'000	Financial Commentary
Asset & Property Management - Commercial	-250	-87	-105	-18	21% Savings on NNDR & utility budgets for leased building.
Economic Development	183	46	31	-14	Within the business centres additional income has been received to profile. However it is expected to balance to the budget at the end of year.
Licensing	-195	-49	-52	-3	0%
Community Services - Grants to Vol bodies	265	44	43	-1	0%
Totals:	3	-46	-82	-36	

Help me to be financially independent (including education & skills)

Department	2018-19 Annual budget	2018-19 Budget to date	2018-19 Actuals to date	2018-19 Variance to date		Financial Commentary
Benefits	654	166	171	5	3%	
Benefits Subsidy	-818	-169	-176	-7	4%	
Revenues	465	69	86	17	25%	Agency staff being used for vacancies within the 1st qtr.
Totals:	300	66	81	15		

Help me to live my life independently (including health & activity)

Department	2018-19 Annual budget £'000	2018-19 Budget to date £'000	2018-19 Actuals to date £'000	2018-19 Variance to date £'000		Financial Commentary
Community - Lifeline	2	-183	-193	-11	6%	
Community Transport	209	52	54	2	0%	
Early Help - General Fund	-55	-14	-8	6	-45%	
Totals:	156	-144	-147	-3		

Help me to find somewhere to live in my locality

Department	2018-19 Annual budget	2018-19 Budget to date	2018-19 Actuals to date	2018-19 Variance to date		Financial Commentary
Land charges	-34	-8	-11	-2	0%	
Housing General Fund	679	45	-52	-97	-215%	
Housing Strategy & Enabling	219	55	50	-5	0%	
Totals:	864	91	-13	-104		

Provide good things for me to do, see and visit

Department	2018-19 Annual budget £'000	2018-19 Budget to date £'000	2018-19 Actuals to date £'000	2018-19 Variance to date £'000		Financial Commentary
Business Development - Cultural	33	8	8	0	0%	
Cultural Services	638	174	177	3	0%	
Leisure & Cultural Man	58	11	20	10	91%	
Parks & Green Spaces	308	69	64	-5	0%	
Sports Services	379	103	81	-22	-21%	
Totals:	1,416	365	351	-13		

Enable others to work/do what they need to do (to meet purpose)

Department	2018-19 Annual budget £'000	2018-19 Budget to date £'000	2018-19 Actuals to date £'000	2018-19 Variance to date £'000		Financial Commentary
Asset & Property Management	1,307	110	115	5	5%	
Audit Services	91	23	16	-7	-30%	
Business Development	140	35	36	1	0%	
Central Post Opening	70	18	19	1	0%	
CMT	113	107	106	-1	0%	
Communications & Print	240	60	62	2	0%	
Corporate Services	-3,039	819	1,016	197	24%	
Customer Support Services	504	122	83	-39	-32%	Vacancies in Qtr 1 but are now filled, Additional income from HUB
Democratic Services	300	71	75	4	0%	
Depot	-10	-3	-3	-0	0%	
Elections	244	117	135	18	15%	
Equalities & Policy	76	19	21	2	0%	
Financial Services	540	149	140	-9	-6%	
Human Resources	540	135	117	-18	-13%	
ICT	906	227	226	-1	0%	
Legal Services	365	91	64	-27	-30%	Vacancies in Qtr 1 but are now filled.
P A & Directorate Support	153	38	37	-1	0%	
Partnerships	53	13	14	1	0%	
Procurement	1	0	0	-0	0%	
Transformation	67	17	17	0	0%	
Transport	-165	-41	0	41	-101%	
Totals:	2,494	2,128	2,297	169		



Overview and Scrutiny Committee

Thursday, 9th August, 2018

MINUTES

Present:

Councillor Joe Baker (Chair), and Councillors Salman Akbar, Joanne Beecham, Michael Chalk, Pattie Hill, Wanda King, Gemma Monaco and Mark Shurmer

Officers:

Kevin Dicks, Dean Piper and Sarah Sellers

Democratic Services Officers:

Jess Bayley and Farzana Mughal

23. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors Debbie Chance, Andrew Fry, Anthony Lovell and Jennifer Wheeler.

Members were advised that Councillor Salman Akbar was attending as substitute for Councillor Anthony Lovell, Councillor Wanda King was attending as substitute for Councillor Debbie Chance and Councillor Mark Shurmer was attending as substitute for Councillor Jennifer Wheeler.

24. DECLARATIONS OF INTEREST AND OF PARTY WHIP

Councillors Joe Baker and Mark Shurmer declared an other disclosable interest in respect of Minute no. 27, Redditch Town Centre Regeneration, as they were both part of the Executive Committee when it made a decision about the One Public Estate in March 2018. During the item being considered they took no part in the discussions and left the room.

.....
Chair

Overview and Scrutiny Committee

Thursday, 9th August, 2018

25. MINUTES

The minutes of the Overview and Scrutiny Committee held on the 5th July, 2018 were deferred for consideration at the next meeting to be held on 6th September, 2018.

26. FINAL REPORT OF THE SUPPORT FOR CARE LEAVERS SHORT SHARP REVIEW TASK GROUP

The Committee was presented with the final report in relation to the Support for Care Leavers Short Sharp Review Task Group.

At the meeting of the Council on 29th January, 2018, it was agreed that the Overview and Scrutiny Committee, working with officers, would undertake a review and bring forward proposals to the Council to introduce any changes to either exempt or reduce the amount of Council Tax paid by care leavers for the age group of 18 to 25.

The report set out the work that the group had undertaken to investigate support for care leavers in Redditch, and in particular, the options for making changes to Council Tax Support arrangements for care leavers. The report also highlighted the positive work carried out by the agencies in supporting care leavers.

Councillor Pattie Hill, Chair of the group, gave an overview of the work carried out by Members. She stressed that all Members had responsibility as corporate parents and a duty in respect of care leavers and young people.

Councillor Pattie Hill highlighted the challenges that young people experience after leaving care and the difficulties they faced at the start of their adult lives. It was important to ensure that care leavers continued receiving the appropriate support and access to services to help them at an early stage. The group was proposing three recommendations to support care leavers.

Members welcomed the proposals set out in recommendations 1 and 2 but raised concerns that some care leavers residing in Redditch would not be entitled to assistance under the interim arrangements proposed in recommendation 3. Officers clarified that the support proposed under recommendation 3 would only apply for 12 months. Members also stated that it was important that the Overview and Scrutiny Committee recognised the vulnerability of young people leaving care and ensured that they

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were getting the help and support needed to reduce any problems they might experience.

The Committee requested clarity in relation to how the proposed means testing for the 22 to 25 age group would operate. In addition, information was requested as to why the actions proposed in the third recommendation would not apply to care leavers from outside of Worcestershire in that interim period. The Chief Executive confirmed that information would be requested from the Revenue Services Manager.

On behalf of the Committee, the Chair thanked Councillor Pattie Hill for the information provided and for her contribution.

RESOLVED that

- 1) in recognition of the financial pressures faced by care leavers, and the Council's role as a corporate parent, that the Council Tax Support Scheme be amended to include:-**
 - a) a new category for care leavers aged 18 to 21 under which care leavers liability for Council Tax will be reduced to nil; and**
 - b) a new category for care leavers aged 22 to 25 under which tapered relief from Council Tax will be provided based on the means of individual applicants; and**
- 2) subject to the outcome of the public consultation on the proposed changes, the measures referred to in Recommendation 1 are brought into force in April 2019 as part of the 2019/2020 Council Tax Support Scheme; and**
- 3) pending the review and adoption of the 2019/2020 Council Tax Support Scheme, interim measures are put in place by making changes to the Council Tax Support Hardship Policy under which net liability for young adults leaving the care of Worcestershire County Council in the age group 18 to 25 will be reduced to zero until the care leavers 25th birthday whilst they are living independently in the Borough and liable to pay Council Tax.**

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27. PRE-DECISION SCRUTINY - REDDITCH TOWN CENTRE REGENERATION

Members considered the report in relation to the Redditch Town Centre Regeneration. The Head of Economic Development and Regeneration for North Worcestershire provided an overview outlining the work proposed to be undertaken during the next twelve months.

On 6th March, 2018, the Executive Committee received a number of proposals contained within a Regeneration Prospectus relating to the Redditch Town Centre. The outcome of the One Public Estate review for Redditch Town Centre was reported to the Executive Committee. The key findings and recommendations of the strategic review were endorsed.

It was reported that, whilst the regeneration of Redditch Town Centre was central to the proposals, and the establishment of a Council-led Public Services Hub, the proposed site at Church Road was no longer considered an appropriate location due to the costs involved and weak office market, which undermined the rationale for a 'Business Quarter' to be developed around Church Road. The Council would work with the NHS and Homes England to identify other viable options for the Church Road site.

It was proposed that the Council should progress the detailed business case for the Public Services Hub and would commission external support to identify site options, partner requirements, funding and delivery options and benefits for the scheme. In addition, the Council was to ensure that the public was consulted prior to any decisions being made in respect of the location.

A number of ideas and concepts contained within the Regeneration Prospectus would continue to be supported by the Council.

Arising from Members' questions, the following points were considered:

- The Council would continue to work with Hereford and Worcester Fire and Rescue Service and West Mercia Police to develop a joint Blue Light Hub facility and ensure that the existing sites were re-developed to support the regeneration of the Town Centre.
- Middle House Lane would be a potential site for the Blue Light Hub. It was vital that the Police were located in the Town Centre and was part of the Hub.

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- An assessment would be undertaken to established suitable proposals in respect of the Police Station at Grove Street, in terms of market value.
- A number of proposals would be discussed with representatives of the Railway Station and the West Midlands Combined Authority in relation to the Railway Quarter to identify both residential and commercial development opportunities that would be exciting and dynamic.
- In respect of Edward Street and Britten Street, the Council would work with landowners to look at suitable developments. It was important that the Council had a clear delivery strategy to identify any funding opportunities.

Members were informed that the Council would continue to identify any potential funding opportunities to support the regeneration proposals and would be progressing an application for £5m of funding to the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP).

The Chief Executive stated that it was important that the Council had a long-term vision for Redditch Town Centre that provided an exciting opportunity to make improvements for the people in Redditch.

RESOLVED

that the Redditch Town Centre Regeneration Report be noted.

(During consideration of this item Councillors Joe Baker and Mark Shurmer declared other disclosable interests as they had been members of the Executive Committee when a decision had previously been taken in respect of the One Public Estate. As such they left the room during consideration of this item and took no part in the debate or voting thereon. In the absence of the Chair Councillor Pattie Hill chaired the meeting during consideration of this item).

28. ANTI SOCIAL-BEHAVIOUR SCRUTINY REVIEW - VERBAL UPDATE

At the Overview and Scrutiny Committee on 5th July, 2018 it was proposed that a Short Sharp Review should be undertaken to look at the issues around Anti-Social Behaviour (ASB) in Redditch. The Chair informed Members that there were only two Members who

Overview and Scrutiny Committee

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had been appointed to the review and a minimum of three Members would be ideal.

Therefore, Members agreed not to continue with the review. The main concern amongst Members was that the focus of the proposed review was too broad.

It was noted that the last review of ASB was undertaken in 2006.

Subsequently, as Members felt that the topic was important, The Committee requested that a presentation be delivered in respect of ASB and the work of the North Worcestershire Community Safety Partnership to address this at the next meeting of the Crime and Disorder Scrutiny Panel that was scheduled to take place on 26th September, 2018. The main focus would be on providing an update on ASB levels over the last twelve months in Redditch, to include ASB figures.

RESOLVED that

- 1) the Anti-Social Behaviour Short Sharp Review be dissolved;**
- 2) a presentation to be delivered in respect of Anti-Social Behaviour and the work of the partnership at the next meeting of the Crime and Disorder Scrutiny held on 26th September, 2018.**

29. EXECUTIVE COMMITTEE MINUTES AND SCRUTINY OF THE EXECUTIVE COMMITTEE'S WORK PROGRAMME - SELECTING ITEMS FOR SCRUTINY

Members considered the Executive Committee minutes held on 10th July, 2018 and the Committee's Work Programme. Members were advised that the Executive Committee had reached the same conclusions as the Overview and Scrutiny Committee in respect of the REDI Centre and this was reflected in the minutes.

The Senior Democratic Services Officer informed Members in respect of Matchborough and Winyates District Centre Redevelopment Consultation that this was to be considered by the Executive Committee in October, 2018. The Committee was further informed that there was an additional item in respect the Council Housing Growth Programme – Proposed Development Sites was to be considered by the Executive Committee in October, 2018.

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The following items were agreed to be pre-scrutinised:

- Housing / HRA Overview and Recovery Plan;
- Redditch Business Improvement District;
- Service Delivery Options – HRA Gas Maintenance.

RESOLVED that

- 1) **the minutes of the Executive Committee held on 10th July, 2018 be noted;**
- 2) **the Executive Committee's Work Programme be noted; and**
- 3) **the following items to be pre-scrutinised as agreed:**
 - a) **Housing / HRA overview and Recovery Plan;**
 - b) **Redditch Business Improvement District; and**
 - c) **Service Delivery Options – HRA Gas Maintenance.**

30. OVERVIEW AND SCRUTINY WORK PROGRAMME

The Senior Democratic Services Officer presented the Overview and Scrutiny Committee's Work Programme for 2018/19. It was noted that the draft Council Tax Reduction Scheme and Wider Support Framework would be considered at the next meeting of the Committee due to be held on 6th September, 2018.

Members were further informed that the Cabinet Member for Health and Wellbeing and the relevant officer from Worcestershire County Council had been invited to the meeting in December, 2018 to provide an update in relation to Sexual Health Services in Redditch. An initial response had been received from the officers and it was anticipated that this item would be progressing.

Furthermore, Members welcomed news that senior representatives of Diamond Buses had been invited to the meeting in December, 2018 to provide an update in relation to the bus services in Redditch.

The Chair proposed that future meetings of the Overview and Scrutiny Committee should start at 6:30 pm.

Overview and Scrutiny Committee

Thursday, 9th August, 2018

RESOLVED that

- 1) the Overview and Scrutiny Committee's Work Programme be noted; and**
- 2) future meetings of the Overview and Scrutiny Committee commence at 6:30 pm.**

31. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - UPDATE REPORTS

The Senior Democratic Services Officer provided verbal updates in respect of the following Working Groups:

a) Budget Scrutiny Working Group

It was reported that two meetings of the Group had taken place. At the first meeting the Group considered a document produced by the Centre for Public Scrutiny (CfPS) which outlined best practice in relation to budget scrutiny Best Practice, taking into account lessons learnt from the difficulties experienced by Northamptonshire County Council when trying to balance their budget in 2017/18. Members felt that the document was useful and adopted the approach to budget scrutiny that had been suggested by the report authors.

During the second meeting of the group Members had considered the contents of the existing Medium Term Financial Plan (MTFP) and had compared this to the Financial Outturn report for 2017/18. Based on this assessment Members had agreed to invite the Head of Environmental Services to their next meeting to discuss the budgets for his service. This would be considered alongside an initial overview of the Council's fees and charges and the Housing Revenue Account (HRA).

It was noted that the next Working Group was scheduled to take place on 10th September, 2018.

Overview and Scrutiny Committee

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b) Performance Scrutiny Work Programme

Members were advised that the first meeting of the Performance Scrutiny Working Group would be held in September, 2018.

32. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS

The following updates were provided in respect of External Scrutiny Bodies:

a) West Midlands Combined Authority Overview and Scrutiny Committee

Councillor Michael Chalk advised that he had attended the West Midlands Combined Authority Overview and Scrutiny Committee meeting that was held on 16th July, 2018 at Sandwell Council House and the next meeting was scheduled to take place on 4th September, 2018.

b) Worcestershire Health Overview and Scrutiny Committee (HOSC)

Councillor Michael Rouse had provided a written update in relation to Worcestershire HOSC. Members were advised that he had attended this meeting before he had been appointed to the Executive Committee. Councillor Michal Chalk would attend future meetings of HOSC on behalf of the Council.

The Meeting commenced at 6.30 pm
and closed at 7.30 pm

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REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****LEISURE AND CULTURAL SERVICES – LOCAL AUTHORITY TRADING COMPANY BUSINESS CASE (LATC)**

Relevant Portfolio Holder	Councillor Mike Rouse
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
This report contains exempt information as defined in Paragraph(s) 3 and 4 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. SUMMARY OF PROPOSALS

- 1.1 To advise Members on the progress that has been made following approval in March 2018, 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 subject to a final Business Plan being presented and approved.
- 1.2 To present the Business Plan summary and detailed report prepared by V4 Consulting with input from officers and Members which outlines the approach proposed to the delivery of services based upon the Council's previous committee decisions, Service Specification and Measures Dashboard.
- 1.3 To propose the governance arrangements for the LATC, its name and the financial and staffing implications of transferring service to an alternative model of delivery.
- 1.3 To provide a proposed timeline and key milestones for the establishment of the NewCo and the transfer of services to it.
- 1.4 To provide members with an opportunity to consider a number of investment proposals prepared by V4 consulting and officers that will expand and enhance the current service provision and increase the LATC's income, reducing its financial reliance on the Council.

2. RECOMMENDATIONS

- 2.1 **It is recommended that Executive consider the detail in this report, the V4 Business Plan and all other information provided and RECOMMEND to Council the following:**
 - 2.1.2 **Approval of the Business Plan at Appendix 5 to include the key assumptions at Section 8 and confirmation of a date of transfer as from 1st December 2018 for the following services:**
 - **Abbey Stadium Sports Centre**
 - **Palace Theatre and Palace Youth Theatre**

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018**

- Forge Mill Needle Museum and Bordesley Abbey Visitors Centre Inc. access to Bordesley Abbey Ruins
 - Community Centres at Windmill Drive, Oakenshaw, Batchley and Winyates Green.
 - Pitcheroak Golf Course
- 2.1.3 Approval of the establishment of a member panel to undertake the recruitment of the Managing Director and Non Executive Directors. It is proposed that this panel comprises the Leader, relevant Portfolio Holder and the leader of the opposition, or their nominees. This panel will be supported by 2 senior officers of the Council
- 2.1.4 Approval of, in principle, the investment opportunities as detailed in Appendix 6 and request officers bring detailed business cases to the Board of Directors for final approval
- 2.1.5 Approval of the funding of £55k from balances to fund an Electronic Point of Sale (EPOS) system to ensure the NewCo has the functionality to enable marketing, income generation and customer insight to be at its most effective
- 2.1.6 Approval of a transfer from balances of £74k to cover the period of the initially agreed transfer date of 1st September 2018 to the revised date of 1st December 2018
- 2.1.7 Approval of the measures framework as included in Appendix 3
- 2.1.8 Approval of the Company name as Forge Leisure Solutions trading as Forge Leisure

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 agreed 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 At the Executive Committee of the 6th March 2018 officers reported back on the work that had been undertaken thus far and present the initial LATC Business Case from V4 consulting.

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Members then made the following recommendations to Full Council on the 20th March 2018 and the following were endorsed:

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. *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.*
 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.*
 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.*
 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.*
- 3.4 Over the past 6 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 report this evening and the associated documents that underpin the overall project. Below are the updates against the Full Council Recommendations list as shown above:

1. Company Set Up and Registration:

NewCo will be formally set up and registered following Council approval of the transfer of services to it.

The Company will be constituted in accordance with the governance arrangements approved by Council.

The Council will be asked to formally delegate its powers as Shareholder to a Shareholder's Committee (constituted of Members) which will oversee the Company and exercise the Shareholder's powers on behalf of the Council.

2. Key Assumptions:

Additional stakeholder sessions have been undertaken and the position with regard to the key assumptions has been agreed and communicated

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018**

with Trade Union Colleagues and the services staff within the TUPE cohort

The Trade Union response to the key assumptions position is shown at Section 3.11.

Whilst a number of assumptions were approved by members in March 2018, these have been reviewed and have been have been used to form the Business Plan, confirm the savings within the business case are achievable, establish the company's governance arrangement and to set companies priorities in the short term.

Full detail of the key assumptions can be found at Section 8 of the business plan at Appendix 5

3. Managing Director Appointment:

The job description, person spec and role and responsibilities for the post have been drafted and evaluated under the HAYE model for senior officers by West Midlands Employers.

The recruitment is underway and as previously agreed will be a shareholder appointment. To enable the recruitment process to be undertaken prior to the Company establishment it is proposed that a panel is set up to appoint a Managing Director. It is anticipated that the Managing Director will commence work in December/ January with the company.

The selection process for the Managing Director will be a shareholder decision. A report will be presented to members in October to establish the Shareholder Committee. It is proposed that to enable the recruitment to take place prior to go live of 1st December a member panel is set up to undertake the selection process on behalf of the Shareholder Committee. It is proposed that this panel comprises the Leader, relevant Portfolio Holder and the leader of the opposition, or their nominees. This panel will be supported by 2 senior officers of the Council.

4. Service Specification:

The service specification, measures dashboard and default rectification mechanism have been drafted and agreed between the Council and the NewCo project leads. These documents form the backbone of the contract schedules that will be required in the period prior to 1st December and have been used by V4 as the basis for the Business Plan that responds to the Council's expectation.

A measures dashboard has been developed and is attached at Appendix 4. This shows the high level outcomes that the Council expects the Company to deliver. Officers are continuing to develop the NewCo operational and contractual measures in readiness for December 1st.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****Restructuring Report:**

The service review and restructuring report for the remaining client side functions have been finalised and the report can be found as agenda item to this meeting.

5. Business Plan

The draft business plan has been prepared and submitted to RBC officers for review and comment over the past 3 months. The plan and the investment proposals that support a further growth agenda have been agreed and the final document submitted can be found at Appendices 1,2 & 3. The plan has been structured in 3 parts;

Appendix 4 – the summary plan. This summarises how the company will deliver the councils priorities in relation to leisure and cultural services within an operational and legal framework

Appendix 5 – the detailed plan. This document details all of the operational, legal, governance, financial and performance mechanisms that have been proposed. *This will be considered in private due to staffing and commercially confidential information*

Appendix 6 – the investment proposals. These are the proposals presented by the company that will enable additional income to be generated and new and innovative facilities to be delivered to our community. *The financial details will be considered in private due to commercially confidential information*

3.5 Investment Proposals

Officers have consulted with leisure development experts Alliance Leisure Services Ltd (ALS) to look at the potential development opportunities across three of its major facilities. The investments have received appraisal by V4 to assess the rate of return on the investment to ensure financial viability and delivery of additional income to further develop the facilities in the Borough. As detailed in the business plan the key investments are:

Abbey Stadium Development:
<ul style="list-style-type: none"> ○ Conversion of ladies ground floor changing into tanning suite ○ Extension to building for new adventure play facility ○ Extension to current gym, and new functional training area ○ Refurbishment of changing facilities and additional saunas
Palace Theatre:
<ul style="list-style-type: none"> ○ Improvements to current design and layout of the building ○ Additional bar capacity ○ Additional auditorium seating capacity
3G and PARKOUR:
<ul style="list-style-type: none"> ○ Conversion of the centre of the existing Athletics track to a modern 3G artificial pitch (it is anticipated that future S106 funding will meet the costs associated with this project) ○ Creation of a PARKOUR outdoor free running space
Forge Mill Museum:

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<ul style="list-style-type: none"> ○ Upgrade to existing café and associated facilities ○ Introduction of large destination play facility ○ Introduction of adventure golf
Pitcheroak Golf Course: <ul style="list-style-type: none"> ○ Pavilion refurbishment ○ Development of a Par 3 golf course

Officers are seeking agreement in principle from members in relation to the investment opportunities to enable these to be explored further by the NewCo. The company will then develop business cases for formal sign off by the Council as Shareholder in relation to funding mechanisms and key milestones.

A new Electronic Point of Sale system (EPOS) has been identified by officers and advisors as a fundamental element of ensuring the NewCo can improve service to the customer, grow the income and measure performance and usage in the future. It is therefore proposed that the EPOS system is implemented as a priority and therefore a release from balances is requested to provide funding for a system.

- 3.6 As part of the overall project and the establishment of the Business Plan proposal a number of key areas have been assessed/reviewed and documents drafted to ensure that the proposals meet the key objectives and priorities that were outlined in the earlier committee reports.

The following is a list of areas reviewed, further detail on these can be found in the Business Case previously provided and the Business Plan proposal from the LATC.

- Governance and Lines of Reporting
- Company Structures and Reserved Matters Powers
- Business Planning and Investment Opportunities
- Support Services Buy Back Schedules and Service Level Agreements (SLA)
- Funding Mechanisms
- Performance Regime and Default Rectification
- Risk Management & Allocations
- Asset Management Responsibilities
- Review of services in scope
- Proposed Staffing Structures (NewCo & L&CS)
- Staff Transfer – Transfer of Undertakings Protection of Employment (TUPE)
- Opening Hours, Approach to Fees & Charges and Protected Bookings
- Lease Arrangements and asset transfer

- 3.7 With regard to the overall set up of the project, this has been established using an adapted Prince II methodology using on a staged approach. Each formal committee decision has been treated as a gateway report to progress to the next stage.

Key stage commencement and completion dates are shown below:

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Stage	Commencement Date	Completion Date
Stage 1 – Concept and Feasibility	1 st Sept 2017	31 st Oct 17
Stage 2 – Detailed Business Case & Sign Off	20 th Nov 2017	19 th March 2018
Stage 3A – Business Plan Submission, Transition & Agreement to Proceed	10 th Apr 2018	24 th Sept 2018
Stage 3B - Implementation and Roll In	1 st Oct 2018	30 th Nov 18
Stage 4 – Transfer & Go Live	1 st Dec 18	N/A

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. As part of the Stage 3b process a mobilisation plan will be prepared and resourced including the establishment of an interim management structure to allow key staff to work on the project full time from 1st Oct 2018. This will ensure that the critical date of 1st December is achieved.

3.9 As part of the “review of the services that are within scope” a detailed discussion has taken place at the project board with regard to the Allotment and Pitches booking services. As members will be aware these currently form part of the parks shared services, should these service functions remain in scope there will still be a need for these to be provided to Bromsgrove District Council. Given that there is no obvious financial, structural or service benefit to these services remaining in scope, it has been decided that they should form part of the Leisure & Cultural Services restructuring to ensure a robust approach is maintain to service delivery.

The services which are considered to be within the scope of the NewCo and are included in the Business Plan 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 at Windmill Drive, Oakenshaw, Batchley and Winyates Green.
- Pitcheroak Golf Course

3.10 As per the previous reports and initial feasibilities studies that were undertaken, all other services currently provided via the L&CS team are considered to be out of scope at this stage.

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The impact of the proposed change in the model of delivery and the management arrangements for out of scope services is covered in a separate report that responds to the recommendations of this report. Should members agree to the Business Plan proposal, a new service structure will be required within L&CS.

The NewCo will be constituted so as to allow other services to be transferred to it at the Council's discretion in the future. Services where future opportunities exist for additional services to be transferred include Arrow Valley Countryside Centre, BMX and Learning on Line. It is proposed that within the first 12 months of transfer that the NewCo is asked to bring forward business cases to members for consideration.

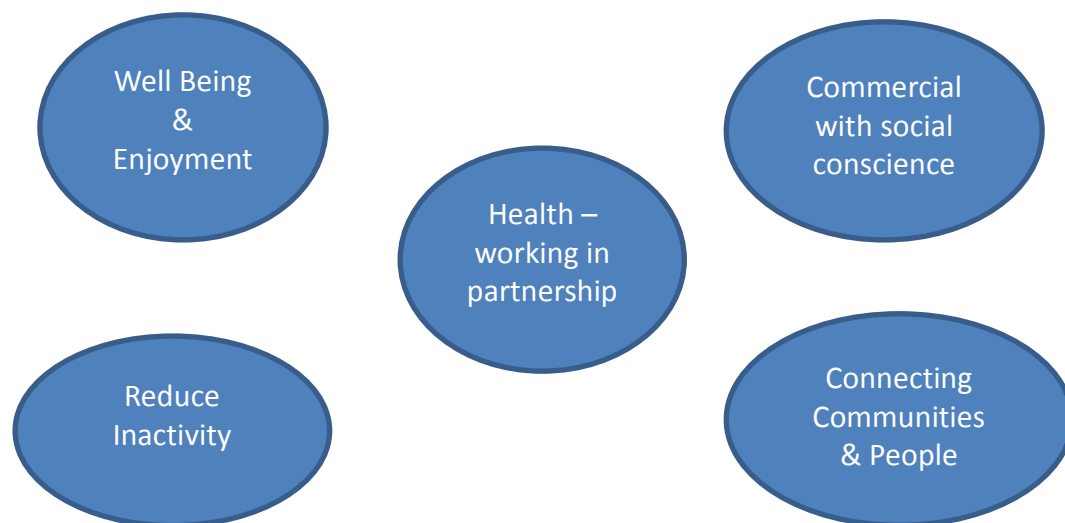
In cases where the Council develops additional services/facilities that require an external operator to be appointed, it is anticipated that Newco would take on the running of these services, subject to a robust business plan being in place evidencing that NewCo can offer best value to the Council in respect of these services/facilities.

- 3.11 Trade Union consultation and discussions have been held throughout the project and during Stage 3a to ensure that lines of communication are maintained and that there is a clear understanding of the Council's position and approach to the key assumptions. As reported previously the trade unions flagged a number of issues relating to the key assumptions being made. It is worth noting that the key concern for the trade unions is the ongoing protection of Local Authority terms and conditions in particular the ability for new staff to join the Local Government pension scheme. The assumptions proposed for consideration within the business plan reflect a closure of the scheme to new employees with a company pension scheme being in place. The TUPE cohort would have their terms and conditions, including pension, protected. In addition any staff currently employed by Redditch Borough or Bromsgrove District Councils who are successful in securing a role in the Newco by 1st March would also be protected in the same way as the TUPE cohort.
- 3.12 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 fully aware of the Council's decisions and the current work that is being undertaken. This will continue for the remainder of the project and be widened out to a key stakeholder group once a formal decision has been made and Newco is in a position to feedback on service plans and key areas of work following the date of transfer.
- 3.14 The key drivers from the Oct 17 study, subsequent Executive Committee reports in Oct 17 & March 18 and Business Case detail have been used to establish the Council's expectations of the new company, the required governance arrangements and to produce the key documents that have been developed as part of the contract document suite.
- 3.15 The previous workshops that were held during Stage 2 and those held during Stage 3a have determined that the agreed themes and approach remained

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valid and with minor alterations would be used to guide the production of the measurers framework, service specification, business plan and the company's approach to service delivery.

The following themes support the delivery of the Councils Strategic Purposes of "Provide Good Things to See, Do and Visit" and "Help me to live my Life Independently".



These themes underpin the delivery and achievement of the strategic purposes and were used as part of the assessment of the preferred option with in the Oct 2017 report.

- 3.16 The agreed themes and the measures dashboard will ensure that the Council's Vision and Strategic Purposes are embedded in proposed Business Plan and the day to day design and delivery of the service to residents. It will further ensure that that the decisions and actions taken by the NewCo can be evidenced against the wider social/community based objectives the Council wishes to address, both now and over the course of the agreement.
- 3.17 During the work undertaken by the project group it has been identified that there will be a need to monitor satisfaction across the services provided by the NewCo. This will be based upon an annual survey to understand the benefits the changes have made, with a base line data set created pre transfer. Officers will introduce a work stream in Stage 3b of the project to set up and undertake an annual satisfaction survey providing information to review future service delivery and allow a longer term satisfaction analysis to be undertaken. This requirement features in the service specification and measures framework with the expectation that performance improves in the early years of the contract ,and then maintained in later years.

4. Financial Implications.

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- 4.1 As Members are aware from the Oct 17 report, the Medium Term Financial Plan (MTFP) includes initial savings of £440k in 2018/19 (full year) rising to £480k per annum from 2019/20 as a result of an alternative model of delivery within Leisure and Cultural Services.

As part of the report in March 18 the actual saving for 2018/19 within the MTFP was adjusted to £220k to reflect a start date of 1st Oct 2018. As members will be aware the proposed start date within the report is now 1st Dec 18, which requires a transfer of £74k from balances to fund the revised date of transfer.

- 4.2 This savings are 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. This is on the basis that savings will be realised from support services as there will be reductions in the Council services requiring support once NewCo is established. There will be a 'Sunset' agreement in place as detailed in the Business case to enable transition of service transfers to NewCo and to manage any associated costs. The 'Sunset' agreement sets out the provision for all services to be utilised by the Newco for a period of at least 18 months. It is important that any savings made by support services during the sunset agreement period are reflected in a revised charge to NewCo.
- 4.3 Members will see that the Business case confirms that these level of savings will be achieved primarily through a number of areas, including structure and taxation position, efficiency savings and business growth.
- 4.4 The overall Business case sets out key responsibilities that are assigned to NewCo with 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 initially be buying back services via RBC from Place Partnership Limited on the same basis as the current Council Service Level Agreement (SLA). This will then be through RBC utilising the revised arrangements that are entered into by the Council once the transfer from PPL is complete in March 2019. This change of responsibility will mean that the cost and budgets associated with such works will transfer to the NewCo as the control of the spend and management of the building will no longer rest directly with the Council under the leases arrangements.

As part of the establishment of the revised RBC Property and Facilities Service teams, the expectation is that NewCo will be built into a revised SLA that will take effect as from 1st April 19.

- 4.6 As previously reported, 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 within NewCo for the period up to transfer and within 12 months transfer will

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be funded by the Council. The potential maximum redundancy cost would be £250k.

- 4.8 That all equipment that is currently used in the delivery of the in-scope services and supplied by the Council will be gifted to 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 An actuarial report has been requested to ensure that the Company secures the necessary requirements to be part of the Local Government Pension Scheme.

5. Legal Implications

- 5.1 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 now presented to Members for consideration in September 2018 together constitute this "Business case".
- 5.2 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 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 company's objectives, and offers best value to the Borough of Redditch.
- 5.3 Within the business plan V4 Report at Section 2.4 (Appendix 5) 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 December 2018) the Council would need to keep these arrangements under constant review to ensure that NewCo continues to deliver best value to the Council and achieves the Council's Strategic Aims.

6. Customer, Equalities and Diversity Implications

- 6.1 The Newco will continue the work to identify customer need, demand, the key components required to achieve high satisfaction ratings and through the use of the measures dashboard the Council will ensure that the community and local partners are supported by the leisure offer and that the NewCo continues to deliver on the Council's Strategic Objectives.
- 6.2 From an equalities perspective the NewCo will be expected to support the Council's objectives in this area and respond to reasonable requests through its business planning cycle.

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- 6.3 Officers have as part of this process undertaken an Equality Impact Assessment which will be used as Stage 3b progresses to ensure the above objectives are met and that the mobilisation plans consider these issues at all stages. This will include the introduction of revised company policies to complement the existing Council ones.
- 6.4 A new name has been chosen for the Company which is predicated on being non geographic, capable of being multi layered to support all parts of the business and across all types of media. It looks to create a unique brand identity to reflect the aspirational decisions being taken by Members and the type of industry the company will be working within.

The new name that has been selected for the Newco is **Forge Leisure Solutions (trading as Forge Leisure)**.

It is felt that this name meets the above criteria and reflects the image the NewCo wishes to portray and will allow it to drive brand identity and loyalty with the Redditch and North Worcestershire, North Warwickshire and South Birmingham areas, to achieve its social and business objectives.

- 6.5 Office location – to enable the company to demonstrate its independence from the Council the aim is for the management team to sit outside of the main Town Hall building and utilise office space in one of the other Council premises.
- 6.6 As part of the establishment of the NewCo, the continued support of our Volunteers is critical to the company's success, and as such this has and will be a key area of work as part of the Stage 3a communications plan and Stage 3b mobilisation plan. As part of this work we will look to keep all stakeholder and volunteers appraised of the current position, the next stages and what any changes will mean for them. We will also ask the NewCo to consider its approach to volunteers to ensure they continue to support the services and to ensure that the huge benefits and the contributions they make to keep these key services running is fully reflected in future service plans.

7. Staffing Matters

- 7.1 Due to the nature of the services provided within Leisure & Cultural Services there is a large cohort of staff involved in delivery. 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 table below shows the impact on the overall staffing structure within Leisure & Cultural Services.

Description/Position	Head Count	FTE
Remain within Shared Service	51	40.00
TUPE Transfer Cohort	66	49.76

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Total	117	89.76
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- 7.3 The approach to TUPE timeline, staff and union consultation has been discussed at Stage 3a 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 be in accordance with all statutory requirements and the Council's Reorganisation and Change Policy.
- 7.4 As part of the consideration for the new company a management structure is proposed to ensure senior officers are in place to develop and drive the improvements and investments needed for a commercial entity to thrive. A Managing Director post has been approved and will be recruited to and it is envisaged that the other posts will further enhance the structure to deliver future initiatives. The proposed management structure is included in the confidential business plan at Appendix 5.
- 7.5 The impact upon services and structure that are outside of scope for transfer will be addressed by the Council through its formal Reorganisation and Change Policy.

8. Risk Management

- 8.1 As part of the Project Plan there is a detailed risk register that shows the key risks associated with the implementation of the NewCo supported by risk mitigation methodology.
- 8.2 There is also a Project Risk Register for the Stage 2 & 3a processes which have been used to oversee the production of the key document by the Council, the project management approach and the production of the Business Plan.
- 8.3 Should approval be given to progress to Stage 3b a new Risk Register will be produced to cover these aspects up to the transfer of services on the 1st December.
- 8.4 The project has also been implemented onto the Council's Corporate Risk Register under the major projects heading but placed on hold as it is subject to a formal Council decision to progress. Should approval be given then this will be made live and monitoring of the risk mitigations (as per project risk register) commenced.

9. APPENDICES

Appendix 1 – Default mechanism
 Appendix 2 – Service Specification
 Appendix 3 – LATC Measures Dashboard
 Appendix 4 – Summary Business Plan
 Appendix 5 – Detailed Business Plan

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Appendix 6 - Investment Opportunities

10. BACKGROUND PAPERS

- July 11th 2017 - Executive Committee Report
- October 31st 2017 - Executive Committee Report
- March 5th 2017 - Executive Committee Report

11. KEY

None

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Redditch Borough Council**Forge Leisure Solution****Proposed Default Process – V1 Aug 18**

Throughout the Contract Period, the performance of the contractor in providing the service will be monitored in accordance with the arrangements set out in the Contract based upon the requirements of the service specification and measure dashboard.

Failure to provide the service to an acceptable standard will result in allocated levels of seriousness from Level 1 up to Level 4 as shown below.

On each occasion a failure to comply is noted, a complaints notice will be issued to the NewCo's management detailing the nature of the failure, the level of seriousness allocated to it, and the time limit within which the failure must be rectified and Service restored to its specified standard.

Should the contractor fail to restore the Service to the Contract Standard by the due date, the Contracts Officer will issue a default notice to the Operations Manager that will serve the following purposes:

Step 1:

1. It will declare that the Provider has defaulted in providing the Service, or part of it.
2. It will state the Council's intention to calculate the financial value of the failure, details of which will subsequently be confirmed in writing, and will formally notify the Provider that a deduction of the calculated amount will be made from the next payment or payments to the Provider from the Council.
3. Allocate the instance of failure to provide the Service to the next level of seriousness if this is a subsequent Complaint Notice on the same issue, and specifying a revised time limit by which the Service must be restored.
4. Where a failure is rectified by the due date and time, no further action will be taken.

Step 2:

1. If the Provider should again not rectify the failure and restore the Service within the time limit, a further Default Notice will be issued by the Head of Service to the Operations Manager and/or Managing Director, and a further calculation of the financial value will be undertaken.

This will again be deducted from the next payment to the Provider and will be reviewed at the quarterly contract monitoring meetings.

2. In the event of the repeated failure to respond to the Complaint Notices, a cycle of Complaint Notices, default notices and deductions will continue until the Provider complies and rectifies a "Level 4" default.

This will then be raised through a formal contract notice with the company required to formally respond to the concerns raised by the Council. These will be reported to the Council's CEO and Shareholder committee.

Step 3:

1. Should the issues identified within the default notice not be rectified and/or the CCLC feel that these matters require further discussion this will be raised at the shareholders committee and a formal response requested from the Chair of the NewCo board to include proposed corrective action.

Levels of Seriousness:

Level 1: Small problems or omissions which nevertheless have a noticeable effect on the delivery of the Service. To be rectified on the same day as the issue of the complaint notice. Examples include: failure to comply with cleaning standard where the effect is more than merely visual – unpleasant odours, unserviceable lights, out-of-date notices, graffiti, etc.

Level 2: Serious problems or omissions which create a significant level of inconvenience, unpleasantness or disruption to the Service. To be rectified, or rectifying action to be initiated within 24 hours of the issue of the complaint notice. Examples include: failure to carry out prompt or adequate maintenance – unserviceable taps/WC/urinals unavailable services or consumable equipment unavailable or unserviceable

Level 3: Very serious problems or omissions which create an unacceptably high level of inconvenience, unpleasantness, disruption and are a potential hazard to safety, health or hygiene. To be rectified, or rectifying action to be initiated within one hour of the issue of the complaints notice. Examples include: water and/or air temperatures not to specification, chemical balance of water incorrect, webs sites unavailable, charging incorrect or unauthorised fees etc.

Level 4: Problems or omissions of the utmost seriousness creating an immediate high risk to health, safety or the wellbeing of staff or users, requiring either immediate rectification or the withdrawal from use of equipment or closure of all or parts of the Facility. In this instance, the complaint notice will be bypassed and a default notice issued immediately. Examples include: insufficient or unqualified staff on shift or undertaking delivery, damaged or unserviceable equipment in use, unhygienic levels of cleanliness in food preparation areas, breach of health and safety rules and unsecured service areas.

NB: The final version of the proposed approach will form part of the contract documentation suite and be formally drafted during the mobilisation period.

APPENDIX 5

Leisure & Cultural Facilities

Services Specification

Redditch Borough Council

Redditch Template

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Background

Councils have a major role in contributing to the promotion and delivery of increased participation in sport and physical activity. The Government has set a challenging target to increase participation from current levels by 1 per cent year on year for the next 15 years (NAO 2006).

About the Borough of Redditch

The Borough of Redditch is in Worcestershire, approximately 15 miles south of Birmingham.

The Borough has a population of 84,971 (based on ONS mid-year population estimate 2016) with a higher percentage of young people (age 0-15 years) compared with the rest of the County.

There is a very diverse population within the Borough and there are four areas that are within in the top 10% most deprived in England.

Through considering what really matters to our residents, the Council Plan 2017- 2020 identified six strategic purposes. Working to these purposes help the Council to understand the needs of the District and how, together with partners, we can improve the lives of our residents and the prospects for Redditch borough as a whole.

Relevant data collection enables us to validate the strategic priorities of the Council and thus ensure that they continue to remain relevant.

- Keep my place safe & looking good
- Help me run a successful business
- Help me to be financially independent (including education & skills)
- Help me to live my life independently (including health & activity)
- Help me to find somewhere to live in my locality
- Provide me with good things to see do & visit

Health in the Borough of Redditch

The health of people in Redditch is varied compared with the England average. About 16% (2,600) children live in low income families. Life expectancy for both men and women is similar to England average.

Child Health priority: Obesity levels in Redditch are worse than the England average

Adult Health priority: The rate of hip fractures in Redditch is worse than the England average

Levels of deprivation vary across Redditch. Redditch has a higher instance of deprived neighbourhoods than England, and life expectancy between the most deprived and least deprived areas is 9.3 years in males and 9 years in females. This can identify communities who may be in the greatest need of services.

Other areas of concern in Redditch are:

- Smoking prevalence in adults (18+)
- Breastfeeding initiation
- Alcohol related hospital stays
- Violent Crime

(Redditch Health Profile 2018, PHE)

Schedule 1 – Services Specification

Promoting physical activity

Active Lives Survey (Adults) 2016/17 (Sport England, 2018) has reported the following data:

- People active for 150+ minutes per week = 57% (England avg of 62%)
- People active for 30-149 minutes per week = 15.4% (England avg of 12%)
- People active for less than 30 minutes per week = 27.8% (England avg of 25%)

This shows Redditch participation rates in physical activity are similar to the England average. The only significant change is in the Fairly Active group which has seen a significant increase by 18%.

Low socio-economic groups are more likely to be inactive, and with Redditch having pockets of high deprivation, this makes increasing physical activity more challenging. Active People survey 2015/16 which preceded Active Lives Survey, has a greater breakdown of physical activity levels by gender and socio-economic status.

Participation rates by gender in Redditch show a significantly higher rate for men aged 16 and over participating in sport (45.6%) compared with a much lower rate (28.6%) of women in 2015/16. The gap is wider than the national and regional rates and has increased since 2005. More men are participating in physical activity but the number of women participating has reduced. Sports participation rates for people with children in Redditch (35 per cent) is slightly lower than for those who do not have children (38%), although this difference is not statistically significant.

Participation rates by socio-economic groups are fairly similar across Redditch (37-39%). In NS-SEC 5-8 (the lowest socio-economic group) Redditch has a participation rate of 40% which is higher than Worcestershire at 29% and England at 25% and this has increased from 21 to 28% in 2005.

Latent Demand

The **latent demand** of people aged 16 and over in Redditch who would like to do more sport has increased to 60.5% in 2015/16. 29% of inactive adults and 31.5% of active adults want to do more sport. Both of these figures are higher than the county and national average. An analysis of the area's market segments and participation rates shows the type of people to target to improve participation rates:

- **Women:** half the population, but considerably lower participation rates and significantly higher latent demand compared with men.
- **Families:** Redditch has slightly lower participation rates for those with children in contrast to comparator areas. This indicates an opportunity to encourage families with children to participate more in sport.
- **Low income areas:** there are lower participation rates in some of the most deprived areas, where there are also lower life expectancies. However, Redditch has a consistent participation rate across socio-economic groups.

Particular types of people can be targeted to encourage participation rates as described in the section on market segments. Swimming and cycling is an area of focus for this so people who may be interested in this activity, or have participated in the past would be an ideal target.

Key Strategies

There are a number of policy drivers to support and encourage greater participation in physical activity and improve general health and wellbeing; These include but are not limited to:

- Sport England – Towards an Active Nation (Sport England, 2016-2021)
- Get Everybody Active Every Day (PHE, 2014)
- Turning the Tide of Inactivity (UK Active, 2014)
- Sporting Future (DCMS, 2015)
- Joint Health and Wellbeing Strategy (2016 – 2021)
- WCC Health and Well Being Plan (2017 – 2022)
- Worcestershire Children & Young Peoples Plan (2018 – 2021)
- County Sports Partnership Business Plan (2018)
- Redditch Strategic Partnership Work Plan (2018)

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- Redditch Needs and Assets Profile (WCC, 2018)
- Childhood Obesity – a Plan for Action (DoH, 2017)
- Worcestershire Arts Partnership Strategy (2016 – 2019)

Local strategies and plans that specifically encourage physical activity participation in Redditch Borough include the following;

- Sport and Physical Activity Strategy (2017-2022)
- Obesity Strategy (2014 – 2017)
- Green Spaces Strategy (2015 – 2020)
- Playing Pitch Strategy (2011)
- Arts & Events Strategy (In production)
- Sport England Facilities Planning Tool
- RBCCG 5 year plan (2014-2015 – 2018/19)

Specification

Overall Service Requirements

The Council wishes to see the Operator working towards and adhering to key national, regional and local strategic policy, listed in section above in Key Strategies e.g. [X]'s Joint Health and Wellbeing Strategy 2013-16.

It also wishes to be able to demonstrate that investment and actions are making a difference to people's lives; to be able to demonstrate the impact the delivery of the leisure and cultural services is having on local individuals and communities within the borough.

The Council requires the Operator to work with the council to demonstrate the outcomes being achieved through the delivery of the leisure and cultural services.

The Council's requirement is for the Operator to offer High quality leisure and related Services at an affordable cost and price to ensure it does not become a barrier to participation.

The company is expected to demonstrate its ambition to invest in facilities, systems and staff to ensure we maximise the resources available.

The key outcomes the council wish to achieve are:

- To identify and break down barriers to accessing our Leisure & Cultural facilities in Redditch.
- To connect communities in Redditch
- To reduce social isolation and promote independent living in Redditch.
- To improve the physical and emotional wellbeing of Redditch residents.
- To facilitate and support the future provision of Council owned leisure and cultural facilities in Redditch

As part of the Council's commitment to establishing '[X] the Place' a commitment has been made to the following sport, leisure and public health key objectives:

- Maintaining our facilities to be hubs for community activity whilst maintaining a sport, leisure, culture and health focus
- To maximise affordable access to high quality services for every resident in the Borough of Redditch.
- To maximise access to high quality services to reflect regional and national provisions to demonstrate best practice in service delivery.
- To ensure that all facilities have a strong neighbourhood focus and the programmes of activity reflect the needs of the local community, player pathways, progression and elite performance.
- To promote physical activity to tackle health inequalities and support community cohesion.
- To understand residents' needs and community aspirations, ensuring equitable access to all and that barriers to participation are removed.
- To support community organisations to ensure they are sustainable, have ability to grow and develop and offer increased opportunities to local residents.

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- To work with the council to support wider corporate plan objectives and target groups where appropriate.
- To deliver a joined-up approach to volunteering, work placements, on the job training and job creation to contribute to wider economic development.
- To ensure robust and appropriate programming to underpin the delivery of the above objectives.
- Develop an outreach programme of effective marketing and communications to engage the non-active and disadvantaged population to increase participation and attendances.
- Develop a robust and detailed approach to customer and non-customer consultation and engagement to diversify the marketing, programming and attendances. This Services Specification sets out the Performance Standards that the Operator shall meet in the delivery of the Services during the Agreement Period. It details the requirements that the Operator shall meet for the ongoing operation of the facilities, and any other offer as specified within this Schedule 1 (Services Specification) throughout the Agreement Period.

Any additional growth within the company should complement the existing service provision and the outcomes expected. Where this happens, additional service measures will be created as appropriate.

The structure of this Services Specification directly relates to how the Performance Standards will be assessed and is set out as follows:

Part 1A – General

- Measurement
- Reporting
- Specified Facilities and services
- Description of Facilities
- Property Database

Part 1B – Performance Monitoring Requirements

- Public Health
- Quality Management System
- Participation Targets

Part 1C – Service Performance Requirements

- Cleaning
- Environment and Energy Management
- Customer Service
- Catering and Vending
- IT, Telephone and Booking Systems
- Maintenance of Buildings, Plant and Equipment
- Car Parking and Grounds Maintenance
- Event Management
- Marketing, Sales and Publicity
- Major Incident Reporting
- Other Monitoring & Reports

Part 1D – Facilities Performance Requirements

- Public Health Commissioning
- Pricing Requirements
- Opening Hours
- Programming
- Council Programmes
- Health and Safety Management
- Access
- Legislation and Policy
- Water (Hot and Cold Installations)
- Drainage
- Ventilation
- Heating (Thermal Comfort)
- Lighting
- Pool Water Quality (Swimming Pool Installations)

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- CCTV and Security
- Staffing
- Working with External Stakeholders
- Community Development

The terms and expressions used in this Schedule shall bear the same meaning as set out in the Agreement.

This Service Specification uses the following structure to provide the Operator with the requirements and Performance Standards of the Council as laid out within the performance management framework, detailed in appendix 4

In the Service Specification there are references to the Agreement. In the context of this document, the term is used to describe the various documentation that together defines the arrangements that will be put in place between the Council and the Operator during the Contract Period.

Required Outcome

Provides the NewCo/Operator with a high-level view of the outcome and context of the requirements of the Council which the Operator shall meet or contribute to.

Performance Standards

These must be met by the NewCo/Operator Through measurers & performance monitoring these will include Standards that relate to the output that the Operator shall meet but which are covered by regulations, legislation, British Standards etc. and standards that set out the level of performance that the Operator shall meet and will determine whether the Operator is meeting the requirements of the Council.

Reporting Requirements

The reporting requirements, which the Operator shall meet in relation to the specified Performance Standard and measures detailed in section 1.19.

The mechanism to address poor performance is outlined in the default rectification process.

Part 1A – General**1.1 Measurement**

The monitoring of the Operator's achievement of the Performance Standards shall be measured in accordance with the Agreement. Monitoring of the Services and categorisation and reporting of performance failures shall be carried out in accordance with the Agreement.

1.2 Reporting

The Operator is obliged to report on its performance in accordance with this Specification and the Agreement in order to meet the Performance Standards and other performance requirements set out in this Specification in section 1.19.

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1.3 Specified Facilities and Services

The Facilities that are to be operated by the Operator, at the commencement date are as follows:

- Abbey Stadium Sports Centre
- Pitcheroak Golf Course [Including Café and Golf Professional Services] (currently managed via external operator until Oct 19)
- Forge Mill Needle Museum
- Bordesley Abbey Visitor Centre including access and promotion to / of Abbey Ruins
- Community Centres – (Batchley, Oakenshaw, Windmill, Winyates Green)
- Palace Theatre including Youth Theatre

The Operator shall allow full community access to and participation in the facilities and activities therein. The Operator shall comply with the requirements Equality Act 2010 and any related legislation and official guidance. All Facilities (including altered, adapted or any new Facilities brought forwards) must meet minimum accessibility requirements unless a legal exemption applies.

Any changes to the availability of the named facilities can only be made by agreement between the Operator and the Council as part of the annual Business Planning process.

1.4 Description of facilities

Facility	Location	Facilities	Key Activities
Abbey Stadium	Bordesley (North Redditch)	25m swimming pool Leaner / Teaching Pool Fitness Suite 2 Dance Studios Spin Studio Sports Hall Athletics Track Grass Pitch Café	Gym membership Group Exercise Classes Swimming Swimming Lessons Gymnastics Walking Football Over 60's Sports Clubs Hire
Palace Theatre	Town Centre	Main auditorium Box Office Youth Theatre Bar Room upstairs	Pantomime All year round shows Youth Theatre Over 60's (Elevenses)
Forge Mill Museum & Visitor Centre	Bordesley	Needle Museum Visitor Centre Bordesley Abbey Ruins Shop Café Play Area	Events Exhibitions Interactive Tours Talks Wakes Parties Weddings
Pitcheroak Golf Course	Town Centre	9 hole, 18 tee course Café/Bar Shop Driving Range Putting Green	Pay and Play Group Coaching Individual Coaching Competitions
Oakenshaw Community Centre	Oakenshaw (South Redditch)	Large Hall Small Hall	Pre School Ditch Youth Club Seated Exercise
Windmill Community Centre	Walkwood (South West Redditch)	Large Hall Small Hall	Pre School Over 60's Keep Fit

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			Martial Arts Clubs
Batchley Community Centre	Batchley (North Redditch	Main Hall	Batchley Support Group Strength and Balance Slimming World Carpet Bowls
Winyates Green Community Centre	Winyates (Redditch East)	Main Hall	Pre School Karate Dance School

Details of minimum opening hours and protected bookings are defined by the Council

1.5 Property Database

It is expected that the Operator will work closely with the Council to develop a property database (the **"Property Database"**), which is a record of all new and existing structures, plant, materials, components, and fittings over the agreed period as set out in the SLA between the Operator & Council. This is subject to the SLA agreements with the council / other operator with the aim to achieve this by April 2021.

Part 1B – Performance Monitoring Requirements

The Operator will deliver against the agreed council objectives and outcomes for the service as outlined in section 1.19. Performance will be subject to monthly, quarterly and annual reporting requirements.

The Operator must provide qualitative and quantitative evidence, on a quarterly/annual basis to demonstrate that it is successfully delivering the service objectives and/or put in place the agreed improvement measures – in accordance with the Performance Management Framework.

The Operator, where required by the council, will produce ad-hoc reports and attend council meetings as required by the council acting responsibly.

It is expected that the Operator will co-operate with the council demonstrate the outcomes being achieved through the delivery of the Services.

There will be quarterly client relationship meetings between the council representative and Managing Director to review performance outlined above.

1.6 Public Health

The Council is committed to commissioning a modern, affordable and sustainable Services with a focus on supporting improved health and well-being in the community. The Operator shall ensure that the Services contribute towards the Council's Strategic Purposes & Vision, which promotes partnership working.

Increasing physical activity levels across the borough will contribute to a range of Public Health outcomes specifically:

- An increase in the proportion of physically active and decrease in the proportion of inactive adults measured by the number of adults achieving at least 150 minutes of physical activity per week and;
- Reducing the proportion of adults classified as inactive
- Utilisation of green space for exercise / health reasons

Schedule 1 – Services Specification

Redditch Borough Council, Council Plan 2017 – 2020 is the overarching strategy for the Borough. It sets out the long-term vision to establish Redditch as a place where people choose to live and work. The Council Plan sets out how the Council will deliver its Strategic Purposes. Tackling inactivity will help the Council achieve outcomes in the Council plan, in particular supporting:

- Nurture existing businesses & encourage a future generation of entrepreneurs.
- Enhance Retail, Leisure & Residential offer.
- Positively promote Redditch as a place to live, work, invest and visit & encourage new inward investment.
- Work with partners to improve the aspirations of our younger population and develop skills to meet the future demands of employers.
- Develop education & skills to sustain financial independence.
- Support communities during changes to welfare & benefits
- Support residents to reduce levels of individual debt.
- Support reduction in fuel poverty.
- Understand and support the additional needs of our residents.
- Promote independence and reduce social isolation.
- Help people have active bodies and active minds.
- Strengthening and supporting families and individuals
- Support the development and delivery of appropriate housing in the borough.
- Raise housing standards and the quality of the local environment across the borough.
- Greater involvement and empowerment of tenants and residents in service delivery and reform.
- Identify and support vulnerable people to prevent homelessness
- Build sustainable communities and neighbourhoods.
- Participate in the creation of safe and well maintained places
- Demonstrate concern and care for the environment
- Create a sense of belonging and pride in our neighbourhoods.
- Help create a flourishing town and district centres
- Support the provision of leisure opportunities for the whole borough
- Provide well maintained community parks and green spaces
- Provide and support high quality, culturally diverse events and arts activities.

Performance Standards

The Operator must ensure that its programming, pricing, policies, development plans, marketing and training are focussed to support the Council in achieving the desired outcomes and/or measures set out in the Performance Dashboard.

The annual Business Plan will demonstrate to the council how the work of the Operator will achieve and develop the Council's objectives and outcomes.

During the first contract year both parties will work towards the series of outcomes (outlined in appendix 4 and related key performance measures. Each year the Operator and Council will review the Key Performance measures in order to ensure the outcomes set are still “fit for purpose”.

The 2017/18 full year will be used as the baseline data sets for performance, where these are available. If baseline data is not available, the Council and the Operator will agree a reasonable timescale for setting a baseline and subsequent reporting of the measures. This is because some data sets may not be reportable until the Operator's revised management systems are in place. In such circumstances the 2019/20 financial years information will be used as the base line with 2020/21 performance measured against this.

Reporting Requirements

The Operator must provide within its Annual Business Plan, qualitative and quantitative evidence of how the Operator has performed on the previous years' outcomes plan within two months following each contract year. This shall be reported in line with the detail in section 1.19.

Schedule 1 – Services Specification

For the avoidance of doubt, any plans or reports which are to be produced annually should be considered to be part of the annual business planning process.

1.7 Quality Management System

Required Outcome

The Council is committed to the quality assurance and continuous improvement of the Services. The Council expects that the Operator will embrace a quality management system based upon continuous improvement, ongoing service review, use of benchmarking datasets and a performance management framework.

The council expects that the Operator will enter and maintain external quality assurance frameworks as follows:

- Abbey Stadium Sports Centre – Quest
- Palace Theatre - Equivalent
- Museum - Equivalent

Reporting Requirements

Where there are no quality management systems in place at the commencement, the Council and the Operator will agree a reasonable timeframe for implementation. Resource implications will be addressed, and The Quality management system must be maintained and reported in line with the performance management framework. If there is an area of concern raised by the council, the company shall discuss with the client officer and agree a reasonable time scale for response within 3 working days.

A list of the expected measures and reporting requirements can be found in section 1.19

1.8 Participation Targets

Required Outcome

As well as aiming to increase the participation and attendances across the Facilities in general, the Operator will work with stakeholders, development officers and the Council to target and provide a range of interventions that will reach identified groups that are under-represented in their use of the facilities or who would benefit most from use of the facilities.

The Operator will ensure that the participation of identified groups are targeted, measured and that marketing plans have been implemented to attract groups including:

- Children and Young people (aged 16 and under)
- Young people aged 16 – 25
- Women
- Older people (over 60)
- Looked after children and supported families
- School swimming for all [X] Schools

Performance Standards

The Operator will achieve the desired Outcomes the Council's Performance framework and provide supporting narrative where appropriate. In cases where performance is not as planned or expected the narrative will cover the reasons for this and the plans put in place to address the issue.

Reporting Requirements

The Operator will provide a report to the Council on a quarterly basis for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'*

Part 1C – Service Performance Requirements

There are 11 elements to the Service Performance Requirements:

- Cleaning
- Environmental and Energy Management
- Customer Service
- Catering and Vending
- IT, Telephone and Booking systems
- Maintenance of Buildings, Plant and Equipment
- Car Parking and Grounds Maintenance
- Events Management
- Marketing / Sales and Publicity
- Major Incident Reporting
- Other Monitoring and Reporting

1.9 Cleaning

Required Outcome

The facilities is maintained and cleaned in such a way to maximise customer satisfaction and attendances.

The Facilities should be cleaned in such a way as to maintain a healthy and safe environment for all customers to allow for efficient and effective operational use of the facilities and promoting a positive image of the facilities at all times to increase attendances.

The Operator shall ensure that proper care is taken at all times to prevent injury during any cleaning operation, and to minimise customer inconvenience. All cleaning materials and the use and storage thereof shall comply with COSHH, the Health and Safety at Work Act and any other related legislation and any subsequent amendments thereof. The operator will equip staff with the necessary equipment and training to ensure the facilities benefit from a high standard of cleaning.

The Operator is required to produce appropriate cleaning schedules and COSHH assessments for each area of the leisure facilities that include for daily and other routine cleaning as well as for regular deep cleaning.

Performance Standards

The facilities must therefore be 'visibly clean' at all times.

The Operator shall provide cleaning services over the full calendar year. The Operator shall be aware, and factor into its Plans and cleaning routines that some cleaning requirements may, of necessity, require to be undertaken outside the public opening hours or need to be more intensive when events dictate e.g. on open days.

The Operator shall determine the precise nature of cleaning required in each Zone depending upon the design, interior fitment and decoration of the buildings and usage made.

The Operator shall determine the cleaning frequency for each ZonePlans.

The Operator must include cleanliness of the facilities within the annual customer satisfaction surveys and produce an action plan based on results. A comments and suggestions scheme should be in place to collect feedback on cleaning standards. The Operator should undertake a number of cleaning spot checks to maintain high standards. Cleaning standards to be included in the 6 monthly customer forums.

Reporting Requirements

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The Operator will monitor its own performance as part of the service performance management framework procedures agreed with the Council. This information shall be available to the Council on request.

The Operator shall report Annual satisfaction survey results related to cleanliness and six monthly customer forum information specific to cleanliness. The Operator will provide a report to the Council on a quarterly basis for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'*

1.10 Environmental and Energy Management

Required Outcome

The Operator shall operate the Facilities in an environmentally sensitive and sustainable manner, to reduce energy consumption, reduce water and wastewater consumption, minimise chemical usage, recycle appropriate non-hazardous wastes and contribute to the delivery of the Council's wider policies for safeguarding the environment and promoting sustainability.

The operator shall have a clear policy and programme in place to reduce as far as reasonably practicable the use of single use plastics. The operator is required to promote recycle and reuse principles across all services.

The operator shall have a clear policy and implement effective operational practices that demonstrably have a positive effect on the environment and promote recycling. This shall be set out in the Annual Business Plan.

The operator and the Council will work together to ensure that any investment propositions related to environmental impact are given due consideration and plans approved when the business case is established, as part of the Business Planning Process.

The operator will undertake its grounds maintenance contracts in a responsible manner to ensure that it promotes bio-diversity and habitat management.

The operator will implement and promote a sustainable travel action plan to its customers and staff.

Performance Standards

The Operator will achieve desired Outcomes in conjunction with the Council's Performance Management Framework and provide supporting narrative where appropriate. The operator will support the councils' objectives and priorities in this area and contribute positively to any future workstreams.

Reporting Requirements

The Operator shall ensure that achievements against the Environmental and Energy Management Plan are met and how these contribute to the Council's wider policies for safeguarding the environment and promoting sustainability is submitted as part of the Performance Monitoring Report. The Operator shall ensure that energy consumption for gas, electricity and water for the Facilities is included within this report, alongside recycling rates. on a six monthly basis for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'*

1.11 Customer Service

Required Outcome

The Operator shall provide and comply with an overarching comprehensive customer service charter and customer commitment statements at site level. These will be produced by the submission dates outlined in section 1.19 *'Other Monitoring & Reporting'* and will mirror or exceed the council's Customer Service Principles Policy

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The key principles of the Council's customer care requirements are set out below. The Operator shall meet these commitments:

- Service Standards are defined and clearly displayed
- A customer care policy exists, is freely available to the customers and is implemented
- There is a Customer Charter/Commitment Statement in place
- There is a clear and defined refunds policy

As part of the charter/statement, the operator shall also commit to:

- All staff will be inducted and suitably trained and qualified to meet customer needs.
- Customer feedback procedures including customer comments, verbal comments, customer and club forums
- All groups (including those with disabilities) having appropriate access and equal opportunities and look to address where possible any needs identified in co-operation with the Council.
- Staff are helpful and pleasant and respond positively to all enquiries and sales opportunities.
- Staff at all levels are empowered to resolve customer complaints
- Information for customers is available in all appropriate formats to support the business.
- Bookings and access to services are inclusive and effective to meet customer need.
- Detailed complaint handling procedures including procedures for dealing with difficult/ unusual Customer requests.
- The operator will maximise the opportunities presented by social media activities and will understand and manage the risks associated with such activities.
- Measurement of levels of customer satisfaction
- A customer engagement policy will be developed in line with the reporting frequencies outlined in section 1.19 including details on displaying customer feedback in the facilities
- Effective internal policies for dealing with customer service implications including, but not limited to, lost property procedures, adverse weather, and customer success strategy.

The Operator shall develop and operate a comprehensive consultation and engagement strategy.

The Operator shall carry out the following customer service research for all sites:

- Annual Satisfaction Survey
- Service sampling including exit interviews and/or questionnaires.
- Quarterly analysis of all verbal and written comments and complaints
- Six monthly Customer forum and annual stakeholder forum on a site by site basis.
- Mystery visits and/or telephone calls.
- Ongoing review of web, social media and visitor review platforms.

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The Operator shall ensure that the information ascertained from the research is analysed and the results used to inform future service delivery. Mechanisms for achieving this should be shown in the business plan

Performance Standards

The Operator will achieve desired outcomes set in conjunction with the Council's Performance Management Framework and provide supporting narrative where appropriate.

Reporting Requirements

The Operator shall ensure that a report detailing all complaints and remedial action taken is provided to the Council on a quarterly basis. The Operator shall ensure that a summary of this report and details of any failure to maintain the required Performance Standards set out above are included within the Quarterly Performance Monitoring Report as per the initial submission date outlined in section 1.19 'Other Monitoring & Reporting'

1.12 Catering and Vending**Required Outcome**

The Operator or its contractor should provide a high quality, value for money service, which offers a range of appetising and nutritious food and drink to customers. The Operator shall ensure that as a minimum, the existing catering vending areas provided as appropriate at each of the Facilities continues to be provided.

The Operator shall provide a comprehensive food and drink selection that caters for different Customer types as well as the different dietary requirements of customers including:

- Community and club customers
- Commercial customers such as conference delegates
- Staff members
- Group/ individual visitors and spectators
- Vegetarians and persons with particular dietary needs
- Diverse cultural and religious background of customers and the local community to the Facilities
- Special functions such as events, celebrations, special events, etc.

The Operator shall ensure that a choice of affordable beverages, meals and snacks is available during the Minimum Opening Hours for catering to all Customers and specifically at meal times. The Operator shall ensure that the choice of beverages and meals includes hot and cold, nutritionally balanced, healthy meals and snacks. The Operator shall also provide hot and cold drinks and simple snacks through vending machines or otherwise outside of the Minimum Opening Hours for catering.

The Operator shall ensure that a healthy, balanced menu is offered in the catering facilities that are updated frequently. The Operator shall ensure that the marketing associated with the catering facilities focuses on and promotes healthy eating options. The Operator shall ensure that healthy vending options are offered in the Facilities.

Performance Standards

The Operator (and/or its sub-contractor/s) shall demonstrate a clear understanding of the requirement for a quality and sustainable catering service that meets all its diverse Customer needs. Plans shall cover as a minimum:

- Catering service recommendations
- Sample menus for all services
- Sample tariffs where appropriate

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- Specific plans at the catering facilities within the Facilities
- Details of the Operator's purchasing policy and procedures
- Outline marketing approach
- Catering management structure and roles
- Details of person and job specifications for all key catering positions
- Support resources available
- Details of site specific induction and training plans for all catering staff
- Clarify the catering quality assurance programme that will be introduced and the benefits it will bring to the Facilities.

The Operator shall ensure that menus and tariffs are clearly displayed.

The Operator shall ensure that a supply of chilled drinking water for use with reusable cups (other than that provided by mains taps) is provided for all Customer of the Facilities free of charge and is located in appropriate public areas such as the fitness suites, catering facilities and meeting rooms.

The Operator shall ensure:

- compliance with the Food Hygiene Regulations (England) regulations 2006 and the European Food Safety Regulations (ref 178/2002 and 852/2004)
- compliance with other relevant and associated health and safety and cleaning requirements as set out in this Services Specification
- it provides all equipment, crockery/ cutlery and other consumables for the preparation and delivery of the catering and vending Service in the Facilities as identified on the Equipment Inventory to be approved by the Council's Representative.
- the cleaning of kitchen, server and dining room areas immediately following the finish of a serving period, together with any reactive cleaning during serving to deal with spillages and litter
- the deep clean of kitchens, dining room and designated areas in accordance with statutory and EHO regulations.

Menu and food service

The Operator shall ensure that an appropriate menu selection is made available throughout the service delivery time. The Operator shall ensure that all food is replaced / replenished at proper intervals during recognised meal times. The Operator shall use batch cooking to ensure freshness at all times.

The Operator shall:

- a) comply with the provisions of Worcestershire Regulatory Services Food Standards Agency National Food Hygiene Rating Scheme (FHRS)
- b) at all times maintain a rating of '4' or above for each site, as determined under the FHRS.

The operator shall apply for and achieve the FHRS award within six months from the Commencement Date and must maintain at all times throughout the contract period.

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The Operator shall ensure that the purchase and procurement of food and consumables is from reputable suppliers. The Operator shall ensure that local fresh produce suppliers are used wherever possible. The Operator shall aim to use Fairtrade products and supply from sustainable sources.

The Operator shall ensure the use of suitably sourced and maintained vending machinery. All vending machines and ancillary equipment shall be installed correctly and be fully operational in accordance with the manufacturer's instructions. They shall not cause obstruction to thoroughfares. The Operator shall ensure that the vending machines and areas surrounding vending machines shall be clean and free from packaging and rubbish.

Food safety regulations

The Operator shall ensure that the provision of catering services complies in all respects with relevant food safety regulations and statutes, and that an annual review of Hazard Analysis and Critical Control Points (HACCP) is completed.

The Operator shall comply with the requirement to register the premises under food safety Legislation with the Environmental Health Department of the Council and provide written confirmation of the fact to the Council's Representative within one month of the Commencement Date. The Operator shall comply with the Food Hygiene (England) Regulations 2006 and the European Food Safety Regulations (ref 178/2002 and 852/2004). The Operator shall operate all licensed premises in accordance with the Licensing Act 2003. The Operator shall ensure that all licensed bars have a current premises licence and a designated premises supervisor. The Operator shall comply with the conditions of their premises licence.

The Operator shall provide a written Food Safety Management System and ensure that all food handlers have training in food hygiene commensurate with their responsibilities

Food hygiene

The Operator shall remove all rubbish from the kitchen and dining areas to a designated location on-site in a safe and hygienic manner. The waste storage receptacles must be capable of preventing access by pests and be of sufficient size and emptied at sufficient frequencies to ensure all waste is contained.

The Operator shall ensure that trays, litter and other debris shall be cleared away and tables wiped periodically to provide a tidy and clean mealtime. The Operator shall ensure that there shall be no failure to clear trays, litter and other debris or to clean tables such that new diners have a clean place to sit.

The Operator shall ensure that each kitchen and dining area is cleaned daily at the end of the shift to the required level for the following day's work.

The Operator shall ensure that as a minimum the catering services shall be subject to an annual independent hygiene audit, the results of which must be provided to the Council's Contract Manager in line with the reporting process outlined in 1.19 *'Other Monitoring & Reporting'*.

Quality of catering service

The Operator shall ensure that the catering services are fast and efficient. If any complaint is received in respect of the service provision the Operator shall make appropriate investigations. The Operator shall regularly review complaints, and any actions taken, and make recommendations on how to resolve any ongoing issues.

The Operator shall ensure that catering service efficiency is measured as part of an annual satisfaction survey. The Operator shall seek to achieve 90% overall satisfaction in the annual survey review.

Facilities

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The Operator shall maintain the catering facilities in a hygienic condition. The dining area shall be clean and tidy at all times before scheduled meal times and shall be periodically cleaned during times of use. The required crockery and cutlery shall be provided by the Operator for Customers.

The Operator shall ensure that the catering equipment, crockery and eating utensils are maintained in a clean, functional and hygienic condition, in compliance with all applicable health and safety regulations.

Health and Safety

The Operator shall ensure that the provision of the catering service complies in all respects with relevant health and safety regulations. The Operator shall ensure that appropriate safe methods of work i.e. risk assessments are in place and all staff shall have access to relevant information relating to health and safety and risk assessments.

The Operator shall ensure that all accidents are recorded in accordance with health and safety regulations and Operator procedures.

The Operator shall ensure that where use of chemicals or substances is called for, COSHH data sheets are completed and all staff have access to relevant COSHH data information.

Staff

The Operator shall ensure that all catering staff are appropriately trained, competent and informed of all areas relating to food safety and health and safety. The Operator shall ensure that an annual training plan is completed (reviewed quarterly) to ensure that all catering staff are appropriately trained in areas including, but not limited to the following:

- Basic food hygiene
- Advanced food hygiene
- Health and safety (including COSHH, risk assessments, safe systems at work, manual handling etc)
- Service delivery
- Marketing/ merchandising.

Reporting Requirements

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.13 IT, Telephone and Booking Systems –**Required Outcome**

The Operator shall ensure the appropriate provision of IT and telephony services in order to deliver the business plan objectives and shall ensure that fully functioning and efficient IT and telephony systems are maintained at the facilities throughout the Contract Period.

The operator shall look to maximise the opportunities that can be developed through IT service enhancements i.e. online booking potential.

The operator will engage with and develop social media and website platforms in order to increase access to services and maximise marketing opportunities.

The Operator will look to implement guest Wi-Fi facilities across all facilities within the first 24 months of the contract. In cases where this is practically or financially not possible the Operator will issue an update to the Council on this matter stating why this cannot be achieved for consideration and agreement.

The Council requires that bookings can be made in person, by phone, in writing and online if appropriate in accordance with the e-government agenda.

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The Operator shall ensure that there is a clear and easily understood booking system and service for all relevant activities at the Facilities. This booking system will incorporate comprehensive terms and conditions for hire, advanced booking arrangements, cancellation and non-attendance policies, Customer information, effective administration systems, and operational information systems to record and effectively deliver all bookings

Business continuity

The Operator will have contingency procedures in place for system failure both to provide a continuous service provision for customers and to ensure the membership database is backed up.

The Operator will at the commencement of the contract put into place disaster and business continuity plans and will review these at regular intervals. These plans will be monitored as part of the Performance Monitoring Report.

Performance Standards

The Operator shall develop technological solutions for everyday tasks. This includes providing a system that allows for Customer transactions, including requests for information and bookings to be made online.

The Operator shall ensure that there is a clear and easily understood booking system and service for all relevant activities at the Facilities. This booking system shall be based on technological systems that allow for advanced booking arrangements and payments, collation of Customer information, effective management and administration systems, marketing opportunities and operational information systems that record and effectively deliver all bookings.

The system shall enable information on types of Customer to be analysed in order to record participation by target groups as specified in Table 1 of this Services Specification.

The Operator shall develop proposals for the self-ordering and self-issue of leisure tickets, with collection points specified at the Facilities that facilitates fast track entry systems.

The Operator shall comply with all relevant Data Protection Legislation and will only process personal data as required by the Council.

The Operator (where processing personal data) must certify that they have registered with the Information Commissioners Office. The Operator will assist the council with any relevant data protection rights requests received within a timely manner allowing the request to be dealt with within the 1 one time period prescribed by law.

The Operator must be aware of the obligations and its responsibilities under the Freedom of Information Act 2000. This may mean that information which the Council holds about the Operator may be subject to disclosure in response to a Freedom of Information request. A document may have been categorised as confidential but the Council may be obliged to disclose the document, or parts of it, to an applicant making a request under the Freedom of Information Act 2000.

If the Operator provides any information to the Council in the expectation that it will be held in confidence then the Operator must make clear in the documentation as to the information to which the Operator considers a duty of confidentiality applies. The use of blanket protective markings such as “commercial in confidence” will no longer be appropriate and a clear indication as to what material is to be considered confidential and why should be provided.

In certain circumstances where information has not been provided in confidence, the Council may still wish to consult with the Operator as to the application of any other exemption such as that relating to disclosure may prejudice the commercial interests of any party. However, the decision as to what information will be disclosed will be reserved with the Council.

If an Information Governance incident occurs, the Operator must report this as soon as possible to the Operator's SIRO, according to their incident reporting procedures. This must also be reported to the Council as soon as possible. The incident must be formally documented using Operator's incident

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reporting processes. Any information security or confidentiality breaches made by Operator's employees, agents or sub-operators must be immediately reported.

Monitoring and reviews are designed to ensure that the services in question are being delivered securely and confidentially and that controls are adhered to. On request, the Operator must supply or allow the Council to view information governance and security policies, procedures, training records and / or controls to ensure they are acceptable, complete and up to date. If these are not in place, the Council can audit current practices and / or assist with training and development of such policies / procedures.

It is the requirement of the Operator to maintain an upto date information asset register. At the end of the contract period, it is the responsibility of the Operator as the Data controller to work with the Council to ensure that the data is transferred in line with legislation.

Reporting Requirements

The Operator will monitor their own performance as part of the service performance management framework procedures agreed with the Council. This information shall be available to the Council on request. The Operator will duly report on any further requirements of an SLA.

Should the Council wish to analyse any specific IT reports the Operator must produce the relevant report within ten Business Days from the initial request.

1.14 Maintenance of Buildings, Plant and Equipment***Required Outcome***

For existing Facilities the Council will grant leases to the Operator, based on a standard landlord/tenant obligation in respect of the repair and maintenance of the structure and fabric of the Facilities, and major plant and equipment. A separate document (the Repairs and Maintenance Matrix) sets out the proposed allocation of repairs and maintenance obligations between the Council and the Operator.

The Operator shall ensure that the Facilities and all portable equipment are fully functioning and available for use, and where applicable and appropriate will always conform to legislation and statutory requirements, perform in the most efficient manner and be subject to suitable service contracts in order to achieve a full economic life.

Equipment must be available, safe and be capable of being used for the relevant activity that it is designed for, taking into account the standard of sport or activity being undertaken.

The agreed maintenance programme will be mindful of the needs of the Operator to provide its leisure service to customers, the Council to protect its freehold property and the financial resources available. Some necessary financial adjustments may be required for any net loss of income as a result of planned closure.

The Operator shall carry out reactive maintenance in accordance with this Service Specification and applicable response/ rectification times in accordance with the Agreement.

The Operator shall meet minimum response times to ensure that any reactive repairs are completed with the least inconvenience and disruption to the workings of the Facilities.

During the operation of the Facilities, the Operator shall be responsible, at its own cost, for the repairs and reinstatement of any accidental or deliberate damage caused including vandalism.

The Operator shall ensure that where glass is replaced for whatever reason, the replacement glass meets the standards of the Workplace (Health and Safety and Welfare) Regulations 1992, and also BS 6262: Part 4 and areas of special risk Class C of BS 6206.

Performance Standards

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The Operator shall undertake all Planned Preventative Maintenance (PPM) and reactive repairs including equipment maintenance as set out in this Service Specification, Schedule 3 of the Leisure Management Agreement – Asset Management Responsibilities Matrix, the agreed Schedule of Programmed Maintenance and in accordance with the Operator's Asset Management and Environmental Sustainability Plans. The Operator shall ensure that the Facilities are kept up to date and reflects the needs of Customer.

The ongoing quality of the facilities is of the highest importance to the Council. The Operator shall carry out breakdown and repair maintenance for all buildings and services to ensure that, at all times, the plant, buildings and equipment at the Facilities is maintained to a high standard of good repair and are fully functional in respect of the activities taking place at the Facilities.

The Operator as a minimum shall ensure that:

- Both planned preventative lifecycle and reactive maintenance is carried out in accordance with the Operator's previously agreed Asset Management and Environmental Sustainability Plans and the agreed Schedule of Programmed Maintenance
- Maintenance procedures ensure the Facilities:
 - Complies with all applicable statutory requirements and Legislation
 - Is in a safe, secure, wind protected and watertight condition
 - Are maintained to such levels of condition and to such specifications as are consistent with principles of good estate management applied to the Facilities as a whole in accordance with the standards contained within the Heating and Ventilating Operators' Association (HVCA) SFG20 guidance, and
 - Are maintained in a manner which prevents deterioration save fair wear and tear of any part thereof.
- All maintenance repairs use materials that are comparable and compatible with existing materials used on the Facilities
- All maintenance activity is recorded on the Property Database
-
- All work is carried out in accordance with appropriate British Standards and Approved Codes of Practice.

The Operator shall implement Programmed Maintenance, comprising of:

- Planned Preventative Maintenance
- Statutory/ mandatory testing/ inspections
- Lifecycle replacement (in accordance with the terms of this Agreement).
- Fabric Maintenance

The Operator shall carry out reactive maintenance in accordance with this Services Specification and applicable response/ rectification times.

The Operator shall ensure that copies of operating worksheets for periodic maintenance and repairs carried out are recorded on the Property Database. The Operator shall maintain on the Property Database records detailing all breakdown failures, incidents or accidents involving any plant, machinery and equipment, together with details of all service overhauls or other such investigations that are carried out to plant, machinery and equipment.

Planned Preventative Maintenance (PPM)

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The Operator shall, by a regular and organised scheme, be responsible for the maintenance and operation of all items of plant, equipment and building fabric within the Facilities, inclusive of fixtures and fittings. The Operator shall ensure that the PPM system is operated from within a computer aided facilities management (CAFM) system. The Operator shall be responsible for the operation and maintenance of the Facilities in a manner that optimises its performance for the duration of their effective life. The Council may at any time carry out checks of any replacement, maintenance or repair carried out by the Operator. The Council's Representative may also request demonstrations of the performance of the Facilities and the Operator shall fully cooperate with such requests.

The CAFM/PPM system will be established as part of the repairs and maintenance contract appointment as from 1st April 2021

Reactive Maintenance and repairs

The Operator shall operate systems in a competent, pro-active manner so as to control all of the systems and the internal environment and to maintain a secure and reliable service in accordance with their relevant Plans. The Operator shall monitor any departures from the environmental parameters set out in the Zone Data Sheets and shall rectify any such departures.

The Operator shall provide a professionally managed service, through the CAFM system, for reactive maintenance and repairs 24 hours per day, 365 days per year. The Operator shall provide a fully comprehensive service where all reactive repairs and maintenance (including labour, materials, profit, overheads and any other relevant costs) shall be carried out at the Operator's cost.

The Operator shall ensure that all maintenance staff working on behalf of the Operator involves themselves fully in the identification of faults. The Operator shall ensure that the inherent skills of its staff ensure the timely identification and rectification of faults. The Operator shall ensure that both faults identified by the Council's and Operator's staff are logged through the CAFM system for quality analysis. The Operator shall ensure that each and every reactive service request has an associated history, including completion date and time, and cost information within the CAFM system.

The Operator shall meet minimum response times to ensure that any reactive repairs are completed with the least inconvenience and disruption to the workings of the Facilities.

The Operator shall ensure that only appropriately trained personnel are dispatched to reactive activities. The Operator shall ensure that all maintenance repairs use materials that are comparable and compatible with existing materials used at the Facilities.

Should the operator have a handy person service, they will provide an adaptable and responsive handy man service to the Facilities. This service shall provide general expertise in the wide range of maintenance and repair requests that are likely to be demanded of this service. The handy man service shall be available to deal with general repairs and decoration on a planned, reactive or ad hoc basis. Tasks likely to fall within the remit of the handyman service include but are not limited to picture hanging, shelf hanging and minor redecorations.

During the operation of the Facilities, the Operator shall be responsible, at its own cost, for the repairs and reinstatement of any accidental or deliberate damage caused including vandalism.

The Operator shall ensure that where glass is replaced for whatever reason, the replacement glass meets the standards as set out in Regulation 14 of the Workplace (Health and Safety and Welfare) Regulations 1992, and also BS 6262: Part 4 and areas of special risk Class C of BS EN 12600:2007.

The Operator shall ensure that where materials have to be replaced, for whatever reason, the replacement materials match in every way the specification, quality, performance, and appearance of the original materials in their final location.

Lifecycle

The Operator shall develop the Lifecycle Schedule for the Facilities based upon industry standards for replacement of plant and building fabric. For the Contract Period, the Operator is required to manage the Lifecycle Schedule as set out in Clause 15 (Condition of the Facilities) of this Agreement and Schedule 3

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Asset Management Responsibilities Matrix. The Operator shall undertake the lifecycle replacement works in accordance with Clause 15 (Condition of the Facilities) of this Agreement.

The Operator shall take cognisance of the intimate relationship between operational elements and those elements of lifecycle management. The Operator shall implement a holistic maintenance regime to maximise the life of all built and installed assets. The lifecycle scheduling will be established as part of the repairs and maintenance contract appointment as from 1st April 2021

Fabric Maintenance

The Operator shall provide a professionally managed, high quality planned preventative fabric maintenance service in accordance with a system and programme of building fabric maintenance. The Operator shall make sure that the Facilities is in a safe, secure, wind protected and watertight condition. The Operator shall ensure that reactive repairs and maintenance to the internal and external fabric of the Facilities is logged via the CAFM system and allocated to the appropriate tradesmen by the Operator. The Operator shall ensure that planned preventative maintenance tasks are generated by the PPM system quarterly, in advance, and made available to the Council's Representative. The quarterly task sheet shall clearly identify the asset type, location and work required.

The Operator shall ensure that fabric maintenance is undertaken at the Facilities. This shall include but not be limited to:

- Decorations
- Flooring
- Roofing and ceiling
- Internal and external walls
- Drain and gutter clearance – regular roof inspections will be required to ensure that gutters are kept clear.

All window cleaning is the responsibility of the Operator.

The Operator shall have an Asbestos Management Plan and shall discharge its obligations under the Control of Asbestos at Work Regulations 2002 and its amendments including the publishing and maintenance of a comprehensive Asbestos register, and associated risk analysis, of all areas within the Facilities, identifying those which:

- a) Are presumed by the Operator to contain Asbestos
- b) It has been concluded by the Operator that they do contain Asbestos
- c) It has been concluded by the Operator that they do not contain Asbestos
- d) Are presumed by the Operator that they do not contain Asbestos.

The Operator shall make this Asbestos register permanently available to the Council, all of the Operator's personnel, sub-operators and suppliers and any other operatives carrying out work on the Operator's behalf at the Facilities.

The Operator shall ensure that all activities are executed, and records updated with due regard to the Control of Asbestos at Work Regulations 2012 approved code of practice plus any subsequent amendments. The Operator shall ensure that all registers relating to Asbestos and associated work schedules are maintained on the CAFM system.

Mechanical and Electrical Maintenance

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The Operator shall provide a professionally managed, high quality Mechanical and Electrical (M&E) maintenance service through a regular and organised regime. The Operator shall ensure the successful operation and optimum condition of all of the mechanical, electrical, plumbing and drainage systems. The plant and systems to be maintained are listed within the asset registers.

The Operator shall follow the maintenance requirements specified by:

- Original equipment manufacturer's recommendations
- HVAC Standard Maintenance Specification
- CISBE guidelines
- BSRIA
- The Council's requirements as set out in this Services Specification
- All relevant statutory regulations and requirements
- Specific warranty period maintenance requirements.

The Operator shall ensure that assets are maintained at optimum performance. The Operator shall monitor the assets and buildings so that operating conditions are maintained, and the quality of service provision and the performance of assets is recorded. The Operator shall use the CAFM system to log and record responses to problems as they occur as well as recording performance of equipment and systems. The Operator shall be responsible for establishing/ maintaining any additional systems it considers necessary to carry out this task.

Equipment

The Operator shall maintain all fixtures and fittings and loose equipment as identified in the inventory and be responsible for providing suitable equipment for the duration of the agreement to meet its programme and business objectives.

The Operator shall service and maintain all equipment and systems within the Facilities inclusive of the supply of all disposable items and service components.

The Operator shall carry out repairs or replacement of moving parts and keep all the equipment systems in working order.

The Operator shall repair or replace any item of equipment which has been poorly maintained or has been subject to any unnecessary damage during the Contract Period.

The Operator shall maintain and repair equipment in the Facilities to the standards outlined below:

- Items that are subject to a manufacturer's or supplier's instruction or recommendation shall be maintained and prepared to that instruction or recommendation
- Additionally, all relevant statutory maintenance regulations shall be complied with. Copies of certificates of inspection shall be forwarded to the Council's Representative and shall be displayed in the reception area of the Facilities.
- Items of equipment not subject to any regulations or recommendations for maintenance shall be inspected on a regular basis and at intervals not exceeding one month
- Where the Operator enters a maintenance agreement with a supplier of specialist equipment, that agreement shall not continue beyond the duration of this Agreement.

The Operator shall ensure that an item of equipment that, at any time, is found to be defective or has failed and so poses a potential hazard is immediately withdrawn from service. It shall be made secure to ensure that it cannot inadvertently be used.

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The Operator shall provide the level of equipment and materials required for the carrying out of the Services. The Operator is responsible for the equipment and materials in the delivery of Services. The Operator shall make provision for the hire of sports equipment, where this is not provided by the retail unit.

The Operator shall ensure that all equipment provided as set out in Appendix 4 (split out by Zone) is fit for the purpose, safe and is maintained to a safe standard of repair and cleanliness at all times in accordance with the manufacturers' recommendations and is able to meet the programming requirements of the Facilities.

The Operator confirms that the equipment listed in the Equipment Inventory set out in Appendix 4 is sufficient to enable the Contract to deliver the Services set out in this Services Specification.

The Operator shall ensure that the Equipment Inventory is updated on a regular basis to reflect any replaced equipment and to identify any new or written off equipment. The Operator shall provide a revised Equipment Inventory to the Council within in line with the reporting process outlined in 1.19 '*Other Monitoring & Reporting*'.

The Operator shall ensure that all equipment and materials (including all sports equipment and materials) shall comply with relevant international and industry standards, National Governing Body requirements and British and European Standards and shall be limited to the use it was designed for, as specified within the manufacturer's or supplier's guidelines and /or operating manuals.

The Operator shall use all reasonable endeavours to ensure that all equipment is replaced on a like for like basis having due regard to relevant advances in equipment manufacture, trends in activity programming and in compliance with relevant industry standards, European standards, British standards and international and NGB standards.

The Operator shall ensure that any item of equipment that, at any time, is found to be defective or has failed and so poses a hazard is immediately withdrawn from service. The Operator shall make it secure and ensure it cannot inadvertently be used.

The Operator shall ensure that- Disability accredited fitness equipment is provided at the Abbey Stadium in order to meet the DSW criteria as a minimum standard.

The Operator shall obtain a manufacturer's certificate on an annual basis in respect of the fall-arrest systems at the Facilities.

The Operator shall ensure that all equipment to be used by the public is regularly inspected for safety and appropriate records kept. The Operator shall ensure that all equipment receives an annual inspection and service from a recognised supplier. In addition to this independent assessment, the Operator shall ensure that internal tests and inspections are carried out on a regular basis throughout each Contract Year.

The Operator shall ensure that all areas of the Facilities have equipment provided in accordance with the following standards:

- Sufficient equipment for the activity programmed
- Arrangements for hearing and sight impaired clients

The Operator shall not introduce any additional coin-operated equipment including gaming and amusement machines, to the Facilities without prior written approval of the Council.

The Operator shall ensure that the Facilities have defibrillators on site and that there are regular training updates in line with current BACR regulations or RLSS National Pool Lifeguard requirements.

The Operator shall ensure that the Abbey Stadium have spinal boards on site and there are regular training updates in line with the current best practice.

The Operator shall ensure that inflatables are kept in line with the current industry best practice

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The Operator shall not make any modifications to equipment at the Facilities without the prior written permission of the Council.

The Operator shall ensure that at the expiry or termination of this Agreement, all items, excluding any items that have been written off, destroyed or removed with the consent of the Council's Representative, shall be handed back to the Council in good condition with due regard having been made for normal wear and tear. In the case of any items which have been replaced or altered, these shall be returned to the Council in order to maintain the initial inventory.

Statutory/ Mandatory inspections

The Operator shall ensure that all statutory and other mandatory requirements are met in respect of the Maintenance Services and inspections. The Operator shall inform the Council in the first instance of any and all breaches of these obligations together with a programme for rectification and measures to safeguard against a repeat.

The Operator shall set up a programme of statutory, mandatory and insurance inspections to ensure all assets receive the required inspections at the correct time. The annual programme shall be issued to the Council in advance. The Operator shall at all times comply with all relevant EC and UK statutory and legislative requirements and all relevant guidance (including British Standards) including any alterations that may take place.

The Operator shall cooperate with any periodic inspections made by the Council or any external agencies such as Public Health and shall provide such reasonable assistance to such inspectors as may be necessary.

Portable Appliance Testing

The Operator shall ensure that as a minimum, portable appliance testing ('PAT') is implemented and carried out in accordance with the Code of Practice for in-services inspection and Testing of Electrical Equipment published by the Institution of Electrical Engineers, as amended from time to time. The Operator shall ensure that all portable appliances are tested and certified with copies of certificates promptly forwarded to the Council's Representative. PAT testing shall be risk based. The Operator shall determine the frequency based on the risk presented to the Class 1 and 2 electrical and electronic equipment used at the Facilities and by the working environments within the Facilities.

The Operator shall test any item of equipment introduced to the Facilities prior to its being used. Once tested, items shall be tagged and logged in accordance with the above regime by the Operator.

The Operator shall maintain a register of portable appliances held at the Facilities, including but not limited to portable items and static items. The Operator shall maintain the register containing details of the executed PAT tests. Such testing shall form part of the overall PPM regime undertaken by the Operator and the Operator shall ensure that all reports and recommendations are held centrally within the CAFM system.

Fire Detection, Emergency Lighting and Fighting Systems

The Operator shall ensure that all fire detection alarm systems are maintained and tested in accordance with BS 5839: Part 1 (or replacement standards) with copies of the relevant certificate promptly forwarded to the Council's Representative.

The Operator shall ensure that all Emergency Lighting Systems are maintained and tested in accordance with BS 5266: Part 1 (or replacement standards) with copies of the certificates promptly forwarded to the Council's Representative following each service.

The Operator shall test all fire detection equipment and emergency lighting on a weekly basis and in a manner which ensures that every manual call point is activated through the testing period and cyclically at a frequency and at a time to be agreed between the Council and Operator in accordance with manufacturer's and installer's guidance and in line with the above statutory guidance. The Operator shall ensure that the results are logged within each location and centrally within the CAFM system. The Operator shall ensure that all abnormal test results are acted upon and the appropriate action is taken to

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remedy any abnormal test results in line with the required response and rectification times. The Operator must have a fire safety & evacuation plan in place for the facilities.

Lifts, Hoists, Conveyance Systems and other lifting equipment

The Operator shall provide a maintenance service to the lifts, hoists and conveyance systems and other lifting equipment within the Facilities. The Operator shall ensure that the lifts are maintained to COLAR standards. The Operator shall ensure that lifts, hoists and other lifting equipment are subject to thorough examination by a competent person at appropriate intervals. The Operator shall ensure rectification as set out in Schedule 6 Performance Monitoring System if there are any problems with the system's components, items and panels. The Operator shall ensure that all necessary information regarding the lifting and conveyance system is recorded within the CAFM system.

In addition to the maintenance activities, the Operator shall ensure that lift cars are taken out of service in the case of dangerous situations and shall ensure the competency of operatives to carry out maintenance work and train site staff in the rescue and freeing of trapped passengers.

Security, Access and Intruder Systems

The Operator shall maintain the CCTV, intruder and access systems at the Facilities to ensure their proper functioning at all times. The Operator shall ensure that any failure in such systems is rectified within the required rectification times.

The Operator shall ensure that all intruder alarm systems are maintained and tested in accordance with EN50131 (or replacement standards) with copies of the certificates forwarded to the Council's Representative following each service.

Re-Lamping

The Operator shall carry out all necessary re-lamping at the buildings and shall adopt an organised approach to re-lamping across the Facilities. The Operator shall monitor the provision of this service for efficiency with a view to achieving the greatest possible reductions in replacement frequency and cost. The optimum replacement frequencies for lamps shall be determined by the Operator, whilst maintaining the specified lighting levels in accordance with this Services Specification and in accordance with guidance embodied within HS(G) 38 Lighting at Work and CIBSE publication LG03: 1996 Areas for visual display terminals (as amended from time to time). The Operator shall ensure that luminaries and light fittings are kept in good repair and shall be cleaned and maintained to ensure optimum performance.

Duct Maintenance

The Operator shall maintain and clean all ducts, shaft, risers and associated ventilation. The Operator shall comply with the HVCA guide to good practice – cleanliness of ventilation systems TR17/2 (as amended from time to time).

External Maintenance

The Operator shall provide maintenance services to the external environment at the Facilities including external furniture and fittings and external lighting.

The Operator shall be responsible for the maintenance and cleaning of all hard surfaces and all litter scavenging within the external areas of the Facilities to include bin emptying and disposal of waste.

Reporting Requirements

The Operator shall provide to the Council a "Maintenance of Buildings, Plant & Equipment report" on a quarterly basis for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'*

The Maintenance of Buildings, Plant & Equipment report should cover (without limitation):

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- Health and safety
- Contractual issues requiring discussion and resolution
- Review of action plans as necessary
- Review of financial matters
- Overall contract compliance including completed and not completed PPM activities, completion of reactive maintenance within and outside the specified response and rectification times and exception report covering the maintenance activities
- Results of any audits
- Proposals for continuous improvement
- Review of cost saving/ cost avoidance initiatives
- Review of any matters affecting or affected by third party suppliers.

The Operator shall submit details of any failures to follow the Schedule of Programmed Maintenance or achieve the required Performance Standards as part of the Performance Monitoring Report.

If the Operator feels that there is an issue with an area that the Council are responsible for, they should contact the Council and provide further details.

The Operator shall provide an updated form of the details the "Equipment Inventory" to the Council in line with the reporting process outlined in 1.19 '*Other Monitoring & Reporting*'.

Appropriate records shall be maintained and updated at all times by the Operator detailing all relevant inventories, losses or disposals, repairs and replacements through the course of this Agreement.

The Operator shall submit details of any failures to maintain the required Performance Standards as set out above as part of the Quarterly Performance Monitoring Report.

1.15 Car Parking & Grounds Maintenance

Required Outcome

The Operator shall carry out grounds maintenance within the site boundaries of the Facilities in such a way as to maintain a well presented and safe environment for all Customer; allowing for efficient and effective use of the facilities and promoting a positive image of the Facilities at all times.

The Operator shall provide a safe, attractive and stimulating environment for the citizens of Redditch and beyond and to safeguard and enhance the natural environment at the Facilities.

Performance Standards

The Grounds

The Operator is responsible for all grounds maintenance and shall collect and dispose of litter on the soft landscaped areas (e.g. within the shrub beds and on grass lawn areas).

The Operator shall ensure that the grounds are maintained to meet the applicable provisions of BS7370, BS3936, BS4043 and BS4428:1989 and in accordance with the detailed provision as set out in the remainder of this Services Specification. This includes the maintenance of any cultivated area in the car parks.

Slippery Surfaces

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The Operator shall treat hard surfaces, with an appropriate herbicide/fungicide or other suitable material to ensure that at no time there is a formation of algae, moss etc. causing the surface to be slippery.

Snow and Ice

The Operator shall ensure:

- That when dealing with the removal of snow and ice by distributing de-icing salt over areas to maintain a safe surface that damage to grassed and planted areas shall not be caused;
- That surface water drainage channels, gully gratings and outlets are kept clear to prevent ponding, flooding and subsequent damage to roads on site, paths and planted areas following a thaw.

The Operator shall ensure that any specific hazards caused by inclement weather shall be made safe and reported to the Council's Representative immediately.

Environmental Maintenance

Section 89 (1) of the Environmental Protection Act 1990 places a duty on local authorities to ensure that all land under their direct control is kept free of litter and refuse. The Department of the Environment has issued a code of practice to provide guidance in establishing reasonable and generally acceptable standards of cleanliness. The Operator shall ensure that the Sites achieve the standards required by the EPA 1990 and the code of practice. The Operator shall refer to the Environmental Protection Act 1990: Code of Practice on Litter and Refuse for examples of cleanliness standards and shall meet the same.

Leaf and Blossom Fall

The Operator shall ensure the clearance and proper disposal of leaves, blossom, tree fruit and seeds from the areas contained within this Agreement.

Animal Fouling Clearance

The Operator shall ensure the removal of animal fouling from the sites within this Agreement to which the duty under the Environmental Protection Act 1990 applies and shall ensure that the Site remains free from dog excrement.

Graffiti and Flyposting

The Operator shall remove all graffiti and flyposting from all bins, fences, walls, gates, bridges, notice boards, equipment, buildings and parts of buildings within this Agreement to ensure that Sites remain graffiti free and shall use reasonable endeavours to prevent and reduce the writing of graffiti on the Site.

Removal of Dumped Refuse Abandoned Vehicles and Fly-tipping

The Operator shall ensure the prompt removal and disposal of dumped refuse (including gas cylinders, tyres, car batteries and builders' materials), abandoned cycles, motor cycles and vehicles and fly-tipping within the Sites.

Pests, Vermin and Wild Animals

The Operator shall take all reasonable precautions to prevent pests, vermin and wild animals. The Operator shall eradicate rats and remove wasps' nests, swarms of bees, pests, including Brown Tail Moth and vermin within the Site. The Operator shall deal with injured wild and domestic animals in the Site boundaries.

The Operator, when using pesticides, shall comply with guidelines contained in:

- Department for Environment, Food and Rural Affairs 'Pesticides. Code of practice for using plant protection products' (DEFRA).

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- British Agrochemical Association 'Handbook of Amenity Pesticides'.
- Weed Research Organisation 'The Weed Control handbook Vols I and II'.
- National Association of Agricultural Operators and National Turn Council. 'Code of Practice for the Use of Approved Pesticides in Amenity Areas'.

General

The Operator shall give priority to areas of need in line with the requirements of the Environmental Protection Act 1990 and follow the general principle that the 'dirtier' an area has become, the more quickly it should be cleaned and returned to "Grade A" in accordance with the Environmental Protection Act 1990.

The Council shall be entitled to issue to the Operator "Litter Control Notices" in respect of any location in accordance with the Environmental Protection Act 1990, during the Contract Period. .

The Operator shall make proper financial and operational arrangements for the disposal of all effluent, waste and refuse arising from the Site during the Contract Period.

The Operator shall maintain the existing fences and gates in order to maintain the integrity of the perimeter security including repairs as a result of vandalism / damage by a third party and Operator negligence.

Reporting Requirements

The Operator shall submit a Grounds Maintenance Schedule for the Contract Review Meeting as per the initial submission date outlined in section 1.19 '*Other Monitoring & Reporting*'

1.16 Events management**Required Outcome**

The Operator shall manage and promote events in accordance with the Programmes of Use, Sports & Activity Development Plan and Marketing Plans. The Operator shall obtain consent for the holding of events from appropriate authorities and shall ensure that events adhere to all relevant site restrictions, and that any event being staged at the Facilities does not – without appropriate notice being provided and mitigating arrangements being in place - disrupt other Customer of the Facilities.

The Operator is responsible for all aspects of events from marketing and planning through to staging and post-event feedback. The Operator shall ensure that its delivery of each event includes all aspects of management required to ensure that the event runs smoothly and shall include management of car parking facilities and liaison with local residents. The Operator shall ensure that sufficient staffing is available to resource the event.

The Operator shall ensure that each event is delivered to the requirements of the specific Customer i.e. National Governing Body, corporate business, international organisation and/ or wedding couple. The Operator shall ensure that the management and staffing of events is carefully planned to ensure that a dedicated single point of contact is available to all Customer. The identified single point of contact shall retain responsibility for the event both during the planning phase but also the delivery with a visible on-site presence.

The Operator shall ensure that all hirers are competent in respect of the nature of their event and that hirers and event organisers have appropriate public liability and other insurance cover where applicable. The Operator must ensure that all hirers have undertaken appropriate DBS clearance checks where appropriate.

The Operator shall provide or ensure that event organisers provide sufficient numbers of mobile toilets and arrange the supply and connection of relevant services and that they supply and erect marquees (if relevant) in connection with their events.

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The Operator shall actively seek to obtain Customer feedback in relation to any event staged and shall demonstrate how feedback received has been used to improve future event delivery.

Council Sponsored Events

For events promoted by the Council, the Operator shall provide relevant assistance in the organisation of these events, and shall sell tickets for these events, at no additional cost to the Council. The Council will negotiate with the Operator any costs above the normal hire fee or operating costs, if necessary.

The Operator's staff shall involve themselves in the negotiations and meetings with event promoters, media and athletes to ensure that events are successful and the Council's image (and the Operator's) is enhanced.

The Council may reasonably request the Operator to be responsible entirely for the management or promotion of an event on its behalf. In this case, the Council will negotiate a separate fee with the Operator.

In relation to the Council's use of the Facilities for a Civil Emergency, or to establish a temporary Rest Centre, the Operator will:

- (a) make key staff available at no cost to the Council for test and exercise training by the Council every 24 months under the Civil Contingencies Act 2004 and also use its best endeavours to make its staff available for further meetings or training to assist the Council if a Rest Centre is required or a Civil Emergency occurs
- (b) provide the Facilities or any part thereof at no cost to the Council except the Council shall pay to the Operator such proportion of any funding received from central government relating to such use of all or part of the Facilities having deducted any sum or sums already paid or to be paid by the Council to the Operator for that use. In the event that no funding is received from central government, in consideration of the Operator allowing its staff during their normal working hours to be redeployed for training and in assisting the Council by carrying out work arising as a result of a Civil Emergency or if a Rest Centre is required and a reasonable expectation that Operator staff will volunteer to take instruction from the lead agency (Gold Command) in any Civil Emergency, the Council will pay the Operator a reasonable sum to be agreed between the Parties based on the work involved.

In relation to the Council's use of the Facilities for Elections, the Operator will:

- (a) provide the use of the Facilities or any part thereof at no cost to the Council except the Council shall pay the Operator such proportion of any funding received from the Cabinet Office and HM Treasury relating to such use of all or part of the Facilities having deducted any sum or sums already paid or to be paid by the Council to the Operator for that use
- (b) where use of the Facilities is for a count, whether that be held during the day or overnight, and the Operator is to carry out all or some of the setting up and/or employ additional staff to help the Council's elections team and/or assist with security and/or provide refreshments to the staff working at the count, the Council will pay a reasonable sum to the Operator which will be agreed in advance of booking and will be based on a comparison with the Cabinet Office and HM Treasury fee and no other payment will be due.

Reporting Requirements

The Operator shall provide an Event Management Plan and annual report to Council for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'*

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

The Operator shall ensure that all comments received are available for review by the Council.

The Operator shall include an event management summary within the annual report detailing the outcomes of the Customer feedback system.

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1.17 Marketing/Sales and Publicity***Required Outcome***

The Operator shall ensure that the Facilities is managed in a way that promotes and enhances the reputation of Redditch Borough Council.

The Operator shall develop, maintain and improve the standards and the quality of the presentation of the Services in order that all available and potential resources are used effectively. The Operator shall ensure that the Marketing Plan is used as a key tool in promoting usage of and access to the Facilities and increasing commercial and brand awareness of the Facilities. The Operator shall ensure that the materials and channels produced for marketing should reflect the Council's objective to raise the profile of the Facilities and increase levels of usage with the overarching aim to contribute to the Council's Outcomes. The Operator shall be proactive and illustrate a strong use of social media.

- The Operator shall ensure that the Facilities are promoted as a Redditch Borough Council Facilities. The Operator shall ensure that the Council is recognised in all marketing material and signage produced by the Operator specifying the Facilities and should include '*[Operator name] working in partnership with Redditch Borough Council*' and the Redditch Borough Council logo
- The Operator shall ensure that the Marketing Plan is prepared to reflect the outcomes that the Council require the Operator to achieve within this specification. The marketing plan and associated report shall be submitted in line with the reporting frequencies as outlined in 1.19.

Performance Standards***Marketing Plan***

The Operator shall develop a detailed Marketing Plan for the Facilities and its services to ensure that Customer and potential Customer are made aware through a wide range of promotional channels including internet and social media, of the range of leisure services being offered and are encouraged to use and re-use the services. This plan shall promote community services alongside 'commercial' activities alongside centre memberships.

The Operator shall ensure that the Marketing Plan includes details of the Operator's operational proposals for the catering services including the promotion of the service.

The Operator shall ensure that the Marketing Plan covers the following areas:

- Activities to be promoted and potential Customer to be targeted (programming; courses; training camps, NGBs, local community, clubs (professional and local), international federations etc.)
- Partnership strategy for events and activities
- A communications strategy is written to reflect the Councils core principles.
- An event promotions strategy (covering media/ Customer/ events/ ticketing/ partnerships etc. at local, regional and international level, programming, courses, conferencing, catering services including restaurant, and café facilities etc.)
- The promotional strategy for the Facilities as a destination and brand.
- Delivery of Participation Targets in accordance with the Council's Outcomes and aims/ objectives within the Sports & Community Development Plan
- How the Operator shall work with the Council to minimise subsidies through innovative revenue generation.
- Offers a complete 'situation analysis' which shall include the following criteria:
 - Customer (current and potential)

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- market potential
 - market share
 - competitive activity
 - market penetration
 - product analysis
 - pricing policy
 - promotion analysis.
- Sets out measurable objectives giving recognition to the Council's aims, policies, procedures and the Council's Outcomes
 - Sets out a strategy which the Operator will follow to meet the objectives set out in the Marketing Plan
 - Sets out the actions that the Operator will adopt to achieve that strategy, including information on how specific target groups, that are under-represented among Customers, will be reached
 - Details the actions that the Operator will take as a result over the course of the year
 - Describes the evaluation methods the Operator will use to determine whether the Marketing Plan's objectives are being met and to review the strategy, tactics and actions being followed.

The Operator shall ensure that the Marketing Plan is submitted to the Council in line with the reporting process outlined in 1.19 *'Other Monitoring & Reporting'* and annually thereafter by no later than the 31st December, prior to implementation the following Contract Year to demonstrate how the targets will be achieved. The Operator may choose to follow the procedure for collecting Customer information within the National Benchmarking Service/CCLOE RBA Cards using independent consultants to gather the data.

The Operator shall ensure that compliance with the Marketing Plan is assessed annually.

Council Recognition and Branding

The Operator shall ensure that the design principles used in the production of marketing materials and signage are approved by the Council prior to use.

The Operator shall ensure that the Council's name and logo appears on external signage, signage in reception areas and all promotional mediums including web-sites and published material including stationery relating to the Services. Equal prominence must be given to the Council and the Operator's logo.

The Operator shall ensure that all marketing material is branded in accordance with the Council's official branding guidelines. The Operator shall ensure that consideration is given to uniformity of branding, for example, colour schemes, designs and styling across the Facilities.

The Facilities shall be referred to in all marketing and publicity as *'[Operator name] working in partnership with Redditch Borough Council'*.

Public Information

The Operator shall ensure that the names and photographs of the Operator's Representative, Facilities Managers and other senior staff must be prominently displayed at all times, adjacent to the principal entrance to each of the Facilities in full view for all Customers.

The Operator shall ensure that at all times the Facilities is open to Customers there is always printed information available on the opening hours of the facilities, services, activities and prices (in the form of a

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centre directory as a minimum). The Operator shall ensure that such information on display and in publication or advertisement is up to date, accurate and attractively presented.

The Operator shall ensure that this information is also made available to all local Tourist Information Centres, the leisure and marketing departments of the Council, other sports facilities throughout the Borough, all public libraries and, where appropriate, to local clubs and organisations. The Operator shall co-operate in the distribution of various Council-sponsored promotional material, agreed with the Council's communications team.

The Operator shall ensure that no publicity material or notices are produced or displayed in hand written form.

Council and Community Promotions

The Operator shall, from time to time, may be required by negotiation to support sport and leisure activities being run or supported by the Council either through cross-promotion, sponsorship, or as a presence at an event (e.g. local events and business awards)

The Council reserves the right to make use of appropriate space within the Facilities by agreement, free of charge, for promotional and publicity material as determined by the Council.

The Operator shall make provision for the display of promotional publications within the Facilities by agreement as determined by the Council's Representative, which are either directly produced or supplied by the Council.

The Operator shall provide wall and floor mounted display space within the Facilities as determined by the Council's Representative for promotion of wider leisure and sports activities, arts and tourism to aid the provision of information to the community.

The Operator shall allow clubs to retain the use of notice boards currently allocated to the clubs and any other that may be agreed from time to time by the Council's Representative. The Operator shall ensure that club notice boards are clearly named, and that no information shall be displayed outside of the notice board area.

The Operator must ensure that no public information displayed is political in nature.

Third Party Advertising and Recognition

Should the Operator wish to enter into third party sponsorship / advertising agreements/ promotion, such arrangements must be approved in advance in writing by the Council, and in particular before the third party's name can be displayed in the Facilities.. The council shall respond within 5 working days, unless advertising consent is required.

The Operator shall seek sponsorship for events and activities but shall obtain permission in writing from the Council's Representative in advance of any negotiations with the potential sponsors.

The Operator may, with the Council's prior written approval sell a limited amount of advertising space within the Facilities on an income share basis. The Operator shall not negotiate any agreement with any third party beyond the Expiry Date of the Agreement. Any agreement must comply with Advertising Regulations.

The Operator shall ensure that no advertising/publicity material likely to cause offence to or mislead the public or causes embarrassment to the Council is used. The Council retains the right to veto any advertising or promotional material, which is likely to breach this condition, and the Operator shall remove such material immediately. The Council accepts no responsibility for any loss incurred as a consequence of the removal of such material.

The Operator shall ensure that all standards laid down by the Advertising Standards Council and Trading Standards Board are adhered to at all times and that publicity conforms to all relevant Legislation, including the Equality Act 2010.

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When organisations who are themselves sponsored, wish to hire the facilities from the Operator, the Operator will obtain permission in writing from the Council's Representative before confirmation to the hiring organisation and their sponsors.

Media and Public Relations

The Operator shall submit a forward plan of media opportunities to the Council's representative as part of the annual Marketing Plan and shall provide updates to this as part of the 6 monthly Performance Monitoring Report.

The Operator shall that a media policy is in place and agreed by the council The Operator shall ensure that all necessary permissions are gained from individuals involved or, where minors are concerned, from their parents or guardians (especially where filming or photography is involved).

The Operator shall ensure that any event which may negatively impact on the reputation of the Council is reported to the Council within one hour of the event occurring. Any statements issued to the media must be agreed approved by the Council.

Reporting Requirements

The Operator shall ensure that a Marketing Plan is submitted for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'*

1.18 Major Incident Reporting**Required Outcome**

The Operator shall ensure the Council is aware of all major incidents and near misses. A major incident includes major accidents or incidents such as fatalities, severe injury (as defined by RIDDOR), assault on Customer, theft of property, problems relating to security including vandalism, major damage to plant or equipment, major plant failure, release of chlorine gas, industrial action, closure or any other issue likely to be of interest or concern to the Council and Customer. The Operator shall ensure that if there is a major incident, the procedure set out below is followed.

The objectives of this procedure are to:

- Reassure the public
- Ensure communications are agreed with the Council before being released
- Ensure the Council is fully briefed on the incident
- Ensure that any critical action or provision identified as a result of the incident can be progressed by the appropriate party
- Minimise the likelihood of a repeat incident
- Enable the Council to respond competently to enquiries.

Performance Standards

The Operator shall ensure that records of all incidents, accidents, near misses and actions taken are made available for inspection by the Council.

The Operator shall ensure that all major incidents at the Facilities are reported to the Council's Representative by telephone at the earliest opportunity but no longer than an hour after the incident/accident occurred, followed by a full report by email or fax within 24 hours of the incident.

The Operator shall ensure that in the event of an incident relating to security, severe injury as defined by RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations, 2013) or death or any other Emergency occurring at the Facilities, the incident is reported to the Council's Representative by telephone at the earliest opportunity (and within no more than one hour), followed by a full report by email

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or fax within 24 hours of the incident. Responsibility for notifying the enforcing Council under RIDDOR remains with the Operator.

Severe injuries as defined by RIDDOR include:

- Fractures other than fingers, thumbs or toes
- Amputation
- Dislocation of the shoulder, hip, knee or spine
- Loss of sight (temporary or permanent)
- Chemical or hot metal to the eye or any other penetrating injury to the eye
- Injury resulting from an electric shock or electrical burn leading to unconsciousness or requiring resuscitation or admittance to hospital for more than 24 hours
- Any other injury leading to hypothermia, heat-induced illness or unconsciousness or requiring resuscitation or admittance to hospital for more than 24 hours
- Unconsciousness caused by asphyxia or exposure to a harmful substance or biological agent
- Acute illness requiring medical treatment or loss of consciousness arising from absorption of any substance by inhalation, ingestion or through the skin
- Acute illness requiring medical treatment where there is reason to believe this resulted from exposure to a biological agent or toxins or infected material.

Reporting Requirements

The Operator shall maintain an up to date log of all major incidents and severe injuries as defined by RIDDOR and their response to them.

The Operator shall ensure that within 48 hours following any emergency, a full account of the actions taken and the implications for future operations are provided by the Operator to the Council's Representative. In the event of the Council or its insurers wishing to undertake an investigation, then the Operator shall fully comply with any reasonable requests for information or staff attendance at such an inquiry.

The Operator shall provide a summary of all accidents and incidents occurring at the Facilities as part of the quarterly Major Accidents and Incidents Report for the Contract Review Meeting as per the initial submission date outlined in section 1.19 '*Other Monitoring & Reporting*'. The Operator shall ensure that a summary of this report and details of any failure to maintain the required Performance Standards set out above should be included as part of the Quarterly Performance Monitoring Report.

1.19 Other Monitoring & Reporting

Required Outcome

The Operator shall provide the reports as required by this Service Specification, and as agreed within the Annual Business Planning Process.

The Operator should be aware of the Freedom of Information Act and ensure that it can adhere to these requirements.

Performance Standards & Reporting Requirements

The Operator shall ensure that there is in place at all times a clearly defined responsibility chain for implementing, monitoring and reviewing service delivery. The Operator shall provide one overall

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Operator's Representative to be its authorised representative for the facilities operated on behalf of the Council. The Operator's Representative shall consult with the Council's Representative as often as may reasonably required by the Council for the efficient provision of the Services.

Without prejudice to any other reporting requirements specified within this Agreement, the reports listed below are to be submitted by the Operator to the Council by the specified date.

ANNUAL REPORT / BUSINESS PLAN.	Submission Date
<p>Annual Business Plan & Quarterly Performance Report to include following sections as a minimum ;</p> <ul style="list-style-type: none"> Financial performance / savings requirements Customer Service Plan – including complaints Cleaning standards – customer feedback (6 monthly) Community Development Plan Grounds Maintenance Fees and charges – including proposals for upcoming year Marketing and Publicity Events Management Outreach working in partnership to targeted groups as specified Opening hours and programming – proposals for change Environment and Energy Maintenance of Building, Plant and Equipment Plan Compliance statements – Teckal etc Staff development and training Health and Safety Safeguarding Programmes of Use (6 monthly) Concessionary use and protected bookings Major Incident and Near Miss report (<i>To be submitted within 48 hours of incident or near miss</i>) Performance Monitoring Report based on Measures framework <p>The Quarterly Performance Monitoring Report that the Operator is required to submit shall be concise and provide a maximum one-page summary on each of the areas identified above and shall contain details of any failures to maintain the Performance Standards as set out in this Service Specification.</p> <p>Detailed Plans that are shown below and under the above section, will be submitted to RBC in line with the reporting requirement set out in the specification. Any changes should be reported via the above reports.</p> <p>Annex Inventory</p>	<p>Annual Business Plan submitted by 31st December each subsequent contract year, commencing 2019.</p> <p>First quarterly report submitted by the 31st of July 2019 and by the last day of each of the following quarterly reporting months:</p> <p>January April July October</p>

To underpin the annual and quarterly reports, the following plans will be submitted in line with the initial submission dates below and then reviewed annually thereafter.

Plan Title	Initial Submission Date
Customer Service Plan	1 st October 2019
Cleaning Schedule	1 st October 2019
Grounds Maintenance Schedule.	1 st October 2019
Community Development Plan	1 st April 2020
Repairs and Maintenance Plan	1 st April 19 & 1 st April 20
Fees and Charges Schedule.	1 st April 2019

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Event Management Plan	1 st April 2020
Marketing and Publicity Plan	1 st April 2019
Outreach plan	1 st April 2019
Programmes of Use Plan	1 st April 2019
Opening Hours Schedule	1 st October 2019
Equipment Inventory	N/A
Environmental and Energy Management Plan	1 st October 2019
Maintenance of Buildings, Plant and Equipment Plan	1 st April 2019 & 1 st April 2020
Compliance and Legislation Plan	1 st October 2019
Staff Training Plan.	1 st April 2019
Health and Safety Management Plan	1 st April 2019
Operating Performance and Financial Reporting.	1 st October 2019
Safeguarding Policy	1 st October 2019

Performance Measures

In order to demonstrate achievements against the councils' Strategic purposes, a series of performance measures have been delivered to monitor performance. Unless otherwise stated, the following measures are required to be reported quarterly as part of the Performance monitoring report no more than ten days following the end of each contract quarter commencing from the date identified in the above table. The format of the measures will be determined by the operators own reporting mechanism in agreement with the council.

To identify and break down barriers to accessing our Leisure & Cultural facilities in Redditch <ul style="list-style-type: none"> • Annual Customer Satisfaction Survey outturn. • # of complaints received (by site and activity area). • # of customer forums undertaken and attendance. • Total number of visits (per service, per activity area, key programmes). • Total number of customer per target group (under 16's, over 60's, BME Groups, Disability) • Quest Scores (or Equivalent). • # Outreach projects. • Occupancy at outreach project • % occupancy (per activity area). • Trip advisor and Facebook review scores per quarter. • % of people who would re-visit the service (based on service sampling) 	To connect communities in Redditch <ul style="list-style-type: none"> • % Visits Under 16's. • % Visits Over 60's. • % Visits Minority Groups. • % Visits Concessionary Card (25% & 50%) (per site) • % of Voluntary / Community hours per site / activity area. • # Intergenerational activities • # Interracial activities • # Outreach programmes / diversionary activities targeting community safety issues. • # Educational activities • # of Targeted BME Sessions. • % of Programme allocated to BME sessions • # of Targeted Disability Sessions. • % of Programme allocated to Disability sessions • # of visits by armed forces personnel • % of programme by key customer groups.
To reduce social isolation and promote independent living in Redditch <ul style="list-style-type: none"> • Diversity of programming. • Total # of active Volunteers • # Work placements / Graduate offered • # Social prescribing referrals, % occupancy, # of sessions provided. • # GP Referrals, % occupancy, # of sessions provided. • # PSI / Mobility referrals, % occupancy, # of sessions provided. • # Facilities achieving dementia friendly status. • # activities delivered to support drug and alcohol dependency. • # Autism friendly activities. • # people attending site with physical disabilities. 	To improve the physical and emotional wellbeing of Redditch residents <ul style="list-style-type: none"> • # hours given to support development activities. • # participants registered on Abbey Gold Scheme. • # of community events attended at local, county and regional level. • # of Referral pathways established to underpin service delivery. • # of Community groups supported to make sustainable. (Educational advice) • # of exit routes links established from existing programmes into other providers. • # of participants going through exit route pathway. • # of and type of placements offered to Looked after children.
To facilitate and support the future of Council	

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owned leisure and cultural facilities in Redditch <ul style="list-style-type: none"> • Operational Recovery rate. • Cost per visit. • Income. • Secondary spend per visit. • Cost Per Service. (per resident / per household) • Utility Consumption Costs. • % RA's completed quarterly. • % Statutory inspections completed quarterly. • Accident data Inc. trend analysis. • # RIDDOR reportable accidents. • # Enforcement notices served. • % of staff receiving induction within 72 hours of work. • % of staff with PDR's • % of staff with Performance Development Plans. • % Staff turnover • Number of days sickness. 	
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In relation to all current and future members, the Operator shall, for the purpose of performance management, ensure that customer's personal details are collected and recorded on computer records and that such processing is in accordance with the principles of the General Data Protection Regulations and Data Protection Act 2018.

Customer Research

The Operator must demonstrate that it understands the attitudes and perceptions of customers and non-customers.

Regular market research and customer research activities are an essential part of this process, therefore regular customer satisfaction surveys will be undertaken.

The Operator shall present the outline of the results of all of the surveys on notice boards at each facility. The results should be displayed in graphical format.

It is expected that the Business Plan will include as a minimum; income and expenditure targets, pricing and programming review, participation targets, and marketing plans. The Annual Business Plan will compare the planned activities in the upcoming year with the actuals within the prior contract year

Part 1D – Facilities Performance Requirements

1.20 Public Health Commissioning

The Operator, subject to agreement, may be asked to provide services commissioned by Worcestershire County Council's Public Health and Wellbeing Department ("Public Health") to improve the health and wellbeing of the local population, for example, healthier communities, reducing obesity and narrowing health inequalities.

Any services commissioned by Public Health and provided by the Operator and partner agencies will be subject to a specific Service Level Agreement or appropriate comparable arrangement which outlines the outcomes that the Operator will be required to deliver, and the funding to be provided.

All sites should support health and wellbeing through the five ways to wellbeing (connect, keep learning, become physically active, take notice, give to others) for example, through the design of programmes that

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provide opportunities for people to come together and connect and learn while becoming physically active. These will be determined by the community profiles for each centre area.

The Operator will have health promotion display boards in each facility which will provide the opportunity to showcase public health campaigns and offer signposting into relevant services such as the Wellness Hub and the Falls and Wellbeing service.

The health promotion boards will also provide opportunities for local voluntary & 3rd sector agencies to advertise their programmes where applicable to health and wellbeing subject to the Operators approval.

The public health campaigns lead will provide information timely to the Operator to ensure that the boards stay up to date and in line with current public health campaigns.

The Operator will ensure that all sites promote healthy living and help people to make healthy lifestyle choices. The Operator will not provide or promote the use of sunbeds.

Subject to agreement, availability and appropriate funding the Operator will host and make available suitable space for health promoting activities, for example, mass participation events to promote health checks.

Performance Standards

The Operator will achieve desired outcomes set in conjunction with the Council's Performance Dashboard and provide supporting narrative where appropriate.

Reporting Requirements

The Operator will monitor their own performance as part of the service performance management framework procedures agreed with the council. This information shall be available to the council on request. The Operator will duly report on any further requirements of an SLA.

1.21 Pricing Requirements

Required Outcome

The Operator's Pricing Policy shall promote the principles of equality of access and sustainability while meeting the agreed Participation Targets Annual Performance Standard. Usage and attendance by all sections of the wider and local community shall be encouraged through the Operator's Pricing Policy to support delivery of the Council's Outcomes and meet the objectives of the Sports & Activity Development Plan.

The Council has set its pricing policy and details the parameters within it. (the "**Council's Pricing Policy**") for certain activities and Customer. The operator shall develop its own policy based up the key requirements of the service specification and submit it to RBC by no later than the 1st October 2019.

All prices will be reviewed annually by the parties to the agreement and may be increased by not more than 5% or the rate of inflation (as measured by the CPI), whichever is the greater. Increases above this level can be agreed between the parties, and pricing for "commercial events", long term or multiple bookings and event based activities can be set by the Operator and notified to the Council as part of its quarterly report.

The Operator may propose variations to these principles in the course of the annual pricing review, or otherwise through the Change Protocol, for the approval of the Council, which shall be entirely at the Council's discretion and will be confirmed in writing to the Operator. The Contactor must provide evidence and sound business reasons to support such variations including (for example) market research and benchmark comparisons both locally and nationally.

Performance Standards

The Operator must not charge more than the prices (as adjusted through the annual pricing review) for the protected core activities or customer as set out in the Councils Pricing Policy without written consent

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of the Council or as agreed through the Change Protocol. The Operator is free to set the Operator's Pricing Policy which will include prices for the use of facilities that are not specified in the Council's Pricing Policy. Charges for facilities, activities and services outside those required by the Council such as corporate use and vending will be at the Operator's discretion provided they do not in any way inhibit the achievement of the Council's Outcomes

The Operator shall, and subject always to the Required Outcomes and Performance Standard above:

- Offer concessionary prices for specific groups and individuals as set out in RBC Concessionary Policy.
- Make use of pricing promotions to encourage increased use at all periods of the day reflecting work and cultural patterns in the community and demand on the Facilities.
- Make available a membership cards providing a discount off the price of standard activities.
- Give consideration where appropriate to the provision of concessions to participants on accredited talent development programmes, where such programmes entail particularly intensive individual use of facilities

No charges shall be collected by the Operator in respect of services extending beyond the Contract Period other than those authorised by the Authority Representative during the last year of the Contract Period

The Operator must ensure that all current fees and charges are displayed prominently in the reception area of the Facilities and as appropriate within the Facilities. The Operator must ensure all prices are contained within the facilities website. The Operator shall operate comprehensive and effective systems for cash and non-cash methods of payment and booking administrative services.

Reporting Requirements

The Operator must provide proposals for prices of activities (as listed in the Council's Pricing Policy) annually to the Council for the Contract Review Meeting as per the initial submission date outlined in section 1.19 'Other Monitoring & Reporting'

The Operator must submit details of any failure to agree charges above 5% which is the required Performance Standards as set out above, as part of the quarterly Performance Monitoring Report.

1.22 Opening Hours

Required Outcome

It is anticipated that the Facilities shall be accessible by the full community during the "Minimum Opening Hours".

The Minimum Opening Hours are deemed to be those operating hours as defined by the Council

The Operator shall note that the specific opening hours of the facilities shall not be subject to negotiation with the Council but can be reviewed and changes agreed as part of the Annual Business Planning Process.

Bank Holiday opening hours shall be agreed on an annual basis through the change protocol procedures.

Initially, the facilities shall be open in accordance with the current operating hours.

Outside of the opening hours an automated answering service should be provided and up to date information available on the Operator's websites/social media platforms.

Performance Standards

The Facilities must be available and open to the public for use during the Minimum Opening Hours.

The Council, in advance of any changes being implemented, must agree in writing any variations to the Minimum Opening Hours.

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The Operator shall advertise all opening times on the relevant Facilities website and shall provide printed information on opening times and timetables for the Facilities activity programmes.

Where seasonal adjusted to opening hours or programmes are agreed these will be advertised no later than 60 days prior the adjustment being implemented.

Where appropriate the Operator shall agree with the Council closures of the Facilities, or any element therein, for the purposes of maintenance, in accordance Clause 15 (Condition of the Facilities) and with the agreed Schedule of Programmed Maintenance.

In event of closure of the Facilities, or part thereof, owing to unforeseen or emergency conditions, the Operator shall inform the Council's representative immediately (by telephone and followed up in writing as soon as possible and within a maximum timescale of one hour of the closure). Where this falls outside of normal council operating hours (9am – 5pm) or at weekends, the Operator shall inform the council by 9am the next working day. The Operator shall ensure the Customer are kept informed of the situation in accordance with the agreed Emergency Plan (see below).

The Council may require the Facilities to be closed for the purposes of emergency planning responses and may also require partial closure to take place during election processes. In the event of an election, the council are required to give a minimum of 4 weeks notice

The Operator shall provide an Emergency Plan to the Council for approval no later than 1st April 2019. In an Emergency, the Operator shall implement the agreed Emergency Plan and inform the Council of any Emergency as soon as practicable. Any updates should be incorporated into the Emergency Plan and re-provided to the Council on an annual basis by the 31 December of each subsequent Contract Year.

The Minimum Opening Hours shall be reviewed by the parties on an annual basis as set out below. Any decision to amend these times will be based on throughput trends for the Facilities or bespoke usage patterns.

Reporting Requirements

The Operator shall maintain a log of hours that the relevant Facilities/Part of the Facility is not open or available on a daily basis and submit details of any performance failures, closures or service limitations during the Minimum Opening Hours, setting out the details of the closure, the reasons for such closure and any remedial action taken by the Operator as part of the quarterly Performance Monitoring Report.

Any closure during council opening times (9am – 5pm), should be reported to the Council immediately and as a maximum within an hour of its occurrence. Outside of opening hours, the council will be informed by 9am the next working day,

1.23 Programming

Programmes of Use

Required Outcome

The Council requires specified programmes to be provided during agreed time parameters to ensure that certain members of the community are able to access services and facilities.

Programmes should promote a a proportion of casual use within a balanced programme that meets the needs of the public, clubs, schools, and instructed development courses.

The Operator shall encourage greater use of the facilities by groups who have been traditionally under-represented, such as young people, people who are economically disadvantaged, people with disabilities, older people and minority ethnic groups.

The Operator shall provide a balanced Programme of Use to support community and club and to contribute towards the Council's strategic purposes.

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The leisure and cultural facilities should have exciting and diverse programmes to encourage use by all sections of the local community. The programmes should be responsive to new trends, encourage residents to try new activities and be flexible in their approach to respond to market demands.

The Operator shall provide the activities and sessions to meet the needs of specific customers in accordance with the agreed activity programme. The programmes of use should be dynamic, innovative and responsive to the requirements of customers, including frequent or seasonal variations and target non customers as appropriate. The programmes should consider the various types of customer and use to ensure that they are balanced.

The Operator will provide programmes that:

- Encourage use by young people during term time and holidays.
- increasing participation of the targeted groups at specific facilities to reflect the health benefits of physical activity.
- Reflects changes requested by the Council. Where there is an impact on income lines, this should be subject to negotiation between both parties.
- Encourage increases in participation attendances and volunteering.

The Operator will be required to analyse its customers to assess whether there are any sections of the community that are under-represented. Where there are groups that have a low participation at the centres or individual centre, programmes should be reviewed and updated to encourage use by these under-represented groups

The Operator shall record attendances from these priority groups and demonstrate increases in attendance and participation where applicable over the period of the contract.

The Operator is expected to promote player pathways from novice to elite performer.

The Operator shall provide a balanced Programme of Use to accommodate community, club and elite activity and to contribute towards the Council's Outcomes.

The Operator shall provide specific activities and sessions to meet the needs of specific Customers in accordance with the agreed Programme of Use and shall ensure that the programmes reflect the agreed annual Participation Targets

The Operator shall proactively monitor and manage the licences that are in place with key customers and shall ensure that the Council is kept up to date in terms of any changes.

The Operator shall honour any special events already agreed and confirmed prior to the Commencement Date, in accordance with the programming requirements, subject to full cost recovery.

The Operator shall submit details of any failure to honour any events, functions and hire arrangements that are pre-booked at the commencement of this Agreement as part of the Quarterly Performance Monitoring Report.

The Operator shall ensure that future Programmes, bookings and Performances will continue, where possible, to honour the established arrangements with identified clubs and organisations and enable the schemes to be expanded to meet demand.

The Operator shall ensure that each holiday programme will have places available for disabled young people, in accordance with Disability Discrimination Act requirements, and looked-after children subject to available resources.

Performance Standards

The Programmes of Use should be dynamic, innovative and responsive to the requirements of Customers, including frequent or seasonal variations. The programmes should consider the various types of Customer and use to ensure that they are balanced, and target non Customers as appropriate

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The Operator shall review the effectiveness of the programmes of use on a regular basis, but in any event as a minimum every 12 months using market information and through consultation with relevant Customers.

The Operator and the Council shall work together to ensure that the programmes reflect the changing needs of the Customers. The programmes should evolve with changing needs and aspirations of Customers and the Operator must therefore work to identify new opportunities and discuss these with the Council.

The Operator shall ensure that future programmes will continue to support the established arrangements with identified clubs and enable the schemes to be expanded to meet demand. These programmes will be identified in the annual Sports & Activity Development Plan.

The Operator shall submit the initial proposed programmes to the Council for the Council's approval three months prior to the Commencement Date.

The Operator shall submit proposed programmes to the Council by 31 December each year for the Operator to implement in the following Contract Year. A significant change to the programme should only be made in consultation with the Council.

Reporting Requirements

The Operator shall submit proposed programmes to the Council by 1st April 19 and, annually thereafter, by 31 December for the Council's comments and the Operator's implementation the following Contract Year.

A "Programme of Use Progress Update" must be provided to the Council on a six monthly basis as part of the Performance Monitoring Report.

The Operator shall submit details of any failure to honour any events, functions and hire arrangements that are pre-booked at the commencement of this Agreement as part of the Performance Monitoring Report.

1.24 Council programmes, usage and activities subject to separate agreements

The Council and the Operator recognise that during the term of the Agreement, the Council (or entities that provide services on behalf of the Council) may wish to enter into agreements for usage, programmes and activities that are not envisaged in this agreement.

For the avoidance of doubt, the Operator will continue to support and where applicable provide and host those services on behalf of the council which it does currently. Where the council request additional activities, changes to programme, these will be subject to negotiated position being agreed based upon current income levels, usage patterns and attendances. Existing terms will apply.

Required Outcome

The Operator will, in accordance with the relevant SLA provide support to these services in delivering specified outcomes, e.g Looked after Children.

The operator is expected to work closely with the Councils Development services and to provide 12 hours per week free use as a total across all facilities.

The Operator will support the operational delivery of these services for example programme bookings and promotion and work proactively with the council or commissioners to ensure that specified outcomes are achieved.

The Operator will report on the outcomes in relation to these services as part of its quarterly report to the Council.

The Operator is expected to continue to administer and honour the free use for County and National Sports people (FACs / FANs).

Performance Standards

The Operator will achieve desired outcomes and targets set in conjunction with the Council's Performance Dashboard and provide supporting narrative where appropriate

Reporting Requirements

The Operator will provide a report to the Council quarterly for the Contract Review Meeting and as a section within the annual report.

1.25 Health and Safety Management

The Operator shall comply with all relevant health and safety Legislation and shall produce, maintain and comply with a "Health and Safety Procedures Manual". This manual shall be available for inspection by the Council's Representative or other authorised persons at any time.

Performance Standards

The Operator must comply with all relevant health and safety Legislation and, without prejudice to the generality of the foregoing, shall operate the Facilities in line with the recommendations in the most recent edition of the HSE publication "Management of Health and Safety in Swimming Pools"(www.hse.gov.uk)

The Operator shall comply with the guidance on child admissions to swimming pools within the CIMSPA's (or equivalent, as agreed with the Council's representative) swimming pool child admission policy for unprogrammed swimming.

The Operator shall not exceed the maximum occupancy numbers recommended by Sport England for any activity area.

The Contactor shall carry out regular review of risk assessments for the Facilities, which will be included in the Health and Safety Procedures Manual.

Any revision will need to be recorded and should there by:

- a change in legislation
- an accident or incident where a change is required to prevent a recurrence
- if a new task (for staff) or activity (for members of the public) is introduced where a new risk assessment is required before commencement
- before and after a new item of equipment is purchased
- if a change to the plant, building or premises is planned where new / revised arrangements for its safe use will be needed.

The Operator shall arrange for a competent person to complete annual fire risk assessments. The Operator shall review and update them whenever necessary. The Operator shall ensure that copies are available to all staff and for inspection by the Council at all times. The controls identified by the fire risk assessments shall be fully implemented by the Operator e.g. asbestos register

The Operator shall provide safe working procedures for all activities, equipment, cleaning, maintenance and rigging undertaken by staff.

The Operator shall have effective health and safety arrangements for the selection and management of sub-Operators. The Operator shall ensure that sub-contractors have the appropriate degree of competence to carry out the work safely and without risk to health. The Operator shall ensure that all staff, agents or suppliers who may be required to enter the Facilities are fully aware of all relevant rules and procedures concerning health and safety at work and fire and emergency procedure. This includes

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the relevant sections of COSHH assessments and the regular recording and “signing-in” of sub-Operators (permit to work system).

The Operator shall ensure that all surface water and other leak or spillage of liquid or dry material within internal areas causing dangerous floor surfaces is dealt with immediately on identification of the problem and warning signs erected as required.

The Operator shall physically check the First Aid equipment and supplies weekly and shall ensure that a record of such checks is available for inspection by the Council. The Operator shall provide and maintain defibrillators to the same standard of rigour. The Operator shall ensure that the Facilities have a minimum of one trained First Aider on each Site at any time and attend to public first aid requirements.

The Operator shall appoint a competent person to advise and assist the Operator in carrying out the measures needed to comply with health and safety law. The Operator shall also identify a member of staff at each of the Facilities as the "Health and Safety Competent Person" and shall ensure that they receive full first aid training as appropriate for the responsibility. This training shall include holding a valid certificate of competence in First Aid at Work (FAW) or Emergency First Aid at Work (EFAW), obtained from a competent training organisation.

The Operator shall display the names of the appointed first aiders in a prominent position on the wall in the reception area at the Facilities.

The Operator shall maintain a record of all training undertaken by staff with respect to health and safety, including details of the content of training. Regular ‘toolbox’ talks should be delivered as required.

The Operator shall include health and safety training in the new staff induction programme.

The Operator shall ensure that all signs relating to exits and fire exits are to the standards required by legislation and the requirements of Fire and Licensing Officers in respect both of general operation and special and entertainment events. For the avoidance of doubt, the Operator shall be the ‘responsible person’ as defined by the Regulatory Reform (Fire Safety) Order 2005 and shall liaise with tenants of the Facilities to coordinate safety management.

The Operator shall repair any damaged health and safety notices within 24 hours and shall take action in the interim period to ensure staff are fully aware and take the necessary action to prevent any type of incident, e.g. fire instruction routes

The Operator shall ensure that all exit routes are regularly checked, cleared of rubbish, debris and obstruction and checked at least weekly for ease of exit.

The Operator shall ensure that regular testing and inspections are carried out in relation to Legionella and water safety including:

- Air conditioning
- Swimming pool water
- Showers, toilets and hot water systems
- Pest control

The Operator shall ensure that all staff are competent and adequately trained to undertake all health and safety responsibilities relevant to their individual roles and duties. The Operator shall keep full records of all relevant training and any PPE issued to staff.

In accordance with the provisions of the Health and Safety at Work etc. Act 1974 the Operator shall prepare a written health and safety policy statement (including the organisation and arrangements in place for carrying out the policy). The policy statement shall be revised as often as is appropriate.

The Operator shall ensure that all transferring and new employees receive a personal copy of the health and safety policy statement and understand its contents within seven days of their start of employment

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and that all employees have access to all other relevant documents concerned with the Health and Safety at Work Act. To this end the Operator shall issue all employees with access to all relevant documents.

The Operator shall submit a copy of

- the health and safety policy statement
- the record of the Operator's arrangements for the effective planning, organisation, control, monitoring and review of the measures required to comply with health and safety law.

Prior to use for employees, the Operator shall submit for approval the above document to the Council's Representative who will have access to all areas of the facilities at all times for the purpose of inspection and may prohibit unsafe practices, impose penalties as appropriate or if necessary cause the closure of the facilities or parts thereof.

The Operator shall provide sufficient numbers of qualified employees to be present at all operating times at the Facilities to ensure the safety of employees, Customers and sub-contractors.

The Council retains the absolute right to instruct the Operator to close any facilities within the Facilities, immediately, in the interest of public safety.

In addition, the Operator shall supply to the Council's Representative, in line with the reporting procedures outlined in section 1.19 *'Other Monitoring & Reports'*, "Health and Safety Procedures Manual" setting out all health and safety procedures within each building prior to issue to all employees. A copy of this manual must be accessible to the Operator's employees in the relevant staff room and changing area.

Unless otherwise clearly the responsibility of the Council (as identified in the Asset Management Responsibilities Matrix), the Operator shall notify all defects to plant and equipment affecting the health and safety of employees, Customers and the Operator to the Council's Representative within one Business Day of their occurrence, together with any action taken to repair, withdraw from use or replace the plant or equipment.

The Operator shall permit access at any reasonable time (including but not limited to the Minimum Opening Hours) to all areas of the Facilities by the Council's Representative, any relevant corporate health and safety advisor, Licensing Officer, Environmental Health Officer, Fire Officer or officer of the Health and Safety Executive that has responsibility for matters concerned with health and safety for the purpose of inspecting plant and equipment.

The Operator shall set out the levels, types and quantities of protective clothing and equipment (PPE) to be provided for each building. The Operator shall also detail the frequency with which all protective clothing and equipment shall be replaced. Records of issue to employees shall be kept by the Operator and made available for inspection by the Council when required. PPE is a last resort and the Operator needs to ensure that any residual risks are eliminated.

The Operator shall at all times ensure compliance with maximum occupation levels for the Facilities as stipulated in the Operators Fire Risk Assessment and/or the Premises Licence.

The Operator shall monitor safe occupancy levels bearing in mind the numbers and qualifications of staff on duty at the time and the nature of the activity taking place.

The Operator shall control public throughput of the Facilities to a level which does not jeopardise the health and safety of Customers, reduce hygiene standards or compromise the provision of a quality service.

The Operator shall replace any removed or damaged notices and replace such notices within 24 hours.

The Operator shall submit detailed procedures and action plans to deal with evacuation and emergency procedures for all buildings and shall inform the Council's Representative in writing of any subsequent alterations necessary because of changes in Legislation, changes in the Facilities or improvements to the procedures. The Operator shall carry out practice evacuations at least every 6 months and maintain records of staff taking part and time taken for evacuation.

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The Operator shall ensure that in any case of snow or ice, such snow or ice will be cleared and the immediate entrance and public pathways leading to the Facilities sanded/gritted, including paths and exits/entrances to car parks and adjacent zebra crossings.

The Operator shall ensure that hazardous materials or equipment at the Facilities, which are to be used in the provision of the Services are kept under proper control and safekeeping and are properly and clearly labelled on their containers and comply with the relevant Control of Substances Hazardous to Health Regulations (COSHH).

The Operator shall ensure that all cleaning materials and equipment are appropriate for their required function and are used in accordance with the manufacturer's instructions, British Standards, and relevant Health and Safety Legislation, particularly COSHH.

The Operator shall maintain comprehensive records of:

- All accidents, incidents and near misses involving staff, members of the public and Operators
- Evacuations and incidents occurring at the premises
- Records of reports made in accordance with Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

The Operator shall ensure that any major RIDDOR reportable incident is reported to the Council within an hour of its occurrence with a full incident and a copy of the RIDDOR report provided to the Council within 48 hours.

The Operator shall ensure that these records include details of any relevant actions taken/to be taken and shall be available to the Council's representative at any time.

The Operator shall ensure that there are full and comprehensive Normal Operating Plans (NOPs) and Emergency Action Plans (EAPs) in place. The Operator shall ensure the Facilities' fire and evacuation systems and equipment as part of the EAPs are maintained to relevant standards and regulations and appropriate records kept. Fire and evacuation procedures in place shall include 6 monthly safety drills and appropriate records kept.

The Operator shall ensure that electrical installations are inspected by a competent person at least every 3 years (12 months for wet establishments) and that the Operator complies with the recommendations in inspection reports relating to all category 1 and 2 hazards.

The Operator shall ensure that only authorised personnel are permitted in non-public areas of the Facilities, such as plant areas, staff rooms, ticket offices etc. Clearly visible signs shall be displayed to this effect.

The Operator shall be responsible for ensuring that smoking is not permitted throughout the Facilities. . The following hygiene and safety standards and rules must be maintained and enforced within the Facilities by the Operator

The operator must maintain an up to date Planned Preventative Maintenance (PPM) Programme for each facility which contain details all of the compliance checks and servicing requirements and is available for inspection by the Authorities representative.

Reporting Requirements

The Operator shall report details of any accidents, incidents and near misses reportable under the RIDDOR regulations in the manner prescribed by the regulations. The Operator shall ensure that records of accidents and actions taken are to be made available for inspection by the Council. Any incident requiring evacuation will need to be reported whether planned, false alarm or actual emergency.

The Operator shall make a formal record of all inspections or visits made by Environmental Health Officers, the Health and Safety Executive and any other person or body who, in the proper execution of their duties requires or is entitled to access to the relevant Facilities site. A copy of this record shall be supplied by the Operator to the Council within 48 hours of receipt.

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The Operator shall provide a summary of all accidents and incidents occurring at the Facilities and a trend analysis and also submit Major Accidents/ Incident and near miss report within 48 hours of occurring.

The Operator shall submit details of any failures to maintain the required Performance Standards as set out above as part of the Performance Monitoring Report as part of its quarterly and annual reports.

1.26 Access

Required Outcome

The Facilities, and all Zones within, must be accessible by all Customers and comply with Equalities Act 2010

Performance Standards

The Operator shall ensure that the Facilities and all Zones within them, including the pitches, courts, buildings or any entrances, doorways, halls, lobbies, reception areas, unloading bays, corridors, lifts, staircases, access roads and car parks are open and free from any obstruction or physical destruction or deterioration (save for fair wear and tear) so that each Zone is capable of performing its function and allows access with appropriate control, entrance to and exit from each Zone. The Operator shall ensure that the standards of each Zone are compliant with the individual access audit recommendations for each Facility.

The Facilities should be accessible by wheelchair Customers, support visually impaired Customers through its facility design and layouts and provide key information to disabled user through access guides.

The Operator shall effectively manage car park flow, access and safety, especially when any special events take place, to ensure no adverse impact on local residents and/or the local environment

The Operator shall ensure that all signage within the Facilities is clear and instructive and complies with health and safety guidelines and the Equality Act 2010 and any relevant planning restrictions. Ideally signage would be pictorial or include images within the overall concept.

Reporting Requirements

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the quarterly Performance Monitoring Report.

1.27 Legislation and Policy

Required Outcome

The Facilities must comply with all Legislation relating to the Sites and the provision of Services including, for example, the Equality Act 2010, environmental Legislation, licensing requirements, health and safety, control of Asbestos and legionella.

Performance Standards

The Operator shall ensure that there are no breaches of Legislation, including without limitation, that in respect of health and safety, data protection, child protection and the Equality Act 2010. The Operator shall also ensure that any relevant planning conditions attached to the Facilities are complied with.

The Operator shall operate an "Equality Policy" covering all activities and events.

The Operator shall ensure that all employees and supervisory staff have a working knowledge of the Legislation, Regulations and guidelines relating to best practice in managing sport and Facilities.

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In particular, the Operator shall ensure that:

- All agents or suppliers who may be required to enter the Facilities are fully aware of all relevant rules and procedures concerning the health and safety regime, fire risk and precautions, and safeguarding requirements
- All surface water and other spillages within internal areas causing dangerous floor surfaces are dealt with immediately on identification of the problem and signed appropriately
- The first aid equipment and supplies, including signage for first aid provision, is physically checked weekly and a record is made which is available for inspection by the Council
- Hazardous materials or equipment at the Facilities, which are to be used in the provision of the Services, are kept under proper control and safekeeping. The hazardous materials or equipment are properly and clearly labelled on their containers and comply with the relevant COSHH regulations
- The Operator undertakes, at its own cost, its own risk assessments and associated training
- It keeps records of accidents and actions taken and these are to be made available for inspection by the Council
- There is a full and comprehensive fire and evacuation procedure. The Operator shall ensure each Facilities' fire and evacuation systems, and associated equipment is maintained to relevant standards and regulations, and shall keep appropriate records
- Only authorised personnel are permitted in non-public areas of the Facilities, such as plant areas, staff rooms, offices etc.

The Operator shall comply with all relevant Council Policies as notified to the Operator from time to time in accordance with this Agreement

Reporting Requirements

The Operator shall ensure that a copy of all the Legislation, Regulations and guidelines (or an appropriate abbreviation of Legislation containing all relevant Clauses and sections) must be available for inspection at all time by the Council's Representative.

The Operator shall provide an annual "Licenses and Legislation Compliance Report" to the Council by the 31st October 2019 and subsequently within two months following the start of each Contract Year.

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.28 Water (Hot and Cold Installations)

Required Outcome

The following standards (as amended, updated or replaced from time to time) shall be complied with by the Operator. Should the standard change, the Operator shall comply with the most up to date legislation:

- CIBSE Technical Memoranda TM 13: 2013 Minimising the risk of Legionnaires' Disease
- The storage and distribution of water within the Facilities shall be in accordance with all building codes and BS guidance with particular reference to BS EN 806-1:2000, BS EN 806-2:2005, BS EN 806-3:2006, BS EN 806-4:2010 and BS EN 806-5:2012 'Specifications for installations inside buildings conveying water for human consumption', and BS 8558:2011: 'Specification for design, installation, testing and maintenance of services supplying water for domestic use within buildings and their curtilages'
- Maintenance shall be in accordance with relevant Health and Safety Executive (HSE) guidance, including:
 - L8 "Legionnaires' disease. The control of legionella bacteria in water systems" Approved Code of Practice and Guidance 2013
 - HSG274 "Legionnaires' disease: Technical guidance"

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- And any subsequent amendments or revisions to the standards and guidance documents listed above.

The Operator shall ensure water temperatures are maintained at required standards so as to prevent the proliferation of legionella and other water-borne contaminants.

The Operator shall ensure the water system is maintained in accordance with the appropriate health and safety Legislation and standards.

The Operator shall work proactively to develop and promote effective best practice water saving efficiency measures across the Facilities.

The Operator shall ensure that water closets, drinking fountains and urinals have a supply of cold water, which allows these services to be usable in accordance with the manufacturers' specification.

The Operator shall ensure that free drinking water is available at the Facilities.

The Operator shall undertake bacteriological testing of the hot and cold water systems in accordance with the Legionella Risk Assessment

The Operator shall meet the following standards:

Water temperature (showers)	35 - 43 degrees C	Degrees Centigrade Where no thermostatic mixers are installed, cold water to be supplied no warmer than 20 degrees C and hot water to be supplied no cooler than 50 degrees C at the tap outlets
Water temperature (hand washing)	35 - 43 degrees C	Degrees Centigrade. Where no thermostatic mixers are installed, cold water to be supplied no warmer than 20 degrees C and hot water to be supplied no cooler than 50 degrees C at the tap outlets
Drinking water	Dry & Wet Changing / Catering & Vending areas – drinking water available Health & Fitness suite - chilled water available	Either mains fed or via accessible water coolers

Reporting Requirements

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the quarterly Performance Monitoring Report.

Any analysis detecting legionella shall be reported to the Council within 2 working days and immediate action taken to rectify the issue(s).

1.29 Drainage

Required Outcome

The drainage systems shall provide safe effective removal of wastewater, surface water and liquid and solid waste (including kitchen grease discharge) from the Facilities in compliance with relevant Legislation. The drainage systems above ground shall be maintained in accordance with the appropriate health and safety Legislation and standards.

Performance Standards

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The Operator shall ensure that requirements in building regulations are complied with for foul and surface water drainage.

The Operator shall ensure that all relevant Zones within the Facilities have an adequate drainage and sewage system operating.

The Operator shall ensure that discharge temperatures do not exceed recommendations set by the Environment Agency.

The Operator shall undertake regular testing and visual inspections of the drainage systems.

Reporting Requirements

The Operator shall ensure that results of all non-compliant measurements are entered in the Property Database, logged on the Help Desk and reported to the Council.

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report with actions identified for rectification.

1.30 Ventilation

Required Outcome

The Operator shall ensure that the ventilation required within the Facilities provides a healthy and suitable environment conducive to the enjoyment of the sport, leisure or recreational activity being carried out at that particular time and is provided in an energy efficient manner. The Operator shall ensure that the ventilation system is maintained in accordance with appropriate health and safety Legislation and standards.

Performance Standards

All relevant Zones shall have adequate ventilation in accordance with the minimum following standards or where a variation is proposed it must be agreed in writing by the Council in advance:

- > 3 Air changes per hour in all areas, apart from:
 - Pools & Pool Viewing Areas - 5 - 9 changes per hr
 - Staff, Dry, Outdoor, Wet Changing – 10 - 12 changes per hr
 - Toilet Facilities > 6 changes per hr
 - Sports Hall Multi-Use – 1.5 – 3 changes per hr
 - Multi-Purpose Activity Room > 6 changes per hr
 - Health & Fitness Suite - 10 -12 changes per hr
- Air changes based on mechanical ventilation.
- Where no mechanical ventilation installed, fresh air ventilations should be provided.

Ventilation rates shall be calculated according to CIBSE and BRE guidance.

Reporting Requirements

The Operator shall ensure that results of all non-compliant measurements are entered on to the Property Database and reported to the Council.

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report with actions identified for rectification.

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1.31 Heating (Thermal Comfort)***Required Outcome***

To provide a thermal environment conducive to the enjoyment of the sport, leisure or recreational activity being carried out in a Zone within the Facilities at a particular time in an energy efficient manner. To ensure the heating system is maintained in accordance with the appropriate health and safety Legislation and standards.

Performance Standards

The Operator shall ensure compliance with the following documents:

- Handbook of Sports and Recreational Building Design Volumes 1 – 3 1996
- BR264 Thermal Comfort: Past, Present and Future 1994
- BR266 Trends in Thermal Comfort
- BRECSU GIR 30- Performance Requirements for the Energy Efficient Office of the Future.

The Operator shall measure and check to ensure that the inside temperature for each Zone within the Facilities during the Minimum Opening Hours shall meet the following standards:

- Temperature >16 degrees centigrade in all areas
- If temperature controlled:
 - 19-21 degrees in all areas, except for:
 - Pools & Pool Viewing Areas - 1degree > main pool water temp
 - Wet & Dry Changing 20 - 25 degrees C
 - Health & Fitness Suite 15 – 18 degrees C
- Humidity 50-70%.

The Operator shall measure the desired inside temperature at a height of 1 metre in the centre of the space. Instruments used for the measurement of temperature shall be checked annually against UKAS certified references of appropriate accuracy.

The Operator shall ensure that measurement accuracy is better than 0.7°C for 95% of measurements over the temperature range of 15 to 25°C, and better than 1.0°C for measurements outside that range.

Reporting Requirements

The Operator shall ensure that results of all non-compliant measurements are entered onto the PPM Property Database and reported to the Council.

The Operator must submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

1.32 Lighting***Required Outcome***

To provide adequate levels of lighting for the particular activity being undertaken within each Zone within the Facilities. The Operator shall consider switching off lighting banks parallel to windows, and adopting energy management control systems such as time switches, dimmable controls, and presence detectors. To ensure the lighting system is maintained in accordance with appropriate health and safety Legislation and standards. To address particular requirements of special needs groups for less powerful lighting.

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Performance Standards

The Operator shall ensure that each Zone within the Facilities has a lighting (lux) level appropriate to its specified use. The following standards shall be met by the Operator:

- Lighting in respect of minimum luminescence, colour rendition and glare index as specified below
- Building Regulations part L
- BS 8206-2:2008 'Lighting for Buildings. Code of Practice for Daylighting'
- LG4CIBSE Lighting Guide – Sports (and Addendum)
- CIBSE Code for Lighting 2004
- BS 5266-1:2005 'Emergency lighting. Code of Practice for the Emergency Lighting of Premises'.

The Operator shall ensure that external lighting is provided for security purposes.

The Operator shall ensure that light source efficiency is better than 2.7 W / m² / 100 lux except where justifiable.

The Operator shall ensure that the number of non-operating lights or tubes does not exceed 10% of the total in the Zone.

Reporting Requirements

The Operator shall ensure that results of all non-compliant lighting level and uniformity ratio measurements are recorded on the Property Database and reported to the Council.

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the quarterly Performance Monitoring Report.

1.33 Pool Water Quality (Swimming Pool Installations)**Required Outcome**

Swimming Pools that provide Customers with a safe and comforting environment in which to participate in both swimming and water sports as required in this Services Specification. To ensure the Swimming Pools are maintained in accordance with the appropriate health and safety legislation and standards.

Performance Standards

The Operator shall ensure that the following standards are complied with

- The Handbook of Sports and Recreational Building Design Volume 3 published as at 1996 and The Pool Water Guide; Treatment and Quality of Swimming Pool Water
- CIMSPA Swimming Pool Treatment and Quality Standards
- HSC/HSE The Management of Health & Safety in Swimming Pools
- Pool Water Treatment Advisory Group – Swimming Pool Water Treatment and Quality Standards.

Code of Practice for The Management and treatment of swimming pool water. Pool Water Treatment Advisory Group

Directive 2006/7/EC of the European Parliament concerning the management of bathing water quality.

The Operator shall ensure that all pool water is of the level of quality and temperature stipulated within the following:

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Pool Water temperature (centigrade)	Main Pool 27 – 29 Learner/ Teaching Pool 30 – 32 Jacuzzi./ Pool/ Spa – manufacturers guidelines Water Slide/ Flume – 27 - 29
Pool Water temperature following backwash (centigrade)	Main Pool 26 – 29 Learner/ Teaching Pool 29 - 32

The Operator shall ensure that the pool water is maintained in a 'balanced' condition. The Operator shall ensure that a balanced water test is taken weekly duly recorded and action taken to ensure that the pool water is 'in balance', corrosion is eliminated, precipitants do not form and the water is safe for pleasant bathing conditions.

The Operator shall ensure that the pool water is tested for PH and free Chlorine in accordance with the Swimming Pool Hall Data Sheet every 3 hours, with the initial test each day before the pools are brought into use. The Operator shall ensure that complete records are kept of all readings, date, time and type of test. These shall be available for inspection by the Council's Representative at any time.

The Operator shall ensure that the filters are backwashed as recommended in the relevant plant maintenance instructions to ensure that the water quality is maintained at the required standard.

A pool water dilution rate of 30 litres per bather per day is a CIMSPA recommendation, which shall be complied with by the Operator at the Facilities unless stated otherwise in the manufacturer's guidelines. Standards shall be maintained in line with the up to date CIMSPA recommendations and industry standards.

In the event of more stringent standards being set by the EU Directive, CIMSPA, PWTAG, and/or the Health and Safety Executive during the Contract Period, the Operator shall adhere to these more stringent standards. The Operator shall not use different chemical constituents to maintain the above standards without the prior approval in writing of the Council's Representative.

All relevant Zones shall have adequate pool water quality in accordance with the following:

pH value	7.2 - 7.8
Alkalinity	120 – 180 mg per litre
Calcium hardness	150 – 200 mg per litre
Total Dissolved Solids	1500 – 2000 mg per litre
Free Chlorine	<1 mg per litre
Sulphate	<360 mg per litre
Clarity	Bottom Visible
Total coliforms	<0 per 100ml
Faecal coliforms	<0 per 100ml
Pseudomonas	<0 per 100ml
Total visible count @ 22 C	< 100 per ml
Total visible count @ 37 C	< 20 per ml

Reporting Requirements

The Operator shall report inspections and results of all non-compliant measurements on the Property Database. The Operator shall ensure that non-conformance is reported to the Council within 48hrs of being aware of the issue.

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report, this will include the cause of the issue, actions taken and any additional works required. .

1.34 CCTV and Security

Required Outcome

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Facilities that are secure and a system that provides a safe level of security to Customers during their visit, but which does not compromise the personal privacy of Customers.

Performance Standards

Where provided, CCTV shall be maintained according to the manufacturer's specification and operated in line with a system that provides a safe level of security to Customers during their visit but which does not compromise the personal privacy of Customers.

The Operator shall ensure compliance with General Data Protection Regulations and will ensure a privacy notice is visible to the Customers. The operator will be responsible as the data controller.

The Operator shall at all times be responsible for the total security of the Facilities which includes land, buildings, structures and amenities, as shown on the Site Plans, together with plant rooms, machinery, equipment, fixtures, fittings and furnishings, and any item of stock.

The Operator shall utilise the security systems installed or provided at the Facilities and shall be fully responsible for its proper maintenance and function. In the event of any alarms or security devices or radios being removed or becoming non-operational or non-maintainable, the Operator shall replace the same with a suitable alternative or security device approved by the Council's Representative.

The Operator shall ensure that all external and internal fully operational CCTV security cameras as part of the security system are operational within the Facilities.

The Operator may wish to add to the system but shall ensure that prior to the installation of any additional alarm or security equipment the prior written approval of the Council's Representative is obtained.

The Operator shall be responsible for the safe keeping of any keys to the Facilities and the maintenance of a key register. The Operator shall ensure that a list of key holders, together with their addresses and telephone numbers is supplied to the Council and the Police before the Commencement Date. The Operator shall update the list whenever changes are made and at least quarterly.

The Operator shall supply a list of names, addresses and telephone numbers of members of the Operator's staff who are on a 24 hour call out contact to the Council, Police, and alarm companies prior to the Commencement Date. This list shall be immediately up-dated by the Operator as circumstances require on the appointment of, resignation of etc. or change to any member of staff on the list.

The Operator shall ensure that only authorised personnel are admitted to any plant areas containing specialist equipment and machinery, e.g. water treatment and boiler rooms.

The Operator shall ensure that a zoned intruder detection system in order to enhance the security of the Facilities is fully operational. The Operator shall ensure that a fully operational control unit and remote keypad to activate and deactivate the intruder detection system is available at all times. The Operator shall ensure that each keyholder is given a unique password and that these passwords are changed on a regular basis.

The Operator is responsible for the total security system and its maintenance and shall retain and utilise the existing system.

The Operator shall ensure that appropriate out of hours keyholders are appointed to respond to intruder alarms.

Reporting Requirements

The Operator shall report inspections and record the results of all non-compliant measurements on the Property Database and to the Council.

The Operator shall submit details of any failure to maintain the required Performance Standards set out above as part of the Performance Monitoring Report.

Schedule 1 – Services Specification

1.35 Staffing**Required Outcome**

The Operator shall ensure that as a minimum, staffing levels are appropriate to the size of the Facilities, the activity and legislation and is delivered by suitably trained personnel.

The operator shall within its Normal Operating Procedures and Emergency Action Plan set minimum staffing numbers to be met for the safe operation of the facilities.

In respect of all staff employed or seeking employment, the Operator shall comply with the provisions of all relevant employment legislation including Equal Opportunities, the EU Working Time Directive and the National Living Wage and the principles of the Workforce Code and any subsequent amendments thereof. These are further specified in the Contract.

The Operator shall have recruitment procedures to ensure that all prospective candidates are given equal consideration for available positions. The Operator shall set out its approach to recruitment and demonstrate how it ensures all equal opportunities legislation is adhered to.

The Operator shall support the placements of work experience students across the Facilities. The Operator shall ensure they have full procedures in place for the organisation of work experience students and that there is a responsible adult to whom the students can refer at the Facilities. Any work experience students or trainees shall always be additional to the agreed establishment, working alongside existing staff.

The Operator must meet the Disclosure and Barring Scheme requirements as detailed in the Agreement in relation to all staff employed in relation to the provision of Services including any third party club or coach.

Performance Standards

The Contractor shall ensure that as a minimum, staffing levels are appropriate to the size of the Facility, the activity and delivered by suitably trained personnel.

The Contractor shall ensure compliance with the guide “Managing Health & Safety in Swimming Pools” dated 1999 and the subsequent Local Council Circular supplement note dated 2005. The Contractor to ensure that Lifeguards are trained and competent and that these individuals attend regular ongoing monthly training.

The Contractor shall ensure compliance with Governing Body requirements where practicable with respect to staffing.

The Contractor shall ensure compliance with the relevant requirements of the local OFSTED registration requirements, the Council Social Services Department, meeting the 14 standards outlined in National Standards for under 8's Day Care and Childminding as set out in The Children Act and the staff qualifications for any other specific activity as outlined in the Contractor's Plans.

The Contractor shall ensure that appropriately qualified persons or sub-consultant companies carry out all maintenance works.

The Contractor shall ensure that reception desks are appropriately staffed at all times the Facility is open to the public. Reception staffing levels and access control procedures at times of peak demand shall be such that Customers are able to gain access without unreasonable delay.

The Contractor shall ensure that a member of gym staff is available on the gym floor during all operational hours who is not involved in induction or personal training. The Contractor shall ensure compliance in respect of all persons employed or seeking employment with the provisions of all employment Legislation including equal opportunities, the EU Working Time Regulations and the national minimum wage.

The Contractor shall be entirely responsible for the employment and conditions of service of its employees and shall implement a scheme for the continued assessment and development of staff. The Contractor shall therefore ensure that, through individual staff training plans where applicable to each

Schedule 1 – Services Specification

role, staff undertake regular training (including refresher and advanced courses) to achieve qualifications relevant to their role. The Contractor shall ensure that this is appraised annually.

The Contractor is encouraged to offer apprenticeships and work experience in the Facility to local residents.

The Contractor shall appoint an overall contract manager to be its Contractor's Representative. The Contractor's Representative shall consult with the Council's Representative as often as may reasonably be necessary for the efficient provision of the Services and shall attend meetings on a regular basis.

The Contractor shall employ sufficient qualified and experienced staff to ensure a high standard of service and customer care at all times. Accordingly it will be necessary for the Contractor to employ sufficient reserves of staff to provide these high standards in times of sickness, leave, training and other absence from work.

The Contractor shall maintain detailed training records to include attendance at lifeguard training sessions.

Reporting Requirements

The Contractor shall submit to the Council for information by the 1st October 2019 a skills matrix and training plan for all existing staff and any proposed additional staff.

The Contractor shall as part of its annual report submit to the Council resubmit the skills matrix and training plan for the Council's information and comment. .

1.36 Working with external stakeholders

Required Outcome

The Operator will develop and maintain effective relationships with relevant organisation/agencies in order to meet the objectives of the business plan, the Council's Strategic purposes and to open up new markets for the delivery of services. .

Performance Standards

The Operator will attend Redditch Partnership meetings and develop effective relationships with the following organisations (examples only);

- Wellness Hub
- Worcestershire County Council Public Health
- County Sports Partnership and National Governing Bodies
- Arts in Redditch
- Arts Council
- Smoke free Worcestershire
- GP's
- Clinical Commissioning Groups
- Natural England
- Older Peoples Forum
- Community Voluntary Service
- Early Help
- Schools
- Social Care Services (Adult and Children's services)
- Youth Mutual

1.37 Community Development

Required Outcome

Schedule 1 – Services Specification

Community Development is an important tool in achieving greater usage from under-represented groups. In particular, the development of physical activity focuses on encouraging individuals and/or groups who may be disadvantaged in some way to take part in sports, cultural, physical activity to become healthy.

The Operator acknowledges the importance of Community Development and shall prepare an annual Development Plan as part of the business planning cycle in light of this for approval by the Council's Representative and implementation by the Operator.

The Community Activity Development Plan shall closely reflect the Council's Priorities & Strategic Purposes and take account of the needs of the district to include appropriate provision of coached sessions/ links between centres and clubs, active promotion of healthy lifestyles, links to schools, universities and partnerships with appropriate organisations.

The Operator shall ensure that the Community Activity Development Plan also demonstrates effective and sustainable improvements on issues such as improving health and tackling health inequalities, increasing community safety, raising attainment and promoting social inclusion. This will involve the Operator working in partnership with various local and regional organisations (including UK Government, Sport England, Arts UK, Public Health England,) to identify issues and agree priorities.

Performance Standards

The Operator shall identify where it will work with the Council within and beyond the Facilities to address the Council's key objectives and aid the delivery of the Council's Outcomes. In particular:

- (a) The Operator shall ensure that a Community Development Plan is developed and implemented, setting out in detail how programmes will support increased participation and opportunities for progression across the community, with particular reference to those priority groups identified by the Council from time to time. The Operator shall ensure that the plan is submitted to the Council for approval in line with the reporting process outlined in 1.19 '*Other Monitoring & Reporting*'. and then, annually thereafter, by 31 December for implementation the following Contract Year
- (b) Implementation of the Community Development Plan will be led by a designated and suitably experienced member of staff, appointed by the Operator in consultation with the client
- (c) Programmes of activity will respond to the Council's objectives and key outcomes, and be flexible to accommodate future changes in local demographics and participation trends
- (d) Programming will reflect a clear philosophy on Sports, Arts and wellbeing development and equity informed by current guidance from appropriate agencies.

The Operator shall ensure that the Community Development Plan includes specific provision for:

- (a) Programmes to promote and increase participation in sports and physical activity, and Arts and Cultural activities and thereby improve the health and wellbeing of the community. Programmes of activity will be accessible to all members of the community, and active measures will be taken to include those who may be constrained by economic, social or physical factors
- (b) Structured and comprehensive programmes for skills development at a range of levels from introductory to elite performance, consistent with the principles of long-term athlete development and with recognised sport's governing body frameworks where appropriate and creating a pathway to participation to established local clubs and societies.
- (c) Innovative approaches to programming and services, with particular regard to the range of activities and forms of delivery
- (d) Linkages and participant pathways between community, educational, health and leisure provision, and between local, regional and national organisations, as appropriate
- (e) Active collaboration with relevant sports clubs, governing bodies, statutory authorities and community organisations both to directly strengthen local opportunity and to develop organisational capacity, particularly in accredited local sports clubs and associations. Such collaboration will be framed at all

Schedule 1 – Services Specification

times by relevant accreditation and recognised good practice, particularly in relation to child protection, club organisation and volunteer qualification.

- (f) Flexible and responsive pricing strategies which balance financial parameters with leisure and cultural outcomes, and particularly for example:
- Capture opportunities for programme developments at under-utilised times or in under-utilised spaces
 - Materially change consumer behaviour, for example through the provision of low-cost opportunities to key groups
 - Support wider partnership working through reduced hire fees or preferential bookings to meet the objectives of the partnerships or key local community groups/organisations
- (a) Relevant research and promotion to ensure that the services and opportunities provided are related to community needs and aspirations and are effectively communicated to that community. This includes, but is not limited to, the effective use of information displays within the Centre and effective liaison with community and statutory organisations

The Operator shall ensure that progress against the Community Development Plan is reported on a quarterly basis.

Where such reports indicate that no significant progress is being made, or that a relevant development opportunity may be more effectively captured by the Council acting directly or in collaboration with other agencies, it may require the Operator to provide programme-time and operational support on a marginal cost basis (i.e., direct material or additional staff-costs, or actual income foregone) to allow relevant initiatives to be undertaken. Such programme-time may not however exceed eight (8) facilities-hours per week or 200 facilities-hours per annum, may not conflict with a prior booking commitment or demonstrably significant regular use.

Reporting Requirements

The Operator shall ensure that the Community Development Plan and programmes are provided to the Council by the 1st April 2020 and, that an update section on this matter is included within the annual report for implementation the following Contract Year.

The Operator shall ensure that a Community Development Plan progress Update is provided to the Council for the Contract Review Meeting as per the initial submission date outlined in section 1.19 *'Other Monitoring & Reporting'* The Operator shall submit a log of all instances where the programme was not met or failures to deliver the Performance Standards as part of the Performance Monitoring Report.

Authority Pricing Requirements**CORE PRICES (Protected by the Authority)****Table 1 Core prices (inclusive of VAT)**

Facility & Activity	Peak Rate (£)	Off Peak rate (£)
Gym Sessions		
Adult session		
Junior session		
Senior session		
Disabled session		
Fitness Classes		
Dry		
Wet		
Racquets		
Badminton		
Table Tennis		
Swimming		
Adult session		
Junior session		
Senior session		
Disabled session		
Museum Entry		
Adult		
Junior		
Senior		
Community Centre Hire Charge (Per Hour)	Small Hall	Main Hall
Voluntary Rate		
Standard 1		
Standard 2		
Standard 3		
Function		
Palace Theatre		

Definitions

Junior = 0-15yrs

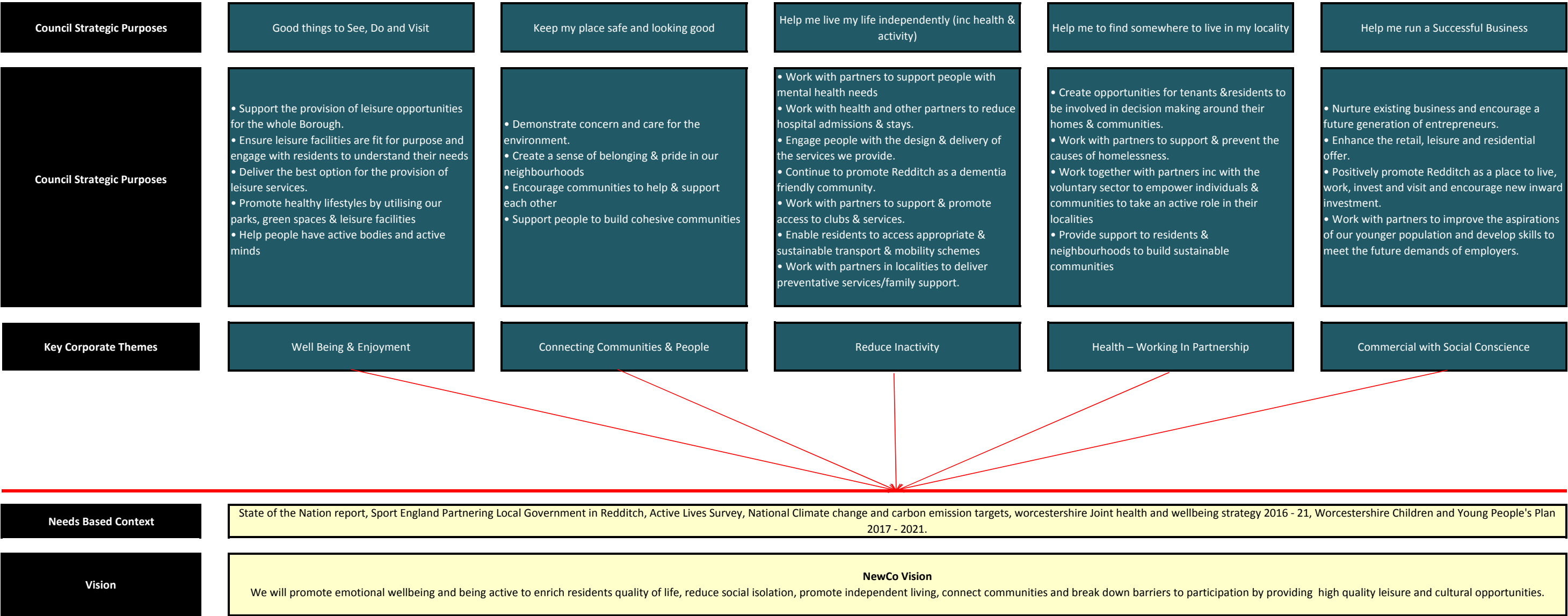
Adult = 16-59

Senior = 60+Yrs (those in receipt of Pension Credit (Guaranteed Element))

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Leisure and Cultural Services...a Framework for Future delivery

The development of a performance management framework identifies the key priorities for the future delivery of Leisure and Cultural services to ensure the aims and strategic purposes of the Borough of Redditch are met. The information contained in this framework is further explained in the service specification for the future delivery of Leisure and Cultural Services along with the reporting frequency for the measures outlined below.



Strategic Aims/Goals	To identify and break down barriers to accessing our Leisure & Cultural facilities in Redditch	To connect communities in Redditch	To reduce social isolation and promote independent living in Redditch	To improve the physical and emotional wellbeing of Redditch residents	To facilitate and support the future of Council owned leisure and cultural facilities in Redditch
Strategic Objectives	<ul style="list-style-type: none">• To integrate into our NewCo, a carefully designed performance management framework that continually seeks to identify the barriers to accessing our services• To promote and implement the councils concessionary policy to remove financial barriers to participation.• To reinvest surplus back into the facilities to deliver the overall strategic aim.• To create streamlined access channels to services based on demographic profiling.• To utilise and maximise the use of technology to achieve the aim.• To increase engagement between customers and the NewCo’s services through effective marketing and promotion.• To increase the awareness of the services the NewCo provides and increase market penetration.• To undertake robust and appropriate travel planning to identify and influence access to services.	<ul style="list-style-type: none">• To provide a diverse & high quality programme of relevant leisure, culture & community activity that contributes to connecting communities in Redditch.• To mainstream within our facilities tried and tested council leisure and culture development strategies that contribute to connecting communities in Redditch.• To facilitate and support developmental activities that help residents who have barriers to access.• To reduce the level of Redditch resident’s dependency on public services (eg health, welfare, police)• To work in partnership to increase the capacity and financial resources available to the NewCo to contribute to connecting communities in Redditch.• To review and revise our programmes to support local community groups and organisations according to identified need.• To act as a platform to communicate additional council services and messages which support the local community of Redditch.• To utilise and maximise the use of technology to achieve the aim.• To maintain current activity levels through partnership working and an innovative approach to service design.• Suppoort Voluntary Community Sector organisations who use our facilities to ensure they are sustainable andcontinue to offer a service to local people.• To be the partner of choice for public services and community groups for the delivery of physical activity opportunities.• Workwith partners to use leisure and cultural services to provide activities and programmes that contribute to community safety objectives.	<ul style="list-style-type: none">• To provide a diverse & high quality programme of relevant leisure, culture & community activity that contributes to reducing social isolation and promoting independent living in Redditch.• To mainstream within our facilities tried and tested council leisure and culture development strategies that reduce social isolation and promote independent living in Redditch.• To reduce the level of Redditch resident’s dependency on public services (eg health, welfare, police)• To work in partnership to increase the capacity and financial resources available to the NewCo to reduce social isolation and promote independent living.• To continually review and revise our programmes of activity according to identified need and resident feedback.• To utilise and maximise the use of technology to achieve the aim.• To create pathways and progress routes for community based activity.	<ul style="list-style-type: none">• To integrate into our NewCo a carefully designed performance management framework that continually seeks to identify the barriers to accessing our services.• To increase participation and attendances for those who are currently insufficiently active.• To provide increased positive activities for children and young people.• To support the council in engaging with inactive residents to have active bodies and active minds.• To work with partners to review existing and create new joint and cohesive programmes.• To understand the needs of specific groups.• To utilise and maximise the use of technology to achieve the aim.• To engae with and understand social issues at a local level to support partner organisations to achieve their goals.• To provide technical advice and guidance to community organisations and partners where needed.	<ul style="list-style-type: none">• To continuously identify/review community needs that relate to the NewCo service provision and adapt service provision according to those needs on an ongoing basis.• To improve the customer experience of NewCo users.• To strengthen the performance of the NewCo workforce.• To improve the financial viability of the NewCo.• To maintain and keep up to date the risk analysis framework for the NewCo.• To be a market leader and respond to opportunities in the Redditch area for the provision of leisure.• To take responsibility for minimising negative impact and maximising positive impact on the environment by the service.• To utilise and maximise the use of technology to achieve the aim.• To develop a high performing staffing structure with an innovative and can-do culture.• Develop new markets for existing services and new services for existing markets.• To invest in the services buildings to dleiver the business plan objectives.

APPENDIX 4NewCo Summary Initial Business Plan – September 2018

1. Foreword

I am delighted to present the initial Business Plan for NewCo, a company set up by and wholly owned by Redditch Borough Council and launching in January 2019.

The objective of this document is to provide the reader with a realistic picture of what we aim to achieve in the critical early stages of the company's life (our key aims and objectives) whilst also drawing attention to the challenges that NewCo will undoubtedly experience.

Whilst a significant amount of work has and will continue to be done ahead of the launch date the new business will only come to life in January and that is when the hard work really begins. My challenge is of course to ensure those plans are implemented in a robust and timely manner such that the benefits that underpin the decision to establish NewCo are fully realised.

Having day to day responsibility for the delivery of the councils priorities through the Leisure and Cultural Services is a significantly responsibility. I am conscious that this responsibility extends beyond the need to reduce the financial reliance on funding from the Council but equally important the influence NewCo will have on the health and well-being of local people, particularly those that are most vulnerable.

I believe in transparency and it is my intention to provide an updated annual business plan every year , which builds on the previous plans to tell the story of the development of NewCo. Both celebrating significant milestones and successes whilst also setting the scene around future plans and aspirations. It is through this approach that people can contribute on an informed basis on that journey.

I am proud to be a part of NewCo and excited by the opportunities and challenges ahead.

Signed

NewCo Vision

We will promote emotional wellbeing and being active to enrich resident's quality of life, reduce social isolation, promote independent living, connect communities and break down barriers to participation by providing high quality leisure and cultural opportunities.

MD Of New Co (or interim Post Holder)

2. Introduction

The decision, in 2018, by RBC to establish an independent trading company to manage and operate its Leisure and Cultural Services (L&CS) was a recognition of the need to maintain and improve on the quality of those services and facilities, at a time when all public authorities have limited funding available to provide discretionary services.

To support that decision, NewCo has worked with the council and specialist advisors to develop a detailed Business plan through to 2024. That document provides a much more granular view than this summary document around NewCo setting out how it plans to support the Council's Strategic Purposes and achieve its key measures, including financial. A very detailed service specification is in place that underpins the relationship between NewCo and the Council to ensure agreed outcomes are met in full.

The purpose of this document is not to replace that detailed plan, rather to present the key points of that document in a summary version to inform stakeholders and stimulate discussion and debate around those plans.

A tremendous amount of work has been done, by NewCo and council teams, to be ready to launch the Company on the 1st December 2018. That said it is important to recognise that whilst the detailed planning and preparations made are important it is the determined execution of those plans that are critical to the success of NewCo.

Naturally, as with the launch of any new company those plans will be subjected to some head winds and unplanned events. By working together with our partners, we will have to adapt our course at times but must remain true to the outcomes we have agreed. Our plans for the initial year of trading reflect that level of pragmatism, we need to firstly build a strong operational base, develop and grow our workforce and win new customers (and retain those we already have). It is natural that whilst we establish ourselves there will be challenges, we will however continue to look for new opportunities that may arise.

To create the right conditions for success we would identify three areas of focus:

1. **Our People:** Critical to that success is the professionalism and dedication of the staff, at all levels, within NewCo, each person has a key role to play in ensuring that we become more than just a new name or logo. We must ensure that the quality and range of services we offer meet the needs of residents and visitors alike so that they not only continue to use them, but importantly extend their usage and act as advocates for new users.

We will invest in the recruitment, training and development of our staff to build a professional, motivated and engaged workforce that focuses on meeting the needs of our customers.

2. **Our Facilities:** Alongside the investment in our people, we are ambitious about the services and facilities that we operate. Expanding our service provision is key and we are moving ahead with detailed proposals to develop new attractions that will encourage new users across different ages.

It is essential that we continue to refresh the range and quality of facilities available to current and potential new customers, by attracting more customers we secure the income necessary to reduce the reliance on the Council, allocate funding for investment and of course 'get more people more active more often' by expanding the choice and accessibility of facilities.

3. **Our Customers:**

Active engagement with customers is an important part of any organisations operating model. NewCo will need to establish structured and frequent customer engagement activity to ensure it listens and learns from what customers tell them. Customers are the most important source of intelligence for the company, both around how the service and facilities are managed and operated now but also how things may need to improve in the future. If NewCo ignores the thoughts and feelings of its customers, it will not succeed and meet the growth objective contained within the business plan.

3. Company Governance, Management and Structures

Background

NewCo is a not for profit organisation, a company incorporated for the sole purpose of the management and operation of RBC's Leisure and Cultural Services, with RBC being the sole shareholder, exercising control over the company through a shareholders committee.

RBC has awarded a management contract to NewCo for a 30-year term, with options to break at 5-year intervals after an initial 10-year term. In the initial phase of operation NewCo will have uninterrupted access to the Councils range of Support Services (HR/Finance/ICT etc) to enable a seamless transfer of services, going forward NewCo will then have the opportunity to source those support functions from the market place on potentially more favourable terms. This freedom to strike its own deals is key to the success of NewCo and the commercial approach it must adopt.

The council, as sole shareholder, has a significant influence over the company's strategy and the benefits it will bring to the local community however, day to day operational management, decision

making and control of the company rests firmly with the company's management team. The analogy is that "the Council will set the course, and the company will sail the ship"

Whilst in the future the company has ambition to expand the range of facilities and services it manages those initially in scope are:

- **Abbey Stadium:** Multi use sport stadium including 25M pool, 95 station gym and outside facilities
- **Forge Mill:** Celebrating the regions links to the Needle and Fishing Tackle industries through several displays and access to Bordesley Abbey Ruins
- **Palace Theatre:** 420 seat auditoria within a Grade 2 listed building at the heart of the town.
- **Pitcheroak Golf Course:** 9-hole golf course, established 1913 incorporating restaurant, golf academy and driving range
- **Community Centres:** Four local facilities offering a range of community-based services and events

We will retain our public-sector ethos of ensuring services are available to all, whilst adopting some of the best practices of the private sector and from the not for profit sectors - to retain existing customers and win new ones. In short "getting more people, more active, more often". That customer focus extends across both the Leisure and Cultural facilities managed by NewCo, making them attractive places to visit and learn from.

Looking to the future we have started to work with sector experts in the design and development of modern and inviting Leisure and Cultural facilities. Our ambition is clear, to modernise, innovate and improve the range of facilities we offer our customers. A summary of these investment opportunities is contained in the confidential papers . It is important to emphasise that these potential investments are outside of the company initial business plans and associated forecast profit and loss account. The savings agreed with the council are not dependent on these investment opportunities.

Governance:

Whilst the Council is the sole shareholder in the company, the Board of Non-Executive Directors will oversee the day to day operations and be responsible for making sure that the company is meeting its Business Plan objectives and thereby also the strategic needs of the Council. The Council will exercise democratic oversight and ultimate strategic control rather than become involved in the day to day operational matters. The company must be given the freedoms to innovate, evolve and succeed.

Any proposals for key changes or for the approval of matters reserved by the Council would be presented by the company to the shareholders board / committee on an annual basis, or more frequently if required This is confirmed within NewCo's detailed business plan (page8)

The Managing Director is appointed by the company, working with the Council, and is a member of the Board, additionally comprising;

- Two senior officers
- Four other non-executive directors

The composition of the board includes a mixture of appropriate skills and experience and with strong emphasis on individuals that have a personal connection with the borough. Board membership will be advertised, and interviews undertaken by the shareholders recruitment panel. Roles will be voluntary, and members will be paid reasonable expenses for attending meetings and conducting the business of the company.

The Chair will be elected by the Board with the managing director not having the ability to chair the board to ensure independence

Management and Control:

A detailed organisational structure is provided in the confidential appendices, the transfer of the existing Leisure and Cultural Services team will be invaluable in providing continuity of service through the transition period. The senior leadership team will have a significant responsibility to maintain the core service whilst implementing the ambitious transformation plans needed to underpin success. The cultural changes implicit in that transformation are not insignificant.

Whilst day to day control rests with the management team, the company are committed to transparency and a set of key performance measures have been agreed with the council.

The `Performance Framework` which has been informed by the Council's requirements includes details of agreed Service Levels and a dispute resolution process. These processes are designed to build a highly collaborative relationship between the company and the Council which is set up to succeed. The monitoring regime will be "light touch" and will avoid unnecessary administrative cost and bureaucracy. It would:

- Focus on key SMART objectives
- Provide an ability to vary it to reflect the Councils needs
- Be used to secure continuous improvement
- Be light touch and will not distract either party from developing a positive relationship
- Help to facilitate effective democratic oversight

Staff Development

Investment on new facilities and improvements to current ones will be a priority for NewCo and annual surpluses will be prioritised on those areas. In the short term of course, it is the people that can make the greatest difference and our aim is to make sure that customers see a difference from day one – and this will be delivered by our staff.

The company's mobilisation plan will see a significant focus and investment in its people. In total 66 staff will transfer from the council to NewCo, and this workforce continuity is important to deliver a seamless customer experience. Through pre-launch activity and after launch, the company is committed to the necessary investment in workforce development and training to build on the

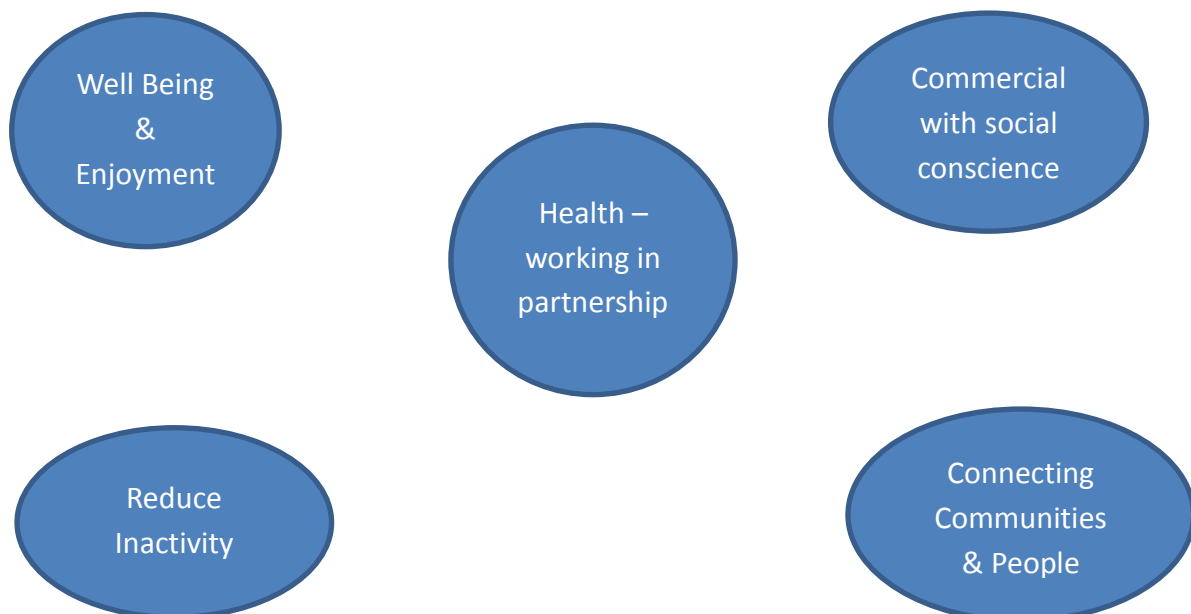
existing employee capabilities and develop the new skills and capabilities required for the company to succeed. New roles will be introduced to focus on member recruitment and retention; presenting opportunities for staff to grow and share success with the company.

The company will only succeed if the staff feel engaged, capable and confident to do their jobs and are supported by a leadership team that is capable and confident of delivering the cultural transformation and the journey towards a high-performance company focused on its customers

The cultural change associated to the transition to NewCo is something that will require investment, through a combination of targeted training and development sessions, consistent and coordinate communication and engagement, early adoption of new ways of working. All lead and inspired through a dynamic and motivated senior team that set the example and agenda.

4. Company Objectives

It is important to emphasise that NewCo does not operate in a strategic vacuum, its mission is to a large extent to support the ambitions and objectives of the council and must therefore reflect the councils own strategic objectives, specifically:



The company's detailed business plan and initial five-year strategy sets out how the company will support those objectives, together with the transformation journey required to achieve the performance improvements and requisite savings. It is important to translate those aspirations into meaningful objectives and actions that staff can understand and deliver around.

Development of those key objectives and actions will be a key focus for the first few months after launch and will include key stakeholders, staff and customer views to ensure we get it right.

The company's objectives will need to be aligned to the councils own strategic objectives and would therefore include:

- Contribute positively to the Councils strategic purposes as identified in the Councils Corporate and Strategic Plans
- Create a regionally significant, exciting and unique Leisure and Cultural Services offer
- Promote excellence in Leisure, Health and well-being, Family Entertainment, Community Ownership and Tourism
- Create new opportunities for leisure and physical activity encouraging increased participation & attendances and enhanced social cohesion
- Sustain existing and facilitate additional work placements, apprenticeships and employment opportunities
- Integrate local community priorities into a regionally significant leisure and family entertainment facilities
- Integrate facilities and programmes leading to increased physical and mental health well-being of residents. The company will reflect the council's policies relating to sports and physical activity.
- Develop a facility of promoting excellence in energy efficiency and environmental sustainability
- Provision of market leading accessible and affordable services and activities

The business case is predicated on an initial saving of £480,000k, rising to a full year saving of £520,000 by year five. This equates to a transition over the initial 5 years from a current annual subsidy of c£1 million value in 2018/19¹ to a level of £576,000 in 2023/24. This significant reduction is key to the Councils delivery of its Medium Term Financial Plan (MTFP).

This ambitious objective is predicated on the successful delivery of a challenging transformation agenda which touches on every aspect of the company's activities. This transformation will begin immediately after launch and whilst significant effort will be focused around it to ensure we get it right we will need to prioritise what we do and when. The plan will extend well beyond the initial year of the company's life, indeed it will become part of what we aim to be - an organisation that strives to deliver continuous improvement through focusing on our customers and our performance.

5. Key Priorities

Improving Income

- Activities aimed at reducing the current rate of attrition, attracting new members and generating a higher spend per visit to venues will increase income across all the lines of business. We will need to invest in developing new roles such as sales and retention advisors and reaching out into the community with strong promotions to win new business.
- Engaging with residents and users to understand how demand for new activities/events can get more people, more active, more often
- Build a detailed audience development plan for our cultural attractions, making it easier to book and pay for events

¹ Full year equivalent

- Targeting new sources of income, increasing the average spend at all our facilities and improve occupancy rates across all sites
- Review and refreshing programmes on a regular basis to ensure they meet changes in user demands and the company's business objectives.

Exploring Future Investment in Facilities

- Delivering the proposed changes to the Palace Theatre to expand its capacity and potential.
- An improved booking system, branding and signage
- Paying greater attention to the quality of greens and fairways to improve the golf environment; improving the quality of the course and introducing new activities to attract more customers.
- Upgrading and adding to the current leisure offer at The Abbey Leisure Centre, expanding the current activities both inside and outside to create stronger "destination" leisure offers that people want to visit and enjoy.
- Invest in the facilities, upgrading as appropriate and paying attention to repairs and renewals.
- Customer expectations around what a good leisure facility looks and feels like have changed and we need to ensure we meet and exceed the very high standards now expected. Customers always have a choice around where to spend their money.

Improving the Operating Model

- By identifying ways to operate more effectively or efficiently the company can reduce cost and improve the customer experience. Investment in appropriate electronic point of sale systems (EPOS) and smooth on line booking infrastructures will make it easy for customers to be more active, more often
- Development of a clear set of performance measures allow managers to identify both under and overperformance in a timely manner. Providing an opportunity to learn and improve.
- The opportunity presented to NewCo to source services and resources directly means it can enter the market with a commercial focus and secure the best value arrangements.
- Through a more targeted approach to procurement, identifying the very best contracts that are specific to the companies needs and not being part of a wider council procurement exercise.
- Managing those contracts in a deliberate and focused way to hold suppliers to account and ensure value for money and quality of delivery
- Being relentless on the control of costs, and delivering effectively and efficiently

Improving the customer experience

- As discussed previously our people are the key differentiator in a competitive market place. We can develop the best environments but it's still the people that make it successful. We recognise that our people can do a lot to make existing facilities feel even more welcoming and accessible.
- Proactively seek customer feedback, through surveys and customer relationship management systems (CRM); and using that insight to develop new services and sales strategies.
- Build a range of offers that attract and retain the full range of customer groups, including those that are currently under represented. `

Engaging with the community

- Become an essential part of the community eco system, helping to develop capacity and confidence within the voluntary sector
- Work with user groups and clubs to ensure that our facilities offer a diverse range of high quality activities that are delivered safely

- Work with health commissioners/boards to deliver community health interventions
- Offering free or reduced-price access to facilities at off peak times for local not for profit organisations and their members
- Make available, spaces for adult social care users and opportunities for learning
- Work with local people around each community centre to engender true “ownership” – offering venues for important community celebrations and events
- Being commercial within a compassionate culture

Organisational development

- Build an appropriate training and development framework to build organisational capacity and capability, recognising that our people are our most valuable assets (from board level to front line staff).
- Establish and apply a new brand identity with brand values aligned to the key strategic aims of the company that are shared by the Council
- Continue the investment in the national apprenticeship and work placement schemes
- Cultural change/ service reviews will be used to underpin the above service improvements and to ensure resources are focused on key areas where improvement is required to deliver the objectives of the Council when setting up the NewCo.

6. Key Challenges:

The launch of any new business venture is challenging and it’s important that in the early phases of the company’s development these challenges are understood and plans in place to successfully overcome them and the following key challenges have been identified

- a) Finding the balance between the need to operate in a more commercial way whilst continuing to reflect the public-sector ethos and the social return on investment implicit in the Councils objectives
- b) Building new and different relationships with colleagues, partners and contractors. Our ethos needs to be centred on a much more dynamic , focused approach to delivery or outcomes building on the cultural change that will need to be visible across the company
- c) Managing public perception around the new management model, which may result in people feeling that the operation has been “privatised”. An effective communications and marketing strategy that is well executed and resourced will be a key to success
- d) Customers must identify the NewCo brand with value for money and high-quality service. The messages associated with the brand must create a unique identity, recognised across multiple platforms.
- e) The magnitude of the transformation journey cannot be under estimated and will require strong and focused leadership - and adequate resources. In the formative years the company will need to balance its commitment to compliance with a strong performance regime with its capacity to manage the recording and reporting requirements.

- f) The company needs a pace of change which is “closer to revolution than evolution’, for example a key target is the extension of users across the services to generate additional revenue. Without that income NewCo will find it difficult to deliver on its financial targets.
- g) Managing stakeholder expectations will be essential as there will be temptation to focus on relatively insignificant problems which are inevitable, rather than focusing on continuous improvement and the customer journey.
- h) Delivering shareholder value in a new culture which is based on business planning rather than budget setting – that requires a degree of managed risk taking and investment in the early stages of NewCo’s existence to achieve the social and economic return on investment

To mitigate key service continuity risks NewCo will continue to benefit from uninterrupted access to key supports services from the Council. These include ICT, Facilities Management and Procurement.

The transition will not succeed without an effective mobilisation plan, under pinned by a partnership approach and a culture of trust and transparency. Whilst much of that plan will rightly focus on the practical steps required to achieve readiness for transfer, with the company will need to implement an ambitious sales and marketing campaign from day one - to secure new members and maximise income from all areas. The first month of operation (December) is typically a key month for new gym membership campaigns and NewCo will need to have prepared for a new year promotional campaign.

7. Initial Milestones

Our journey will be both challenging and hugely rewarding, for our staff, our stakeholders and of course the community. To track our progress, we have developed a series of key milestones that will work through. It’s important we keep momentum behind the many actions that underpin each of these. I am confident the team will rise to that challenge.

- Establishment of the company and final approval of the Business Plan and Proposal by the Council
- Planning for transfer
- Transfer
- Achieving service continuity
- Preparing for change
- Delivering against business plan
- Delivering continuous improvement

Pre-Launch

July to September

- Drafting of detailed and summary Proposal and the first of the annual Business Plans
- Council approval to proceed
- Develop detailed mobilisation plans
- Early engagement with staff and stakeholders
- Agree the priority Capital Investment Projects

October to December

Implement Mobilisation Plan, Including:

- Recruitment of MD and Board of non-executive directors
- Onboarding of MD and Board of non-executive directors
- Incorporation of company
- Development and launch of new company name / brand identity
- Implementation of customer communication strategy
- Launch of marketing and sales strategy
- Agree Service Level Agreements with provider organisations
- Develop Priority Capital Investment Projects
- Prepare for initial sales campaigns, recruit/train staff
- Agree initial operational targets (income/membership growth/Footfall)

1st December 2018

Company Launch

December (18) to March (19)

- Execution of initial marketing and sales activities
- Implementation of `quick win` improvement opportunities
- Development of audience development plan
- Complete initial management accounts and performance dashboard
- Communicate broadly with staff and stakeholders- celebrate and build on success
- Agreement on core objectives and detailed actions to underpin delivery-including stakeholder engagement activity

April 19 Onwards

- Carry out an organisational review to make NewCo `fit for the future` so it can compete effectively-engaging with staff to build a `package` that attracts, retains and motivates staff
- Implementation of Phase One of the ambitious Investment Program
- Launch our new brand in the market
- Carry out a review of the leisure services catering operations to ensure we have value for money for customer and NewCo
- Targeted action plans to drive performance levels to industry top quartile over medium term
- Market Testing to source `best value` Support Services

8. Financial Overview:

The company's initial business plan includes detailed projections for operating costs and revenue, which demonstrate how it will achieve the level of savings upon which the Business Case is predicated. The detailed financial information is contained within the confidential business plan but reflects the delivery of the initial savings projections as reported to members of £480k.

The new Company will operate with a strong commercial focus to increase the income generated from its activities. Income growth will be achieved through a combination of

- Improved occupancy – all venues
- Increased attendance / admissions
- Increased secondary spends
- New income streams
- Targeted use of concessionary pricing
- More effective sales and marketing
- Reduced attrition (memberships)
- Increased membership sales
- Exploring additional services and commissioning opportunities
- Prudent investment in new facilities and features

A more detailed financial summary is included within the confidential appendices

9. Performance Management Framework

New Co and the council have agreed an overarching performance framework through which performance can be measured, reported and escalated, if necessary. The parties are developing the more granular elements of that as part of the collaborative work taking place. It is important that this framework is developed in the context of the relationship between the council and NewCo. One where both parties have an interest in the success of NewCo, where a transparency exists, where the model is predicated on Trust and where ultimately both parties are tied together through financial dependency. Essentially both parties seek to adopt a 'light touch' framework which avoids the need for bureaucratic and costly support roles on both sides. That said the council will retain adequate oversight and control to ensure agreed objectives are met and the company operates within the spirit of the agreements reached.

The framework itself comprises:

1. Service Specification- Underpinning the management contract is a detailed specification of the service being delivered, what the council requires NewCo to do.
2. Service Level Agreements - which detail the expected level of performance for support services provided by the council for NewCo, including agreed response times and escalation periods
3. Performance Dashboard: Summary key performance measures and agreed reporting frequencies
4. Dispute Resolution Process; to manage service shortfalls and other performance issues

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****Leisure & Cultural Services – Proposed Service Restructure**

Relevant Portfolio Holder	Cllr M Rouse
Portfolio Holder Consulted	Yes
Relevant Head of Service	Head Of Leisure & Cultural Services
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Non-Key Decision	
This report contains exempt information as defined in Paragraph(s) 2 and 4 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. SUMMARY OF PROPOSALS

- 1.1 The report overviews the proposed changes relating to a revised management structure for the delivery of Leisure & Cultural Services (L&CS) across Redditch Borough and Bromsgrove District Council that will be required should Members agree to the establishment of a Local Authority Trading Company (LATC) for a number of services that currently form part of Leisure & Cultural Shared Services.
- 1.2 This report should be read in conjunction with the LATC Report and will only require a decision on future structures should Members decide that the LATC project is to be progressed.

2. RECOMMENDATIONS

- 2.1 **The Executive Committee is to recommend to Full Council that:**

2.1.1 The proposed management structure, timeline and associated costs contained within this report are approved.

3. KEY ISSUES**Background**

- 3.1 As Members will be aware, as part of the shared services agenda between Redditch Borough Council (RBC) and Bromsgrove District Council (BDC) a shared L&CS department was created in August 2011 with RBC acting as host authority. As part of the establishment of the costs for the shared service, staff time was allocated to each authority based upon the amount of work each employee was expected to undertake for that authority. Operational budgets used to deliver the services were not considered as part of the financial consideration as these were treated as being a matter for each authority and were to be used by officers to deliver the services required by Members.
- 3.2 Although the services delivered in each area are broadly similar and expected to deliver similar outcomes for residents, when setting up the shared service one of the key differences that needed to be understood and reflected in the structure, was that RBC was responsible for directly delivering a number of services to be included.

In contrast BDC has taken a previous decision that it wished to facilitate and commission the delivery of some front line services where it felt that there would be a financial and service benefit to do so.

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Key examples of this difference in approach were the delivery models used for sports centres and theatres, the approach taken at the time to dual use facilities and the different approaches to facility management services.

Where a Council required services to be delivered under the L&CS Shared Service that were not shared at the operational/delivery level these were costed as being 100% to the respective authority with associated management costs being allocated as appropriate.

- 3.3 The following chart reflects the services that were part of the shared service structure when it was established and how they were delivered at service/site level:

Service Area #	BDC	RBC	Shared
Sport Development			✓
Arts Development			✓
Community Events			✓
Parks and Public Open Space Inc. Play Provision			✓
Allotments			✓
Business Development Inc. Room Bookings			✓
Abbey Stadium & Dual Use Sports Centre		✓	
Palace Theatre Inc. Youth Theatre		✓	
Forge Mill Needle Museum & Bordesley Abbey Visitors Centre		✓	
Pitcher Oak Golf Course		✓	
Community Centres (5)		✓	
Reddi Centre Inc. Learning On Line		✓	
Facility Management	✓		
Contracted and/or Commissioned Service management	✓		

- Headline areas only within description, functions within services are not shown.

- 3.4 Following a number of service reviews including the 2017 reports relating to the Parks and Facilities Management services and some minor changes to what and how each council delivers services there have been changes to the delivery model. The table below shows the services that are currently overseen by the L&CS team and how they are delivered at service/site level:

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Service Area #	BDC	RBC	Shared
Sport Development			✓
Arts Development			✓
Community Events			✓
Parks Inc. Play Provision & GM Team			✓
Allotments			✓
Facility Management			✓
Business Development Inc. Room Bookings			✓
Contracted and/or Commissioned Service Management			✓
Abbey Stadium Sports Centre		✓	
Palace Theatre Inc. Youth Theatre		✓	
Forge Mill Needle Museum & Bordesley Abbey Visitors Centre		✓	
Pitcher Oak Golf Course		✓	
Community Centres (5)		✓	
Learning On Line		✓	
Bromsgrove TC Market	✓		
Public Toilets	✓		

- Headline areas only within description, functions within services are not shown.

- 3.5 As part of RBC's response to the funding pressures that are impacting on the public sector, the four year efficiency plan that was agreed with Central Government as part of the comprehensive spending review and the work of the Commercial Programme Board, an options appraisal was commissioned in 2017 to review the potential options that could be explored with regard to L&CS and what alternative models of service delivery could be implemented.

As Members will be aware the Options Appraisal was reported to Redditch's Executive Committee on the 31st October 2017 where Members considered the potential delivery models that were outlined, their respective merits against an agreed scoring matrix, the services that could be included within the model and information with regard to the potential savings that could be achieved.

Following discussions Members requested officers to bring back an outline business case and key considerations in March 2018 that overviewed the Local Authority Trading Company (LATC) model in more detail to confirm the funding position/savings potential, established a proposal for its implementation with regard to governance issues and transfer requirements to ensure operational success and growth and to agree a

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timetable for implementation subject to a final report being submitted to gain formal approval.

On the 20th March 2018 the outline business case, key assumptions, governance and operational requirements and project time lines were presented to Members who endorsed the report's recommendations and confirmed that they wished to establish a LATC for some aspects of L&CS subject to a formal business plan being proposed and confirmation of several key assumptions that were shown within the committee report.

The recommendations agreed at the subsequent Full Council were as follows:

It is recommended that Executive consider the detailed V4 report and all other information provided and RECOMMENDS to Council the following:

- *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.*
- *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.*
- *That a recruitment process is commenced for a Managing Director of NewCo and that the Executive Director of Finance and Resources be given delegated authority to prepare a job description and person specification.*
- *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.*
- *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 4½ years of trading.*

- 3.6 The business plan and covering report that forms the basis of the above recommendations will now be considered at RBC's Executive Committee on Tuesday 11th September and the Full Council on 17th September 2018.

This report which responds to the fourth recommendation above should be read in conjunction with the LATC report and will only require a decision to be made should Members decide that the LATC project is to be progressed.

- 3.7 Within the LATC committee reports a recommendation and decision will be made with regard to the future delivery model to be adopted for a number of services that are currently provided and fully funded by the Council as highlighted at Section 3.2 to 3.4.

It should however be noted that these services are managed through the shared L&CS structure and those managers provide services to both councils.

The services considered in scope and recommended for inclusion within the LATC company structure are as follows:

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- Abbey Stadium Sports Centre
- Pitcher Oak Golf Course
- Palace Theatre Inc. Palace Youth Theatre
- Community Centres (4) – with the remaining site to return to RBC Property Service for management
- Forge Mill Museum and Bordesley Abbey Visitors Centre

The impact of the proposed changes have been reviewed by colleagues within the Human Resources and Legal Services sections to establish if there would be an impact upon the shared management structure from a TUPE perspective as a result of the proposal.

Following this review it has been established that a small number of posts that are currently classed as shared across both Councils will be part of the TUPE cohort of staff and will be transferred to the LATC once it goes live. These posts are:

- Sports Services Manager
- Parks & Cultural Services Manager
- Marketing & Promotions Officer

It should be noted that all other posts that are within the TUPE cohort are funded directly by RBC as part of the direct delivery model overviewed above.

- 3.8 The following table outlines the services which will be delivered through the revised shared service structure and demonstrates how the differences in the former models of delivery are now reduced and as such why the number of directly funded posts from either council is now at a minimum.

Service Area #	BDC	RBC	Shared
Sport Development			✓
Arts Development			✓
Community Events			✓
Parks Inc. Play Provision & GM Team			✓
Allotments			✓
Facility Management			✓
Business Development			✓
Contracted, Grant Funding & Commissioned Service Management			✓
Learning Online ##		✓	
HRA Cleansing ###		✓	
Bromsgrove Town Centre Market ###	✓		
Public Toilets	✓		

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- Headline areas are only within description, functions within services are not shown.

- Managed via shared service team.

- These services are to be included as part of the review and is additional to the L&CS service mix at the start of the project. These services have been built into the % management allocations within the service costs.

- 3.9 From a staffing and structure perspective the loss of skill, knowledge and experience from the existing structure will have the potential to impact upon the department's capacity and capability in the short term as a number of key personnel will TUPE transfer, these staff currently work within the shared management team and have experience of managing and supporting external providers of services as well as overseeing the direct delivery of council services.

In order to ensure that the service continues to deliver high quality services that meet the expectations of Members and residents, are sustainable and capable of responding to service need proactively and can contribute to the commercialisation agenda, it was agreed that we needed to respond to this change of delivery model proactively and undertake a full service review to bring forward a proposed revised service structure to be implemented as part of the wider project.

As host authority the responsibility for making the decision on structure rests with RBC but requires that BDC be informed of any changes to the delivery of model and that confirmation is given that service delivered on behalf of BDC will not change.

- 3.10 When the Project Board requested that the restructure be brought forward, a number of conversations were held on what the remit of the review should be, what would need to be considered and what the parameters were.

The following overviews the key assumptions used to formulate the response to the change of service model and the proposed shared services structure that is to be implemented for Leisure & Cultural Services:

- That the costs associated with the review cannot increase beyond those already incurred by either Council.
- That the percentage allocations of time will be reviewed and revised where needed to reflect the fact that the model of delivery for each council is now much closer than was previously the case.
- That the service mix for BDC remains the same and there can be no change in service.
- That the RBC out of scope service will be delivered to the current standard and cannot be reduced to support the in scope services.
- The review will be undertaken across all L&CS services to reflect the need to move from a delivery based model to a development, facilitated and contract management position and the changes in the experience and skills set to successfully achieve this transition.
- The new structure will be predicated on transformation principles and looks to increase roles that create or add value whilst reducing roles that are classed as enabling.
- The new structure will look to be more commercially minded so that it can maximise opportunities when they arise and/or stimulate them.
- The structure should be flexible enough in its approach so that it can respond to any future changes linked to the corporate management review without the need for further restructures.

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- Service groupings where being revised should be based upon strategic purposes and the corporate plan objectives and to increase the ability of L&CS to play a greater role in strategic planning
- That the proposed structure creates greater interaction within L&CS and links together key services under a single manager where appropriate to increase flexibility, joint working and create dedicated lead officers on cross cutting agenda.
- The service lack of project and programme support be reviewed and addressed to allow and support service expertise to be more forward facing, increase capacity on key projects and to develop greater interaction with key partners, stakeholder and residents.
- That the structure is predicated on moving the current approach to service planning to an outcome based approach, whilst maintaining it high level of outputs it produces. This includes becoming more tangible within service plans and ensuring all actions contribute directly to the outcomes of the corporate plan and/or partnership delivery priorities/agendas.
- That the need to implemented robust contract management principle within the team to reflect the changing approach and recent changes within key partners is reflected and resources allocated for these key areas of future service delivery.
- That the BDC market service will be included within the review.
- That the approach to the BDC facility management service has the ability and flexibility to be reviewed as part of a potential future shared service for property and facilities to offer savings to BDC.
- That the RBC HRA cleansing service review would be built into the review so that it can be taken forward if required at a later stage.
- Based upon HR advice that the service restructure cannot commence until after the date of transfer so that staff have the opportunity to apply for jobs within the LATC and Council as part of the process.
- .

Staff Implications

- 3.11 Officers have been working on a proposed structure that meets the parameters set by the Project Board and full details of the current and proposed structure and the roles and responsibilities at 4th tier management levels can be found as Appendix 1, 2 and 3 to this report.

As Members would expect when responding to such a change there are a number of implications that can affect the current team and these have been plotted to understand the likely impact upon staff.

The following tables look to provide information on these matters and how staff are potentially affected.

However as part of the formal consultation exercise on the proposed structure these plans will be reviewed and commented upon and as such the position of individuals/ roles within the tables could be subject to change based upon the consultation feedback received.

At the end of the recruitment process officers will provide a final structure chart and update Members on the overall impact of the restructure along with confirmation of the updated department contact list.

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Please note for the purpose of this and the financial modelling the Head of Service Post is not included within the numbers as this will be subject to the corporate management review.

Overall Impact of TUPE:

Description/Position	Head Count	FTE
Remain within Shared Service	51	40.00
TUPE Transfer Cohort	66	49.76
Total	117	89.76

Current & Proposed Posts (Excludes Markets, Parks Apprentice & HRA Cleansing Team):

Description/Position	Head Count	FTE
Current Posts within Structure #	54	41.8
Proposed Posts within the New Structure	52	40.19
<i>Difference</i>	-2	-1.61
Posts Proposed as Redundant	11	10.74
Posts Within TUPE Cohort	3	3
Posts with Proposed Line Management change	19	10.8
Posts Proposed with other changes within the Structure	1	1
Posts Unaffected within the Structure	20	16.26
New Posts Proposed as Implemented into the Structure	12	12

- Excludes onsite teams and includes shared posts within management roles within scope of transfer.

REDDTICH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**11th September 2018**Current & Proposed Posts (Includes Markets, Parks Apprentice & HRA Cleansing Management):**

Description/Position	Head Count	FTE
Current Posts within Structure#	54	41.8
Proposed Posts within the New Structure ##	58	44.58
<i>Difference</i>	4	2.78
Posts Proposed as Redundant	11	10.74
Posts Within TUPE Cohort	3	3
Posts with Proposed Management change	19	10.8
Posts Proposed with Other Changes within the Structure	1	1
Posts Unaffected within the Structure	20	16.26
New Posts proposed as Implemented into the Structure	18	16.39

- Excludes onsite teams and includes shared posts within management roles within scope of transfer.

- Excludes HRA cleansing team as number required yet to be determined but includes managers function.

- 3.11 As part of the recruitment and selection process a number of competitive interviews are likely to be required to appoint staff to posts within the proposed structure. This will be based upon the assumptions that there will be more candidates than posts in some cases based on the proposed ring fencing work undertaken and/or where new roles are created and staff may wish to apply for them. As part of the consultation packs that are issued to all affected staff, individual employees are notified of the Council's proposed position with regard to their individual circumstance and asked to provide feedback on their views on the proposals. The key structural changes that are proposed are shown above as a guide.

To support the interview process for officers who are applying for posts that will report directly to the Head of Service assessments will be undertaken consisting of three elements, in line with Council's agreed 4th tier selection process. This will include psychometric tests, a presentation and behavioural/evidence-based interview.

Psychometric test that are used are as follows:

- On-line personality questionnaire (OPQ),
- Managerial judgement exercise (Scenarios) and,
- Appropriate verbal critical reasoning exercise (Verify)

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As with all service reviews and restructures the Human Resources team will offer support packages to all staff involved in this process to ensure everyone has the opportunity to perform at their best and this will include the following workshops:

- Group Coaching session on the application and interview process
- Recruitment Fact Sheets on various aspects of applying for jobs
- Outplacement support (once placed on notice of redundancy)
- All aspects of the job search and application process
- On-line training and tools for job search and applications
- Dealing with change
- The redeployment process

The Council also provides an employee assistance programme, which provides help and support during times of change. This includes one to one counselling, money advice and coping with change. Details of the EAP will be re-issued to all affected employees.

Timeline

- 3.12 Within the overall project there are a number of key dates that need to be considered as follows:

- RBC Executive Committee - Tuesday 11th September 2018
- RBC Full Council – Monday 17th September 2018
- Mobilisation Period Commences – Monday 1st October 2018
- Date Of Service Transfer – Saturday 1st December 2018
- Formal Staff Consultation Commences – Wednesday 5th December 2018

A full project timeline can be found as Appendix 4 which outlines the key project stages, gate way reports, mobilisation periods and staff consultation and appointment process.

Members should note that RBC's Executive Committee and Full Council will be considering this matter on the above dates, should a decision be made not to implement the proposed changes to the service model the service reviews outlined in this report would not be implemented.

Financial Implications

- 3.14 There are no direct financial implications contained within this report as the current costs for the Council for the provision of L&CS will remain as per the Medium Term Financial Plan. Costs associated with the implementation of the LATC are shown within that report.
- 3.15 The table below shows the current costs incurred by the Council in relation to the salaries for the staff that are with in the current and proposed structures inclusive of on costs (NI & Pension) and the cost of the revised L&CS Structure.

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Description	Total Cost £	RBC Cost £	RBC Cost %	BDC Cost £	BDC Cost %
Current Structure Cost – 2018/19	1,323,237	768,748	58	554,489	42
Impact of TUPE on Budget #	-104,628	-104,628	100	0	0
Amended current structure cost 2018/19	1,218,609	664,120	55	554,489	45
Proposed Structure Cost – 2018/19##	1,212,143	662,686	55	549,457	45
Difference ##	- 6,466	-1,434		-5,032	

- Reflects the RBC proportion of cost for posts within current shared service structure that are within the TUPE cohort and are transferring to the LATC/Newco.

- Costs exclude Markets, Parks Apprentice & HRA Cleansing Management as these are within the current MTFP and will be reallocated as part of the Quarter 2 financial monitoring report subject to member approval.

- 3.16 The above salary savings will be placed within a staffing reserve initially and offered a saving in future years as appropriate.
- 3.17 Having reviewed the potential changes there may be associated redundancy costs of between £ 82,454k and £ 19,098. It is proposed that the share to RBC is funded from balances.

Legal Implications

- 3.18 There are no direct legal implications contained within this report, however as with all service reviews there is the potential for a legal challenge to be made from an employee and/or group of employees.
- 3.19 In order to prevent such a challenge the project team have taken external legal advice on key areas affecting the project such as TUPE to ensure that our approach is consistent and in line with the most up to date case law available.
- 3.20 The restructure itself, if agreed, will follow the approved corporate approach to restructures and change management and will be based upon detailed consultation with the recognised trade unions and the staff directly affected by the proposals.

Service / Operational Implications

- 3.21 There are no direct Service/Operational implications contained within this report, however the risk register section overviews the potential risks to ongoing service delivery whilst the proposed transfer of service at RBC and new revised structure are implemented.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****Customer / Equalities and Diversity Implications**

- 3.22 There are no significant direct Customer or Equality & Diversity implications contained within this report as the proposed service restructure is designed to maintain and enhance current service standards and to allow the service to respond to residents needs in a proactive manner.
- 3.23 It should though be noted that there will be a change in responsible officers as part of the proposed structure and this will for a short period of time mean that an interim management structure will be created and that areas of responsibility and contact details will need to be refreshed and reissued and officers brought up to speed on new areas of responsibility. This may potentially cause some disruption in the early stages of the transition and a detailed handover and communications plan will be prepared for internal and external use to ensure regular updates are provided to minimise any risks in this area.

4. RISK MANAGEMENT

- 4.1 During the implementation phase of the LATC (1st October to 1st December 2018) and the proposed management restructure (1st December 2018 onwards) there is a risk that service standards may be compromised, residents and stakeholders may have contact details for officers involved within the transferring services and that staff focus and motivation may suffer as this will be a period of change within the service.

Should this materialise there would clearly be a risk of reputational damage to the services involved and the Council as a whole.

- 4.2 It should also be noted that there is a longer than normal lead in time between the formal decision being made and to the point when the transfer of the services takes place, than would normally be the case for service reviews.

In order to mitigate the risks associated with this, the project team have created a risk register for each key stage of the project that highlights the key areas of concern at that point and the response that will be in place or developed to manage/mitigate the identified risk.

- 4.3 This work is further supported through the project mobilisation and communications plan that is under development to oversee the Stage 3b programme.

As part of this work early staff engagement will be undertaken and an interim management structure will be put in place to reflect changes within the service from the 1st October 2018 and date of transfer on 1st December 2018.

5. APPENDICES

- Appendix 1 - Current L&CS Management Structure.
- Appendix 2 - Proposed L&CS Management Structure.
- Appendix 3 - Proposed L&CS Service Management Roles & Responsibilities.
- Appendix 4 - Project Timeline/Implementation Plan.
- Appendix 5 - Cost Plan Current & Proposed Structures

6. BACKGROUND PAPERS

Redditch Borough Council Executive Committee Papers – 31st October 2017 and 20th March 2018.

EXECUTIVE COMMITTEE

11th September 2018

Stage 3a/b – Risk Register.

AUTHOR OF REPORT

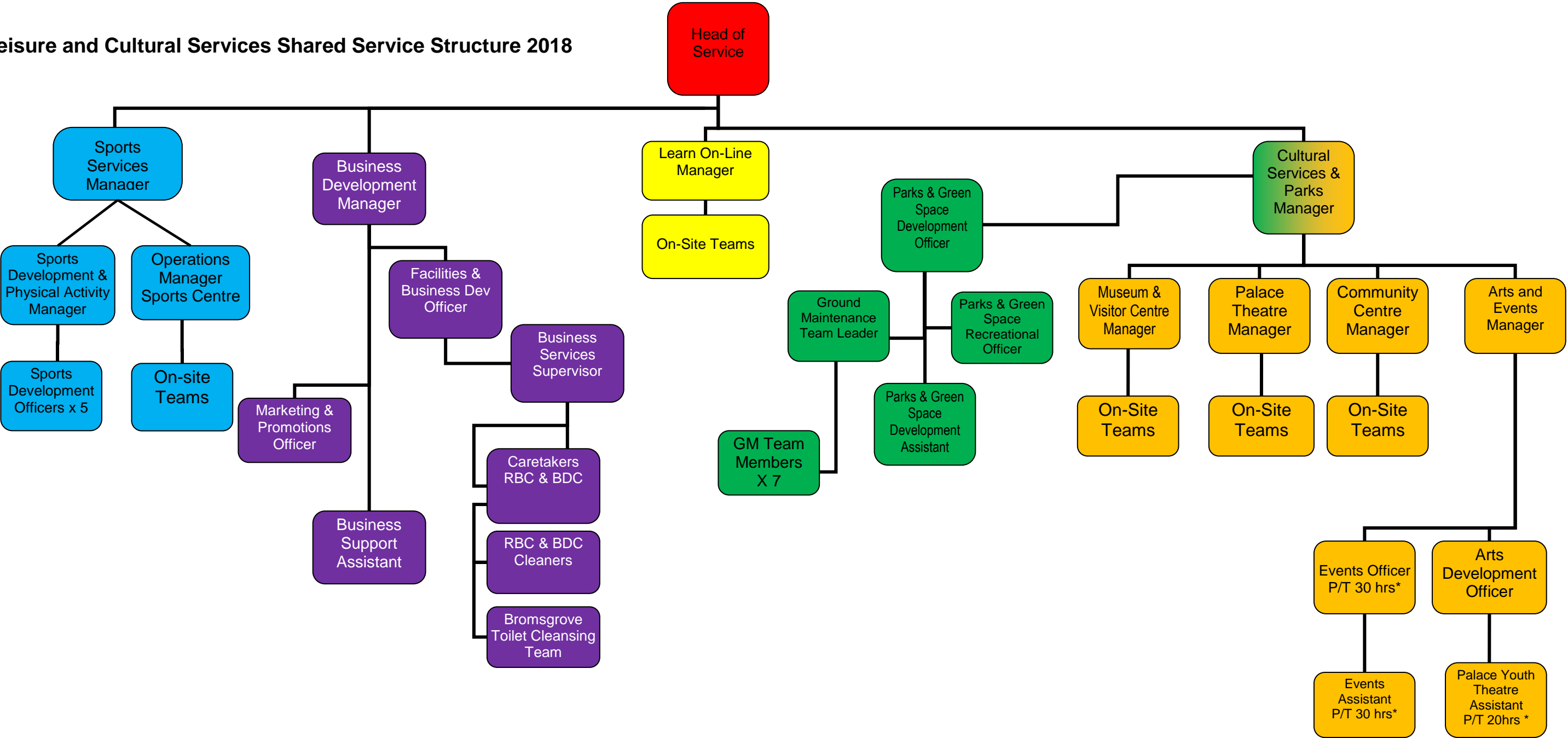
Name: John Godwin – Head of Leisure & Cultural Services

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Tel.: 01527 881742

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Leisure and Cultural Services Shared Service Structure 2018



All posts full time other than those specified
* Annualised Contracts

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REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE**11th September 2018**HOUSING/HOUSING REVENUE ACCOUNT - OVERVIEW & IMPROVEMENT PLAN**

Relevant Portfolio Holder(s)	Cllr Craig Warhurst; Cllr Tom Baker-Price and Cllr Gareth Prosser
Portfolio Holders Consulted	Yes
Relevant Officer: Head of Paid Service	Kevin Dicks, Chief Executive
Wards Affected	All Wards
Ward Councillors Consulted	All Member Briefing
Key Decisions: <ul style="list-style-type: none"> • Consideration of the Strategic Improvement/Action Plan; • Support the actions undertaken on the Housing Revenue Account to address the financial pressures; • Agree the leadership arrangements with support to further staffing service reviews; • Endorse governance arrangements for reporting progress including Executive Committee; • Build in capital staffing costs for a Housing Capital/ Property and Compliance team; • Consider financial support (capital) for a replacement IT management system and project team to implement. 	
This report contains exempt information as defined in Paragraph(s) 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. SUMMARY OF REPORT PROPOSALS

- 1.1 This report provides the background and an overview and summary of presenting and ongoing issues within Housing Services at both strategic and operational levels.
- 1.2 To provide the necessary detail to support Members and Officers understanding of the issues that emerged following Audit Reports and subsequent investigations into the Housing Capital Service. To propose future governance and management arrangements to ensure compliance with our statutory duties and corporate policies in the future and provide assurance to Council and our communities in this regard.
- 1.3 The report defines the purpose and strategic direction for Housing and other services, with a strategic action plan for consideration.
- 1.4 To provide specifically an overview of the current financial position in respect of the Housing Revenue Account (HRA) with recommendations

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to address the Medium Term Financial Plan and longer term HRA business plan.

- 1.5 Propose the procurement of a housing management IT system to support future service delivery and the business.

2. RECOMMENDATIONS/RESOLUTIONS

The Executive Committee are asked to RESOLVE the following:-

- 2.1 Executive consider the content of the report, and endorse the strategic action plan detailed at Appendix A.
- 2.2 Support the financial actions undertaken in respect of the Housing Revenue Account and note the proposed actions subject to formal budget and rent setting processes as detailed in the strategic improvement/action plan.
- 2.3 Support the Director/HoS service remits and authorise the Chief Executive/CMT Officers to proceed to recruit to the proposed senior managers for the service (subject to service review) with support for phased service reviews for the whole of the services detailed, over the following 12 – 18 months.
- 2.4 Endorse that the governance and reporting of progress on the strategic action plan be through Executive Committee.

and that the Executive Committee RECOMMENDS to Council:-

- 2.5 Recommend that a sum of £350,000 (capital staffing costs) be built into the capital budget (HRA) for 2018/19 to resource the immediate review of Housing Capital/Property and Compliance team(s).

A further recommendation (2.6) is detailed in the exempt part of the report.

3. KEY ISSUES**3.1 Financial Implications**

There are a range of financial implications and a full financial overview is provided in respect of the Housing Revenue Account as detailed in Section 3.9.1 onwards of this report. This is supported by Appendices B, C, D and E.

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****3.2 Legal Implications**

- 3.2.1 The Council has a number of statutory duties to fulfil as a social landlord. Officers are also required to comply with a number of corporate policies including financial regulations and contract procedure rules.
- 3.2.2 As a result of non-compliance on a range of legal requirements and local council policies within the Housing capital team, originally identified by Audit Reports, and subsequently involving disciplinary action in respect of a number of officers within that service, a review of the Council's Housing Services has been undertaken by senior officers. An action plan has been drafted to secure future compliance with legal and corporate requirements and deliver improved services to all our tenants.
- 3.2.3 The employment processes undertaken by the Council in respect of officers in Housing Capital are not yet completed and are confidential.

3.3 Background Information

- 3.3.1 During late 2016/early 2017 the Senior Management team were alerted to a number of procurement and contractual issues arising from internal audit reports.
- 3.3.2 A number of immediate actions were taken by the Section 151 Officer to prevent further issues arising and mitigate financial and procedural risk to the authority. This included placing a 'stop' on all external contract work other than essential, health and safety and works to maintain compliance with landlord requirements.
- 3.3.3 A temporary Senior Contracts Manager reporting directly to the Deputy Chief Executive Officer was appointed in February 2017 to overview contractual arrangements within the Housing Capital team and to provide specialist advice and support to address the issues identified within the preceding audit reports.
- 3.3.4 As a result of identifying serious failures in compliance with contracts, contract management and procurement processes resulting in escalation to the Section 151 Officer, eight Officers were suspended from their positions by the Chief Executive Officer. These included senior managers and operational staff.
- 3.3.5 Disciplinary investigations were initiated, with Anthony Collins Solicitors commissioned to undertake the investigatory work and, as a result of these investigations, it was determined that all eight Officers be the subject of disciplinary hearings.

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- 3.3.6 Some Officers chose to resign during the disciplinary process, and it was completed in respect of others. As these latter cases are still within the timeframe for external employment processes to take place, the final outcomes have not yet been determined and are confidential.
- 3.3.7 Whilst the investigation did not identify any criminal activity by officers and or contractors a range of failures throughout the service were identified by officers at every level of the service, where a disregard for compliance with the legal frameworks and council policies appears to have been endemic in the service. Officers who have provided interim management within the services since August 2017 have endorsed this finding.
- 3.3.8 Since the immediate preventative actions were taken, the following measures/arrangements have been actioned since September 2017.
- Review of all Contracts and Procurement – Revised arrangements now in place, including:
 - Centralised corporate contracts register
 - Relocation to Legal Services of the Council's Procurement Officer
 - Establishment of a Contracts / Commercial team within Legal Services
 - Appointment of specialists to rectify identified weaknesses (electrical/asbestos/fire risk) - Officers in post/contract arrangements in place.
 - Review of all procedures and operating instructions – Revised arrangements in place.
 - Review of delegations (financial limits & authorities) – Revised schedules in place.
 - Compulsory training on procurement (contract management training in progress) – Named schedule of officers attending maintained.
 - Secured finance to undertake a comprehensive stock condition - Survey commencing September/October 2018.
 - Review of financial arrangements (approval of works/ invoices) – Revised arrangements in place.
 - Legal remedies being considered for overcharging – Ongoing.
- 3.3.9 All of these financial, contractual and procurement issues identified during the audits, investigations and subsequent reports to the S151 Officer, will be the subject of a separate detailed report presented to the Audit, Governance & Standards Committee during the next cycle. This report will cover comprehensively all audit actions identified to provide assurance and detail that all the matters have been actioned and addressed to the satisfaction of Council.

[ACTION PLAN REFERENCE] CORPORATE 1.1

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****3.4 Strategic Overview**

- 3.4.1 Whilst immediate and longer term actions have been, and are being, taken to ensure probity and compliance within the housing service, there is a need to understand the nature and extent of the non-compliance issues that have been identified. By necessity, this is wider than the contractual and procurement matters identified in the Audits and subsequent investigation into that section of the Housing Service. Everything we do in the future must be linked and undertaken as system improvement.
- 3.4.2 Rather than simply fixing separate services or parts of the system, this report is intended as a review of all aspects of the housing service and the Council's role as a social landlord. As a housing provider, the Council needs to demonstrate clarity of purpose given the complexity and range of issues to be dealt with.
- 3.4.3 The Deputy Chief Executive and senior officers assisting with the interim management of Housing Services found a number of issues and factors present across the services which need to be addressed. Many of these matters are "cultural" in nature and further expanded upon later in the report.
- 3.4.4 It is critical that Members and staff consider and understand the 'causes and effects', having both the opportunity to consider and debate the issues to provide a firm foundation in moving forward.
- 3.4.5 We need to be able to measure and be judged by our tenants and communities as to how we perform, in an holistic way.
- 3.4.6 The next 3 sections of the report cover in outline:-
- (i) National housing challenges and issues;
 - (ii) Redditch Borough Council – Council Plan and Strategic Purpose and direction;
 - (iii) Financial issues – Housing Revenue Account.

3.5 National Context - Challenges & Issues in Housing

- 3.5.1 In recent years, the national housing market has changed considerably, which in turn poses significant challenges for local authorities, who undertake a wide range of statutory housing functions in their area.
- 3.5.2 The latest Ministry of Housing, Communities and Local Government (MHCLG) English Housing Survey 2016-17 reports the key trends. Home ownership remains central to the market, but with prices rising, home ownership is becoming increasingly difficult for young families. In the meantime, 4.7 million households are now renting privately in England, a figure which has doubled since the mid-1990's. Finally, 3.9

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million households are living in the social sector, making it a smaller provider than the private rented sector.

- 3.5.3 Nationally it is widely recognised that there is an acute shortage of housing particularly social and affordable housing and the government itself has described the market as 'broken.' As private rents and house prices continue to increase many households are facing severe affordability issues, with young people and families on low to middle incomes especially affected by the difficulty of affording to buy or rent a decent home.
- 3.5.4 The government's response to these changing dynamics in the English housing market has been to try to boost the number of new homes being built nationwide, and to speed up the rate at which these units are delivered. To encourage development there have been changes introduced to streamline planning, new building funds launched, and a suite of options designed for households wishing to get on the housing ladder. A Social Housing Green Paper has now been issued on the 14th August 2018.
- 3.5.5 Nevertheless, despite these efforts at a national level, housing development is still falling short of demand. According to current projections an average of 210,000 new households will form in England each year between 2014 and 2039. In 2016/17 the total housing stock in England increased by around 217,000 dwellings: 15% higher than the previous year's increase but short of the 240-250,000 new homes needed to keep pace with household formation.
- 3.5.6 With home ownership increasingly out of reach for many, and the private sector becoming more and more competitive, so the pressure has risen on local authorities to provide help to local residents in housing need.
- 3.5.7 There has also been considerable debate about the impact of changes made to the welfare benefit system in the last five years, and how these are leading to increased pressure on all housing providers. Broadly speaking the welfare changes introduced have decreased and capped the level of benefits available to low-income households at a time when the overall cost of living has risen. In particular housing costs are not always fully covered by benefits.
- 3.5.8 The pressure this has generated is certainly being felt by housing providers with tenants on Universal Credit, which is currently being phased in across the country. In February 2018, the BBC reported that 70% of 13,650 council tenants in London receiving Universal Credit were in rent arrears.
- 3.5.9 Local councils are expected to play an increasingly important role in regulating standards and conditions in their private rented sector, while

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the implementation of the Homelessness Reduction Act in 2018 places new statutory responsibilities on councils to prevent and relieve homelessness in their areas. Homelessness and temporary accommodation placements have risen nationally in recent years, with MHCLG reporting that rough sleeping is up 169% in the last seven years.

- 3.5.10 For councils who have retained their housing stock, the pressure doesn't stop there. The changes implemented by government to the Housing Revenue Account in 2012 have made further borrowing difficult for most councils at the same time as rental income is falling as a result of the 1% per year reduction introduced in 2016-17. Right to buy continues to be popular amongst social housing tenants, but its impact is being felt by councils struggling to replace a depleted stock base at the pace and scale required to meet incoming demand for housing from aspiring tenants.
- 3.5.11 From a health and safety perspective, the tragic events at Grenfell Tower in June 2017 have brought the role of housing providers as guardians of wellbeing and place-making sharply to the forefront, and it is very likely that further actions will be required in due course to protect tenants in light of the ongoing public enquiry.
- 3.5.12 All these national challenges and issues have combined to impact on councils on two fronts. As local landlords, councils need to be able to respond to the needs of communities efficiently and effectively which proves increasingly difficult with reduced finances and fewer homes to rent out. Operationally councils are also responding to an increase in demand for help through its housing options service – this is hard to resolve when stock levels and turnover are low, and private rents are high, especially in comparison with limited help available via the Local Housing Allowance.
- 3.5.13 In the current housing market, most councils are dealing with significant housing-related pressures at the moment, both in terms of a rising demand for help with housing options, and as a result of the mounting financial pressures that have been building up for some years, for councils and residents alike.
- 3.6 The local perspective
- 3.6.1 From a Redditch perspective, a number of these national trajectories and challenges ring true, but there are some local nuances that offer opportunities for the council to make a significant impact in the borough.
- 3.6.2 There are 23,000 privately-owned properties in Redditch. House prices are rising in the borough, but mortgage brokers report the market is still buoyant with purchases continuing at a healthy level. The private

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rental market mirrors the national picture – it is competitive and expensive.

- 3.6.3 However, despite the fact that nationally, the private sector now houses more people than the social sector, this is not the case in Redditch, where the council owns approximately 5,800 properties, whilst the private rented sector provides accommodation to 4,000 households. In this sense the council is the second largest player in the local housing market, and therefore has the potential to use its influence and capacity to the advantage of low income households living here. The other affordable housing providers in Redditch supply 1,600 homes locally.
- 3.6.4 Homelessness has risen in Redditch in the last five years, as it has nationally, and the council has 1,800 households on its current waiting list. Each year, the council offers approximately 450 lets of its existing stock with less than 100 new units of affordable accommodation becoming available on-line via housing developments. The pressure is very clear to see in terms of supply versus demand. The timely turn-around of stock becomes increasingly important in this context as bottlenecks in voids can have a big impact on already squeezed property availability figures.
- 3.6.5 Given the housing-related pressures facing councils, a number of themes surface as a result.
- Facilitating an increased supply of affordable new homes is key to addressing ongoing local housing need in the borough. This also provides the council with opportunities to replenish its stock base, with a focus on providing safe, good quality accommodation, whilst returning voids into use in a timely way. These factors are crucial to stability within the RBC Housing Revenue Account.
 - Affordability is critical and supporting tenants, especially those on low incomes, is another important element of the landlord function, maximising rental income and minimising evictions. This includes having the right systems in place to manage this work across 5,800 tenancies.
 - Providing advice and assistance at the right time is also essential, so the council needs to ensure that it offers high quality housing options and homelessness assistance locally too.
- 3.6.6 Delivering good housing management can often be viewed to be simple in delivery terms however it is set within a complex environment and to try to deliver change and not recognise this complexity could lead to a replication of previous failings.

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3.6.7 'People' issues are at the heart of our local authority strategic role. The need to tackle complex issues through a strategic approach delivered with strong performance and supported by partnership working is essential.

3.7 Council Plan/Strategic Purpose & Direction

3.7.1 Redditch Borough Council Plan (2017-2020) details how we will achieve delivery to the strategic purpose of "Help me find somewhere to live in my locality".

3.7.2 We will achieve this by:-

- Supporting the development and delivery of appropriate housing in the borough.
 - Understand community housing needs.
- Raising housing standards and the quality of the local environment across the Borough.
 - Use the capital programme to raise housing standards.
 - Provide support and advice to landlords and the private sector and take appropriate action where needed.
 - Work in partnership with other housing providers to increase and improve the quantity and quality of housing stock.
- Greater involvement and empowerment of tenants and residents in service delivery and reform.
 - Develop and implement a strategic plan for tenant involvement.
 - Create opportunities for tenants and residents to be involved in decision making around their homes and communities.

3.7.3 Whilst there is a comprehensive plan to deliver each of these objectives, we will continue to support synergy across the other strategic purposes of the Council, including:-

- Help me live my life independently
- Help me to be financially independent

3.7.4 These themes will be clearly communicated internally, alongside the partner themes which have emerged over a significant period of time, including:-

- Preventing Vulnerability
- Delivering appropriate, affordable and quality homes
- Building Sustainable Communities
- Resident Involvement

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3.7.5 It has become clear that we need to improve and get better at supporting all the people and families who live in the homes we provide and manage.

3.7.6 At its most basic level we need to translate our strategic purpose into relevant models of activity which will help to identify the key actions we need to take for housing and other services:-

- Get better at understanding and supporting our tenants as residents of Redditch.
- Ensure we spend money in the way that best supports our tenants.
- Make sure we have sufficient income to fund the services and support we must provide.

3.7.7 Whilst undoubtedly many staff are fully committed to doing the very best for our tenants, there are significant improvements required in delivery and this will necessitate a huge step change across all housing/ other services to address the following issues:-

- We are currently focusing attention and support to some tenants at the potential detriment to others.
- We have limited understanding of the needs of all of our tenants.
- We often wait for our tenants to approach us rather than us be proactive.
- Both our staff and tenant expectations are too low.

3.7.8 Whilst staff have been operating with integrity, they may not always have been doing the right things. There is no doubt of the need to support tenants who have highly complex needs in order for them to become more self-sufficient. This must continue to be done in partnership with other agencies with our staff seeking expert and professional support where needed.

3.7.9 Tenants' views must be at the heart and centre of our landlord decision making to fully embrace our social purpose and fulfil our obligations. Not to pay full attention and regard to this will waste and divert our attention in delivering to our true purpose. The quality of future resident engagement is paramount and not just in terms of the numbers of residents involved.

3.7.10 As a public service and a social landlord we have clear duties and responsibilities to fulfil and this needs to be reinforced by the strategic leadership of the Council.

3.8 Supporting our tenants

3.8.1 There are some primary and basic tasks and functions we must deliver on in housing management:-

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- We need to make sure our tenants are safe (Compliance).
- We need to reduce the time any of our properties remain empty so we can allocate them to provide homes (Voids).
- We need to get repairs and maintenance done quickly, to a good standard, first time, to provide good homes (Repairs & Maintenance).
- We need to ensure that tenants are housed in appropriate properties (Allocations).
- We need to deliver excellence in managing and supporting tenants (Locality).

3.8.2 Whilst the purpose and objectives are clear and unambiguous, they must form the drive for everything we do and be translated into action with no deviation from purpose.

- We need to re-engage with our tenants in building our communities and our investment in tenant and customer engagement must be heightened. We have to recognise that relationships have changed, delivering landlord/housing services because it is a regulatory requirement is critical, however not the whole picture.
– Review of tenant engagement – Action Plan Reference 6.3
- We need housing management and technical skill sets – professional housing management qualifications alongside adaptability and an outstanding tenant and customer focus to deliver on our social purpose and business objectives.
- Leadership and management development programme – Action Plan Reference 1.2
- We need to engage and listen to our tenants because if they value their home and value where they live, this will be a priority to them.
- We need to rebalance the landlord tenant relationship and need to do this in a number of ways.
 - (i) Right balance and understanding of independence, rights and responsibilities (landlords/tenants). An independent tenant knows where to go for help. Action Plan Reference 6.2

3.8.3 Attitudes of all of our front line, support staff and managers are critical to delivering our ambitions of excellent housing and community services and giving tenants the best possible service is at the heart of what RBC should do as a great landlord.

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- 3.8.4 We do provide support and advice on finances and continued interaction with partner organisations and a recognition of interdependence between us as providers and our tenants should be considered with collective responsibility.
- 3.8.5 Leadership of the necessary change and maintained focus will require unwavering commitment and indeed continued challenge in all aspects of the service and delivery. Fixing parts of the service and not remaining true to purpose could result in future failures significantly undermining what we need to achieve, for our tenants.
- 3.8.6 Whilst there is no one singular action or plan that will achieve delivery to purpose, it must feature and be embedded in each 'plan', both corporate and operational if we are to effect change.

[ACTION PLAN REFERENCE] CORPORATE 1.2**3.9 Financial Issues – Housing Revenue Account (HRA)**

- 3.9.1 The outturn figures for 2017/18, as shown at Appendix B, resulted in a £953k deficit against budget. There are a number of reasons for this deficit as detailed below.
- 3.9.2 For 2018/19 due to the financial pressures on the HRA, for the first time since RBC endorsed the 30 year business plan in April 2012, it was only possible to set a one year budget. When the budget was initially set, reserves were anticipated to be utilised to balance the budget with projections of reducing the reserves balance to a minimum approved level of £600k. The revised position for the HRA for 2018/19, as detailed at Appendix C, reflects a reduced strain on the balances position from £876k to £485k following a full review of all costs and income generated.
- 3.9.3 Fundamentally the financial difficulties arise predominantly due to the impact of government policy on rents, which imposed a minus 1% rent cut for four years, beginning in 2016/17. Costs to deliver the services have increased but income has reduced. A paper to Executive Committee in 2016 detailed:-

“The rent increase that would have applied in 2016/17, if it were not for the Welfare Reform and Work Bill, would have been 0.9%, the September CPI being -0.1%. In 2016/17 there is a loss of rent income of £0.451 million compared with the HRA Business Plan model (rents going down by 1% rather than increased by 0.9%). For 2017/18 to 2020/21 it was anticipated that the rent increase would have been 2.5% so a 1% rent reduction equates to a 3.5% loss of rent income. Over a 30 year period the loss of rent income is estimated at £120.873 million.

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This will have a significant negative impact on the HRA Business Plan. The rent income lost is almost the same as the £122.158 million debt."

- 3.9.4 The report went on to explain how the impact of Right to Buy (RTB) was compounding the problems of the HRA, i.e. the loss of rent income without necessarily reducing equivalent running costs. Three outline solutions were detailed, however, only one of which has been partially addressed by the use of RTB receipts to replace lost stock:

1. *"By 2019/20 the HRA will need to find savings or additional income of £0.610m to balance the account"*
2. *"New housing stock through the right to buy one for one replacement scheme will help balance the account and work is currently being undertaken to explore the extent that this can be maximised."*
3. *"The introduction/extension of service charges may also provide an opportunity to increase income to the HRA. If this is an existing service current tenants would be protected until there is a change in tenancy."*

- 3.9.5 To date there have been no steps taken to reduce expenditure or consider the introduction or expansion of service charges. Investment in new replacement housing has produced 41 additional units (25 one for one replacements, 7 buy backs, 5 mortgage rescue and 4 Section 106 units) up to August 2018. A further 6 properties (4 Section 106 and 2 off plan) are due for completion the start of September 2018 bringing the total of 47 replacement units. Milestone dates occur every 3 months with spend based on RTB receipts retained in the equivalent quarter 3 years prior. Remaining total spend we are committed to by 31st March 2019 is £1.9m. (Grand commitment total by 30th June 2021 is £10.2m). Retained RTB receipts can only fund 30% of this spend with the remaining 70% funded from borrowing and/or ongoing rental income streams from the properties. This is required to ensure retained RTB receipts are not required to be returned to the Government. Returned receipts are subject to penalty interest at 4% above base rate compounded every 3 months.

- 3.9.6 During 2017/18 the charges/costs during the year included:-

- Rent income down by £143,000 as a result of higher void losses and increased RTB sales (56 properties sold – 41 houses and 15 flats).
- Supervision and management costs increased by £867,000 reflecting additional costs of interim management and essential specialist staff following the suspension of eight members of staff.

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- The corporate charge to the HRA was corrected upwards during 2017/18 with an additional charge to the HRA of £59k.
 - Capital expenditure was suspended (other than essential and urgent works to ensure health and safety and landlord service compliance) which resulted in a reduced level of Revenue Contribution to Capital Outlay.
- 3.9.7 A significant amount of work has been undertaken in review of the current budget (2018/19) and projections over the next five years (2019 to 2024).
- 3.9.8 A further review of budgets and specifically supervision and management costs as a result of the proposed management and staffing reviews will be reported at budget/rent setting next year.
- 3.9.9 With regard to the Council's growth programme from a rents perspective, the Council has various options it can pursue. The Council can develop 'Open Market Rent' properties but it's important to note that these properties would have to be provided through a Council owned housing company, as the Council cannot charge Open Market Rent for its properties held within the HRA where instead it must consider whether to use Social Rent or Affordable Rent.
- 3.9.10 Affordable Rent is up to 80% of open market value but can be set lower in line with local housing allowance rates. There is a demand for affordable rent with the Council's Strategic Housing Market Assessment showing that 56% of new forming households are unable to purchase or rent in the open market. It also shows however that 55% of new forming households are able to afford 'Affordable Rents' meaning that there is demand in Redditch that can be met by both traditional 'Social Rent' and 'Affordable Rent'. The Office of National Statistics shows the lower quartile house price for Redditch is £145,000 and the annual residence-based earnings as £18,339 giving an affordability ratio of 7.91 (2017) for purchasing in the open market showing that those on lower incomes have little chance of accessing home ownership.
- 3.9.11 At this time the Council does not require income details from applicants to the waiting list and it is therefore difficult to ascertain suitable rent levels for those in the current priority bands. The table below is extracted from the CORE data returns and shows that the percentage of those being housed whose income comes from benefits in Social Rent is similar to those housed in Affordable Rent showing the higher cost of Affordable Rent is not prohibiting people on benefits accessing suitable affordable housing.

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Proportion of Income from Benefits 2016/17						
	Social Rent Number of Lettings	% of Lettings	National % 2016/17 Final Data	Affordable Rent Number of Lettings	% of Lettings	National % 2016/17 Final Data
All	116	31.44%	37.69%	13	29.55%	32.14%
Some	46	12.47%	15.73%	4	9.09%	21.7%
None	98	26.56%	24.34%	26	59.09%	27.28%
Don't Know	109	29.54%	22.25%	1	2.27%	18.88%

CORE data

3.9.12 When the Council accepts a duty to an applicant under our homelessness legislation we are required to consider affordability as part of our consideration as to the suitability of the property and if reasonable to accept. This requirement is part of the Homelessness Suitability of Accommodation Order (SI 1996 No. 3204). The Council will need to ensure any property that it offers, is affordable for the prospective tenant, to ensure that the tenancy will not fail. Should the Council house someone in a property they cannot afford we will then have a duty under homelessness legislation if it fails for this reason. All income and benefits are considered and we have affordability sheets which provide what we consider as 'necessities of life' costs for different household types which are reviewed and agreed with Citizens Advice Bureau annually. So affordability checks would need to be undertaken with applicants prior to them moving into properties at affordable rent levels so the Council could be satisfied the option was affordable for the household concerned.

3.9.13 In light of the potential rental that can be achieved as referred to above, officers have developed a financial model to show the impact on the HRA over the next 5 years. Appendices C and D attached, detail two scenarios that reflect potential financial budget positions for the HRA.

3.9.14 Appendix C – Within this model the rent levels are increased by CPI + 1% from 2020/21 as per current guidance and all rental values, including new stock and voids are charged at social rent. Garage rents are also increased by base CPI + 1%. This assumes that all new build/purchases are funded from capital receipts. This shows a total deficit of £993k to the HRA from 2019/20 – 2023/24.

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- 3.9.15 Appendix D – This model reflects rental levels increasing by CPI + 1% from 2020/21. Officers have advised that garage rental levels could be increased by 5% as this is a more reasonable increase in consideration of the current charge made. In light of the points raised above, this forecast also shows the additional income that could be achieved should new build properties be charged at affordable rent levels rather than social rent. Whilst the income increases in comparison to Appendix C, the interest cost is higher due to the associated borrowing that would have to be secured. This assumes that capital receipts would be protected to ensure they are available for future investment and financing. In addition this model assumes the borrowing cap would be lifted, subject to an application from the Council being approved.
- 3.9.16 Officers would submit that it should be noted that this is purely a financial model developed by officers to demonstrate how the HRA can further reduce its deficit, and the affordable rent levels do not reflect current policy. This model shows a total deficit of £800k to the HRA from 2019/20 – 2023/24.
- 3.10 HRA Financial Performance Comparators
- 3.10.1 Whilst readily obtained comparators for cost and performance data of the HRA are not readily available, there are some underlying financial and performance issues which can be used/considered.
- 3.10.2 The Government ceased collecting data on performance many years ago and unless organisations have maintained involvement in a benchmarking club, such as Housemark as an example, national and regional comparator data is limited. Even within such clubs, how data is presented and interpreted can differ markedly. Government have been working on cross sector measures focusing primarily on Housing Associations using their published and audited final accounts and last year the Sector Scorecard was published. This consists of 15 measures, some of which would be applicable to Local Authorities and, in particular, the measures used for unit costs. This takes the global cost of; maintenance (i.e. routine/void/cyclical repairs), major repairs, supervision and management, service charges and other costs and divides these with the stock numbers. From the 315 returns (24 from the West Midlands) this is then divided into 3 quartiles (the lowest, the median and the upper).

	LQ £	Median £	UQ £		Redditch £
Management	719	948	1151		1443
Maintenance	763	923	1113		855
Major Works	438	693	962		860/1247
Other	287	514	1089		153

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- 3.10.3 The maintenance figures seem to suggest expenditure is below the median, but major works (the lower figure represents this year's reduced expenditure, whilst the higher figure previous years) and management costs are very much in the higher quartile. Overall our costs are above the median, however further work is required in understanding and allocating the true costs.
- 3.11 Housing Management Costs
- 3.11.1 Management costs for direct housing staff in localities, the performance and data team and the costs of St. David's House represent less than £3 million of the total £8.7 million. The overwhelming balance is the cost of corporate overheads, including grounds maintenance £780,000; Community Services £410,000; rent rates and taxes £150,000 and the costs of interim management following the team suspensions. It is clear that with the HRA under such pressure, the level of overheads and costs cannot be sustained both in the short and longer term however reducing these overhead recharges will have a significant impact on the General Fund. These significant matters will all be considered during the major review of revenue spend.
- 3.11.2 During 2017/18 the direct costs of locality teams actually had a significant underspend on staffing last year of over £320,000 (the housing options team charged to the general fund had a similar underspend of £200,000) because in both cases the base budget that was being used was that of a proposed, but never approved, limited restructure of some housing services. This will allow us to reduce the base costs in the budget, although the staffing arrangements and IT requirements (covered later in the report) also need to be accommodated. The revisions in the budget are reflected in the previous appendices (B, C and D) as the new forecasts have removed these posts.
- 3.11.3 The locality staffing still includes sheltered housing/home support staff (15 staff/12.3 FTE's), some of whom still provide a service to a limited number (around 100) of sheltered tenants with others being utilised to provide support to non-elderly vulnerable tenants. In previous years, this service was partially funded by Supporting People (SP) funding from Worcestershire County Council, which ceased in totality in 2014.
- 3.11.4 The Council operates an "extra-care" scheme at St. David's House for 54 residents. Reductions in County Council support have increased the net scheme costs to over £100,000. It is a well-regarded scheme however a review of the scheme's viability is required, alongside a review of elderly/ sheltered accommodation in the borough. St. David's and other elderly designated properties are likely to require significant investment to modernise facilities.

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- 3.11.5 As overviewed in this financial section of the report, there are a vast range of actions which are required covering reviews of corporate management and staffing costs, financial business planning, revenue spending and housing growth.
- 3.11.6 These actions are covered in various elements of the strategic improvement/action plan.

[ACTION PLAN REFERENCE]

CORPORATE 1.5
CORPORATE 1.6
CORPORATE 1.7
FINANCE 2.1
FINANCE 2.2
FINANCE 2.3
FINANCE 2.4
FINANCE 2.5
FINANCE 2.6
STAFFING/SERVICE REVIEWS 3.1
STAFFING/SERVICE REVIEWS 3.2
STAFFING/SERVICE REVIEWS 3.3
STAFFING/SERVICE REVIEWS 3.4
STAFFING/SERVICE REVIEWS 3.5
STAFFING/SERVICE REVIEWS 3.6

‘Lessons Learned’ – Capital/Contracts/Procurement**3.12 Contract Management/Procurement**

The findings in the Audit reports and observations of the Senior Contracts Manager when appointed, identified that there was very poor contract management by officers at all levels within the Housing Capital Team, with little or no pre scheduling or post inspection review of contractor performance. There was inadequate strategic planning of future capital requirements and a significant number of sub-standard practices and failures, with the following issues highlighted:-

- Contractors overcharging for work unchallenged.
- Use of contractors outside formal procurement and tender processes.
- Inappropriate extensions to existing contracts.

3.13 Management within Housing Capital

There has been poor performance management at all levels. There has been inadequate financial management, both budgeting and

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controls and poor co-ordination across and within services.

3.14 Operational Failures

3.14.1 Poor quality of work, in both routine maintenance and major works, and concerns in relation to internal and external performance. There has been poor record keeping, use of outdated rates and schedules and a disregard for tenants and quality of service delivery.

3.14.2 Once these contract management, contractual and procurement issues were known, there was a programmed suspension of all works to the external contractors identified, other than ongoing essential and urgent works. A report to Audit, Governance & Standards Committee will also follow this report.

[ACTION PLAN REFERENCE]**CORPORATE 1.1**

3.15 Cultural Issues – Housing

3.15.1 One of the most difficult and perhaps contentious areas of understanding and thereafter change is that of culture, which in simplistic terms is “How things are done here” and how the previous prevailing culture has contributed to poor performance within the Housing Capital service.

3.15.2 Whilst acknowledging that it is a very broad statement, it is fair to say that the experience of the Deputy Chief Executive, the interim Heads of Service and service managers is that there is very little sense of cohesion existing across the services.

3.15.3 There is little recognition of a ‘one housing landlord service’ with a lack of shared purpose(s) in place which are clearly understood by all officers and teams.

3.15.4 There has been clear evidence of ‘silo working’ across the various sections/units and a lack of ownership and/or a willingness to take responsibility for issues. This has been exacerbated by a tendency of officers to blame others, display a “that’s not my job” attitude and for the silo’s to be used for this purpose resulting in a lack of inter co-operation and support.

3.15.5 In consideration of these cultural issues that were prevalent within the housing capital team and indeed complex cultural issues across the whole of the housing service, there needs to be a clarity, understanding and learning of not just the events (what happened) and what steps have been taken to rectify the position (actions taken), but also what patterns and trends of behaviours were present which created an environment where these issues could occur.

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- 3.15.6 A number of sources have been drawn upon in providing this overview including the cultural work undertaken organisationally, views of members and staff (including staff survey results), open and detailed discussion with the Trade Unions, the Corporate Management Team views, and at this stage, a limited number of tenants and partner views and input.
- 3.15.7 Views and evidence has also been gleaned from the Anthony Collins' Investigation and the subsequent employment process, together with the findings of the Senior Contracts Manager and Senior Housing Manager (fixed term post from February 2018), both of whom have been spending time in the business with the teams.
- 3.15.8 There have now been two major events in housing. Firstly, the failure to deliver effective and compliant gas servicing arrangements and secondly the contract and procurement failures. Many other issues have become known over the last year which are identified and detailed later in this report.
- 3.15.9 In patterns of behaviour, senior officers and teams in housing have operated with no real degree of scrutiny or challenge. There were huge attempts to justify positions, a lack of ownership and an inadequate level of understanding of legislative/technical and legal requirements for and within housing services.
- 3.15.10 There is a lack of robust data, measures and monitoring with inadequate risk management at all levels.
- 3.15.11 Whilst not the case everywhere, there is a significant underlying attitude which still remains, that services to tenants are secondary to the organisational needs and aims, and that health, safety and welfare play nowhere near the significance that they should and must.
- 3.15.12 In the last staff survey undertaken in November 2017, whilst only 60 Housing employees responded (38% of those invited), the outcomes/ themes need to be recognised.
- 3.15.13 Three major themes emerged regarding the organisational and employee contributions i.e. the parts of the 'employment deal' most important to Housing employees:
- The importance of trust in the Line Manager: flexible working practices and having access to adequate tools and resources;
 - Recognition of the pressures that staff face;
 - A challenge between expectations and the reality of what can be delivered within available resources.

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3.15.14 Those in Housing who responded considered that they, as employees, contribute more in the 'balance of the employment deal' between employer and employees and this is a less favourable perception than the organisation as a whole. On a free text basis, staff described the personality of Housing on a positive basis as being 'supportive', however negatively described as 'disappointing, hierarchical, illogical, incompetent, mis-managed, short sighted and slow'.

3.15.15 Members of all political parties regard housing and housing services as pivotal in our landlord and community service as a local authority provider. Members have articulated a wide range of views, including many positives, however also that traditionally housing officers have hidden behind policy and procedures, including data protection, displayed frequently a 'we know best attitude' and consistently demonstrated a lack of tenant involvement and engagement. There has previously been reports of difficulties in officers responding to Members and tenants in a timely manner, although recently improvements have been recognised.

3.15.16 There are some strengths within the services, including:

The Locality team(s) undertook 'early adopter' transformation work which progressed to the delivery of the Connecting Families work.

Other than recent staffing matters, there has largely been a stable workforce with a breadth of service and experience.

There has been some innovative partnership work undertaken in providing local initiatives. Front line officers are often dealing with many of the most vulnerable in our homes and communities, many tenants and residents with challenging and complex issues.

3.16 Culture Themes – Priority Issues

3.16.1 In recognition of the major themes from a year's cultural work and engagement throughout the whole organisation, the initial focus will be to seek to deliver on the following areas:-

- (i) Clarity of strategic direction (Purpose).
- (ii) Managers to spend time with their teams and other teams. Improve performance focussed conversations with Line Managers.
- (iii) Empowering staff, particularly by coaching and mentoring (allowing people to speak openly about factors affecting performance).

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3.16.2 In developing a programme to support a cultural shift, and building on the areas of strength, specifically across housing, and services to the community, but not exclusively, we need to operate from a principles based perspective which is set out with the Council Plan however needs embedding in the “way we do business”. This will require continuing with shared, open and honest conversations using facts, data, business intelligence and a shared understanding of the scale and scope of the improvement plan.

3.16.3 How we will work:-

- Provide excellent customer care at all times.
- Listen to our residents to understand their needs.
- Deliver our core services efficiently and effectively.
- Make the best use of our resources, with residents at the heart of all we do.
- As a community leader, work with partners in the public, voluntary and private sectors to ensure residents of Redditch Borough get the services and support they need.
- As a good employer, support our employees to provide services that meet the needs of our residents.

3.16.4 Key themes/actions also include:-

- A shared awareness of the scale and complexity of the issues to be addressed.
- Strategic leadership (Member/Officer) focus on purpose and improvements.
- Continue developing the strategic intervention work streams to deliver the strategic intervention themes.
- Undertake service restructure/redesign to deliver to purpose.
- Challenge attitudes and behaviours which are contrary to purpose.
- Review of relationships and inter co-operability.
- Tenants and residents at the heart of everything, including tenant involvement in service reform.

3.16.5 In recognition of the staff and community journey, specifically within the service there needs to be:-

- Revised leadership/management structure and resources for an integrated housing service (Corporate/Leadership section).
- Team building/opportunities to discuss/explore the challenges (People/Staff).
- Service redesign/review (Restructure).
- Robust performance management (Team and individual).
- Agreed governance and reporting arrangements (Governance/Performance).

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- Coaching support and personal development (People/Staff).

3.16.6 Team and individual plans will be drawn up which will deliver both the corporate priorities alongside the 'people' development and support.

[ACTION PLAN REFERENCE] CORPORATE 1.33.17 Leadership/Management Arrangements - Housing

3.17.1 There are a number of criticisms and issues which have been identified in relation to the previous leadership and management of the housing service.

- Poor use of data and evidence to design and deliver the service.
- A lack of recorded appraisals/supervision from top to bottom.
- A lack of challenge in housing service areas which will require development, training and support to effect change.
- A failure by officers to fulfil their contractual obligations to the Council as their employer
- The need for more transparency between services and the Senior Management team.

3.17.2 Previously Senior management can be considered as being too passive and trusting and the Chief Executive Officer needs to be more open, challenging and probing of issues with Service Heads.

3.17.3 Line management weaknesses throughout were described as being not adequately compensated by the current matrix management arrangements (Director leads for strategic purposes).

3.17.4 Appraisals, revised supervision and performance management arrangements are now being put in place throughout the organisation. These include Chief Executive appraisal via the respective Leaders and appraisals/performance management being rolled out throughout the whole organisation.

[ACTION PLAN REFERENCE] CORPORATE 1.43.18 Current/Future Arrangements – Housing

3.18.1 Since September 2017 interim management arrangements have been in place. The Chief Executive delegated authority to the Deputy Chief Executive (and Executive Director) and for the Head of Environmental Services (Repairs & Maintenance/Property work) and to the Head of Community Services (Housing Management/Tenancy/ Housing Options/ support services) to act and provide leadership and management for the housing service.

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3.18.2 Other temporary staffing arrangements currently in place include:-

- Environmental Services Manager managing the Repairs & Maintenance functions
- Temporary Senior Contracts Manager
- Temporary Surveyors (3) – Two in place with ongoing recruitment
- Temporary Senior Housing Manager
- Senior Electrical Officer
- Children & Families Service Manager and Parenting Operations Manager covering St. David's House

3.18.3 In order to move forward, there is a need to formalise the leadership/management arrangements to provide a greater stability for the team(s) and services, and to ensure that the strategic action plan can deliver major improvements for our tenants and service users.

3.18.4 This also provides an immense opportunity to integrate services at both strategic and operational levels and provide strength and support.

3.18.5 The importance of recruiting a revised management team to lead and deliver a service review is viewed as a priority.

3.18.6 All subject to the wider Senior Management Team review (Directors and Heads of Service) to be undertaken by the Chief Executive Officer, the Deputy Chief Executive will be the responsible strategic lead and line manager for the Heads of Service responsible for housing services for the period of the strategic improvement/action plan. This will be alongside, and a continuation of lead responsibility and delivery to strategic purposes:-

- Help me find somewhere to live in my locality
- Help me live my life independently
- Keep my place safe and looking good

3.18.7 At Head of Service levels, the following arrangements are proposed:-

The current Head of Community Services to be responsible for all housing tenancy (locality) and community services including the following teams:-

- Housing Strategy & Private Sector
- Locality/Home Support
- Homelessness & Housing Advisory
- St. David's House

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- Housing Performance & Database Team
 - Community Safety
 - CCTV & Telecare Services
 - Dial-A-Ride & Shopmobility
 - Children & Families
- 3.18.8 Led by the Head of Community Services, a review of the management team delivering across all these community and housing services will be undertaken. In doing so, this will facilitate integration of the housing strategic function (for Redditch and Bromsgrove) and operations (Redditch). Prioritised reviews for the services will be undertaken thereafter, to ensure delivery to our tenants and communities.
- 3.18.9 The current Head of Environmental Services will be formally responsible for the Repairs, Property and Compliance elements of housing services, alongside existing environmental services (no changes proposed). This will include the following teams and functions in housing services:-
- Capital Team
 - Repairs & Maintenance (including Voids, Aids & Adaptations)
 - Procurement
 - Compliance (landlord functions)
 - Business Support/Administration
- 3.18.10 Led by the Head of Environmental Services, there will be an immediate review of the management and teams responsible for delivery of the housing, property, capital and compliance functions.
- 3.18.11 The management/teams responsible for these housing (HRA) services will remain distinct and separate from the management of Environmental Services. There will be a later review of all the repairs services (Repairs & Maintenance, Voids, Aids & Adaptations and Business Support), and the Environmental Services Manager currently placed as interim lead/manager will continue to provide the 4th tier management support.
- 3.18.12 The singular post of Head of Housing Services (Chief Officer level) will not be recruited to. Whilst these senior management arrangements are not the only option(s), it is considered at least within the short to medium term to provide the leadership and resilience to deliver the improvements required.
- 3.18.13 These leadership proposals at Director/Heads of Service level do not require a service review and are within the discretion of the Chief Executive to implement following a short period of consultation and discussion with the Corporate Management team/Officers affected.

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- 3.18.14 Once the relevant Heads of Service ensure revised senior management teams are put in place within the next 4-6 months, there will follow wholesale service reviews across all of the housing and where required community services teams, however planned and undertaken on a phased basis in accordance with Human Resource service review and change policy arrangements.
- 3.18.15 Based on a risk based approach the phasing of staff and service reviews will be undertaken and prioritised as below:-
- (a) Heads of Service – formalised arrangements in place
 - (b) Housing and Community Services management team (Review of 4th Tier Managers);
 - (c) Property, Capital, Asset & Compliance Management and team (Review of 4th and 5th Tier Managers and full contract/asset and compliance teams);
 - (d) Homelessness and Housing Advisory Team;
 - (e) Housing Older Peoples Accommodation Review.
- 3.18.16 Once the respective management team(s) are in place, all services within housing and community services and property maintenance and asset will be subject to service review (detailed later in the report).

[ACTION PLAN REFERENCE]**CORPORATE 1.6****CORPORATE 1.7****STAFFING/SERVICE REVIEWS 3.1****STAFFING/SERVICE REVIEWS 3.2**

Note: Public building management and assets on return of services from PPL are currently being considered separately.

3.19 Service & Operational Implications**Performance Measures/Data – Arrears & Void Properties**

- 3.19.1 In addition to the financial comparators there are performance measures/ data which need to be detailed:-
- **Arrears:** Current arrears are around 3.1% of debit/total collectable sum. This is average and the trend is not alarming. Improvements can and should be made but must be viewed within the difficult economic situation facing our tenants with continued welfare cuts and the roll out of Universal Credit.

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- **VOIDS:** Performance in the time taken to re-let our empty homes is exceptionally poor at over 70 days. Top performing housing organisations should be achieving an average of between 15-20 days as demand is quite high (apart from some smaller sheltered homes). Evidence suggests the void numbers became worse last year after the team/staff suspensions and contractor terminations (the total number of voids empty at one time exceeded 120 and are now down to under 60) however void performance has been very poor for some years. Last year we lost £378,000 in rental income because of void rent loss, equating to 1.6% of debit. As comparators, Local Registered Providers recorded a void loss of 0.65% (around 19 days on average).

- 3.19.2 This problem has not just occurred and has been problematic for many years in Redditch however not flagged at any level with senior management or Members.
- 3.19.3 Void loss in 2013/4 = £302,000; 2014/5 = £382,000; 2015/6 = £358,000; and 2016/7 = £301,000. Improving the void turnaround time will assist the income deficit issue for the HRA and is therefore a critical priority. As with all the remedial actions required, this is a complex system and requires team work from property and housing management staff supported by good systems. Major long term improvements will not be immediate as the service and the organisation needs to achieve something it hasn't got near to, good performance, for many previous years.
- 3.19.4 Given the priority of void improvements and actions required, a separate action plan has been created to meet purpose and achieve increased income to the HRA.

[ACTION PLAN REFERENCES]

VOIDS 4.1
VOIDS 4.2
VOIDS 4.3
VOIDS 4.4
VOIDS 4.5
VOIDS 4.6
VOIDS 4.7

3.20 Health & Safety Compliance

- 3.20.1 Since the interim management team has been in place, there have been a vast range of work programmes scheduled and undertaken to place the organisation in a position of compliance.
- 3.20.2 Whilst there is still a great deal to do, the following overview can be provided:-

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- Gas servicing is now operating correctly but regular audits are required to verify this to provide continued assurance, alongside delivery of a Gas Business Case.
 - Electrical testing is behind on the recommended 5 year cycle and other compliance issues have become very apparent.
 - Asbestos – void surveys are now standard practice, but additional work is required in relation to the data base. Contract arrangements in place until March 2019.
 - Fire Safety – significantly more work is needed on this being a critical area for the authority however all Fire Risk Assessments are completed and currently in place working with relevant agencies, including H&W Fire & Rescue Service. Longer term inspection plans and programme of works are required as a matter of urgency.
- 3.20.3 Overall in the revised structure, a senior experienced and qualified manager will be required to oversee the specialist surveyors/teams covering each of the disciplines with appropriate IT and administrative resources.
- 3.20.4 Due to the importance of the essential compliance and capital programme improvements required, a separate action plan has been developed.

[ACTION PLAN REFERENCE]

CORPORATE 1.7
STAFFING/SERVICE REVIEWS 3.3
COMPLIANCE/CAPITAL WORKS 5.1
COMPLIANCE/CAPITAL WORKS 5.2
COMPLIANCE/CAPITAL WORKS 5.3
COMPLIANCE/CAPITAL WORKS 5.4
COMPLIANCE/CAPITAL WORKS 5.5
COMPLIANCE/CAPITAL WORKS 5.6

- 3.21 Housing Options/Housing Advisory Team
- 3.21.1 The other team requiring an immediate review is the Housing Options and Advisory Service. Consideration will be given to the roles and function of the Housing Strategy team (Community Services) and the synergies/leadership of strategy/policy, alongside front line delivery (Housing).
- 3.21.2 This pressurised Options/Advisory service is currently only open and accessible to the public part time (and has been for over a year) as a

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result of staffing shortages and service demands on the team. There has been a high turnover of staff and a reliance on agency staff however the team have worked hard to deal with the varied requirements. This position is not uncommon at present in the sector as the Homelessness Reduction Act (2018) with increased homeless prevention duties/ requirements have created a premium in this particular expertise/ discipline, both locally and nationally.

- 3.21.3 A review of existing housing applications is behind schedule with new housing applications being dealt with initially in a desktop exercise rather than being seen by options staff, and a one/two month backlog has developed. The team recently went live on a new IT product acquired to meet the new homeless prevention duties however there may be a requirement for a small capital budget allocation to ensure compliance with GDPR if cannot be undertaken quickly in the wider Housing Management IT system.
- 3.21.4 A major review of the Allocations Policy is underway, however the existing software for allocations and the housing register is inadequate and doesn't meet new data protection guidelines. The team is not well placed or equipped to address the policy review work required and address implementation of a new IT system, however are represented and fully participating in the development of the requirements for a Housing Management System.
- 3.21.5 There is a requirement for both service review alongside policy development.

[ACTION PLAN REFERENCES]

STAFFING/SERVICE REVIEWS 3.1
POLICY & PROCEDURES 6.1

- 3.22 Housing Management/Locality Services
- 3.22.1 Whilst undertaken with the very best of intention and purpose, transformation of the Housing Locality teams hasn't developed as was originally intended and limited resources have been concentrated on a limited number of our tenants.
- 3.22.2 We need to do much more in focusing our housing management services to all tenants and particularly helping residents to become more independent (Strategic and Operational Purposes).
- 3.22.3 As part of the wider strategic intervention work, we are working to address this by helping support communities to help themselves and working with partners and other agencies in the review of place based support, including locality, place teams, wider community services and family support.

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- 3.22.4 Whilst structural change will bring about some of the necessary change, bringing together services within a single housing and community services unit will help support the change process in breaking down silo service delivery, with all working to common aims and purpose.
- 3.22.5 Nationally housing has been described as having to respond to the 'perfect storm' of rent reductions/capping, continuing welfare reform, extended Right to Buy and diminishing resources, which has been covered earlier in the report.
- 3.22.6 There is a continual need to review budgets, and particularly supervision and management costs are under particular scrutiny.
- 3.22.7 Our plans to take the service forward must include plans to transform both management and maintenance and the way we deliver our services.
- 3.22.8 Longer term, the ambition is to develop services which can increase revenue however the primary need is to ensure our own 'house is in order' to provide the basis on which to build. The following are required.
- Treating tenants well.
 - Manage our stock well.
 - Delivering value for money.
 - Having effective systems to support the business – channel shift to digital engagement and positive face to face (Housing Management System).
 - Greater clarity around landlord and tenant responsibilities (Review of Tenancy Agreement).
 - Maintain a social landlord focus however develop a property portfolio focus.
 - Prepare and support staff to develop and enhance the skills needed for housing officers in a mix of management/technical and community environments (Team and people development).
 - Deliver locality services in a more efficient way in consolidating teams and units and restructuring staff teams.
 - Corporate measures and clear performance management, supervision and support.
 - Revised and reviewed management arrangements.
 - Setting clearly defined budgets and future spend.
 - Reducing supervision and management costs.
 - Increased focus on procurement and contract efficiency and cost reductions.

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- 3.22.9 We all need to understand our clear and challenging purpose and aims, and articulate how we as a housing provider and teams are going to achieve these alongside:-
- Need a range of 'reality checks' from a range of data and evidence alongside robust performance measures.
 - Visual inspections and visits to estates and properties on a planned and regular basis with supporting records.
- 3.22.10 We need to build on the strengths within the current locality teams and a wholesale review of locality/housing management services will be undertaken over the next 12-15 months when the Senior Managers are in place across all housing services.

[ACTION PLAN REFERENCE]**CORPORATE 1.6****STAFFING/SERVICE REVIEW 3.4****3.23 Housing Maintenance**

- 3.23.1 There are currently 60 operatives (excluding administrative/supervisory staff) working within the repairs and maintenance service, including agency staff. As a broad measure, a contractor in routine and cyclical maintenance would expect his operatives to generate at the very least £70,000 per annum per person through a schedule of rates however aiming for £90,000 as top performance. Although the Repairs & Maintenance budgets are around £5 million, over £2 million is allocated to external contractors. Some aids and adaptations work is also undertaken in house (last year around £200,000). Assuming an internal spend of £3.2 million, this equates to approximately £53,000 per person suggesting either a serious performance issue and/or the incorrect number of trades operatives. This requires urgent review.
- 3.23.2 Previous practice has been to charge 100% of the staffing costs for major capital works and aids and adaptations (this equates to 18 staff and a budget of £600,000) work directly to capital costs and whilst some charges to capital are justified, the previous levels were high. Correcting this practice with a recommendation to include £350,000 capital staffing costs for 2018/19 is proposed.
- 3.23.3 At over £1200 per property we were above the highest quartile for major works spend on properties but we are reducing spend this year to £3 million (around £500 per property) pending a full stock condition survey later this year, which Members have agreed. If we do not meet decent homes standards, higher levels of capital spend can be expected in future years.

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- 3.23.4 Aids and Adaptations to Council properties are undertaken in house with a budget of around £700,000 allocated annually. Alongside an efficiency issue, this budget is frequently underspent and yet at the same time there is a backlog of unmet need for Council tenants. How this work is charged via capital/revenue also requires review. A similar service to private tenants and owner occupiers under the Disabled Facilities Grant (DFG) process is undertaken by the Council using private contractors. A full review of the service is warranted using the DFG process as a comparator.
- 3.23.5 A separate action plan for repairs and maintenance is included in the strategic improvement/action plan.

[ACTION PLAN REFERENCE]

STAFFING/SERVICE REVIEW 3.5
REPAIRS & MAINTENANCE 7.1
REPAIRS & MAINTENANCE 7.2
REPAIRS & MAINTENANCE 7.3
REPAIRS & MAINTENANCE 7.4

- 3.24 Governance & Performance/Performance Management Team
- 3.24.1 Current governance and reporting to senior managers and Members needs to be significantly strengthened and needs to become embedded throughout 'how we do business'.
- 3.24.2 There is currently a Performance Management team which is independent of the various arms of the housing service. This is positive because we have found that some of the teams producing their own performance data have produced data which in some areas has been limited and in other areas simply false.
- 3.24.3 Not enough time is spent in sharing data/measures, supported by robust individual and team performance management. Strategic and operational measures are held within the service and go on to the dashboard, however there are inherent weaknesses and have been rarely challenged. Housing system and IT weaknesses limit the accuracy, speed and depth of performance management (evidenced by inter-sectional arguments over void lists and numbers/data when performance management team, locality and Crossgate teams unable to agree empty property numbers). Whilst known areas have been rectified, it is critical that there is prompt, accurate performance data shared effectively and the service is regularly and effectively scrutinised.
- 3.24.4 Best Value Performance Indicators and targets are known to be outdated and 'drive in' certain behaviours in service. We do however need a current and robust set of measures and data on

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which to assess performance in order to challenge. These measures will include the following, however not exclusively:-

- % rent collected
- Rent loss through voids
- Void relet times – end to end work and section specific
- Time to complete repairs

- 3.24.5 A full 'measures suite' is being developed and will form part of the performance monitoring arrangements and reports to senior officers and Members.
- 3.24.6 It is proposed that alongside the revised Portfolio Holder briefing arrangements that are currently in place, that in the first year of the strategic improvement/ action plan a report is provided to Executive Committee to detail progress on the action plan with any reported exceptions to plan advised.
- 3.24.7 It is considered that this degree of reporting is required to give Members/Council the assurance and confidence that improvements and delivery is being achieved.

[ACTION PLAN REFERENCE]

STAFFING/SERVICE REVIEW 3.5
GOVERNANCE/PERFORMANCE 8.1
GOVERNANCE/PERFORMANCE 8.2
GOVERNANCE/PERFORMANCE 8.3
GOVERNANCE/PERFORMANCE 8.4
GOVERNANCE/PERFORMANCE 8.5

- 3.25 Housing Management IT System
- 3.25.1 The current Saffron system is no longer fit for purpose and this report includes proposals for a new software system to support the breath of housing services going forward.
- 3.25.2 The previous provision made in the HRA capital programme which was originally intended for a replacement system some years ago has been utilised to develop the Professional Data Management Services (PDMS) data capture system which went live in April 2018. It is likely to be a year or so before a proper evaluation of the effectiveness of this system can be properly made, however it is known that it cannot address the current weaknesses and the need for a robust system for managing repairs, asset management, rents, indeed most of the housing services.
- 3.25.3 Currently there is no budget provision to address the IT needs, so a full business case has been prepared. To deliver such a system will

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require a full time dedicated resource alongside the required capital resource to procure a system.

- 3.25.4 Attached to this report is the full business case to enable Members to consider the funding and resource request to progress this as soon as possible. Subject to agreement, a separate action plan has been prepared. Estimated costs of the hardware, costs of internal project management and introduction costs are detailed within the full business case, all of which will be subject to procurement.
- 3.25.5 All revenue costs will be met from existing budgets or from service review and efficiency savings.
- 3.25.6 Appendix F: Full Business Case Housing Management IT System

[ACTION PLAN REFERENCE]

HOUSING MANAGEMENT IT SYSTEM 9.1
HOUSING MANAGEMENT IT SYSTEM 9.2
HOUSING MANAGEMENT IT SYSTEM 9.3
HOUSING MANAGEMENT IT SYSTEM 9.4
HOUSING MANAGEMENT IT SYSTEM 9.5

3.26 Human Resources and Staffing Implications

- 3.26.1 There are a number of human resource and staffing implications affecting a significant number of staff as a result of this report.
- 3.26.2 The proposed leadership arrangements at Deputy Chief Executive and Head of Service levels will be subject to a short consultation exercise with those affected (Corporate Management Team). The proposed management and staffing reviews to be undertaken thereafter will be undertaken in full accordance with agreed human resource service review and change management policies, in full consultation with the Trade Unions and affected staff.
- 3.26.3 Where there are any financial impacts (increases) as a result of any staffing review proposals, decisions will be sought of Executive Committee and Council if required.
- 3.26.4 At this stage it is not known if there will be any voluntary or compulsory redundancies as a result of future staffing and service reviews.

3.27 Customer / Equalities and Diversity Implications

- 3.27.1 There is an area wide range of people and groups of people who are impacted by this report, specifically our current and future tenants, leaseholders, residents of the borough and those seeking support and advice in all housing matters.

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- 3.27.2 Current staff, managers and teams will be affected by the actions detailed within the Strategic Improvement/Action Plan in multiple ways, however, will be fully supported in the proposed changes and development areas.
- 3.27.3 Members will have greater opportunities to formally scrutinise and challenge services and to influence the future direction strategically.
- 3.27.4 Our tenants and customers come from a diverse range of equality groups including race, minority ethnic groups, disability, gender, transgender, marital, sexual orientation, religion, age, income groups and rural urban mix. There is no evidence that any particular group(s) or individuals will be treated unfairly either directly or indirectly as a result of the proposals or recommendations made. Tenants and service users will be involved in any future change to services and engagement with affected tenant groups(s) and individuals will be actively arranged to enable positive influence towards service reform and future provision. Tenant and customer feedback will be actively encouraged and 'what is best for them' will drive our strategies and decision making.
- 3.27.5 It is important that our staff work in an environment where they are valued, supported and receive equality of opportunity within an organisation striving towards a culture of positivity.

4. RISK MANAGEMENT

- 4.1 Whilst the risk log is traditionally prepared from a 'Council' perspective, the greatest risk throughout is failure to deliver to our tenants. This is the whole premise of our strategic improvement/action plan to ensure we serve and deliver the best we can.
- 4.2 The housing (service) risk register includes the following risks:-
1. Fail to effectively manage and achieve efficiencies of Housing Service transformation.
 2. Fail to effectively manage housing repairs and maintenance.
 3. Fail to obtain the contract for Home Support Services commissioned by Worcestershire County Council.
 4. Fail to manage the impact of welfare reform on customers.
 5. Fail to manage liability for Council Tax on void properties.
 6. Loss of data from housing system.
 7. Fail to manage impact of increasing homelessness cases.
 8. Inability to collect rent.
 9. Fail to effectively management leaseholder properties.
 10. Fail to effectively manage capital projects (also the right contracts are put in place, internal and external).

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11. Potential for an increase in right to buys.
12. Fail to obtain payment from St. David's tenants.
13. Access to Holding System and data.
14. Failure to complete annual gas safety inspections.
15. Risk of legionella in housing with communal facilities.
16. Housing Revenue Account.
17. HCA Consumer Standard – Home.
18. HCA Consumer Standard – tenant involvement.
19. HCA Consumer Standard – Tenancy.
20. HCA Consumer Standard – Neighbourhood.
21. Non-compliance with asbestos regulations.
22. Non-compliance with Regulatory Reform (Fire Safety) Order 2005 – Blocks of flats and communal entrances.
23. Non-compliance with Regulatory Reform (Fire Safety) Order 2005 – Sheltered Schemes.
24. Failure of Saffron Housing IT System.
25. Failure to carry out day to day management of Saffron system.

4.3 The corporate risk register includes the following risks, all of which are relevant to this report, including the current mitigations and ongoing actions, all of which have been considered by Audit, Governance & Standards Committee:-

- Non-compliance with Health and Safety legislation.
- Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence.
- Managing the impact of National Changes – financial, social, economic or environmental – which may have a detrimental impact on service delivery or quality (e.g. Brexit/Universal Credit).
- IT systems and infrastructure has a major failure.
- Non-adherence with Statutory Inspection Policy.

4.4 Due to the range of issues identified in this report, a further risk log is provided covering the major elements and specific risks identified:-

RISK	IMPACT H/M/L	LIKELIHOOD H/M/L	RISK RATING H/M/L	MITIGATION(S)
Lack of support for recommendations/ future actions - Members/ Council - Staff - Trade Unions	H	L	M	<ul style="list-style-type: none"> • Detailed action plan/ supported by data/evidence • Strategic buy in Members/ Officers • Member/Staff/TU Briefings – ongoing dialogue
Failure to deliver on compliance and	H	L	M	<ul style="list-style-type: none"> • Detailed plan/ resources in place

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health and safety				<ul style="list-style-type: none"> Specialist expertise and support in place
Inability to deliver improvements/ planned programme for tenants and properties	H	M	H	<ul style="list-style-type: none"> Revised leadership/ management arrangements properly resourced – capacity/ skills/ knowledge Robust governance & reporting arrangements
Reduced services to tenants	H	M	H	<ul style="list-style-type: none"> All operational arrangements in place Escalation arrangements in place (leadership) Track record of delivery despite presenting issues/ challenges
Reputation of Council	H	L	M	<ul style="list-style-type: none"> Managed communications/ press releases – communications plan Track record of delivery Formal recovery plan – properly resourced
Financial risks – HRA & General Fund	H	H	H	<ul style="list-style-type: none"> Remodelled HRA/ business plan Increased income streams Reduce supervision & management costs
Changes in legislation/ funding arrangements	M	M	M	<ul style="list-style-type: none"> Longer term plans in place Future plans to include integration strategic/ operational support to teams
Loss of staff/ experience due to change programme	M	M	M	<ul style="list-style-type: none"> Staff and team development programme Recruitment programme with service review(s) Ongoing support (Senior Housing Manager)

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****11th September 2018****5. SUMMARY/CONCLUSIONS**

- 5.1 It is not intended to give a further precis and overview of the main content of the report (s) before Executive for consideration.
- 5.2 Whilst there have been a multitude of issues to consider and deal with, this position of service adversity and documented failures has provided an unprecedented opportunity to shape and deliver future services in a way that has previously never been achievable.
- 5.3 The report and recommendations focus on getting all the basics right in our management, staffing, finances, infrastructure, policies, systems, performance management and measures. Once we have these solid foundations in place, our focus will be on more sustainable personalised relationships with all of our tenants and communities, by staff who are supported and given every opportunity to develop.
- 5.4 Some of the overview and insights contained within the report may be considered quite difficult for those involved. Nevertheless change must happen and with the 'desire to make things better', positive future services can and will be delivered.
- 5.5 Whilst specifically referring to the concerns around variation in spend in the run up to the next Spring spending review, Abdool Kara a Senior National Audit Office Executive, has recently stated "Local Government needs to be more honest about poor performance. Instead of trying to explain away all poor performance, the sector needs to be more open and honest about the fact that it exists and it is unacceptable".
- 5.6 This report recognises previous arrangements and outcomes have been unacceptable and has sought to provide an account of this with detailed plans for recovery and improvement for those we serve.

6. APPENDICES

- Appendix A – Strategic Improvement/Action Plan
- Appendix B – 2017/18 Outturn position
- Appendix C – HRA Remodel of financial position 2018/19 – 2023/24 (to include social rental charge for new build)
- Appendix D – HRA Remodel of financial position 2018/19 – 2023/24 (Option affordable rents for new build)
- Appendix E – Redditch Rental Figures
- Appendix F – Full Business Case - Housing Management IT System Business Case

7. BACKGROUND PAPERS

- Audit Reports
 - (i) Housing Capital Programme (2016/2017)

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- (ii) Post Contract Appraisal (2016/2017)
- MHCLG English Housing Survey
- Tackling National Housing Issues – Locally
- Inside Housing – “What will 2018 hold for UK Housing”
- “On the Cusp of Change” – National Housing Federation Papers
- HRA 30 Year Business Plan
- Redditch Borough Council – Council Plan 2017-2020
- Strategic Housing Market Assessment
- Office of National Statistics – House Prices, Redditch
- Staff Survey Results 2017
- Culture Reports to Staff Survey Board/Overview & Scrutiny
- Housing Risk Register (RBC)
- Corporate Risk Register (RBC)
- “Help me find somewhere to live in my locality” – Member workshop outcomes and work programme.

8. AUTHOR OF REPORT

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Report content contributions from:-

- (i) Corporate Management Team (ALL)
- (ii) Paul Calland
- (iii) Chris Forrester
- (iv) Derek Allen

Housing Management IT System Business Case authors listed on Appendix F.

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1. CORPORATE**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
1.1	Capital Procurement & Contracts	Jayne Pickering/ Claire Felton	October 2018	Comprehensive assurance/ audit report to Audit, Governance & Standards Committee	
1.2	Delivery to Strategic Purpose	Sue Hanley Deb Poole	Throughout recovery plan June 2019	Delivery of actions to plan:- <ul style="list-style-type: none"> • Member briefings • Staff briefings • Team briefings • Review of Corporate Plan Priorities March 2019 • Leadership/ Management Development Programme 	
1.3	Cultural change	Sue Hanley/ CMT	August 2018 ↓ August 2021	Team/individual purpose plans <ul style="list-style-type: none"> • Manager/team identification of improvement plan(s) • Whole programme of change via Staff Survey Programme Board 	
1.4	Senior Leadership Team - appraisals	Kevin Dicks Annual CX Appraisal undertaken by Leader/ Deputy Leader	March 2019	<ul style="list-style-type: none"> • Ensure all appraisals/ supervision is undertaken throughout organisation top to bottom 	
	Directors/HoS/All Managers – Appraisals	Kevin Dicks/ Sue Hanley/ Jayne Pickering/HoS	March 2019		
	Performance Management Arrangements	Sue Hanley Judith Willis Guy Revans	March 2019	<ul style="list-style-type: none"> • Performance Management arrangements for all housing services teams 	

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
1.5	Leadership & Management Arrangements	Kevin Dicks	April 2019 Sept 2018	<ul style="list-style-type: none"> • Senior Management Team Review • Formalise arrangements for lead HoS arrangements post consultation 	
1.6	Review of Housing & Community Services Management Team	Judith Willis	January 2019	<ul style="list-style-type: none"> • Service Review Proposals • Consultation Staff/TUs • Implement Management Team 	
1.7	Review of Housing Capital/ Property/Compliance Team(s)	Guy Revans	December 2018	<ul style="list-style-type: none"> • Service Review Proposals • Consultation Staff/TUs • Implement Management Team 	

2. FINANCE**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
2.1	HRA Viability Plan	Jayne Pickering/ Chris Forrester	Completed	Short to medium term budget created incorporating feedback from CMT, removing budgets no longer required. Option exists to start using affordable rents given the primary focus is revenue as the capital programme has been scaled pending outcomes from the stock condition survey. Future modelling around repairs & maintenance will also then be undertaken. Once the new build programme is understood, capital modelling will be more useful and carried out.	75% as capital is pending
2.2	30 Year Business Plan	Sue Hanley/ Jayne Pickering/ Chris Forrester	Depends how quickly information comes through. Spreadsheets in place ready to be populated	Waiting for information from stock condition survey	25%
2.3	Medium Term Business Plan	Sue Hanley/ Jayne Pickering/ Chris Forrester	-	As per viability plan	75%

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
2.4	Housing Growth Plan	Sue Hanley/ Judith Willis/ Chris Forrester Matthew Bough/ Derek Allen	September 2018 October 2018	<ul style="list-style-type: none"> Building up a working model – visiting Stafford and rural homes to get accurate build costs and see how a build programme can be developed. Report to Executive – October – land/site disposals (HRA land/sites). 	60% as a model has been worked up, just need the data for it
2.5	Income Growth	Guy Revans/ Judith Willis	Ongoing March 2019 March 2019 Dec 2018 March 2019	<ul style="list-style-type: none"> Future considerations/opportunities Review & update recharges Review & update service charges Consider affordable rents and seek member view Review & update fees and charges 	
2.6	Review of Revenue Spending by all service areas	Guy Revans/ Judith Willis	Feb 2019 (for budget planning) April 2019 to Nov 2019 for 2020/21.	<ul style="list-style-type: none"> Staffing Contracts Materials Support and administration 	

3. STAFFING/SERVICE REVIEWS**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
3.1	Review of Housing Options & Advisory Team	Judith Willis/ Paul Calland	January 2019	<ul style="list-style-type: none"> • Service Review Proposals • Consultation Staff/TUs • Implement Management Team 	
3.2	Housing Older Peoples Accommodations Review including St. David's House Category A Schemes	Judith Willis	March 2019	<ul style="list-style-type: none"> • Review funding allocation from WCC, currently being negotiated • Review Older Persons Strategy • Gather demand data • Understand the flow • Identify waste • Identify legal requirements • Links to allocation policy review 	
3.3	Gas Services Business Case	Guy Revans	January 2019	<ul style="list-style-type: none"> • Understand the work flows • Identify waste & efficiencies • Identify legal requirements • Prepare business case • Review & draft staffing structures • Consult with Staff/TUs • Implement new structure 	
3.4	Review of Housing Management Services	Judith Willis	March 2019 ↓ Dec 2019	<ul style="list-style-type: none"> • Understand the work flows • Identify waste & efficiencies • Identify legal requirements • Tenant involvement • Prepare business case • Review & draft staffing structures • Consult with Staff/TUs • Implement new structure 	

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
3.5	Review of Performance Management Team	Judith Willis	March 2019 ↓ Dec 2019	<ul style="list-style-type: none"> • Understand the work flows • Identify waste • Identify legal requirements • Tenant involvement • Review & draft staffing structures • Prepare business case • Consult with Staff/TUs • Implement new structure 	
3.6	Review of All Repairs & Maintenance Teams	Guy Revans/ Ian Roberts	Sept 2019	<ul style="list-style-type: none"> • Understand the work flows • Identify waste • Identify legal requirements • Tenant involvement • Review & draft staffing structures • Prepare business case • Consult with Staff/TUs • Implement new structure 	

4. VOIDS**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
4.1	Review process end to end	Paul Calland	30 th Oct 2018	<ul style="list-style-type: none"> Understand the work flows Identify waste & efficiencies Identify legal requirements Links to allocations & policy review 	
4.2	Redesign voids process	Paul Calland	30 th November 2018	<ul style="list-style-type: none"> Tenant involvement Clarify roles and responsibilities 	
4.3	Agree voids standard	Paul Calland	30 th November 2018	End to end	
4.4	Agree measures	Judith Willis Guy Revans Paul Calland	31 st December 2018	<ul style="list-style-type: none"> Discuss at DMT & with Portfolio Holder(s) Consider good practice elsewhere Draft & trial measures Refine & implement 	
4.5	Restructure service delivery and workforce	Judith Willis Guy Revans	31 st March 2019	<ul style="list-style-type: none"> Review & draft staffing structures Prepare business case Consult with staff/TUs Implement new structure 	
4.6	Look at how we prevent damage to properties that leads to large scale refurbishment projects	Paul Calland Jas Sidhu Ian Roberts Jayne Baylis	31 st December 2018	<ul style="list-style-type: none"> Develop a risk based inspection programme Review enforcement procedures & how this is communicated to tenants 	
4.7	Look at recharges and enforcement policy and procedures – draft policy.	Paul Calland	March 2019		

5. COMPLIANCE/CAPITAL WORKS**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
5.1	Undertake Stock Condition Survey and analyse results	Jas Sidhu/ Guy Revans	March 2019	Commission SCS and appropriate software to gather and analyse data Draft indicative results December 2018 and full analysis by March 2019	SCS agreed and software acquired. Recruitment of team pending.
5.2	Agree resource framework for capital works	Jas Sidhu/ Guy Revans/ Finance	December 2018	Set indicative capital budget for 2019/20	
5.3	Develop and agree 5 year programme of works	Jas Sidhu/ Guy Revans	Summer 2019	Consult with members and tenants on priorities and programme timetable	
5.4	Review and agree procurement framework for major works programme	Jas Sidhu/ Guy Revans	Summer 2019	Programme to be drawn up with prioritised works/programme	
5.5	Develop Asset Management Strategy	Jas Sidhu/ Guy Revans	Summer 2019	Prepare draft strategy	
5.6	Embed SCS into new housing management IT systems, if appropriate	Jas Sidhu/ IT Project team	2019/20	Build into the Housing Project Board Work Plan	

6. POLICY/PROCEDURES**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
6.1	Review of Allocations Policy	Judith Willis/ Amanda Glennie	October/ November 2018 ↓ April 2019	<ul style="list-style-type: none"> • Report to Executive/ Council • Undertake required consultations • Finalise policy • Implement with required IT system • Train staff on new policy • Ongoing review and update 	
6.2	Review of Tenancy Agreement and Handbook	Judith Willis Jayne Baylis	March 2019	<ul style="list-style-type: none"> • Gain feedback on current agreement • Consult with tenants • Draft new Agreement & handbook • Seek approval via Executive Committee • Make available on-line 	
6.3	Review Tenant Engagement Arrangements with tenant involvement in all service reform/policy review	Sue Hanley Guy Revans Judith Willis	Sept 2018 ↓ 2020	<ul style="list-style-type: none"> • Tenant consultation on all review of policy/procedures • Programme of reviews to be agreed • Wider place/locality based engagement to be considered 	

7. REPAIRS & MAINTENANCE**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
7.1	Review of R&M service and processes end to end (including repairs & maintenance, voids, aids & adaptations)	Ian Roberts	March 2019	<ul style="list-style-type: none"> Understand the work flows Identify waste & efficiencies Identify legal requirements Links to voids and aids and adaptations 	
7.2	Redesign R&M processes	Ian Roberts	31 st March 2019	<ul style="list-style-type: none"> Tenant involvement Clarify roles and responsibilities Risk based inspection regime Agree what work to be undertaken in-house and that commissioned externally 	
7.3	Agree Schedule of Rates service and quality standards, including performance and productivity arrangements (workforce & external provision)	Ian Roberts	31 st March 2019	<ul style="list-style-type: none"> Team and individual performance plans 	
7.4	Agree measures	Guy Revans Ian Roberts	31 st March 2019		
7.5	Consider Recharges, Enforcement policy and procedures	Ian Roberts	31 st March 2019	<ul style="list-style-type: none"> Draft policy and procedures Tenant/Member involvement 	

8. GOVERNANCE/PERFORMANCE/MEASURES**STRATEGIC IMPROVEMENT /ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
8.1	Provide progress reports to Executive Committee on delivery of Recovery/ Action Plan	Sue Hanley/ Judith Willis/ Guy Revans/	Quarterly commencing January 2019 April 2019 August 2019 January 2020	Progress and Exception Report	
8.2	Review the performance measures for landlord services (in the context of government expectations/ housing sector scorecard)	Jayne Baylis/ Ian Roberts/ Emma Cartwright/ Paul Calland	Sept 2018 ↓ Dec 2018	Report to CMT/ Housing Portfolio/ Members	
8.3	Review the performance of non- landlord services (in the context of government expectations/ housing sector scorecard)	Brenda Holden/ Derek Allen/ Judith Willis/ Paul Calland	Sept 2018 ↓ Dec 2018	Report to CMT/Housing Portfolio Members	
8.4	Agree revised set of standards/ measures for housing services	Judith Willis/ Guy Revans/ Paul Calland	December 2018	To coincide with budget framework and revised structure for Housing Services and consult with Members	
8.5	Review the scrutiny arrangements for landlord services	Sue Hanley/ Judith Willis/ Guy Revans	March 2019	Consultation with Members and tenants	

9. HOUSING MANAGEMENT IT SYSTEM**STRATEGIC IMPROVEMENT/ACTION PLAN**

REF	ISSUE	LEAD OFFICER(S)	TIMESCALE	KEY ACTIONS/ TASKS	UPDATE/ PROGRESS REPORT
9.1	Recruitment of Project Team	Sue Hanley/ Judith Willis/ Guy Revans	Dec 2018	Subject to endorsement by Executive/ Council (Sept 2018)	
9.2	Detailed specification			Links to other systems	
9.3	Procurement				
9.4	Selection of supplier				
9.5	Implementation		April 2020		

APPENDIX B

HOUSING REVENUE ACCOUNT (HRA)
REVENUE OUTTURN 2017/18

	2017/18 Approved YTD Budget £'000	2017/18 Actuals YTD £'000	Variance £'000
<u>INCOME</u>			
Dwelling Rents	23,387	23,244	143
Non-Dwelling Rents	499	499	0
Tenants' Charges for Services & Facilities	591	620	-29
Contributions towards Expenditure	54	62	-8
Total Income	24,531	24,425	106
<u>EXPENDITURE</u>			
Repairs & Maintenance	4,912	4,974	62
Supervision & Management	7,520	8,387	867
Rent, Rates, Taxes & Other Charges	189	138	-51
Provision for Bad Debts	400	137	-263
Depreciation & Impairment of Fixed Assets	5,596	5,712	116
Interest Payable & Debt Management Costs	4,179	4,179	0
Total Expenditure	22,796	23,527	731
Net cost of Services	-1,735	-898	837
Provision for Job Evaluation	0	0	0
Net Operating Expenditure	-1,735	-898	837
Interest Receivable	-140	-24	116
DEFICIT TO BUDGET	-1,875	-922	953

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APPENDIX C

HRA FINANCIAL MODEL 2018/19-2023/24

	Revised 2018/19	Forecast Budget 19/20	Forecast Budget 20/21 2.9%	Forecast Budget 21/22 3%	Forecast Budget 22/23 3%	Forecast Budget 23/24 3%
Rent uplift						
	£000	£000	£000	£000	£000	£000
Base rents @ 100% collection	-23,085	-22,618	23,274	23,972	24,691	25,432
Garages	-483	-493	-507	-523	-538	-554
Voids	280	339	349	360	370	381
RTB (compound impact shown here rather than reducing base rents following year)	-	199	404	615	832	1,056
1-4-1 purchases let at social rent	-	-263	-271	-279	-287	-296
Sub total	-23,288	-22,836	-23,299	-23,799	-24,314	-24,844
S&M						
head of service	104	106	108	110	112	115
HRA interim mgmt	426	-	-	-	-	-
Database and housing team	189	197	201	205	209	213
St Davids house	603	620	632	644	657	670
Locality	1,608	1,342	1,367	1,395	1,423	1,451
	2,930	2,265	2,308	2,354	2,401	2,449
Policy and management						
Professional fees	139	139	142	144	147	150
ICT	76	79	81	82	84	85
Recharge	5160	5,324	5,425	5,534	5,644	5,757
	5,375	5,542	5,647	5,760	5,875	5,993
Communal services						
St Davids	-462	-467	-476	-485	-495	-505
Other	-164	-157	-160	-163	-166	-170
expenditure	411	424	432	441	450	459
lifeline	15	28	29	29	30	30
	-200	-172	-175	-179	-182	-186
R&M						
Responsive repairs	2,731	2,800	2,853	2,910	2,968	3,028
Voids	1,260	1,500	1,529	1,559	1,590	1,622
Safety checks	390	390	397	405	413	422
Gas	830	635	647	660	673	687
	5,211	5,325	5,426	5,535	5,645	5,758
Rents, rates and taxes	149	152	152	152	152	152
depreciation	6,129	6,208	6,208	6,208	6,208	6,208
Interest	4,179	4,179	4,179	4,179	4,179	4,179
	10,457	10,539	10,539	10,539	10,539	10,539
Deficit /Surplus (-)	485	663	446	210	-35	-291

Rental increased by CPI+1%
Increase garage rents by CPI + 1%

Financial impact of loss of rental from current voids levels

Financial impact of loss of rental from current RTB levels
New Build properties built and let at social rent

Assuming HRA interim management ends by 19/20

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HRA FINANCIAL MODEL
2018/19-2023/24

APPENDIX D

	Revised 2018/19	Forecast Budget 19/20	Forecast Budget 20/21	Forecast Budget 21/22	Forecast Budget 22/23	Forecast Budget 23/24
Rent uplift			2.9%	3%	3%	3%
	£000	£000	£000	£000	£000	£000
Base rents @ 100% collection	-23,085	-22,618	-23,274	-23,972	-24,691	-25,432
Garages	-483	-518	-544	-571	-599	-629
Voids	280	339	349	360	370	381
RTB (compound impact shown here rather than reducing base rents following year)	-	199	404	615	832	1,056
new build purchases let at affordable rent	-	-377	-388	-399	-411	-424
Sub total	-23,288	-22,974	-23,452	-23,968	-24,499	-25,047
S&M						
head of service	104	106	108	110	112	115
HRA interim mgmt	426	-	-	-	-	-
Database and housing team	189	197	201	205	209	213
St Davids house	603	620	632	644	657	670
Locality	1,608	1,342	1,367	1,395	1,423	1,451
	2,930	2,265	2,308	2,354	2,401	2,449
Policy and management						
Professional fees	139	139	142	144	147	150
ICT	76	79	81	82	84	85
Recharge	5160	5,324	5,425	5,534	5,644	5,757
	5,375	5,542	5,647	5,760	5,875	5,993
Communal services						
St Davids	-462	-467	-476	-485	-495	-505
Other	-164	-157	-160	-163	-166	-170
expenditure	411	424	432	441	450	459
lifeline	15	28	29	29	30	30
	-200	-172	-175	-179	-182	-186
R&M						
Responsive repairs	2,731	2,800	2,853	2,910	2,968	3,028
Voids	1,260	1,500	1,529	1,559	1,590	1,622
Safety checks	390	390	397	405	413	422
Gas	830	635	647	660	673	687
	5,211	5,325	5,426	5,535	5,645	5,758
Rents, rates and taxes	149	152	152	152	152	152
depreciation	6,129	6,208	6,208	6,208	6,208	6,208
Interest	4,179	4,179	4,343	4,343	4,343	4,343
	10,457	10,539	10,703	10,703	10,703	10,703
	23,773	23,499	23,909	24,173	24,442	24,717
Deficit /Surplus (-)	485	525	457	205	-57	-330

Rental increased by CPI+1%
Increase garage rents by 5%

Financial impact of loss of rental from current voids levels

Financial impact of loss of rental from current RTB levels

New Build properties built and let at affordable rent

Assuming HRA interim management ends by 19/20

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APPENDIX E

Redditch Rental figures

Property Size	Social Rent (New Build)		Local Housing Allowance		Affordable Rent		Market Rent (Redditch Average)		
	Weekly (52)	Monthly	Weekly (52)	Monthly	Weekly (52)	Monthly	Weekly (52)	Monthly	
1 Bed		£72.92	£315.99	£92.05	£398.88	£101.54	£440	£126.92	£550
2 Bed		£90.75	£393.25	£117.70	£510.03	£120	£520	£150	£650
2 bed bung		£95.89	£415.52	£117.70	£510.03	£157	£680	£196	£850
3 bed		£105.49	£457.12	£133.32	£577.72	£138.46	£600	£173.08	£750
4 bed		£125.49	£543.79	£176.56	£765.09	£193.85	£840	£242.31	£1,050
		£98.11				£142.17			

Development Sites (Declared surplus)

Ibstock Close

(Yearly Total Rent)

	Social Rent	Local Housing Allowance	Affordable Rent	Market Rent
4 x 2 bed bungalow	£19,944.96	£24,481.44	£32,640	£40,800
3 x 2 bed house	£14,157	£18,361.08	£18,720	£23,400
2 x 3 bed house	£10,970.88	£13,865.28	£14,400	£18,000
TOTAL	£45,072.84	£56,707.80	£65,760	£82,200
Difference		11,634.96	£20,687.16	£37,127.16

These tables demonstrate the social rent, local housing allowance, affordable and market rent levels that can be achieved for different property types. They are an approximation only.

Clifton Close

(Yearly Total Rent)

	Social Rent	Local Housing Allowance	Affordable Rent	Market Rent
6 x 2 bed house	£28,314	£36,722.16	£37,440	£46,800
TOTAL	£28,314	£36,722.16	£37,440	£46,800
Difference		£8,408.16	£9,126	£18,486

Auxerre Avenue

(Yearly Total Rent)

	Social Rent	Local Housing Allowance	Affordable Rent	Market Rent
8 x 2 bed house	£37,752	£48,962.88	£49,920	£62,400
TOTAL	£37,752	£48,962.88	£49,920	£62,400
Difference		£11,210.88	£12,186	£24,648

Fladbury Close

(Yearly Total Rent)

	Social Rent	Local Housing Allowance	Affordable Rent	Market Rent
2 x 2 bed bungalow	£9,972.48	£12,240.72	£16,320	£20,400
TOTAL	£9,972.48	£12,240.72	£16,320	£20,400
Difference		£4,536.48	£6,347.52	£10,427.52

Development Sites (Not declared surplus)

Edgeworth Close

(Yearly Total Rent)

	Social Rent	Local Housing Allowance	Affordable Rent	Market Rent
10 x 3 bed house	£54,854.40	£69,326.40	£72,000	£90,000
6 x 2 bed house	£28,314	£36,722.16	£37,440	£46,800
4 x 2 bed bung	£19,944.96	£24,481.44	£32,640	£40,800

TOTAL	£103,113.36	£130,530	£142,080	£177,600
Difference		£27,416.64	38966.44	£74,486.64

Ibstock Close
(Yearly Total Rent)

	Social Rent	Local Housing Allowance	Affordable Rent	Market Rent
8 x 2 bed bungalow	£38,889.92	£48,962.88	£65,280	£81,600
TOTAL	£38,889.92	£48,962.88	£65,280	£81,600
Difference		£10,072.96	£26,390.08	£42,710.08

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