



# Executive Committee

Tue 10 Sep  
2019  
6.30 pm

Committee Room Two  
Town Hall  
Redditch

**REDDITCH** BOROUGH COUNCIL

*making  
a  
difference*

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

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

Tuesday, 10th September, 2019

6.30 pm

Committee Room 2 - Town Hall  
Redditch

## Agenda

### Membership:

Cllrs:	Matthew Dormer (Chair) Juliet Brunner Greg Chance Brandon Clayton Julian Grubb	Bill Hartnett Mike Rouse David Thain Craig Warhurst
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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. Climate Change Cross-Party Working Group (Pages 13 - 22)
6. Amendment to the Redditch Housing Allocations Policy (Pages 23 - 80)
7. Worcestershire Regulatory Services (WRS) Enforcement Policy - Referral from the WRS Board (Pages 81 - 102)
8. Budget Framework Report 2019 (Pages 103 - 146)
9. Finance Monitoring Quarter 1 2019/20 (Pages 147 - 162)
10. Overview and Scrutiny Committee (Pages 163 - 172)
11. 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.
12. Advisory Panels - update report

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

# Executive

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- a) Constitutional Review Working Panel – Chair, Councillor Matthew Dormer;
- b) Corporate Parenting Steering Group – Council Representative, Councillor Juliet Brunner;
- c) Member Support Steering Group – Chair, Councillor Matthew Dormer; and
- d) Planning Advisory Panel – Chair, Councillor Matthew Dormer.

## **13.** Exclusion of the press and public

Should it be necessary, in the opinion of the Chief Executive, 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 3 – financial or business affairs;

## **14.** Disposal of HRA Asset at Green Lane, Studley (Pages 173 - 186)



# Executive Committee

Tuesday, 9 July 2019

## MINUTES

### Present:

Councillor Matthew Dormer (Chair), and Councillors Juliet Brunner, Greg Chance, Brandon Clayton, Julian Grubb, Bill Hartnett, Mike Rouse, David Thain and Craig Warhurst

### Officers:

Kevin Dicks, Sue Hanley, Jayne Pickering, Guy Revans, Judith Willis, Jayne Baylis, Anna Wardell-Hill and Kath Manning

### Committee Services Officer

Sarah Sellers

### 16. APOLOGIES

There were no apologies for absence.

### 17. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 18. LEADER'S ANNOUNCEMENTS

The Leader circulated a written update in respect of his announcements at the meeting.

### 19. MINUTES

#### RESOLVED that

**the minutes of the meeting of the Executive Committee held on Tuesday 11th June 2019 be held as a correct record and signed by the Chair.**

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Chair

**20. REDDITCH BOROUGH COUNCIL LOW EMISSION VEHICLE STRATEGY**

The Environmental Policy and Awareness Officer and the Climate Change and Energy Support Officer presented a report in respect of introducing an Ultra Low Emissions Vehicle (ULEV) Strategy including a five year action plan. The policy was designed to assist in the development of the necessary infrastructure in light of the change over to wider use of electric vehicles.

It was explained that officers were seeking delegated authority to allow them to apply for central government grant funding to enable the installation of electric vehicle charging points.

In particular the Council would be seeking funding towards:-

1. On street residential charging point schemes. These would be relevant to streets where home charging of vehicles would not be possible, and instead drivers would require off-street parking facilities with access to charging points.
2. Workplace Charging Schemes. This funding would contribute towards the installation costs of electric vehicle (EV) charging points for employees.

It was noted that the aims of the strategy would also contribute towards improving air quality and the sustainable environment. There would also be links to the Council's commercialism agenda. Initial areas which could be focussed on included streets with no off street parking, for example terraced housing areas, and provision of charging points to serve the council's own housing stock.

Officers were mindful of the need for charging points to be compatible in the wider area and a North Worcestershire working group had been set up to promote a consistent approach.

In response to questions from Members officers clarified that:-

- A review of the Council's own vehicle fleet would be undertaken to find out what changes could be made to transfer to alternative fuels, and the potential costs and timescales.
- No immediate changes to the rules around licenced taxi vehicles were envisaged; however the installation of charging points would provide the infrastructure to support any future moves to encourage taxis to switch to alternative fuels.
- Clean Air Zones were being introduced to large cities such as Birmingham; there were no government plans for smaller conurbations such as Redditch.

- The aim of the strategy was to enable the Council to pursue initiatives using the government grant funding provided for this purpose.
- As this was a new area, there are no recognised models of how tenants would be charged for use of charging points; the solution might be to have an operator as an intermediary.
- At a national level, work was being undertaken to ensure that the grid could cope with the increasing demand that would be placed upon it arising from the transition to EVs.
- The designs of plugs and charging points were becoming more standardised as the technology developed, and officers would ensure that charging points installed were compatible to as wide a spectrum of users as possible.

Members acknowledged the importance of making preparations to establish the infrastructure required for EVs, as this was the way technology was progressing. To this end the report was welcomed and Members were supportive of the work officers were doing to apply for grant funding and install EV charging points.

**RECOMMENDED that**

- 1. The ULEV strategy and associated action plan attached at Appendix 1 be adopted.**
- 2. The Head of Environmental Services and Head of Community Services have delegated power to act following consultation with the relevant Portfolio Holder, to apply for, accept, and administer (including in partnership with other local authorities) future funding in line with this strategy.**

**21. TENANCY CONDITIONS FOR COUNCIL HOUSING TENANTS**

Members considered a report providing an updated version of the Housing Tenancy Agreement and Conditions, and seeking Members approval to carry out a formal consultation with tenants on the document.

The Housing Services Manager and the Head of Community Services presented the report and highlighted the key areas. The Housing Tenancy Agreement had not been updated since 2007; the revised document was designed to give tenants a clearer understanding of the operation of tenancies, and in particular the responsibilities of tenants. Alongside the updated Housing Tenancy Agreement, officers were also updating arrangements for recharging of tenants, and a separate policy in this regard would be considered at Executive in September.

Members were referred to paragraph 5.8 of the report which summarised the key changes that were being made to the document.

During consideration of this matter the following points were noted:-

- That the updated Housing Tenancy Agreement would reinforce the responsibilities of tenants, and help to promote better care being taken of properties; in the recent past this had been area where there had been problems with the Council having to fund significant repair work, particularly upon the surrender of tenancies. It was hoped that the changes would foster more responsibility by tenants to care for their properties and this would have benefits for the community at large.
- That the ability of officers to ensure that the conditions of tenancies were complied with would continue to be challenging. The core process would remain the same and officers were intending to make greater use of powers under the Crime and Disorder Act, including the issuing of Community Protection Notices.
- That it was important to encourage good landlord and tenant relationships, and officers would have a role to support tenants in making sure that they were able to comply with the terms of their tenancies.

Members considered the recommendations made by the Overview and Scrutiny Committee as set out at pages 2 to 3 of the agenda pack Additional Papers 1, and agreed that they should be added to the recommendation, and that subject thereto the updated document should be released for formal consultation.

**RESOLVED that**

- 1. The revised Housing Tenancy Agreement & Conditions attached at Appendix 1, be released for formal consultation with tenants.**
- 2. Subject to the outcome of the consultation, a final version of the Tenancy Agreement be brought back to Executive Committee for formal adoption.**
- 3. The tenancy agreement should be amended at Paragraph 9.20, to read “park vehicles in areas set aside for emergency vehicles and allocated disabled bays”.**



4. **The Council be more proactive with the enforcement, in particular, with regard to rubbish deposited in gardens, to ensure that gardens are kept tidy.**
5. **The “your rights” section be retitled “your rights and responsibilities”.**

## **22. FINANCIAL OUTTURN 2018/19 AND RESERVES**

The Executive Director of Finance and Corporate Resources presented the Finance Monitoring Outturn Report 2018/19 and in so doing highlighted the following points for the Committee’s consideration:

- Members were referred to the Revenue Budget Summary table on page 113 which showed that for some strategic purposes there had been a shortfall in income or overspend of costs and that for others there had been an underspend.
- Overall there had been an overspend of £183k on general services which would be balanced by drawing down £183K from reserves.
- The budget had set out to achieve unidentified savings of £1m, and taking into account the overspend savings of circa £800k had been achieved.
- The capital budget was underspent by just under £3m. The majority of the underspend would be carried forward to the following year to spend on any delayed projects. More work was planned with Heads of Service regarding the capital budget going forward.
- The General Fund Balance as at 31<sup>st</sup> March 2019 was £1.223m.
- There had been savings of £176k in the HRA resulting from additional rental income and lower than expected numbers of Right to Buys. However, this had been offset by higher costs for repairs resulting in a drawdown of £706k from reserves.
- The balance of reserves as at 31<sup>st</sup> March 2019 was £770k.

In response to questions from Members clarification was given as to the overspend regarding housing benefits detailed on page 114 of the agenda, and it was confirmed that the scheme for grants for residents for Energy Efficiency installation had now been restarted.

### **RESOLVED that**

**The Executive Committee note the current financial position in relation to revenue and capital budgets for the period April – March 2019 as detailed in the report.**

**RECOMMENDED that**

1. **Approval of the movement of £122k in existing reserves as included in Appendix 2.**
  2. **Approval of the addition of new reserves of £3,385 as included in Appendix 2.**
  3. **Approve the carry forward to the 2019/20 capital programme of £2,943k as detailed in Appendix 4.**
  4. **Approval of an increase in the 2019/20 Capital Programme of £39k for Disabled Facilities Grants. This is due to the budget allocations having now been announced by the Ministry of Housing, Communities and Local Government (MHCLG). This will increase the available budget to £839k.**
  5. **Approval of an increase to the Capital programme 2019/20 of match funding from PCC for digital upgrade of CCTV infrastructure.**
  6. **Approval of an increase to the capital programme 2019/20 of £3k s106 monies for Borough wide open space improvements.**
  7. **Approval of an increase to the Capital programme 2019/20 of £33k for Arrow Valley park Safety Improvements. (£180k already approved at Budget 2019/20)**
  8. **Approval of an increase to the Revenue budget 2019/20 of £5k due to grant being received from Communities and Local Government towards High Street clean up and future community environmental enhancements and approval for BARN to administer the grant and any future monies received which have similar requirements to this grant, as per paragraph 3.4.**
- 23. HOUSING / HOUSING REVENUE IMPROVEMENT PLAN - PROGRESS REPORT**

The Deputy Chief Executive presented a report in respect of the progress that had been achieved with the implementation of the Housing Strategic Improvement/ Action Plan.

It was noted that Overview and Scrutiny had pre-scrutinised the report at its meeting on 4<sup>th</sup> July but had not put forward any recommendations.

During the presentation of the report the following matters were highlighted for Members' consideration:

- This was the second progress report in respect of the Housing Implementation Plan that had been presented to Members since December 2018.
- Whilst corporate actions were being progressed, the cultural changes would need a longer timeframe.
- Recruitment was ongoing for the two senior posts in the structure which were vacant, and it was anticipated that these would be filled by September.
- Pending appointment to those two posts the service reviews listed at paragraph 3.3.8 would be deferred.
- The Gas Business Case was being progressed and was due to be considered by Executive in October 2019. The Council remained compliant with its statutory requirements in this regard; the business case would look at options for future service delivery.
- The Stock Condition Survey was progressing and was anticipated to be 60% to 70% complete by November 2019.
- 43 out of the 50 strategic and operational measures approved earlier in the year had been placed on the Council's dashboard. The measures were being regularly monitored and reviewed.
- The procurement of the Housing Management IT system was progressing subject to a slight delay.
- Risk logs were being maintained and regularly reviewed, and Members were referred to the 4 areas categorised as high risk as set out on page 135 of the main agenda.

Members discussed the report in detail and thanked the officers for their continuing work in addressing the areas identified for improvement within Housing Services in 2017/18.

**RESOLVED that**

**The contents of the report and progress reports be noted.**

**24. OVERVIEW AND SCRUTINY COMMITTEE**

Members were advised that there were no outstanding recommendations from the Overview and Scrutiny Committee for consideration.

**RESOLVED that**

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the minutes of the meeting of the Overview and Scrutiny Committee held on 6<sup>th</sup> June 2019 be noted.

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

There were no additional referrals from the Overview and Scrutiny Committee or from any other Committees.

**26. ADVISORY PANELS - UPDATE REPORT**

The following updates were provided:

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

Councillor Dormer confirmed that the next meeting of the Constitutional Review Working Party would take place on 16<sup>th</sup> July 2019.

- b) Corporate Parenting Steering Board – Council Representative, Councillor Juliet Brunner

Councillor Brunner advised that the Corporate Parenting Steering Board was carrying out work with regard to young persons.

- c) Member Support Steering Group – Chair, Councillor Matthew Dormer

Councillor Dormer confirmed that the Group had last met on Tuesday 18<sup>th</sup> June 2019. He urged any Councillors who had not yet returned their form for the Members IT survey to do so as soon as possible.

- d) Planning Advisory Panel – Chair, Councillor Matthew Dormer

Councillor Dormer confirmed that there had been no meetings of the Planning Advisory Panel since the last Executive meeting.

**27. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED that**

**under S.100 (A) (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the**

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meeting for the following matter on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12 (A) of the said Act (information relating to financial or business affairs).

## 28. INVESTMENT OPPORTUNITY

Members considered a report in respect of an investment opportunity in exempt session.

[During consideration of this item Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to exclude the press and public during the course of the debate on the grounds that information would be revealed which related to the financial and business affairs of the local authority].

The Meeting commenced at 6.30 pm  
and closed at 8.05 pm

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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REDDITCH BOROUGH COUNCIL**EXECUTIVE  
COMMITTEE**10<sup>th</sup> September 2019**CLIMATE CHANGE WORKING PARTY – PROPOSALS TO ESTABLISH A CROSS-PARTY WORKING GROUP**

Relevant Portfolio Holder	Councillor Brandon Clayton, Portfolio Holder for Environmental Services
Portfolio Holder Consulted	Yes
Relevant Head of Service	Guy Revans, Head of Environmental Services, Claire Felton, Head of Legal, Equalities and Democratic Services and Judith Willis, Head of Community Services
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

This report sets out proposals for the establishment of a Cross Party Working Group on Climate Change, and asks Members to agree the proposed arrangements and terms of reference.

**2. RECOMMENDATIONS**

The Committee is asked to **RECOMMEND** that

- 1) a Cross Party Working Group on Climate Change be established in accordance with the Terms of Reference at Appendix 1;  
  
and subject to the approval of recommendation (1) above
- 2) the Council appoint a Chair and Vice Chair of the Cross Party Working Group on Climate Change; and
- 3) the Council approve nominations from the political group leaders to the places on the Cross Party Working Group on Climate Change.

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

- 3.1 There would be the cost of officer time that would be needed to support the working party.
- 3.2 Any proposals arising from the work of the group that might have financial implications outside of existing budgets, would require a business case and would need to go through the usual budget bid processes.

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**Legal Implications**

- 3.3 As it is proposed that this should be an informal working group that advises the Executive Committee the political balance rules do not apply. However, it is proposed that the number of Members appointed to the group should reflect the Council's political balance.

**Service / Operational Implications**

- 3.4 The issue of climate change was addressed at Full Council meeting that took place on 24<sup>th</sup> June 2019 when the Leader responded to a question from a member of the public on the issue and endorsed a call for the Council to declare a Climate Emergency. A full copy of the Leader's response as detailed in the minutes of the meeting is attached at Appendix 2 of this report.
- 3.5 As stated in the response to the question, the Council has already been proactive in looking at ways to reduce its carbon footprint, and there are many examples of steps the Council is already taking in this regard. That said, in light of the question to Council, and the current debate at a national level on the importance of addressing climate change, officers have been asked to review steps that could be taken to reduce emissions and to produce a Sustainability Action Plan.
- 3.6 Alongside this work it has been proposed by the Portfolio Holder for Environmental Services that Members should establish a Cross Party Working Group on Climate Change. This report sets out proposals for the establishment of such a working party.
- 3.7 In summary the group would report to the Executive Committee in a similar manner to the Planning Advisory Panel. As a working party meetings would take place in private, but would be open for any Members to attend. It is proposed that the group should comprise 5 Members and it is suggested that it should be chaired by the Portfolio Holder with responsibility for Climate Change, which is currently the Portfolio Holder for Environmental Services.
- 3.8 Support for the working group would be provided by the Climate Change and Energy Support Officer and the Environmental Policy and Awareness Officer and administrative support would be provided by the Directorate Support team.
- 3.9 The role of the group would be to review and oversee the Sustainability Action Plan and to explore new proposals for measures that the Council could implement to reduce its carbon footprint. However, the working party would have no decision making powers and any recommendations arising from the group would be fed back to the Executive Committee for consideration.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE  
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- 3.10 During the Council meeting in June the Leader was asked a supplementary question with regard to the potential for the Council to engage with concerned residents about climate change. As it is proposed that the the group would be an informal cross-party working group the meetings of the group would take place in private. However, as part of the work of the group Members would be asked to consider whether to propose that the Council should undertake formal consultation in respect of relevant matters as and when considered appropriate. Any such proposals would be reported to the Executive Committee, meetings of which are held in public.

**Customer / Equalities and Diversity Implications**

- 3.11 No specific issues have been identified for the customer or in respect of equality and diversity implications.

**4. RISK MANAGEMENT**

No specific risks to the Council have been identified.

**5. APPENDICES**

Appendix 1 - Draft Terms of Reference

Appendix 2 - Extract from the minutes of the meeting of Council held on 24<sup>th</sup> June 2019 containing the Leader's answer to the Question on Notice in respect of climate change.

**AUTHORS OF REPORT**

Name: Jess Bayley, Senior Democratic Services Officer (Redditch)  
Kath Manning, Climate Change and Energy Support Officer  
Anna Wardell-Hill, Environmental Policy and Awareness Officer

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## **Appendix 1 Redditch Borough Council - Cross Party Working Party on Climate Change**

### **Terms of Reference**

#### **Constitution**

1. The Working Party shall comprise 5 elected Members of the Council to be nominated by Group Leaders, including the Chair as detailed below.
2. The Cross Party Working Panel on climate change is an informal group and does not therefore form part of the Council's political balance. However, it is suggested that the number of Councillors appointed to the working party from each political group should reflect the Council's political balance.
3. It is suggested that the Working Party should be chaired by the Portfolio Holder with responsibility for climate change.
4. The Working Party has been established to investigate and consider issues around Climate Change. Membership may comprise of Members drawn from both the Executive and Overview and Scrutiny Committees.

#### **Rules of Operation**

5. The Working Party has power to receive information from officers and to discuss, but no power to make decisions.
6. Meetings shall take place bi-monthly on dates to be arranged with a normal start time of 6.00pm.
7. Meetings shall be held in private although other Members not sitting on the Working Party will be welcome to attend and observe.
8. For the purposes of accuracy and transparency adequate notes shall be taken of the matters considered which shall be available for inspection by officers and other Members of the Council.
9. The Panel shall advise and make recommendations to the Executive Committee. However, under the terms of the Council's constitution the Climate Change Strategy forms part of the policy framework which is reserved for decision by Council and therefore the Executive will need to refer proposed policy changes on to Council.
10. Members are reminded that the rules set out in the Code of Conduct with regard to making declarations of interest will apply to the Working Party.

#### **Terms of Reference**

11. The Working Party will perform the following functions:-
  - To develop, oversee delivery of and review the Sustainability Action Plan.
  - To consider and evaluate new proposals for reduction of the Council's carbon footprint.
  - To monitor and track the progress of new carbon reduction initiatives that are introduced.
  - To make recommendations to the Executive as appropriate.





## APPENDIX 2

**Council**

Monday, 24 June 2019

**MINUTES****Present:**

Councillor Roger Bennett (Mayor), Councillor Gareth Prosser (Deputy Mayor) and Councillors Salman Akbar, Joe Baker, Tom Baker-Price, Joanne Beecham, Michael Chalk, Debbie Chance, Greg Chance, Brandon Clayton, Matthew Dormer, John Fisher, Peter Fleming, Andrew Fry, Julian Grubb, Bill Hartnett, Pattie Hill, Ann Isherwood, Wanda King, Anthony Lovell, Nyear Nazir, Mike Rouse, Yvonne Smith, David Thain, Craig Warhurst and Jennifer Wheeler

**Officers:**

Kevin Dicks, Claire Felton, Chris Forrester and Sue Hanley

**Committee Services Officer:**

Jess Bayley

**21. QUESTIONS ON NOTICE (PROCEDURE RULE 9)**

The Leader responded to a question that had been submitted by Mr M. Bennett in accordance with Council Procedure Rule 9.2.

Mr Bennett asked the following question of the Leader:

“Climate Change is the defining issue of our time and we are at a defining moment. From shifting weather patterns that threaten food production, to the increased risk of flooding and localised extreme weather - the impacts of climate change are global in scope and unprecedented in scale.

Without drastic action today, adapting to these impacts in the future will be more difficult and costly.

More alarmingly, there is evidence that important tipping points, leading to irreversible changes in major ecosystems and the planetary climate system, may already have been reached or passed.

In October 2018, The United Nations' Intergovernmental Panel on Climate Change (IPCC) issued a report based on updated research

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Chair

around the impacts of global warming. While previous estimates focused on estimating the damage if average temperatures were to rise by 2°C, this report shows that many of the adverse impacts of climate change will come at the 1.5°C mark.

With clear benefits to people and natural ecosystems, the report found that limiting global warming to 1.5°C compared to 2°C could go hand in hand with ensuring a more sustainable and equitable society.

Since the IPCC report was published, 85 local authorities have passed motions declaring a Climate Emergency and proposed steps to cut emissions. This has happened in councils ruled by all the major parties and has often been organised on a cross-party basis.

Is it not time that Redditch Council acted to protect the lives and property of Redditch residents by declaring a Climate Emergency and committing to a series of concrete measures designed to reduce carbon emissions to net zero as soon as possible?"

The Leader responded as follows:

"We absolutely agree with Mr Bennett that the IPCC state with high confidence that a manmade carbon dioxide increase is causing rising global temperatures, the results of which we are starting to witness.

In light of this, it is entirely appropriate for Redditch Borough Council to declare a Climate Emergency and commit to working towards the IPCC report global requirements.

The IPCC report recognises however, that this is a significant challenge, which requires action and co-operation at every level. Redditch Borough Council cannot rise to the challenge alone.

The more that Redditch Borough Council can achieve prior to 2030, the lower the risk of being locked into carbon-emitting infrastructure, having assets which become useless or devalued and having less options, with higher costs.

I have therefore asked officers to set out a Sustainability Action Plan for the council showing short medium and long-term measures to reduce emissions from our own operations, estate and contracts. Where we have no direct control, we will look at how we can work with residents and businesses through our services to help them to reduce their emissions.

Redditch Borough Council has been working on this agenda for many years and more detail can be provided to Mr Bennett after the meeting."



# Council

Monday, 24 June 2019

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A copy of the Leader's response was circulated at the meeting, together with a list of actions that the Council was already taking to address climate change (Appendix 2).

Mr Bennett subsequently added a supplementary question which asked the Leader whether the Council would be willing to engage with concerned residents about actions that could be taken to mitigate climate change.

The Leader responded by suggesting that the Council would probably be open to engaging with concerned residents but that he would ask Officers to respond to Mr Bennett about this matter.

The Meeting commenced at 7.05 pm  
and closed at 7.27 pm

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**EXECUTIVE COMMITTEE 10<sup>th</sup> September 2019****HOUSING ALLOCATIONS POLICY 2019 AMENDMENT**

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Wards Affected	All
Ward Councillor Consulted	Not Applicable

**1. SUMMARY OF PROPOSALS**

- 1.1 This report is seeking approval to correct a drafting error of the Redditch Borough Council Housing Allocations Policy approved by the Executive Committee on the 8<sup>th</sup> January 2019 at paragraph 5.15 Financial Resources. The proposal and consultation process agreed that in respect of savings and equity it be raised from £50,000 to £95,000. The policy put before Executive Committee had not been changed to £95,000, therefore this brings forward the correct Housing Allocations Policy.

**2. RECOMMENDATIONS**

**The Committee is asked to resolve that**

- 2.1 **The Housing Allocations Policy 2019 (Appendix 1) is adopted.**

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

- 3.1 There are no financial implications to the revisions proposed to the Allocations Policy

**4. Legal Implications**

- 4.1 There are no legal implications to this amendment.

**5. Service / Operational Implications**

- 5.1 There are no service/operational implications to this amendment as the policy has not yet been implemented due to the requirement for a new operating system.
- 5.2 The proposed wording will be as follows:

**EXECUTIVE COMMITTEE 10<sup>th</sup> September 2019****5.15 Financial Resources**

Owner occupiers and people with sufficient financial resources available to them to meet their housing needs will be placed in Band 4.

Applicants who have a household income (including benefits) of more than £45,000 per annum and / or savings/capital/assets/equity of £95,000 that will enable them to access and maintain private accommodation will be encouraged and supported to do so through the housing options service. Any household in receipt of a means tested benefit will not be subject to this reduced banding criteria (this does not include Child Benefit).

**6. Customer / Equalities and Diversity Implications**

6.1 This change was already consulted on and agreed.

**7. RISK MANAGEMENT**

7.1 The amendment is required as the savings/equity level was consulted upon and agreed but was inadvertently only changed in Band 6 where it should have also been applied to Band 4. If the policy is not amended then those in higher housing need with equity and savings would be affected detrimentally than those with a lower housing need which would be unjustifiable.

**5. APPENDICES**

Appendix 1 – Housing Allocations policy 2019 with proposed amendment

**6. BACKGROUND PAPERS**

6.1 **Executive Committee report 8<sup>th</sup> January 2019**

**7. AUTHOR OF REPORT**

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# Redditch Borough Council Allocations Policy



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- What are allocations under this scheme	
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- The Legal Framework	
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## Glossary of Terms

Term	Definition
<b>Affordable housing</b>	Housing let at a social or affordable rent, or a low cost home/shared ownership property sold, to a specified eligible household whose needs are not met in the open market. Also known as social housing and owned by a local authority or housing association.
<b>Allocation</b>	An offer of housing from a Local Authority or Housing Association either directly or via a nomination from a Local Authority
<b>Allocations policy</b>	The policy document that determines how housing is allocated to households
<b>Band start date</b>	The date the household is awarded the current banding applicable to their housing need
<b>Banding/bands</b>	The prioritisation of households on the Housing Register based on their housing need
<b>Bid</b>	Households' expression of interest in an available / vacant property
<b>Close Family Member</b>	Mother, father, sister, brother or adult child (aged 18 and over)
<b>Data Protection Legislation</b>	the UK <b>Data Protection Legislation</b> and any other European Union <b>legislation</b> relating to personal <b>data</b> and all other <b>legislation</b> and regulatory requirements in force from time to time which apply to a party relating to the use of Personal <b>Data</b> (including, without limitation, the privacy of electronic communications); [and the guidance and codes of practice issued by the relevant <b>data protection</b> or supervisory authority and applicable to a party].
<b>UK Data Protection Legislation</b>	all applicable <b>data protection</b> and privacy <b>legislation</b> in force from time to time in the UK including the General <b>Data Protection</b> Regulation ((EU) 2016/679); the <b>Data Protection</b> Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.
<b>Direct matching</b>	An allocation for those in priority band of the Redditch Homes Scheme.
<b>Homelessness</b>	Under section 175, a person is homeless if they have no accommodation in the UK or elsewhere which is available for their occupation and which that person has a legal right to occupy. A person is also homeless if they have accommodation but cannot secure entry to it, or the accommodation is a moveable structure, vehicle or vessel designed or adapted for human habitation and there is nowhere it can lawfully be placed in order to provide accommodation. A person who has accommodation is to be treated as homeless where it would not be reasonable for them to continue to occupy that accommodation. Section 176 provides that



	<p>accommodation shall be treated as available for a person's occupation only if it is available for occupation by them together with:</p> <ol style="list-style-type: none"> <li>1. (a) any other person who normally resides with them as a member of the family; or,</li> <li>2. (b) any other person who might reasonably be expected to reside with them.</li> </ol>
<b>Housing Application</b>	The process of applying for Council and Social Housing through Redditch Homes either on line, by phone or in writing.
<b>Housing Association</b>	For the purposes of this Scheme this also includes Registered Providers and refers to Social Housing Providers regulated by the Homes and Communities Agency
<b>Housing Need</b>	Anyone applying to the Housing Register must have a housing need recognised by this Allocations Policy unless they are interested in accommodation designated for older people or are only interested in shared ownership properties.
<b>Housing Register</b>	A database/list of households who have applied for affordable housing
<b>Key Worker</b>	The definition of a key worker is taken from the HMRC employment manual: Nurses and other NHS staff, teachers in schools and in further education or sixth form colleges, police officer and civilian staff in police forces, prison service and probation service staff, social workers, education psychologist, planners and occupational therapists employed by local authorities, whole time junior fire officers and retained fire fighters.
<b>Local connection</b>	A household's connection to a local area or authority including residency, family connections and employment
<b>Persons from abroad</b>	People subject to immigration control and any other persons from abroad where the secretary of state makes regulations
<b>Qualification Criteria</b>	There are qualification criteria for the Housing Register. The applicant must meet the eligibility qualification criteria including local connection to Redditch Borough and be in Housing Need.
<b>Reasonable preference</b>	Categories of housing need defined by the Housing Act 1996, Part VI that are required to be included in an allocations policy to which reasonable preference will be given by the Council in accordance with section 166A(3).
<b>Redditch Homes Scheme</b>	The scheme including the software and the processes involved for allocating housing to households
<b>Registration / Effective date</b>	The date of registration of the Housing Application.

<b>Senior Officer</b>	A Tier 5 Officer of the Council or above.
<b>Shared Ownership</b>	Affordable housing option where the applicant part buys and part rents a property. The Registered Provider / housing association owns the remaining (rented) share of the property.
<b>Staff, Elected Members and their Relatives</b>	Staff members include anyone employed by a Council owned company or other arms-length service delivery entity eg Rubicon Leisure Limited, Elected Members, or close relatives of either. In determining close family member this applies to mean mother, father, sister, brother or adult child (aged 18 and over), aunts, uncles and grandparents.
<b>Statutory homeless</b>	This term describes those households who have made a homeless application to Redditch Borough Council and where the full homeless duty has been accepted. This means the household has been determined to be eligible, homeless, in priority need, unintentionally homeless and have a local connection (or an exceptional reason not to have a local connection) and has been issued with a written decision confirming this and the 'relief' duty under S189B Housing Act 1996 has come to an end..
<b>The Borough</b>	Refers to the geographical area known as Redditch Borough
<b>Threatened with Homelessness</b>	Under section 175(4) a person is 'threatened with homelessness' if they are likely to become homeless within 56 days. Under section 175(5) a person is also threatened with homelessness if a valid notice under section 21 of the Housing Act 1988 has been issued in respect of the only accommodation available for their occupation, and the notice will expire within 56 days. Section 195 provides that where applicants are threatened with homelessness and eligible for assistance, housing authorities must take reasonable steps to help prevent their homelessness.
<b>Weekly bidding cycle</b>	The period of time available for eligible households to place bids on properties they are interested in

## 1. Introduction

Redditch Homes is a scheme used to advertise and/or allocate social rented, low cost home ownership and privately rented properties in Redditch Borough.

Redditch Homes allocation policy outlines how the Council will prioritise households for an allocation of social housing under Part VI of the Housing Act 1996 (as amended).

The Council works in partnership with a number of housing associations/registered providers to allocate social housing in a fair and transparent way.

**Housing associations and registered providers will have their own allocations policies which they will apply when allocating their properties. This means applicants at the top of the Housing Register on banding and date may not be rehoused by the housing association (registered provider) if they do not also meet the requirements of their own Allocations Policy. The Council may also apply its own policies that relate to a specific dwelling or area in order to support its housing management function and develop sustainable communities.**

### 1.1 Priorities and Aims of the Council

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

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

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

**Objective 1** Ensure that anyone in housing need has advice on accessing affordable housing, and this advice is easily available to disadvantaged, vulnerable and ethnic groups.

**Objective 2** Make Social Housing available to those who cannot afford to purchase property of their own, or to rent privately.

**Objective 3** Ensure that there is equality of opportunity within the Allocations Policy and the allocations scheme is fair, consistent and accountable which reflects the values of the Council.

**Objective 4** Incorporate the Council's Housing Strategy, Private Sector Renewal

Strategy and Homelessness Strategy.

**Objective 5** To build and sustain diverse and balanced communities and promote social inclusion.

**Objective 6** To work with other agencies and housing providers to make the best use of affordable housing to meet current and future needs.

**Objective 7** To ensure customers are given an opportunity to make informed decisions about what tenure of properties are likely to be available to them in their locality of choice.

**Objective 8** To create a safer & cleaner environment; reduce crime, disorder, substance misuse and anti-social behaviour, and to address the causes and fear of crime.

**In addition the Council;**

- is committed to understanding the housing needs of customers and work towards offering a sustainable housing solution from a range of housing options for those in housing need.
- will work to ensure that households are able to access the service we provide.
- will make effective use of all affordable housing stock.
- will ensure that local people will have an enhanced priority within the banding structure.
- Will encourage and recognise households who make a positive contribution to their community.
- will enable a better understanding of the housing market.
- will ensure the scheme meets our equalities duties.
- will publish information that enables households to understand how we assist them through the allocations scheme.

Redditch Homes enables people with a housing need to look for a home in their area of preference within Redditch Borough. Households registered with Redditch Homes will be banded according to the suitability of their current accommodation in meeting their needs, their current situation and their local connection, however, not everyone will qualify to register for the scheme.

## **1.2 The Purpose of this Allocations Policy**

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

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

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

This Allocations Policy has been designed to meet current legal requirements and reflect local priorities.

### **1.3 What are Allocations under this Scheme?**

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

The allocation may be an 'Introductory Tenancy' with the Council or a 'Starter Tenancy' with a housing association which will be for a set period, usually 12 months. This may be subject to change/extension depending on how well the tenancy is conducted.

Provided the tenant successfully completes the probationary period the Council/Housing Association will grant a Secure/Assured Tenancy or a Fixed Term tenancy (please see individual housing association / registered provider's tenancy policies).

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

## 1.4 The Legal Framework

This Allocations Policy complies with the requirements of the Housing Act 1996 (as amended), including the Homelessness Reduction Act 2017 and takes into account the Allocation of Accommodation Code of Guidance 2012 which replaced all previous codes of guidance. All of these documents can be obtained through the gov.uk website. This Policy also complies with the Localism Act 2011, takes into account Welfare Reform legislation and the Equalities Act 2010, where applicable.

This section describes this legal framework.

The Housing Act 1996 (as amended by the 2002 Homelessness Act and the Localism Act 2011) requires local authorities to make all allocations and nominations in accordance with an Allocations Scheme. A summary of the Allocations Policy must be published and made available free of charge to any person who asks for a copy. A summary of the Allocations Scheme and general principles is available through the Redditch Homes website [www.redditchhomes.org.uk](http://www.redditchhomes.org.uk) and at the Council's offices.

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

The Allocations Policy is also drafted and framed to ensure that it meets the Council's equality duties which requires public bodies to have due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equalities Act; advance equality of opportunity between people who share a protected characteristic and people who do not share it; and foster good relations between people who share a protected characteristic and people who do not share it. An Equality Impact Assessment in respect of these duties is held by the Council.

This Policy has considered:

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

## 2. Statement on Choice

### 2.1 Choice and Constraints

Redditch Borough Council's allocations policy provides a sophisticated approach to those with higher housing needs so that these needs are fully understood. Applicants in higher housing need will be placed into the Band 1 with the approval by a Senior Officer and then directly matched with a home in a locality that provides a sustainable long term solution to meeting those needs.

Pressure on the Council's affordable housing stock means that a qualification criteria is in place covering who is and isn't eligible to join the waiting list.

Whilst keen to encourage and facilitate mobility within housing, Redditch Borough Council recognises that provision of choice has to be balanced along with local need and demand. Those without a connection to Redditch Borough will not be eligible to access the housing register unless they meet one of the exceptions criteria as set out under the heading 'Qualification Criteria'.

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

Applicants, with the exception of Band 1, have the opportunity to view details of all properties that are advertised, but can only 'bid' for properties that they are eligible for. Band 1 applicants will be interviewed in order to fully understand their needs and will then be directly matched to properties,

The Council has identified a number of exceptional situations where bidding may not be possible for a particular property, for instance;

- Where the applicant is in Band 1 for re-housing
- Where the applicant does not meet the eligibility criteria for the scheme or the vacant property.
- Where a Local Lettings Plan has been agreed and the applicant does not meet the criteria.
- Where there is a legal agreement restricting who can be offered the property.

Exceptional circumstances will be made clear when the applicant receives their banding award, or when the property is advertised, unless the exceptional circumstance concerns the specific individual (who has bid for the property) in which case it will be discussed with the applicant at the point of allocation.

Applicants who bid on and subsequently refuse properties for no reason will be moved into Band 4 – the Reduced Priority Band – for further details please see section on the Banding Structure.

### **3. Qualification Criteria, Eligibility and Reasonable Preference**

#### **3.1 Who is, and who is not, eligible to apply to register on Redditch Homes**

Any United Kingdom resident aged 18 years or over can apply to join the scheme by completing an application form. In very exceptional circumstances an applicant under 18 years of age may be accepted onto the register subject to Senior Officer approval. Redditch Homes policy has qualification criteria; therefore, not all applications will be accepted: e.g. where there is no close association to the area and/or where there is no housing need (please see the section on the banding structure). Children leaving local authority care (Care Leavers) may be registered prior to their 18<sup>th</sup> birthday.

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

#### **3.2 Qualification Criteria**

Applicants do not qualify to join Redditch Homes housing register unless they meet the qualifying criteria of a reasonable preference or local connection as outlined below;

In determining whether the household has a local connection the Council will agree a connection exists in the following circumstances;

- Where the local connection arises due to residency - applicant(s) must have lived in Redditch Borough for a minimum period of two years or have resided in the Borough for three out of the last five years at the point of application.
- Where the Council accepts the applicant(s) meets any of the Reasonable Preference criteria as identified by the Housing Act 1996 (as amended).
- Where the local connection arises due to employment and the applicant(s) has been in permanent, paid employment in the Borough immediately prior to the application or the applicant(s) has a certified offer of employment in the Borough. \*
- Where the applicant(s) has a close family member living in the Borough for a minimum period of three years, immediately prior to the application.\*\*
- Has a local connection as a result of special circumstances.
- Has a housing need as described in this policy or are considered an exceptional household such as being interested in accommodation designated for older people or interested only in shared ownership properties.

Those who are owed duties under the homelessness legislation who are not intentionally homeless will qualify to register as having a reasonable preference. Local connection for the purposes of a homeless application is defined in S199 Housing Act 1996 and the Homelessness Code of Guidance for local authorities.



\*In determining permanent employment the Council will give consideration to the Local Government Association guidelines which state that this is employment other than that of a casual nature and will include zero hours contracts.

\*\*In determining close family member this applies to mean mother, father, sister, brother or adult child (aged 18 and over).

If an applicant(s) has no connection that meets the qualification criteria and claims a connection on the basis of special circumstances then the decision to allow them on the list must be made by a Senior Officer.

Where the applicant is a member of the armed forces, there are special arrangements – please see further details within this policy under the section relating to the banding structure.

All applicants whose housing need is defined as in a reasonable preference category will be eligible to join the list but will be placed into the reduced banding.

This qualification criteria and any other criteria within the policy will be validated before a property will be offered.

### **3.3 Residency of Choice**

For the purposes of determining eligibility on residency grounds, living in the Borough will not include the following:

- Occupation of a mobile home, caravan or motor caravan where it is not the only or principal home.
- Occupation of a holiday letting (which includes a permanent building, hotel or bed and breakfast accommodation) for the purposes of a holiday.
- Resident of a prison, bail hostel or other such accommodation.
- In-Patient of hospitals/specialist centres where they have a connection elsewhere.

### **3.4 Housing Need**

Applicant(s) wishing to join Redditch Homes Housing Register who qualify for the register under the Qualification Criteria must also have a housing need recognised by the Allocations Policy unless they are interested in accommodation designated for older people or are only interested in shared ownership properties. Applicant(s) not satisfying at least one of these criteria will not be registered and will be offered alternative housing options. Applicant(s) will also be offered the right to request a review of this decision.

### **3.5 Persons from abroad**

Applicants must have a right to live in the UK and be entitled to claim public funds. Examples of people who are eligible are British Citizens, EEA nationals (generally those who are working), and those with leave to remain. People applying to join the Housing Register have to provide documents to confirm their identity and their immigration status.

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

- Refugee status
- Exceptional leave to remain
- Indefinite leave to remain

This does not apply to a person who is already a secure or introductory tenant of the Council or housing association.

If an applicant has any further questions regarding their status they should contact the Council or seek independent legal advice.

Households who are living abroad and therefore not habitually resident will not be eligible to register.

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

### **3.6 Persons with no local connection to the Borough**

Applicants who have no local connection to the Borough will not be eligible to join Redditch Homes unless they are:

- Households accepted as statutory homeless under the Housing Act 1996 (as amended by Homelessness Act 2002) by the Council and this Duty has not yet been discharged.
- Households with a reasonable preference under the Housing Act 1996.
- Households where the Council is satisfied that the applicant(s) needs to live in the area to provide or receive ongoing, regular and significant care and support to a relative who lives in the area and their application is supported by the local Adult or Children's Services team.
- Households where the Council has agreed to rehouse the applicant under a reciprocal agreement with their current landlord or local authority.
- Households where rehousing or relocation into the local authority area is accepted by the Council as being essential due to public protection issues or for other exceptional reasons.
- Members of the armed forces as outlined in this Allocations Policy.
- Social housing tenants who need to move because they work or have been offered work and they have a genuine intention to take up the offer and will suffer hardship otherwise.
- Where a Local Letting Plan or s106 restriction applies on a specific site.

### 3.7 Unacceptable behaviour

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

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

Unacceptable behaviour can include but is not limited to:

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

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

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

Should the Council exclude the applicant from the housing register, the applicant has the right to have this decision reviewed. An applicant may become ineligible at any time during the process should the Council become satisfied that they are ineligible due to unacceptable behaviour as described above.

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

Each application will be assessed on its merits and a decision regarding eligibility will be made accordingly. Anyone deemed ineligible for the register will be provided with

a full written explanation for the decision and will have a right of review of the decision.

Please see the section on Reviews below.

### **3.8 Applicants who are not eligible to join the housing register**

At the point of registration all applicants are asked for information about their housing history and legal status to establish eligibility to join the housing register under the relevant legislation and this allocations policy.

Applicants are not assessed or placed into a band until a decision has been made regarding their eligibility. An applicant's eligibility and other circumstances will be re-checked at the point of allocation.

### **3.9 Armed Forces**

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

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

(a) persons who are serving in the regular forces or have done so in the five years preceding their application for an allocation of housing accommodation.

(b) bereaved spouses or civil partners of those serving in the regular forces where their spouse or partner's death is attributable (wholly or partly) to their service and the bereaved spouse or civil partner's entitlement to reside in Ministry of Defence accommodation then ceases.

(c) seriously injured, ill or disabled reservists (or former reservists) whose injury, illness or disability is attributable wholly or partly to their service.

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

The Council will also extend the provision above to include divorced or separated spouses or civil partners of Service Personnel who are required to move out of accommodation provided by the Ministry of Defence.

### **3.10 Social housing tenants**

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

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

- (a) works in the district of the local housing authority, or
  - (b) has been offered work in the district of the local housing authority; and
- the authority is satisfied that the relevant person has a genuine intention of taking up the offer of work.

This regulation does not apply if the need to move is associated with work or the offer of work which is—

- (a) short-term or marginal in nature,
- (b) ancillary to work in another district, or
- (c) voluntary work.

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

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

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

### **3.11 Care Leavers**

Under the Homeless Reduction Act, Care Leavers will have a local connection with the area of the local authority that owes them leaving care duties – therefore if someone is placed in care by Worcestershire County Council and they apply for accommodation under homelessness legislation they will have a local connection with all six Local Housing Authorities in Worcestershire.

A care leaver aged under 21 who normally lives in a different area to that of the local authority that owes them leaving care duties, and has done so for at least 2 years including some time before they turned 16; will also have a local connection in that area. For example if Worcestershire County Council places a young person in Stratford District Council before they turn 16 and they are in care in Stratford District Council for two year period the young person will have a local connection with Stratford and all of Worcestershire.

### **3.12 The Application of Reasonable Preference**

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

The law, as it applies to local housing authorities, requires that Reasonable Preference for housing must be given to those in the categories set out in the

Housing Act 1996 (as amended). The statutory Reasonable Preference categories cover:

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

The Act also gives discretion to a housing authority to award reasonable preference to other categories of applicant in order to meeting locally identified needs. Specific details and examples of how Reasonable Preference and priorities are determined and applied are detailed in the section relating to the Banding Structure.

### **3.13 Determining priority between applicants with Reasonable Preference**

RedditchHomes allocation policy determines priority between applicants with Reasonable Preference by taking into account various factors including:

- The severity of housing need.
- The financial resources available to a person to meet their housing costs.
- Any local connection – as defined in s199 Housing Act 1996 (as amended) – that an applicant has with the Borough.
- The length of time the applicant has been waiting within their current band

Households with a reasonable preference can have their banding reduced because of their behaviour or circumstances at any time.

## **4. Registration and Assessment Process**

### **4.1 How to Apply**

Anyone who wishes to apply for affordable housing through Redditch Homes must register on line or complete a registration form. Anyone in urgent housing need will be interviewed to ascertain the severity of the applicants housing need and understand the type of property that would address this need. The interviewing officer will be able to advise the applicant on whether their needs can be met through Council or other housing association accommodation or whether other options such as the private rented sector should be explored.

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

If the applicant is not eligible to register they will be notified giving the reason for the decision and informing them of their right to request a review.

All applications, once received, will be assessed and placed in the appropriate band.

The application must be accompanied by:

- Two proofs of residency one of which must be dated within four weeks of the application date; e.g. bank statement, bill (phone or utility) with current address.
- one form of identification e.g. birth certificate, passport or drivers licence.

It is recognised that there may be circumstances where this level of evidence is not available, for example where the applicant has lost their document in a fire. In these and similar circumstances applications will be accepted subject to the approval of a Senior Officer.

The same information is required for any member of the household, over the age of 18, who is to be included on the application.

The Council or Housing Association may ask for updated proof and identification to be provided at the viewing stage and/or point of an allocation.

Where additional information is required to confirm that a higher band is appropriate, the application may be placed in a lower band until the circumstances of the applicant have been confirmed.

Once registered with Redditch Homes the applicant will be given an application number.

Applicants to the scheme are entitled to request details from the Council about information that has been used to make a decision on their registration.

### **4.2 Help with registration**

Help with registration can be given to applicants by council officers as well as other organisations such as County Council social care services, health workers, support workers and voluntary bodies.

In particular, help will be provided to applicants who find it hard to fully participate in the scheme. Support can be offered to assist an applicant to use the system when

actively interested in bidding and ready to move. Access to the system can be provided at the Town Hall and the Locality Offices across the Borough.

### 4.3 Definition of Household Types

An Applicant(s) household type determines the size and type of housing they may be eligible for.

Single person (under 60)	One person household and with no resident children
Couple	Married, cohabiting, civil partnership and same sex couples without resident children.
Family	Single parent or couple (as defined above) with minimum of one dependent child, who lives with parent (s) as their main or principal home.
Pensioner / Disability Living Allowance (DLA)	One person household and couples over 60 or person in receipt of DLA / Personal Independence Payment (PIP)
Other	Any other household group including friends, brother and sister and families with non-dependent children

#### Redditch Council Property Size based on Household Type

Household Size	Suitable Property Size			
	Studio / 1 Bed	2 Bed	3 Bed	4 Bed
Single Person	✓			
Childless Couple	✓			
Parent(s) & 1 child or 25+ weeks pregnant (unless Homeless*)		✓		
Parent(s) and 2 children of same sex aged between 0 and 16		✓		
Parent(s) and 2 children of same sex where one of them is over 16			✓	
Parent(s) and 2 children of different sex under the age of 10		✓		
Parent(s) and 2 children of different sex when the oldest reaches 10			✓	
Parent(s) and 3 children – 2 of same sex aged between 0 and 16. Plus 1 other child			✓	
Parent(s) and 3 children - 2 of different sex under the age of 10. Plus 1 other child			✓	<b>Additional bedrooms to be awarded as per age and gender of larger households</b>

\*Where the applicant is homeless and the Council has accepted a Duty under homelessness legislation the Duty may be discharged by an allocation into one bedroom accommodation where the child is under 2 years of age.



In order to reflect a housing requirement for a particular property type or size the Council may need to put the applicant into a different category in order to achieve a correct allocation.

Example – if the applicant is a single person with a medical need that means they require a larger property for a resident carer, their household type will be amended to “family” or “other” to enable them to bid.

Where an allocation is made to studio flat accommodation the tenant will be entitled to register for a larger property once they have successfully sustained their introductory/starter tenancy and this has been converted to a secure/assured/fixed term tenancy.

### **Redditch Homes Process**

1. Housing applicants should complete an application form.
2. Once registered applicants will be sent confirmation of their registration number and will be placed in the lowest band whilst waiting for an assessment.
3. Once assessed those placed into Band 1 will be direct matched to a property that meets their needs. Applicants placed in the other bands will be able to place bid on properties that they are eligible for.
4. Vacant properties are advertised each week and applicants, with the exception of Band 1, are advised to look for suitable vacancies regularly.
5. Applicants, other than those in Band 1, can make up to 2 bids per week as long as their circumstances match the advertised eligibility criteria.
6. Applicants who place bids will be prioritised by those with the highest band for the longest time when being considered for a property unless there is a specific eligibility criteria, when preference will be given to the applicant that meets this criteria.
7. Applicants who are direct matched will be prioritised by housing need for that particular housing type by effective date for that band.
8. The successful applicant will be contacted by the Landlord and asked for information such as proof of identity. A viewing will be arranged and subject to the applicant being accepted, an offer will be made.

## **5. The Banding Structure**

Redditch Homes operates a needs-based banding system as described below. Bands are arranged to reflect housing need, with the highest band indicating the greatest need for housing. The scheme consists of five bands and a more detailed description of these bands and of Reasonable Preference can be found below.

The bands within the policy are based on the reasonable preference criteria set out within the 1996 Housing Act (as amended).

When registered the applicant can only be placed in one band and the highest banding possible will be applied according to the policy.

The table below describes the bands into which households will be placed according to their housing circumstances.

**Band 1 - Applicant will be Direct Matched to a suitable property–  
(Bidding blocked)**

- Applicants whom this Council has accepted are statutorily homeless and have accepted a duty to re-house under s.193 of Housing Act 1996 (eligible, homeless, priority need, not intentional and with a local connection and the relief duty has come to an end).

A verified high medical need / disability where the current property is so unsuitable in relation to their medical, welfare or disability needs that a move is essential.

- Accepted for move on from supported accommodation including designated accommodation for those fleeing Domestic Abuse.
- Living in exceptional circumstances.
- Applicants whom are homeless and the Council has a Relief Duty to assist them, have a priority need and would be unintentionally homeless.

**Band 2 - High Housing Need – Applicants will be able to bid on properties that they are eligible for**

- Homeless cases where no statutory duty to re-house (excluding those deemed intentionally homeless).
- Applicants who are likely to be homeless within 56 days and the Council owes them a 'Prevention Duty' or have become homeless and the Council owes them a 'Relief Duty', but will not be eligible for the full re-housing duty.
- Occupying private rented property in a serious state of disrepair; where a Category 1 hazard exists and enforcement action is being carried out (but not for overcrowding and space).
- Social Housing tenants who are under-occupying social rent or affordable rent housing in the Borough.
- Social Housing tenants who are occupying a social housing property in the Borough with major adaptations that they do not need.
- Households suffering with serious overcrowding (2 or more bedrooms lacking) unless deemed to be deliberately overcrowded.
- Households meeting both criteria from band 3.

**Band 3 - Medium Housing Need**

- Overcrowding or lacking one bedroom, unless deemed to have

deliberately overcrowded.

- Households suffering with some minor disrepair in their privately rented property where an improvement notice has been service for a Category 2 hazard.

**Band 4 - Reduced Banding (with Reasonable Preference)(12 month review)**

- Applicants with a Reasonable Preference as defined by legislation but do not have a Local Connection under the qualification criteria with the exception of those who are exempt due to their armed forces or care leaver status.
- Households with financial resources above defined limits.
- Households who have deliberately worsened their circumstances to qualify for a higher banding – eg. deliberate overcrowding.
- Households with housing-related debts and debts owed to Redditch Borough Council.
- Households who have committed acts of anti-social or abusive behaviour (including towards Council staff) and other tenancy breaches but not severe enough to have obtained outright possession.
- Households where the Prevention or Relief Duty has ended due to the unreasonable failure to co-operate.
- Households who are deemed to have become homeless intentionally.
- Households who are not bidding for properties that are available and suitable for their needs or successfully bid but then refuse a property that is suitable for their needs.

**Band 5 - Households who do not meet any of the above Reasonable Preference criteria, have a Local Connection under the qualification criteria or are an exempt group, and have a low housing need including;**

- Households in social housing and seeking a transfer
- Households with low level medical or welfare issues.
- Households who are suffering financial hardship
- Households in privately rented accommodation that do not have a reasonable preference
- .
- Households who are sharing facilities with other non-related households.
- Households residing in an institution or supported housing scheme.
- Households who have insecurity of tenure (those in tied accommodation or lodging with family members).
- Households that live with family but want to live independently
- Eligible and interested in older peoples accommodation will be eligible to apply even where they do not have a local connection.
- Households eligible and interested in shared ownership

**Band 6 – Reduced Preference for those not in a Reasonable Preference category**

- Households with financial resources above defined limits.
- Households with housing-related debts and debts owed to Redditch Borough Council.
- Households who have committed acts of anti-social or abusive

behaviour (including towards Council staff) and other tenancy breaches but not severe enough to have obtained outright possession.

- Applicants who are eligible and interested in older persons accommodation but do not meet the qualification criteria as having a local connection
- Households who successfully bid but then refuse a property that is suitable for their needs.

## 5.1 The Bandings Explained

The following criteria will lead to a band being awarded:

**Band 1- Applicants will be placed into this band by a Senior Officer of the Council and Directly Matched to a suitable property – (Bidding Blocked)**

## 5.2 Statutory Homeless with a duty to re-house

This band will be awarded by the Council where it has accepted a full duty under Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002) to provide accommodation for an applicant.

When the Council accepts a duty under homelessness legislation, the Council will directly match applicants to a property. Only one offer of suitable accommodation will be made. Should an applicant refuse an offer of suitable accommodation, the Council will have discharged its housing duty.

Where the Council owes the applicant a 'Relief Duty' and has determined that at the end of the 56 day relief period a full re-housing duty will apply the applicant will be placed into Band 1.

Applicants have the right to request a review of certain decisions made by the Council in respect of their homeless application. This includes the decision to bring to an end the full homeless duty and Relief Duty by making a suitable offer of settled accommodation. The applicant has this right whether they refuse or accept the offer of accommodation. If the review finds in favour of the homeless applicant, the applicant will retain their Band 1 status (provided they are still homeless) and they will be direct matched to an alternative. However, if the reasonableness and suitability of the offer is upheld, any homeless duty will be ended and the applicant's banding will be reassessed. Homeless applicants are therefore strongly advised to accept an offer and then request a review.

This may include victims of domestic abuse who are accommodated in a refuge or other temporary accommodation, whom the Council owes a rehousing duty to.

## 5.3 High Medical Need or Disability

This banding will only be awarded if the current accommodation is so unsuitable in relation to their medical, welfare or disability needs that a move is essential. The

assessment is not of the applicant's health, but how their health or welfare is adversely affected by their accommodation.

The following are examples of cases that would qualify for this band:

- The applicant's accommodation is directly contributing to the deterioration of the applicant's health; e.g. severe chest condition requiring intermittent hospitalisation as a result of prolonged periods of exposure to damp (i.e. mould spore allergens). The most vulnerable group is that of persons aged 14 and under. The effects of damp must be recognised as severe under the Housing, Health and Safety Rating System as assessed by a the relevant Officer.
- A person with a severe disability requiring substantial adaptations to a property which are not provided in their current accommodation and where the property cannot be adapted.
- A person suffering with a severe and enduring mental illness or disorder where the medical condition would be significantly improved by a move to alternative accommodation, including members and former members of the armed forces
- A victim, and their family, of domestic abuse who will have experienced physical and/or mental health issues that may be complex and long lasting who are accommodated in a refuge or other temporary accommodation provided for victims of domestic abuse.
- An applicant suffering from terminal illness where they have not already been accepted for a duty under the Homelessness Reduction Act 2017.

The Council will directly match applicants to a suitable property.

Officers will gather sufficient information to understand the impact of the property on the health of the applicant or their family. The final decision for medical priority will be made by a Senior Officer in conjunction with the Councils medical advisors and Occupational Therapist if required.

In certain circumstances the case may be referred to an external body e.g. Now Medical for assessment.

#### **5.4 Living in Exceptional Circumstances**

Exceptional circumstances will only be awarded in those instances where the applicant's living circumstances are considered by the Council to be exceptional given the prevailing housing conditions in the Borough and where no other banding criteria reflects or addresses the problem(s).

In reaching a decision to award this banding, account will be taken of the suitability of the current accommodation, and the location of the accommodation in relation to the applicant's needs.

Examples are given below of potential situations where this banding may be granted – the list is not exhaustive and the decision lies with the Council.

- The applicant is adequately housed but needs to give or receive support on the grounds of disability or illness that is substantial and ongoing and it is not possible for the person giving care to use public transport or their own transport to provide assistance.
- Death of a household member where there is no right of succession.
- The applicant needs to move on welfare grounds e.g. where an applicant has a need to move to work or take up an offer of work, where failure to do so would cause economic hardship.
- The applicant's household is overcrowded, coupled with medical issues that do not accrue medical priority e.g. ADHD, autism.
- The applicant needs to take up or continue employment, education and/or training that is not available elsewhere and they do not live within reasonable commuting distance.

### **5.5 Move on from Supported Accommodation**

This status is awarded where an agreement between the Council and the Supported Housing provider, or designated accommodation provider for those fleeing Domestic Abuse, is in place for applicants to move on from supported accommodation in the Borough, or from any domestic abuse accommodation regardless of location.

This status will only be awarded to applicants in supported accommodation or care-leavers where the following criteria have been met:

- The applicant is ready to move to independent settled social housing on the recommendation of the support/accommodation provider.
- An ongoing support package or requirement for security measures to the property has been assessed and where required, are in place.
- The applicant has not made a homeless application to any housing authority under homelessness legislation.

In the case of young people moving on from care, applicants are awarded this category in accordance with the 16 and 17 year old Joint Protocol between the Council and Worcestershire County Council's Children's Services Department. Applicants must be a former "Relevant Child" as defined by the Children Act 1989.

The evidence to support this will be provided by the County Council's leaving care service and will consist of confirmation that:

- The care-leaver is ready to move to independent settled housing and is genuinely prepared for a move to independent living.
- The care-leaver possesses the life skills to manage a tenancy including managing a rent account.
- An ongoing support package has been assessed and where required, is in place.

Children accommodated out of the area by Children's Services or Unaccompanied Asylum Seeking Children under the responsibility of Worcestershire County Council will be awarded this status and will be granted a local connection with the Borough

## **Band 2 - High housing need**

### **5.6 Homeless cases with no statutory duty to re-house (excludes intentional homeless)**

This status is awarded by the Council where an applicant is considered under homelessness legislation to be;

- eligible for assistance,
- homeless,
- not in priority need,
- not homeless intentionally.
- has a local connection (or has exceptional circumstances and does not require a local connection)

### **5.7 Where an applicant will become homeless within 56 days and the Council owes them a 'Prevention Duty or they are homeless and owed the Relief Duty, but, the full Housing Duty has not been determined**

This status will be awarded by the Council. At relief duty stage, the banding will last for up to 56 days during which a decision will be made what further Duty may be owed. Where the full housing duty is owed the applicant will be promoted to Band 1. If it is determined that a full housing duty does not apply the applicant will remain in band 2 subject to the Council still considering them to be threatened with homelessness or actually homeless. At relief duty stage a household without a local connection may be referred to an authority where they have a local connection.

### **5.8 Properties subject to serious disrepair**

This status will be awarded where there are category 1 hazards (as determined by the Housing Act 2004) confirmed to be present within a property by a relevant officer; and one of the following enforcement notices has been served:

- Improvement notice for Category 1 hazards (other than for overcrowding and space)
- Prohibition order (on part or all of the dwelling)
- Emergency Remedial Action (on part or all of the dwelling)
- Demolition or Clearance Orders

The priority of the relevant officer will be to remove the category 1 hazard, therefore, Redditch Homes officers will liaise with the enforcement officer prior to an offer of accommodation being made in order to determine whether works have been completed.

Where the notice has been complied with and the works completed, the applicant's band will be re-assessed.

Where one of the following notices has been served on the dwelling which prohibits occupation of the whole dwelling applicants will be dealt with under homelessness legislation:

- Emergency Prohibition Order

- Prohibition Order

Where the applicant is in a Council tenancy the Housing Act 2004 does not apply as it is unable to serve upon itself. This reasonable preference would still be awarded where a notice would be served if the tenure was different.

### **5.9 Affordable housing tenants who are under occupying affordable housing or living in an adapted property where they do not require the adaptations**

The Council aims to make best use of existing housing stock and priority will be given where a affordable housing tenant applies to move to a smaller, or more appropriate type of property.

Some examples would be;

- a) Applicant's currently living in family sized accommodation, either social or affordable rent, who wish to 'downsize' and free up at least one bedroom.
- b) Applicants currently living in family sized accommodation, either social or affordable rent, wishing to move to a one bed property or a two bed property designated for older people e.g. retirement housing, Extra Care or a bungalow.
- c) An applicant occupying an adapted property where they do not require the adaptations.

Please note this only applies where a family sized property or a property with substantial adaptations will become available for re-letting following the move.

Please see 'Bedroom Standard for the Assessment of Overcrowding and Under-occupation' regarding how under-occupation is determined.

### **5.10 Serious Overcrowding**

Applicants lacking two or more bedrooms will be awarded this status e.g. where the applicant has a four bedroom need and is living in a two bedroom property.

Overcrowding assessments will include all household occupants and the overall size of the property in determining the band, regardless of whether the whole household wish to be rehoused together or not. Applicants will have their circumstances assessed against the Redditch Homes Bedroom Standard as set out under the section on Registration and Assessment Process.

### **5.11 Cumulative Preference in Band 2**

Applicants whose circumstances match more than one criterion in the Band 3 will be awarded 'cumulative preference', which means that they will move up to Band 2. For example, an applicant who meets two or more criteria in Band 3 would be awarded Band 2 banding but can't then move to the higher Band 1 unless the applicant is accepted for one or more of the reasonable preference criterion required for the Band 1 as agreed by a Senior Officer of the Council.



Applicants who have been found to be intentionally homeless, within the Band 4 will not qualify for a cumulative preference award.

### **Band 3 - Medium Housing Need**

The following criteria will lead to Band 3 being awarded:

#### **5.12 Overcrowding or lacking required bedrooms**

This applies to households who are overcrowded or lacking one bedroom. Please see 'Bedroom Standard for the Assessment of Overcrowding and Underoccupation' table regarding how overcrowding or lacking required bedrooms is determined as set out under the section on Registration and Assessment Process.

#### **5.13 Properties suffering from disrepair**

Following confirmation from the relevant officer, properties that are suffering from minor disrepair (regardless of tenure), and are not deemed to be severe or a threat to the health and safety of the occupier or visitors, will be awarded this band. This banding will be applied where a hazard awareness notice has been served for Category 2 hazards (as defined under the Housing Health and Safety Rating System, Part 1 of the Housing Act 2004) except for overcrowding and space assessment which is assessed separately under the Redditch Homes overcrowding policy.

The Council will liaise with the relevant officer on a regular basis to check that the property circumstances are still in disrepair prior to an offer of accommodation being made.

### **Band 4 - Reduced Banding**

#### **(Reasonable Preference but reduced priority reviewed after 12 months)**

This band will be used for households in Reasonable Preference categories where their priority is reduced for one of the following reasons;

Applicants will initially be banded according to their current housing need but demoted to Band 4. This decision will be reassessed by the Council after a period of twelve months, or at the applicant's request at any time subject to the confirmation of material changes in the applicant's circumstances.

#### **5.14 Reasonable Preference – No Local Connection as described under the Qualification Criteria**

Where an application is made and the applicant is assessed as having a reasonable preference as defined by Part VI of the Housing Act 1996, and does not have a local connection as defined under the Qualification Criteria of this Policy then their banding will be reduced to Band 4. This can be reviewed at any point at which they consider that they meet the Qualification Criteria.

#### **5.15 Financial Resources**

Owner occupiers and people with sufficient financial resources available to them to meet their housing needs will be placed in Band 4.

Applicants who have a household income (including benefits) of more than £45,000 per annum and / or savings/capital/assets/equity of £95,000 that will enable them to access and maintain private accommodation will be encouraged and supported to do so through the housing options service. Any household in receipt of a means tested benefit will not be subject to this reduced banding criteria (this does not include Child Benefit).

Applicants will be asked to provide income and asset/savings/capital details at the point of application and if, at that stage, they exceed the threshold their banding will be reduced to Band 4 (where they have a housing need). The income and assets/capital/savings details will also be considered at the point of offer to ensure the applicant is still on the correct banding.

The financial resources of an armed forces applicant will be disregarded where it is a lump sum that was received as compensation for an injury or disability sustained on active service.

Financial thresholds may also be determined by Registered Social Landlords and applicants should contact individual organisations where they believe income or capital may be an issue at the point they are made an offer of accommodation.

#### **5.16 Deliberately worsening housing circumstances**

Where there is evidence that an applicant has deliberately worsened their circumstances or deliberately moved into a property that is unsuitable and as a result would qualify for higher priority on Redditch Homes, this priority will be reduced. This would include circumstances where an applicant surrendered their tenancy, where it was reasonable to occupy and / or against the advice of the Housing Options Officer or where they moved to a property that was smaller than their requirements.

Where there is evidence that an applicant has deliberately worsened their circumstances in order to qualify for higher priority on Redditch Homes, this priority will be reduced. This may include the following;

- Unsuitable property choice – e.g. with stairs if need ground floor
- Overcrowding – e.g. moved in with others / moved others in by choice
- Causing disrepair – including not allowing access
- Giving up a suitable tenancy
- Adaptations – apply to move within 5 years and these still meet the households needs
- Refused support which could have maintained tenancy

Officers will consider the applicants circumstances and particularly issues of vulnerability or where poor advice has been given before reducing the persons banding to Band 4.

### **5.17 Housing related debts or other debts owed to Redditch Borough Council**

Where households have housing related debts or other debts to the Council or landlord an assessment will be undertaken to establish how the debts have arisen and if from a deliberate act or omission that led to non-payment.

Those with outstanding debt to the Council or their landlord will be placed in the reduced banding. NB: in certain circumstances restrictions can be lifted. The applicant will be encouraged to make affordable arrangements to pay the debt and they will be placed within Band 4 until an affordable arrangement has been reached with whom they owe the money and the applicant is maintaining regular payments for 13 weeks.

The restriction has been introduced to maximise income to the Council or their landlord as well as preventing customers being housed who have a poor proven payment history for services from the Council.

Outstanding debt to the council would include

- Council Tax arrears
- Sundry debt arrears
- Former tenant arrears
- Court costs
- Recharges
- Housing Benefit overpayments
- Deposit bond schemes

NB: this would include debts that are statute barred (6 years old) and/or have been written off the Council's systems.

The Council will exercise its discretion, depending on individual circumstances where there are mitigating factors or an urgent need to move.

The circumstances where restrictions can be lifted include:

- Debt is less than £1,000 with a repayment plan in place that has been maintained for 13 weeks
- Exceptional circumstances e.g.
  - Life threatening circumstances
  - Safeguarding concerns
  - Domestic abuse
  - Severe medical needs
  - Other 'issues' out of the applicants control

Where a request to lift the restriction is made it will be considered on a case by case basis.

All circumstances will need to be evidenced by the submission of a Housing Management report validated by supporting documentation and will be agreed at the

discretion of the Head of Housing, Housing Services Manager or Housing Options Manager.

### **5.18. Anti-social behaviour, other tenancy breaches or abuse to staff**

Where there has been a breach of tenancy such as anti-social behaviour or neglect of the property, the applicant will be placed within Band 4.

Band 4 will apply to applicants who are guilty of anti-social behaviour or tenancy breaches where formal legal action has been commenced e.g. injunction, CBO or Notice etc. This would include anyone found guilty of sub-letting a social housing tenancy and waste /neglect of the property. The Council will consider any particular support needs the applicant might have and whether this is having an impact on their behaviour before reducing the applicants banding. The Council will only consider recent tenancy breaches / anti-social behaviour. This would normally be within the last 6 months.

The Council can reinstate the higher banding where the tenancy breach is resolved or the applicant can demonstrate changed behaviour over a reasonable timescale. This would normally be the last 6 months.

Applicants who persistently verbally abuse or physically attack staff will have their application placed in Band 4, the reduced priority band, for 6 months.

### **5.19 Households who have been determined to have become homeless intentionally.**

Band 4 will be awarded to applicants where the Council has carried out investigations under Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002) and found the applicant intentionally homeless. This banding will remain unless the Council has reason to believe that applicant has secured settled accommodation which has broken the chain of causation of the original homelessness from the homelessness application.

### **5.20 No bidding or refusing offers of accommodation**

Where applicants in Band 1 have refused a property without an exceptional reason or applicants in Bands 2 or 3 have failed to place bids, or have placed successful bids but then refused properties, and there is evidence that properties that would meet their needs have been advertised on Redditch Homes, their banding will be reviewed within the set time period for their band and they will be placed into Band 4, the Reduced Banding category.

By successful bids the Council means where the applicant(s) has been offered the property and invited to view it (where applicable).

The officer must consider the households' vulnerability and any issues that may have affected their behaviour at the time e.g. domestic abuse, mental health problems.

### **5.21 How Band 4, the reduced banding, will be applied**

Applicants will be banded according to their current housing need but demoted to Band 4. This decision will be reassessed by the Council after a period of twelve months, or at the applicant's request at any time. Review requests where there has

not been any change of circumstances will not be considered. The reduced banding is unlikely to be removed if an applicant's circumstances remain the same.

### **Band 5 - Some Housing Need**

This applies to all applicants who live, work or have a local connection as set out in Section 3 Qualification Criteria, to the Borough and do not meet any of the Reasonable Preference criteria, as set out above, and have low housing need. Applicants applying for designated older persons accommodation will not need to have a local connection to the Borough.

If an applicant has a low level housing need due to medical, disability or welfare conditions / issues, the banding will only be awarded where the condition / issue will be improved by a move to alternative accommodation.

Applicant(s) accepted onto the waiting list and awarded Band 5 include the following;

- In social housing and seeking a transfer.
- Households with low level medical or welfare issues.
- Households who are suffering financial hardship.
- Households in privately rented accommodation that do not have a reasonable preference
- Households who are sharing facilities with other non-related households.
- Households residing in an institution or supported housing scheme e.g. hospital with no access to settled accommodation.
- Households who have insecurity of tenure (those in tied accommodation or lodging).
- Households that are living with family but want to live independently.
- Two separate households wanting to live as one household.
- Households eligible and interested in older people's accommodation will not need to demonstrate a housing need.
- Households eligible and interested in shared ownership properties only.

#### **5.22 Low Level medical need**

When determining whether an applicant is eligible for a low level medical need in order to be registered onto the system, the Council will accept the applicants own declarations as a sufficient level of evidence.

A low level medical need should be awarded where an individual has a disability, welfare condition or other issue where the issue may be improved by a move to alternative accommodation.

Applicants will be placed in band 5.

Any application in this banding can be closed after two years where no bids have been placed. Band 1 applicants who have not received an offer will also be reviewed after two years.

**Band 6 – Reduced Priority for those who are not in a Reasonable Preference category.**

Applicants will initially be banded according to their current housing need but demoted to Band 6. This decision will be reassessed by the Council after a period of twelve months, or at the applicant's request at any time subject to the confirmation of material changes in the applicant's circumstances.

**5.23 Financial Resources**

Owner occupiers and people with sufficient financial resources available to them to meet their housing needs will be placed in Band 6.

Applicants who have a household income (including benefits) of more than £45,000 per annum and / or savings/capital/assets/equity of £95,000 that will enable them to access and maintain private accommodation will be encouraged and supported to do so through the housing options service. Any household in receipt of a means tested benefit will not be subject to this reduced banding criteria (this does not include Child Benefit).

Applicants will be asked to provide income and asset/savings/capital details at the point of application and if, at that stage, they exceed the threshold their banding will be reduced to Band 6 (where they have a housing need). The income and assets/capital/savings details will also be considered at the point of offer to ensure the applicant is still on the correct banding.

The financial resources of an armed forces applicant will be disregarded where it is a lump sum that was received as compensation for an injury or disability sustained on active service.

Financial thresholds may also be determined by Registered Social Landlords and applicants should contact individual organisations where they believe income or capital may be an issue at the point they are made an offer of accommodation.

**5.24 Housing related debts or other debts owed to Redditch Borough Council**

Where households have housing related debts or other debts to the Council or landlord an assessment will be undertaken to establish how the debts have arisen and if from a deliberate act or omission that led to non-payment.

Those with outstanding debt to the Council or their landlord will be placed in the reduced banding. NB: in certain circumstances restrictions can be lifted. The applicant will be encouraged to make affordable arrangements to pay the debt and they will be placed within Band 6 until an affordable arrangement has been reached with who they owe the money and the applicant is maintaining regular payments for 13 weeks.

The restriction has been introduced to maximise income to the Council or their landlord as well as prevent customers being housed that have a poor proven payment history for services from the Council.

Outstanding debt to the council includes:

- Council Tax arrears
- Sundry debt arrears
- Former tenant arrears
- Court costs
- Recharges
- Housing Benefit overpayments
- Deposit bond schemes

NB: this would include debts that are statute barred (6 years old) and/or have been written off the Council's systems.

The Council will exercise its discretion, depending on individual circumstances where there are mitigating factors or an urgent need to move.

The circumstances where restrictions can be lifted include:

- Debt is less than £1,000 with a repayment plan in place that has been maintained for 13 weeks
- Exceptional circumstances
  - Life threatening circumstances
  - Safeguarding concerns
  - Domestic abuse
  - Server medical needs
  - Other 'issues' out of the applicants control

Where a request to lift the restriction is made it will be considered on a case by case basis.

All circumstances will need to be evidenced by the submission of a Housing Management report validated by supporting documentation and will be agreed at the discretion of the Head of Housing, Housing Services Manager or Housing Options Manager.

### **5.25 Anti-social behaviour, other tenancy breaches or abuse to staff**

Where there has been a breach of tenancy such as anti-social behaviour or neglect of the property, the applicant will be placed within Band 6.

Band 6 will apply to applicants who are guilty of anti-social behaviour or tenancy breaches where formal legal action has been commenced e.g. injunction, CBO or Notice etc. This would include anyone found guilty of sub-letting a social housing tenancy and waste /neglect of the property. The Council will consider any particular support needs the applicant might have and if this is having an impact on their behaviour before reducing the applicants banding. The Council will only consider recent tenancy breaches / anti-social behaviour. This would normally be within twelve months.

The Council can reinstate the higher banding where the tenancy breach is resolved or the applicant can demonstrate changed behaviour over a reasonable timescale. This would normally be twelve months.

Applicants who verbally or physically abuse staff shall have their application placed in Band 6, the reduced priority band, for twelve months.

5.26 Households eligible and interested in older peoples accommodation will not need to demonstrate a housing need but will be placed in Band 6 if they do not qualify for a close local connection under the Qualification Criteria.

5.27 Households in Band 5 who bid successfully on a property and refuse the offer may be placed into Band 6.

### 5.28 How Band 6, the reduced banding, will be applied

Applicants will be banded according to their current housing need but demoted to Band 6. This decision will be reassessed by the Council after a period of twelve months, or at the applicant's request at any time. Review requests where there has not been any change of circumstances will not be considered. The reduced banding is unlikely to be removed if an applicant's circumstances remain the same.

### 5.29 Bedroom Standard for the Assessment of Overcrowding and Underoccupation

Bedroom Standard for the Assessment of Overcrowding and Under-occupation				
Household Make-up	Suitable Property Size			
	1 Bed	2 Bed	3 Bed	4 Bed
Single Person	✓			
Childless Couple	✓			
Parent(s) & 1 child or 25+ weeks pregnant		✓		
Parent(s) and 2 children of same sex aged between 0 and 16		✓		
Parent(s) and 2 children of same sex over 16			✓	
Parent(s) and 2 children of different sex under the age of 10		✓		
Parent(s) and 2 children of different sex when the oldest reaches 10			✓	
Parent(s) and 3 children – 2 of same sex aged between 0 and 16. Plus 1 other child			✓	



Parent(s) and 3 children - 2 of different sex under the age of 10. Plus 1 other child			✓	Additional bedrooms to be awarded as per age and gender of larger households
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The appropriate Senior Officer within the Council may exercise discretion in deviating from the Bedroom Standard to increase the number of rooms an applicant requires. Examples would include where an extra room is required to accommodate a carer on health grounds, or where the applicant is a registered foster carer. In some circumstances it may be possible to award this banding and direct match a potential foster parent living in social housing to a more appropriately sized property with the agreement of the landlord. (see also Eligibility for Types of Dwelling under Section 6).

The Bedroom Standard allows the policy to determine whether there is under-occupation or overcrowding for the purposes of banding. The Council will determine, through this allocation policy the type and size of property an applicant can occupy.

Bands 2 and 3 will also apply to applicants needing to be re-housed on the application if they have no bed spaces available to them.

Evidence of overcrowding must be provided at the point of registration and allocation of accommodation and may be verified by a home visit.

There may be some exceptions to the bedroom requirements including the following;

- Where there is a carer included in the household who cannot share a bedroom.
- Where the household contains "a child who cannot share a bedroom". This definition applies to a child who (1) is entitled to the care component of disability living allowance or personal independence payments (PIP) at the highest or middle rate, and (2) by reason of their disability is not reasonably able to share a bedroom with another child.

A carer is someone who, with or without payment, provides help and support to a partner, relative, friend or neighbour, who would not manage without their help. This could be due to age, physical or mental health, addiction, or disability. In all cases the carer must have been identified by the applicant as the person who is primarily responsible for providing them with care and that they need to live with them.

Even if a carer is in receipt of Carer's Allowance this does not necessarily mean that it is necessary for them to reside with the person who is being cared for. An application to include a carer on a housing application will be considered if the need for a carer has been assessed by a relevant specialist organisation (e.g. a social care, health professional) as needing to provide overnight support by a resident carer. In these circumstances the applicant must provide supporting evidence from other agencies e.g. Social Care or a Health professional.

In some limited circumstances it may be possible to consider cases where the carer is not in receipt of Carer's Allowance but would be eligible. Under these circumstances it will still be necessary for the applicant to demonstrate that the person looked after is in receipt of a relevant care related benefit.

### **5.30 Household with a disabled child**

Where the household includes a disabled child and the child isn't able to share a room with another child because of its disability then an additional bedroom

requirement can be considered. The disabled child would need to be in receipt of the care component of the Disability Living Allowance (or Personal Independence Payment) at the highest or middle rate.

### **5.31 Households with access to other children**

Anyone with access to children will need to demonstrate their involvement in the care and supervision of the child. A Senior Officer within the Council will give consideration to factors including regularity of contact, who claims the relevant benefits for the child and any residency orders as well as legislation, codes of guidance and case law in determining which parent has **primary responsibility** for the children. Therefore unless there is an exceptional circumstance we would be unlikely to provide family accommodation where the applicant is not the primary carer for the child even if they have joint access rights to their child.

Currently case law around eligibility for benefits and homeless case law has found that separated parents do not have an automatic right to benefits or a bedroom for a child they do not have primary responsibility for.

The bedroom standard assessment is for determining overcrowding and does not guarantee that an applicant will be offered the exact property size for their household needs. In particular, where their housing need exceeds four bedrooms but there is a limited supply of larger properties within the Borough they are unlikely to be offered social housing that exactly meets their needs.

There may be other special circumstances subject to emerging case law where the bedroom standard does not apply and this will be determined by a Senior Officer or manager.

### **5.32 Time Limited Register**

Live applications on the housing register will be closed after 2 years if there have been no bids placed. Band 1 applicants will also be reviewed where no offers have been made within a two year period. Please see the Reviews / Complaints Section for more information.

### **5.33 Waiting Time**

New applicants, who are eligible and qualify, are placed into Band 5 whilst their housing need is assessed. An applicant's waiting time will be from the date of registration (the effective date); this will be the date the on line form is submitted or the paper form is received and date stamped at the Council's offices.

If an applicant is moved up into a higher band (following assessment) then the date they moved into that band will override the registration date (effective date).

If the applicant remains in or moves down to the Band 5 or 6 then the registration date (effective date) will apply.

### **5.34 Removing Applicant's Reduced Preference from Bands 4 and 6**

Where an applicant is promoted from Band 4 or 6, the Reduced Bands, to a reasonable preference band, the band start date will be back-dated to the date they were originally placed in the assessed band. E.g. Where the applicant has a reasonable preference due to a high medical need the date that this was effective from is the date that will be reinstated.

Where an applicant has been promoted from Bands 4 or 6 a housing association may still refuse to accommodate them due to their own allocations policies. Applicants demoted to Bands 4 and 6, the Reduced Bands, will be encouraged to pursue private rented housing wherever possible and appropriate advice and support will be given to assist them to do so.

The decision to promote an applicant from a Reduced Band will be undertaken as part of a full review of the applicant's circumstances to ensure that the applicant is awarded the correct banding.

### **5.35 Change of Circumstances**

All applicants are required to notify the Housing Options Team at the Council immediately of any change to their circumstances which may affect their priority for housing. Applicants will need to provide proof of their change before it is assessed.

Applicants who have had a change of circumstances and have not informed the Council may have their application suspended whilst an investigation takes place in order to determine eligibility. The applicants' banding will be reassessed at the point that they submit the change of circumstances (not at the point when the circumstances change) and this will then determine their band start date. If an applicant does not respond to contact from the Council within one month, their application will be closed.

Applicants should notify the Council of any change in their circumstances. For example:

- A change of address, for themselves or any other person on their application
- Any additions to the family or any other person they would wish to join the application
- Any member of the family or any other person on the application who has left the accommodation
- Any confirmed pregnancy
- Changes of name
- Changes in financial circumstances, including change of employment
- Accommodation issues
- Medical or other housing needs

### **5.36 Additional Preference – Community Contribution of Key Workers and Volunteers.**

The Council wants to recognise the many people who provide key worker services to the Borough, for example nurses, social workers and police officers, and will award an additional waiting time of six months for those applicants in key worker occupations. The key worker status can apply to either the applicant or joint applicant. The responsibility will be on the applicant or joint applicant to provide the evidence to be awarded this additional preference.

#### **I. Applicants Volunteering**

Applicants volunteering for a minimum of 20 hours per month confirmed by a registered charity and for a continuous period of at least six months, at the point of

application, at review and the same at the point of offer will be awarded an additional six months waiting time.

## **II. Applicants who are full time carers**

Applicants who are unable to take up key worker or volunteering positions because they care for someone on a full time basis and have done so for a minimum period of six months (before applying) and are in receipt of carers allowance (due to disability or frailty), will qualify for the award of an additional six months.

## **III. Applicants with a disability**

The Council recognises that it may not be possible for some applicants to take up key worker or volunteering positions due to severe disability (e.g. where they are awarded the support element of Employment Support Allowance or higher rate Disability Living Allowance / Personal Independence Payment) and in these circumstances six months additional waiting time will be awarded.

### **5.37 Members of the Armed Forces**

By Armed Forces, we mean the “regular forces” and the “reserve forces” as defined by s. 374 of the Armed Forces Act 2006(a). The “regular forces” means the Royal Navy, the Royal Marines, the regular Army or the Royal Air Force. The “reserve forces” means the Royal Fleet Reserve, the Royal Navy Reserve, the Marine Reserve, the Army Reserve, the Territorial Army, the Royal Air Force Reserve or the Royal Auxiliary Air Force.

Members of the Armed Forces who have been served with a cessation to occupy accommodation will be given housing advice and the appropriate banding and, if required, considered under homelessness legislation (Housing Act 1996, Part VII and other relevant legislation).

The Council recognises the contribution made by members of the Armed Forces and we support the principles of the Worcestershire Community Covenant.

The Housing Act 1996 (Additional Preferences for Armed Forces) (England) Regulations 2012 require Local Authorities to give additional preference to a person with an urgent housing need and are in one of the Reasonable Preference categories.

The regulations are that local housing authorities must frame their allocation scheme to give additional preference to the following persons if they fall within one or more of the statutory reasonable preference categories and are in urgent housing need:

- a) serving members of the regular forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service
- b) former members of the regular forces
- c) bereaved spouses or civil partners of those serving in the regular forces where (i) the bereaved spouse or civil partner has recently ceased, or will cease to be entitled, to reside in Ministry of Defence accommodation following the death of their service spouse or civil partner, and (ii) the death was wholly or partly attributable to their service
- d) existing or former members of the reserve forces who are suffering from a serious injury, illness, or disability which is wholly or partly attributable to their service.

If an "Armed Forces" applicant is able to meet the local connection criteria (or is exempt from this) and does not have sufficient resource to meet their own housing need, this Policy will award the applicant an additional six months in waiting time at the point that need has been assessed or date of registration (if need hasn't changed over time).

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## **6. Applying for a Property and Lettings**

### **6.1 Looking for Available Properties**

Once applicants have been registered with Redditch Homes and notified of their registration number, they can start to look for a property of their choice, unless they are awarded Band 1.

### **6.2 Advertising**

Whilst some properties will be directly matched by the Council the remainder of properties, and those of its partner housing association landlords, will be advertised in the following ways:

- Website – available to anyone with access to the internet. The website enables applicants to view all available properties on line at [www.redditchhomechoice.org.uk](http://www.redditchhomechoice.org.uk)
- Council Offices – computers will be available to view and bid for available properties. Staff will be on hand to assist where needed

Adverts will provide information about the location, property type and size, rent level, and eligibility criteria.

The Council may advertise during any twelve month period up to 5% of its allocations to existing Council tenants registered in band 5 to facilitate movement within the Council's housing stock.

The Head of Housing will review the percentage target on an annual basis.

### **6.3 Direct Matching for Band 1 Applicants**

For all properties that are available and required for Band 1 a shortlist will be automatically produced of eligible households. The applicant at the top of the shortlist will be made an offer unless there are circumstances that make the allocation inappropriate e.g. where the location of the property is unsuitable for that particular applicant.

If the offer is refused it will be offered to the next applicant on the shortlist until the list is exhausted. If the property has been refused by the Band 1 shortlist or if there are no eligible applicants for the property, it will be advertised through Redditch Homes property shop for open bidding.

Applicants in Band 1 are only eligible for one offer and will be placed into Band 4 (Reduced Banding) if the offer was considered to be reasonable.

#### **6.4 How to Bid**

Applicants can bid for properties as detailed below. They will need to have their personal access details to access their account either:

- **On the Internet**

[www.redditchhomes.org.uk](http://www.redditchhomes.org.uk)

- **In Person**

At any of the Council's Offices with a public reception area

#### **6.5 When to Bid for a Property**

Empty properties will be advertised on a bidding cycle. The time that a bid is placed during the week does not make a difference to the shortlist position – it is not a 'first come first served' system.

#### **6.6 Number of Properties an Applicant can Bid for**

Whilst Band 1 applicants will be directly matched to a property, all other applicants will be able to make 2 bids each week as long as they match the advert criteria. Bids must be placed on separate properties for which the applicant is eligible. Applicants can withdraw their bid if they change their mind and re-bid on a different property at any time throughout the weekly bidding cycle.

#### **6.7 Multiple Bidding**

As applicants are able to bid on two properties during any given weekly bidding cycle, it is possible that the applicant will appear at the top of both shortlists. In this instance they will be contacted to discuss which property they wish to consider. The council or Housing Association will then indicate the applicant's preference and the applicant will be bypassed from the other shortlist. If the Council or Housing Association (Registered Provider) who has matched the applicant to a property subsequently decides not to offer them the property, the Provider will inform the applicant of the reasons for this directly, but the applicant will retain their banding and be able to continue bidding. Please see the section below on "Reasons why an applicant may not be offered a property".

#### **6.8 Applications from Employees and Elected Members**

Staff members including anyone employed by a Council owned company or other arms-length service delivery entity eg Rubicon Leisure Limited, Elected Members, or relatives of either, will have their application approved by the Housing Options Manager or the Head of Housing, in accordance with the Councils equal opportunity policy.

Any offers of accommodation to members of staff including anyone employed by a Council owned company or other arms-length service delivery entity eg Rubicon Leisure Limited or Elected Members, or relatives of either, will be agreed by the Chief Executive. In the absence of the Chief Executive this decision will cascade as follows:

1. Deputy Chief Executive
2. Executive Director for Leisure, Environment and Community Services

Executive Director of Finance and Corporate Resources

### **6.9 Statutory Homeless Households**

Homeless applicants placed in Band 1 will be those who have been:

- accepted as statutory homeless (where the full rehousing duty is owed) by the Council under s193 in Housing Act 1996 (eligible, homeless, priority need and not intentionally homeless, with a local connection) or those owed the relief duty, but who would be owed the full duty when the relief duty comes to an end

If an offer is rejected at the relief stage, subject to review, the full homeless duty will not subsequently be owed.

The Council will direct match all Band 1 applicants. When a Statutory Homeless applicant is directly matched to a property the applicant will be notified of this and, subject to rights of review under Part VII of the Housing Act 1996, this will constitute an offer of housing under Part VI as a discharge of the Council's homelessness duty. If this offer is subsequently refused and the applicant requests a review of the suitability of accommodation, then the application will be suspended until the outcome of the review has been determined.

If the refused offer is deemed suitable, the Council will have discharged its Duty and the applicant will be placed into band 4 (reduced banding).

Should a Statutory Homeless applicant (eligible for the full re-housing duty) be rejected by a partner housing association under its own allocations criteria, the homelessness duty will not be discharged and the applicant will remain eligible for a further offer.

### **6.10 Eligibility for Types of Dwelling**

The Council or its housing association (Registered Provider) partners may use their individual landlord policies, or may use their discretion to determine an applicant's eligibility for a size and type of dwelling.

Examples are, but not restricted to:

- Where applicants require larger or specially adapted accommodation on health grounds. This will be considered on a case by case basis, taking into account the advice of the Council's qualified medical advisor.
- Where the landlord wants to deliberately under-occupy a property and a Local Letting Plan is in place.
- Where there is little or no demand for a particular property and it is therefore difficult to let (at the point of advertising the property).
- Where an applicant has a larger family size than the bedroom size criteria.
- There may be properties where, having gone through the usual shortlisting process, have not been let and therefore the Council, or its registered provider partners, may use their discretion to adjust any of the criteria for that particular property as deemed fit.



### 6.11 Selection process

- Applicants for each property are placed in order of housing need. Priority for a property is decided first by band and then by date within the band and then by effective date.

A bid for a property will not be considered if the applicant's household does not meet the size, age or disability requirements for that property, unless there are exceptional circumstances which need to be taken into account.

Landlords will select and may also interview the top applicant(s) before an offer is made.

A property will not always be offered to the applicant at the top of the shortlist if there are reasons why this applicant is not eligible or would not be suitable. Please see the 'Reasons why an Applicant may not be offered a property' section for more details.

Successful applicants will be given the opportunity to view the property prior to tenancy sign-up.

If the applicant chooses to refuse the property, the reasons for the refusal will be recorded and the applicants banding may be reassessed.

**If an applicant is matched to a property they will not be able to bid for other properties until they have decided to either accept or refuse the offer of the property.**

If the applicant is at the top of the shortlist the Council or Housing Association will check the application to ensure the banding is correct and there aren't any other factors that would limit offers of accommodation e.g. change of circumstances.

### 6.12 Reasons why an Applicant may not be Offered a Property or an Offer is Withdrawn

Housing Associations may choose not to allocate a property due to their own allocations policy, please contact individual housing associations (registered provider) for more information.

Where information is received following initial registration that changes the eligibility of the application for the property being offered the offer may not be made or may be withdrawn.

If the applicant requires a certain type of accommodation for example their own entrance and the property does not meet this requirement the offer will not be made or will be withdrawn.

### 6.13 Restrictions on offers through the advert

The Council and housing associations may apply restrictions in order to identify suitable applicants in particular circumstances and these will always be specified in the advert. Where a property is advertised with certain restrictions, the letting will be made to the bidder who meets the criteria with the earliest band start date in the highest band, as with usual lettings.

Some properties may be restricted for bidding as follows;

- Under agreements pursuant to s.106 of the Town and Country Planning Act 1990 (as amended) imposing conditions on who is able to bid – normally a restriction to households with a local connection or the applicant's age.
- The Council and housing associations may adopt specific lettings criteria in relation to particular developments or areas in order to address identified problems and to create sustainable and balanced communities. In these circumstances a local lettings policy would apply.
- The Council and housing associations may advertise a property with particular criteria to allow for it to be sensitively let in recognition of the impact on neighbours or the neighbourhood. This will be authorised by a Senior Officer.
- The Council and housing associations are entitled to advertise some properties with preference given to their existing tenants in order to facilitate transfers.

#### **6.14 Refusing Offers of Accommodation**

Band 1 applicants are expected to accept an offer of accommodation as the Council will fully understand their requirements. All other applicants are expected to take reasonable care when bidding for a property to ensure it meets their needs. If, however, an applicant decides to refuse an offer of accommodation, the property will be offered to the next suitable applicant. An application may be reassessed if an offer of a property is refused. The Council will take into consideration the suitability of the property and reasonableness of the offer in any reassessment undertaken.

#### **6.15 Refusals by Band 1 applicants to whom the full homeless duty is owed**

If a homeless applicant refuses an offer of suitable accommodation, the Council may decide that its duty under homelessness legislation is discharged, subject to the statutory review process, and the applicants banding will be reassessed.

Homeless applicants have the right to request a review of certain decisions made by the local authority in respect of their homeless application. This includes the decision to bring to an end the full homeless duty by making a suitable offer of settled accommodation. The applicant has this right whether they refuse or accept the offer of accommodation. If the review finds in favour of the homeless applicant, the applicant will retain their Band 1 status (provided they are still homeless).

If the reasonableness and suitability of the offer is upheld, the homeless duty will be ended and the applicant will be placed in Band 4 (the Reduced Band). Homeless applicants are therefore advised to accept an offer and then request a review if they believe it to be unsuitable.

#### **6.16 Exempt Allocations – Accommodation provided for lettings that are not covered by this Scheme.**

The following exempt allocations are covered by s160, Housing Act 1996 and are not allocations under this Policy:

- Succession to a tenancy on a tenant's death pursuant to s89 Housing Act 1985 and s17 Housing Act 1988 (this will be dealt with by the landlord under the relevant legislation and policies).
- Assignment of a tenancy by way of mutual exchange.
- Transfer of the tenancy by a court order under family law provisions or under the Civil Partnership Act 2004.
- An introductory tenancy (including assured shorthold) becoming an assured/secure tenancy.
- Transfers initiated by the Council or housing associations (registered providers) (e.g. decant to alternative accommodation to allow for major works).
- Being rehoused by the Council pursuant to the Land Compensation Act 1973.

The following allocations are deemed to be exempt as they are likely to require different decision making processes and criteria in making assessments and rehousing the applicant:

- A person being granted a family intervention tenancy.
- Provision of non-secure temporary accommodation in discharge of any homelessness duty or power.
- Supported accommodation.
- Where a partner housing association needs to directly match a property (more details regarding this are included later in this policy).
- Some Extra Care and Sheltered accommodation will need to apply its own policy for the allocation of accommodation which will be based on age and housing and care needs. For more information contact the Council or relevant landlord for information.
- Changes to joint tenancies which will include the granting of a new tenancy through changes from a sole to a joint tenancy and from a joint to a sole tenancy. The Council or partner housing association will decide whether to allow a Joint Tenancy depending on the circumstances of the case.
- Households requiring a move through the Witness Protection Scheme or similar, at the formal request of the appropriate authority.
- Where properties have adaptations and are suitable for applicants with special needs they will, in the first instance, be considered for direct matching to applicants in Band 1. If there is no requirement for the property through direct matching, the property will be advertised through Redditch Homes. Priority for accessible accommodation will

be given to those people who have appropriate levels of need and this will be clearly stated in the adverts.

### **6.17 Local Lettings Plans**

Redditch Borough Council reserves the right to apply additional criteria for example specific local connection criteria, offers of family sized accommodation to smaller households or those in employment when using Local Letting Plans. The Council and housing associations, in the interests of promoting balanced and sustainable communities, agree local lettings plans for specific areas, estates, or blocks. This is to ensure that lettings plans are tailored to the needs of an area, and protect the interests of existing residents and the wider community.

All local lettings plans will be available from the landlord upon request.

### **6.18 The principles in applying Local Lettings Plans**

- Local Lettings Plans may be developed to meet the particular needs of a local area.
- Local Lettings Plans can apply to single properties or a number of properties in a particular area that may become available over a period of time.
- There must be a clear reason for having Local Lettings Plan (this may take the form of recurring antisocial behaviour issues, high child densities or a concentration of older residents) and will be subject to reconsideration.
- Local Lettings Plan must be developed and approved in accordance with an agreed procedure that must have specific aims and will be reconsidered on an annual basis.
- A requirement of a Section 106 agreement of the 1990 Town and Country Planning Act.

The decision to implement a Local Lettings Plan will be developed and approved by a Senior Officer of the Council. The local ward Member will be consulted and will have 7 days within which to respond, after which, if no response is received, it will be assumed that they are in agreement. Any decision to implement a Local Lettings Plan will always take into account the implications for equal opportunities and the need to ensure that the Council is able to meet the allocation needs of those owed a reasonable preference.

Where a property is advertised in accordance with a Local Lettings Plan, the letting will be made to the highest bidder who meets the eligibility criteria of the Local Lettings Plan.

#### **Examples of possible Local Lettings Plans:**

The following are examples of local letting criteria that could be included in respect of a specific area, estate, or block:

- Age restrictions.
- Where the property forms part of a rural housing scheme on an exception site.
- Restrictions on lettings to vulnerable households where there are already a concentration of supported tenants/residents.

- Sensitive lettings where there have been issues with anti-social behaviour.

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## **7. Administration of the Scheme**

### **7.1 Delegation of Authority**

Redditch Homes operates alongside the separate allocation policies and activities of partner housing associations.

The Council will not revoke any of its legal duties and powers.

The administration of the Allocations Policy and scheme is undertaken by Redditch Borough Council who is responsible for updating and reviewing this Policy and scheme in line with good practice, legislation and case law, consulting with partners and customers and ensuring the scheme is followed.

Certain functions within the scheme can only be undertaken by a Senior Officer or manager and, where this is the case, this has been clarified throughout the allocations policy.

### **7.2 Reassessment of Bandings**

Bandings will be reassessed when it is apparent there has been a change of circumstances.

An applicant will be notified of the reassessment. Failure to respond to appropriate correspondence in relation to the reassessment within one month will result in the application being closed. If good reason can be shown for the failure to respond to the reassessment then the application may be reinstated with the original band start date.

If the Council considers that an applicant in a reasonable preference banding has not been using their priority and bids appropriately, a Senior Officer will review the application and banding may be altered to Band 4, the Reduced Band unless good reason can be shown as to why bids have not been placed.

### **7.3 Notification of Bands 4 and 6 - Reduced Banding**

Any applicant whose banding is reduced will be provided with notification of the decision that will contain the following information:

- The original band and the revised band
- The reasons for the decision to reduce banding
- That the applicant has a right to request a review of that decision
- What they have to do before their band can be reconsidered

### **7.4 Closing of Applications**

Applications may be closed if applicants:

- Request their application to be closed.
- Do not respond to a request to provide updated information about their registration.

- Do not make a bid, or if in Band 1 have not been offered a property, within 1 years of applying to join the Scheme
- Circumstances have changed and the applicant is no longer eligible under this allocations policy.

When an applicant is re-housed through Redditch Homes, their application will be automatically closed and they will need to complete a new registration form if they wish to remain on the Housing Register.

In all other circumstances where an applicant has moved they will need to complete a change of circumstances and be reassessed.

### **7.5 Re-joining the Housing Register**

Where a household wishes to re-join the Redditch Homes Housing Register at a later date, their new date of application will be the date they re-register unless there are exceptional circumstances to be considered by a senior officer.

### **7.6 Equality and Diversity**

The Council's aim is to implement and maintain services which ensure any potential or current applicant is not treated less favourably on the grounds of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation or marriage and civil partnership, nor is disadvantaged by the application of a rule, condition, or requirement, which has a discriminatory effect which cannot be justified by law. Allocations will only be made to those persons who are eligible.

This policy will be subject to periodic equality impact assessments.

### **7.7 Confidentiality**

The fact that a person is an applicant on the Redditch Homes will not be disclosed (without their consent) to any other member of the public.

### **7.8 Data protection and Information Sharing**

All information held is subject to the Data Protection legislation. Redditch Homes will advise all applicants joining the scheme about how their data will be used. The application and any information relating to it will be able to be viewed by the housing association landlord who has advertised the property. The information is shared under the Council's legal duty for the purposes of allocating housing.

### **7.9 Information sharing without consent**

In exceptional circumstances information may be shared about the individual and their history irrespective of whether their consent has been obtained. This does not happen often but will include:

- In accordance with the provisions of the Crime and Disorder Act 1998 (S. 115).
- Where there are serious risks to the public, our staff or to other professionals;
- To protect a child; or
- To protect adults who are thought to be at risk, for example if they are frail, confused or cannot understand what is happening to them.
- Where information is relevant to the management or support duties of the proposed landlord or support organisation to ensure the health and safety of the applicant, a member of his or her household, or a member of staff.

### **7.10 False statements or withheld information**

It is a criminal offence for applicants and/or anyone providing information to Redditch Homes to knowingly or recklessly make false statements or knowingly withhold reasonably requested information relevant to their application (s.171 Housing Act 1996). This includes but is not limited to:

- information requested on the housing registration form.
- Information provided in response to correspondence at the review of the application.
- Any information relating to any other reassessment of the application.

An offence is also committed if a third party provides false information whether or not at the instigation of the applicant. This would apply at any stage of the application process.

Where there is suspicion or an allegation that a person has either provided false information or has withheld information, the application will be placed under pending status during the investigation and will be excluded from this Scheme until an outcome is reached.

If the outcome of any investigation establishes that they did not provide false information, or there was no withholding of information or such was not found to be withheld knowingly, then the application will be reinstated from the date of registration, meaning the relevant applicant should not suffer any disadvantage.

However, where the investigation shows that false information was provided on the application form the application will be re-assessed. The applicant may also be liable to prosecution. Ground 5 in Schedule 2 to the Housing Act 1985 (as amended by the 1996 Act, s.146) enables the landlord to seek possession of a property where it has been granted as a result of a false statement by either the tenant or a person acting at the tenant's instigation.

If it is determined that an applicant directly, or through a person acting on his or her behalf, has given false information or withheld required information it will result in an applicant being removed from Redditch Homes and deemed ineligible unless there are exceptional circumstances to be considered by a senior officer.

### **7.11 Monitoring Redditch Homes**

The Council will regularly monitor the outcomes being achieved by Redditch Homes.



## **8. Reviews of decisions**

### **8.1 Information about decisions and reviews**

The Council makes the decision regarding the start dates and banding of every applicant.

An applicant to Redditch Homes has a right to request a review from the Council if they are unhappy with any decision (finding of fact). This will include:

- decisions to exclude from registration,
- the level of priority awarded or the way in which the application has been dealt with.

Applicants can choose to appoint an advocate, and once appointed, the Council will deal directly with the advocate. The applicant or advocate must request a review within 21 days of the date of the decision letter unless there are exceptional circumstances which have prohibited them from doing so.

Applicants have the following further and specific rights to information about decisions and rights of review of decisions:

- the right, on request, to be informed of any decision about the facts of their application which has been taken into account in considering whether to make an allocation to them
- the right, on request, to review on following grounds a decision to treat them as ineligible due to immigration controls or unacceptable behaviour serious enough to make them unsuitable to be a tenant

The applicant will be notified of the outcome of the review including reasons. The Council will aim to determine the review within 56 days of the request or such longer period as may be agreed with the applicant. Once the review has been decided upon there is no further right of review on the same matter unless there is a material change of circumstance.

The applicant will also have the right to make a formal complaint through the Council's complaints procedure and escalate this to the Local Government Ombudsman and seek a judicial review.

Reviews will be carried out by a senior officer within the Council and an officer who was not involved in the original decision.

Where the complaint concerns an issue with the letting of a property, the applicant should address their complaint directly to the relevant landlord and follow that organisation's complaint procedure.

### **8.2 Complaints**

An applicant who is not satisfied with the service that they receive may register a complaint with the Council by telephone, e-mail, in writing or in person. All complaints will be acknowledged and investigated. Please see the Council's complaints procedure for details on how to complain and the length of time the Council has to consider the complaint. <http://www.redditchbc.gov.uk/council/corporate/we-want-your-feedback/compliments-and-complaints.aspx>

An applicant can ask someone else or an organisation such as Citizen's Advice Bureau to make a complaint on their behalf.

## Appendix 2 Redditch Homes Partners' Contact Details

Name	Address	Phone Number	Email	Website
Bourneville Village Trust	Estate Office, Oak Tree Lane, Bourneville, Birmingham, B30 1UB.	0121 472 3831	<a href="mailto:info@bvt.org.uk">info@bvt.org.uk</a>	<a href="http://www.bvt.org.uk">www.bvt.org.uk</a>
Bromford Housing Group	Regus Birmingham Blythe Valley Central Boulevard Blythe Valley Business Park Solihull B90 8AG	0330 1234 034	<a href="mailto:customerservices@bromford.co.uk">customerservices@bromford.co.uk</a>	<a href="http://www.bromford.co.uk">www.bromford.co.uk</a>
Bromsgrove District Housing Trust	Buntsford Court, Buntsford Gate, Bromsgrove, Worcestershire, B60 3DJ	0800 0850 160	<a href="mailto:info@bdht.co.uk">info@bdht.co.uk</a>	<a href="http://www.bdht.co.uk">www.bdht.co.uk</a>
Clarion Housing	Gee Business Centre, Holborn Hill, Aston, Birmingham, B7 5JR	0300 456 3300		<a href="http://www.myclarionhousing.com">www.myclarionhousing.com</a>
Fortis Living	Festival House, Grovewood Road, Malvern, Worcestershire, WR14 1GD.	01684 579579	<a href="mailto:housingneeds@fortisliving.com">housingneeds@fortisliving.com</a>	<a href="http://www.fortisliving.com">www.fortisliving.com</a>

Friendship Care & Housing	50 Newhall Hill, Birmingham, B1 3JN	0121 506 2800	friendship@longhurst-group.org.uk	www.fch.org.uk
Housing and Care 21	Tricorn House, 51-53 Hagley Road, Birmingham B16 8TP.	0370 192 4000	<a href="mailto:enquiries@housingandcare21.co.uk">enquiries@housingandcare21.co.uk</a>	www.housingandcare21.co.uk
Midland Heart Ltd	20 Bath Row, Birmingham, B15 1LZ	0345 60 20 540	<a href="mailto:customer.servicecentre@midlandheart.org.uk">customer.servicecentre@midlandheart.org.uk</a>	<a href="http://www.midlandheart.org.uk">www.midlandheart.org.uk</a>
West Mercia Homes	Apex 2, Apex Park, Wainwright Road, Worcester, WR4 9FN	0300 7906 531	<a href="mailto:info@wmhousing.co.uk">info@wmhousing.co.uk</a>	<a href="http://www.wmhousing.co.uk">www.wmhousing.co.uk</a>
Orbit Heart of England	10 Greenhill Street, Stratford upon Avon, WARMS CV37 6LG	0345 8 500 500	<a href="mailto:info@orbit.org.uk">info@orbit.org.uk</a>	<a href="http://www.orbit.org.uk">www.orbit.org.uk</a>
Redditch Co-operative Homes	Britten House, Britten Street, Redditch B97 6HD	01527 591170	<a href="mailto:customerfirst@accordgroup.org.uk">customerfirst@accordgroup.org.uk</a>	www.accordgroup.org.uk
Rooftop Housing Group	70 High Street, Evesham, Worcestershire, WR11 4YD	0800 0421 800	<a href="mailto:info@rooftopgroup.org">info@rooftopgroup.org</a>	www.rooftopgroup.org
Sanctuary Housing	Sanctuary Midlands, 164 Birmingham Road, West Bromwich, Birmingham, B70 6QG	0800 131 3329	<a href="mailto:midlands@sanctuary-housing.co.uk">midlands@sanctuary-housing.co.uk</a>	www.sanctuary-group.co.uk
Stonewater	Jephson House Third Floor, Castle Mill,	01234 889494		www.stonewater.org

	Burnt Tree, Tipton, DY4 7UF			
Stonham Housing Association	2 Gosforth Park Way, Gosforth Business Park, Gosforth, Newcastle upon Tyne, NE12 8ET	0845 141 4663		<a href="http://www.homegroup.org.uk">www.homegroup.org.uk</a>
Optivo	Grovenor House, 125 High Street, Croydon CR0 9XP	0330 123 0220	<a href="mailto:csclondon@optivo.org.uk">csclondon@optivo.org.uk</a>	<a href="http://www.optivo.org.uk">www.optivo.org.uk</a>
Walsall Housing Group	100, Hatherton Street, Walsall, WS1 1AB		<a href="mailto:Enquiries@whgrp.co.uk">Enquiries@whgrp.co.uk</a>	
Waterloo Housing Group	Waterloo House, 1700, Solihull Parkway, Birmingham Business Park, Solihull, B37 7YD	0800 435016		<a href="http://www.waterloo.org.uk">www.waterloo.org.uk</a>

**WORCESTERSHIRE DISTRICT COUNCILS****MEETING OF THE WORCESTERSHIRE REGULATORY SERVICES BOARD****THURSDAY, 27TH JUNE 2019, AT 4.30 P.M.**

PRESENT: Councillors H. Dyke (Vice-Chairman, in the Chair), A. D. Kent, H. J. Jones, J. Raine, G. Prosser (substituting for Cllr. J. Grubb), W. King, J. Squires, L. Griffiths, E. Stokes, D. Morris and P. Dyke

Partner Officers: Mr. P. Merrick, Malvern Hills and Wychavon District Councils, Mr. L. Griffiths, Worcester City Council and Mr. M. Parker, Wyre Forest District Council

Officers: Mr. S. Wilkes, Ms. C. Flanagan, Mr. C. Forrester, Mr. M. Cox and Mrs. P. Ross

1/19

**PREVIOUS CHAIRMAN'S REPORT**

Councillor G. Prosser, Redditch Borough Council, Vice-Chairman of the Worcestershire Regulatory Services Board 2018/2019, suggested that as there were a number of new members to the Board, it would be helpful if Members and officers gave brief introductions.

The Vice-Chairman then introduced the report, which provided an overview of the highlights that the Board covered from 1st April 2018 to 31st March 2019.

Councillor Prosser expressed his sincere thanks to the Board and the Head of Regulatory Services.

**RESOLVED** that Members note the report, as presented by Councillor G. Prosser, Redditch Borough Council, Vice-Chairman of the Worcestershire Regulatory Services Board for the municipal year 2018/2019.

2/19

**ELECTION OF CHAIRMAN FOR THE ENSUING MUNICIPAL YEAR**

A nomination for Chairman was received in respect of Councillor J. Grubb, Redditch Borough Council.

**RESOLVED** that Councillor J. Grubb, Redditch Borough Council be elected as Chairman for the ensuing municipal year.

3/19 **ELECTION OF VICE-CHAIRMAN FOR THE ENSUING MUNICIPAL YEAR**

A nomination for Vice-Chairman was received in respect of Councillor H. Dyke, Wyre Forest District Council.

**RESOLVED** that Councillor H. Dyke, Wyre Forest District Council be elected as Vice-Chairman for the ensuing municipal year.

The Vice-Chairman took the opportunity to welcome Members and officers to the meeting of the Board.

4/19 **APOLOGIES**

Apologies for absence were received from Councillors J. Grubb, Redditch Borough Council and T. Wells, Malvern Hills District Council.

It was noted that Councillors G. Prosser, Redditch Borough Council, was in attendance as substitute member for Councillor J. Grubb.

Apologies for absence were also received from Ms. J. Pickering, Bromsgrove District and Redditch Borough Councils.

5/19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

6/19 **MINUTES**

The minutes of the meeting of the Worcestershire Regulatory Services Board held on 14th February 2019, were submitted.

It was noted that Councillor J. Squires, Worcester City Council and Councillor E. Stokes, Wychavon District Council, were present at that meeting and they consecutively proposed and seconded the approval of the minutes.

**RESOLVED** that the minutes of the Worcestershire Regulatory Services Board held on 14th February 2019, be approved as a correct record.

7/19 **WORCESTERSHIRE REGULATORY SERVICES REVENUE MONITORING APRIL - MARCH 2019 & ANNUAL RETURN**

The Financial Services Manager, Bromsgrove District Council, introduced the report and in doing so highlighted that Worcestershire Regulatory Services (WRS) managers had set themselves an income budget of £309k for 2018/2019; and that through hard work and the successes that WRS had achieved with generating income this year, that the total income generated from all sources including additional spends by partners was £402k.

Members' attention was also drawn to:

- The purchased particulate monitoring kit for £8k, which would also be used as an income generator.
- Due to the increase in the number of taxi licences and the increase in the cost of raw materials there was a £10k overspend within this service line.

In response to Councillor A. Kent, Bromsgrove District Council, with regard to 'Car Allowances' and if there were any incentives for electric/hybrid vehicles to be used. The Head of Regulatory Services commented that officers worked within the Terms and Conditions of the Host Authority, Bromsgrove District Council and that currently there were no incentives. The Technical Services Manager, WRS, further informed the Board that WRS had four vehicles used by the dog wardens and that due to the mileage used it was not deemed cost effective to switch to electric/hybrid vehicles.

**RESOLVED:**

- (a) that the final financial position for the period April – March 2019 be noted;
- (b) that the 2018/2019 refund of £63k to the participating Councils be approved, as follows:-

<b>Council</b>	<b>Refund from 2018/19 £'000</b>
Bromsgrove	9
Malvern Hills	8
Redditch	11
City of Worcester	11
Wychavon	15
Wyre Forest	10
<b>Total</b>	<b>64</b>

8/19

**WORCESTERSHIRE REGULATORY SERVICES ANNUAL REPORT 2018/2019**

The Board considered a report which detailed the Worcestershire Regulatory Services (WRS) Annual Report 2018/2019. The report covered the performance of the service for the period 1st April 2018 to 31st March 2019.

The Head of Regulatory Services informed the Board that under the Shared Services Partnership Service Level Agreement (SLA) the Board was required to receive the annual report at its annual meeting.

The Head of Regulatory Services further informed Members that the report covered the performance of the service for that period, both in

terms of Key Performance Indicators (KPIs) and highlights of activity, with a short summary activity report, as detailed at Appendix 5 to the report. Appendix 5 to the report had been reduced since the Board now received a separate Activity and Performance Data report which provided more detail. Some detail of the performance indicators were also covered in the Activity and Performance Data report.

Generally performance had remained good. Food business compliance rates remained high. Taxi license renewals were dealt with in a reasonable time in the main. The taxi fleet appeared to be generally in good order, although the results from enforcement exercises suggested that some drivers / operators needed to improve in terms of maintaining vehicles.

Complaints against the service were significantly exceeded by compliments. It was understood that the main issue for complaints were related to either paying for the cost of stray dog recovery or the fact that WRS could not resolve an issue that was causing annoyance to a resident due to the law on nuisances. The latter appeared to be the main cause in the fall in customer satisfaction. Interestingly, the Department for Environment, Food and Rural Affairs (DEFRA) most recent survey of the public in relation to attitudes to noise had detected a statistically significant drop in people's tolerance of noise. This was something that WRS had seen anecdotally at local level and had reported to Board Members previously.

The indicators for licensed premises and noise complaints had been in place long enough now in order to establish good base-lines. The former showed that generally licensed premises in the County were well managed. The figures could now be used, along with intelligence, to focus enforcement resources in a proactive way to tackle any individual problem premises, although these were few and far between.

Most complaints related to minor nuisance issues, usually created when a venue introduced a novel activity like live music to diversify its activities. The rate of noise complaints was relatively low and probably reflective of the general environment in Worcestershire.

The Annual Report also provided a summary of the financial position, the key achievements and covered issues with regard to human resources; plus sections on risk management and equalities.

The Head of Regulatory Services and the Technical Services Manager, WRS, responded to questions from Members with regard to potential growth of the service and noise reporting.

The Head of Regulatory Services informed Members that the Technical Services team were the main income generators within the service and that further income generation was something that could be considered. Previous Board Members had expressed an interest in Business Planning and that was something that he was keen to arrange; a slightly



more informal event for Board Members during September / October 2019.

With regard to noise reporting, the Technical Services Manager, WRS, stated that there were dedicated front line staff and also self-help pages on the WRS website, which helped to make the service more cost effective. The issues were mainly domestic noise issues and not a statutory nuisance. If noise issues could not be resolved complainants were referred to (back-office) staff in order to try and resolve any noise issues.

The Head of Regulatory Services referred to The Members' Eye newsletter that was circulated to Board Members during 2018, which had provided a useful guide for Members on Statutory Nuisance. He further informed Members that he would ensure that a copy was circulated to all current Board Members for information.

In response to a further questions raised, the Head of Regulatory Services advised that the self-help process had removed a lot of early wins with regard to noise nuisance that had been resolved, hence a natural downfall. However, going forward, he and his management team would look to work more closely with colleagues at the partner authorities who may have other tools available to deal with issues, citing the Community Protection Notices available under the Anti-social Behaviour and Policing Act 2014 as an example of a measure that may help.

With regard to food premises scoring 2 or below on the 'Scores on the doors' food hygiene / food safety initiative, some of the issues were down to allergen awareness; with some management / staff not having sufficient understanding / knowledge of food allergens. This would have been rectified as part of the visit process but businesses would need to be re-scored later.

The Vice-Chairman thanked the Head of Regulatory Services, with some Members commenting that the results were good and that the service was an excellent service and that they could see the benefits of the service.

**RESOLVED:**

- (a) that the Worcestershire Regulatory Services Annual Report 2018/2019 be noted; and
- (b) that a copy of the Worcestershire Regulatory Services Annual Report 2018/2019 be forwarded to the Chief Executive, Managing Director and Members of the six partner authorities.

9/19

**ACTIVITY AND PERFORMANCE DATA QUARTERS 1, 2, 3 AND 4**

The Technical Services Manager, WRS, presented the Activity and Performance Data Quarters 1, 2, 3, and 4 report; and in doing so stated that the detail of the report focused on quarter 4 but the actual data

allowed comparison with previous quarters and previous years. The report also highlighted a number of headline stories.

Page 88 of the main agenda report detailed the Primary Authority work that was completed for quarter 4, to the satisfaction of the two companies that WRS had engaged with; namely CEMEX and Wienerberger.

Work to support planning officers across Worcestershire had kept the Technical Services team busy throughout the year with a significant increase in demand in quarter 4.

Air quality work had had a high profile nationally and this had been reflected in the work to improve air quality. Worcester City Council, Task and Finish Group (Air Quality) had researched into measures to tackle breaches of nitrogen dioxide in Worcester. The Task and Finish Group had concluded and had reported back to the Licensing & Environmental Health Committee in January 2019 with a number of measures tasked to different Council departments to progress.

In response to a question raised by Councillor Kent, Bromsgrove District Council, in respect of Noise Pollution and the information detailed on page 95 of the main agenda report, with regard to the specific number of different parties that had complained about noise pollution. The Head of Regulatory Services explained that he had spoken with the intelligence officer who would try and identify the different number of complainants and if possible include this information in future reports.

**RESOLVED** that the Activity and Performance Data report for Quarters 1, 2, 3 and 4, be noted.

10/19

### **WORCESTERSHIRE REGULATORY SERVICES ENFORCEMENT POLICY 2019**

The Board considered a report that provided information on the proposed Worcestershire Regulatory Services Enforcement Policy 2019.

The Head of Regulatory Services explained to Members that in 2011, the then Worcestershire Regulatory Services (WRS) Joint Committee had agreed to support the adoption of a single WRS Enforcement Policy that the service would use in relation to all of its activities. This policy would be an adjunct to other enforcement policies that each partner authority had for its remaining enforcement activities. The policy was based on the requirements of the then Regulator's Compliance Code; the policy would not have contradicted any approach being taken by partners in other areas of enforcement such as planning.

In 2016, when the partnership became a district only arrangement, the Head of WRS had made some minor amendments to the policy and had asked Members of the Board to ratify the amended policy and to

recommend adoption of the amended policy by the six partner authorities.

It was important that Members were reminded of how decision making on enforcement took place and that Members approved the processes that WRS followed when dealing with such serious matters. Virtually all of the legislation the service dealt with had criminal sanctions as its ultimate end-point and Members needed to be happy that the processes being followed would apply such sanctions in the right circumstances.

Local authorities were encouraged to produce Enforcement Policies for many years so that those regulated knew and understood what to expect. This was originally driven by the introduction of the Enforcement Concordat, created by LACORS, the Local Government Association's Regulatory Policy support framework for member authorities, and built upon by the Regulator's Compliance Code, issued by the Better Regulation Executive; under the Legislative and Regulatory Reform Act 2006.

The original Regulators Compliance Code was replaced with the Regulator's Code. The core of the new Code changed little from the original Regulators Compliance Code, but some aspects were clarified and tidied up. Whilst this had not changed since the last review, the Head of Service felt that by reviewing the policy every three years it would ensure that Members were aware of the processes that the service followed during regulatory decision making and that this would give them reassurance that the service was taking a fair and equitable approach when dealing with offending.

Before putting a case before the Courts, local authorities also needed to have regard to the Code for Crown Prosecutors, which laid down the very basic provisions for evidential sufficiency and public interest before a case could be considered a sound candidate to be taken to Court.

The policy, as attached at Appendix 1 to the report, met the criteria of both the Regulators Code and the Code for Crown Prosecutors, which should allow it to easily integrate with existing policies within each of the partner authorities and would allow WRS to operate in a consistent way across the county in relation to all enforcement matters.

By adopting a common approach to enforcing the functions discharged by WRS, partners would directly address these concerns of the business community and show that WRS remained a tool that local authorities could use to support their economies in a positive way.

In response to Members, the Head of Regulatory Services, clarified that the amended policy would be an adjunct to other enforcement policies that each partner authority had for its remaining enforcement activities.

**RESOLVED** that, the Worcestershire Regulatory Services Enforcement Policy 2019, as detailed at Appendix 1 to the report, be adopted to support decision making within Worcestershire Regulatory Services.

**RECOMMENDED** that, the Council for each Member Authority adopts the Worcestershire Regulatory Services Enforcement Policy 2019, as detailed at Appendix 1 to the report.

The meeting closed at 5.15 p.m.

Chairman



## WRS Board

**27<sup>th</sup> June 2019**  
**Enforcement Policy 2019**

### Recommendations

(i) Members agree this policy be adopted to support decision making within WRS.

### Background

(ii) Members recommend the adoption of this amended policy by the individual partner authorities.

In 2011, the then Joint Committee agreed to support the adoption of a single WRS Enforcement Policy that the service would use in relation to all of its activities. This policy would be an adjunct to other enforcement policies that each partner authority had for its remaining enforcement activities. Being based on the requirements of the then Regulator's Compliance Code, the policy would not have contradicted any approach being taken by partners in other areas of enforcement such as planning. In 2016, when the partnership became a district only arrangement, the Head of Service made minor amendments to the policy and asked members of the committee to ratify the policy and recommend adoption by the six councils. It is important that members are reminded of how decision making on enforcement takes place and that they approve the processes that we follow when dealing with such serious matters. Virtually all of the legislation the service deals with has criminal sanction as its ultimate end-point and members need to be happy that the processes being followed will apply such sanctions in the right circumstances.

### Report

Local authorities have been encouraged to produce Enforcement Policies for many years so that those they regulate know and understand what to expect. This was originally driven by the introduction of the Enforcement Concordat, created by LACORS, the Local Government Association's Regulatory Policy support framework for member authorities, and built upon by the Regulator's Compliance Code, issued by the Better Regulation Executive, under the Legislative and Regulatory Reform Act 2006, and maintained by what is now the Office for Product Safety and Standards, part of the Department for Business, Energy and Industrial Strategy (BEIS). The concordat and the code provided businesses with a clear framework within which regulation would take place and provided this community with an outline of the kind of responses they might face should they be identified as being non-compliant.

The original Regulators Compliance Code was replaced with the Regulator's Code. The core of the new Code changed little from the original Regulators Compliance Code, but some aspects were clarified and tidied up. Whilst this has not changed since the last review, the Head of Service feels that reviewing this policy every three years ensures that members are aware of the processes that the service follows during regulatory decision making and that this will give them reassurance that the service is taking a fair and equitable approach when dealing with offending.

Before putting a case before the Courts, local authorities also need to have regard to the Code for Crown Prosecutors, which lays down the very basic provisions for evidential sufficiency and public interest before a case can be considered a sound candidate to be taken to Court.

The attached policy meets the criteria of both the Regulators Code and the Code for Crown Prosecutors, which should allow it to easily integrate with existing policies within the partner authorities and it will allow the service to operate in a consistent way across the county in relation to all enforcement matters.

Improved consistency is something that businesses crave, so there is a level playing field for all of those in competition. Businesses have complained for a number of years about the alleged inconsistencies in enforcement between local authorities, although the LGA has always challenged this and the responses containing real evidence have been limited. By adopting a common approach to enforcing the functions discharged by WRS, partners will directly address these concerns of the business community and show that WRS remains a tool that local authorities can use to support their economies in a positive way.

**Contact**

Simon Wilkes Head of Regulatory Services  
01562-738088  
[Simon.Wilkes@worcsregservices.gov.uk](mailto:Simon.Wilkes@worcsregservices.gov.uk)

**Background Papers**

Enforcement Policy document attached as Appendix 1

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## **Worcestershire Regulatory Services** **Enforcement Policy**

### **1. Introduction**

Worcestershire Regulatory Services (WRS,) is a shared service that is part of the six district councils in Worcestershire (Bromsgrove District Council, Malvern Hills District Council, Redditch Borough Council, Worcester City Council, Wychavon District Council and Wyre Forest District Council.) WRS delivers Environmental Health functions, including Food Safety, Health and Safety, many aspects of Pollution Control, and Licensing administration and enforcement on behalf of the six partner authorities. It reports to a Joint Board of the six authorities which means it is constitutionally part of each council.

This Enforcement Policy is a statement of how the Service will carry out its enforcement duties and, in addition, what business and citizens in Worcestershire can expect from our enforcement staff. It will be applied by WRS in relation to the functions it discharges on behalf of the six local authorities and it has been adopted by each of them. It is distinct from any general Enforcement Policies of the individual local authority partners, which apply to other regulatory functions provided by them such as planning.

The primary aim of WRS is to ensure businesses comply with the legislative framework within which they operate so that, consumers, businesses, employees, individuals and the environment are protected, and transactions are fair and equitable. Fair proportionate and effective enforcement is essential to protecting the health, safety and economic interests of all concerned, and there is a range of tools available to the Service to achieve this. Whilst in the main compliance will be achieved through the use of advice and lower level formal sanctions and actions, there will be a need to take people and businesses through the court process in some circumstances. These are outlined further in the policy.

The Service must also have regard to the various general duties imposed on the partner authorities e.g. section 17 of the Crime and Disorder Act, and the general powers given to local government for the promotion of well-being under the various Local Government Acts. WRS is obliged to comply with the Human Rights Act 1998, so will take its provisions into account when taking decisions relating to enforcement action.

### **2. Policy Scope**

WRS is committed to providing an effective service with officers carrying out their duties in an equitable, practical and consistent manner. To achieve this officers and the service will have regard to the principles in the following documents:

- The Regulators Code (BEIS)

- Local Government Regulation's Home Authority Principle,
- Office for Product Safety and Standards' (OPSS) Primary Authority Principle
- The Crown Prosecution Service Code for Crown Prosecutors (as amended.)
- The Food Safety Act 1990 Code of Practice
- Human Rights Act 1998 and the European Convention on Human Rights.

The Policy applies to actions in relation to all of the legislation enforced by the Service. Enforcement action includes any action taken by officers aimed at ensuring that individuals or businesses comply with the law and goes beyond just formal enforcement action such as prosecution.

### **3. General Principles**

Prevention is generally better than cure and WRS's role therefore involves actively working with businesses to advise on and assist with compliance. Where the service considers that formal action is necessary, each case will be considered on its own merits. However, there are general principles that apply to the way in which each case will be approached. These are set out in this Policy.

The majority of cases involving regulatory matters will relate to businesses, however, there will be some cases put before the Courts that relate to individual members of the public, particularly those involving nuisance. These cases will be treated in the same way as those involving businesses and the general principles outlined around proportionality of action, for example trying informal approaches before resorting to formal action and the Courts, will be followed unless the law mandates that an authority must take action in certain circumstances, for example where a statutory nuisance is identified. Even then, the service will use the discretion that all local authorities have as to the timeliness of formally taking action.

Enforcement decisions will be fair, independent and objective and will not be influenced by issues such as ethnicity or national origin, gender, religious beliefs, political views or the sexual orientation of the suspect, victim, witness or offender. Such decisions will not be affected by improper or undue pressure from any source. We will take into account the views of any victim, injured party or relevant person to establish the nature and extent of any harm or loss, and its significance, in making the decision to take formal action.

This enforcement policy helps to promote efficient and effective approaches to regulatory inspection and enforcement, which improve regulatory outcomes without imposing unnecessary burdens on business. We recognise the positive impact that the service can have on economic progress and growth in the local economy and see it as part of our role to encourage and support the growth of legitimate business activity within the legal framework provided by central government.

### **4. Intelligence and Risk**

We will ensure that our resources are targeted where they will be most effective. We will ensure that work is intelligence-led and that risk assessment informs all aspects of our approach to regulatory activity, including:

- Data collection and other information requirements;
- Inspection programmes;



- Advice and support programmes;
- Enforcement activity and sanctions.

We will normally use the appropriate risk assessment scheme developed either by government or recognised professional bodies to inform any inspection programme. In the absence of these, it is unlikely that routine inspection processes will inform activity. Instead, an intelligence-led approach will be taken and interventions will be driven by the risk and threat that comes from the assessment of intelligence. Decisions on tactical actions to be taken will be influenced by, in the absence of other factors:

- Compliance history and potential future risks
- The existence of effective management systems
- Evidence of recognised external accreditation
- Management competence and willingness to comply

Intelligence will be used to direct inspection based projects, targeting goods or business where there are known issues. Obviously, a complaint may also trigger a visit if that is the most appropriate response. We will review our approach to regulatory activities from time to time, in order to remove any unnecessary burdens from businesses.

## **5. Advice and Guidance**

We will provide general information, advice and guidance to make it easier for businesses to understand and meet their obligations in clear, concise and accessible language, using a range of appropriate formats and media. Information will cover all legal requirements relating to our regulatory activities, as well as changes to legal requirements. Where changes are of great significance, we will look at the best ways of informing businesses of these changes e.g. through newsletters, mail-shots or seminars.

WRS will promote self service via our website and, where possible, provide targeted and practical advice with a focus on encouraging this engagement through Primary Authority relationships. When offering advice, the service will clearly distinguish between statutory requirements and advice or guidance aimed at improvements above minimum legal standards. WRS recognises its advice should help achieve compliance but impose the minimum burden required on the business concerned. Advice will be confirmed in writing, if requested.

Where a business knows it has a problem and seeks advice to remedy the situation, this will not normally trigger enforcement action. Where appropriate WRS will seek to support the remedial action to prevent future problems however must reserve the right to take enforcement action in serious cases.

Where possible, the service will provide advisory services free of charge; however WRS reserves the right to charge a reasonable fee for services beyond the most basic advice and guidance necessary to help ensure compliance. In saying this, the service would take account of the needs and circumstances of smaller businesses and others in need of help and support in deciding whether or not to charge. Charging will be in line with any guidance issued by the OPSS in relation to the Primary Authority principle.

## **6. Inspection and other market surveillance tactics**

WRS business activity will be driven by intelligence. Inspection and other forms of market surveillance will provide a good flow of intelligence about specific outlets but also, when aggregated, will help paint a picture of broader trends within business sectors. The service will ensure that any routine inspections and similar programmed visits to businesses only occur in accordance with a risk assessment methodology and the relevant intelligence picture. Other visits may be requested by businesses, or will result from relevant intelligence so this will not apply in such circumstances.

WRS will focus its efforts on businesses where intelligence and risk assessment show there is a higher likelihood of non-compliance or those which pose a more serious risk to regulatory outcomes. Some processes by their nature present a greater risk to health or the environment, or due to their complexity, may make it more difficult to ensure compliance. These are the areas where we will focus our proactive market surveillance activities including inspection.

Where appropriate, and where required by legislation, including the Protection of Freedoms Act, WRS officers will give a minimum of 48 hours notice prior to a routine inspection unless to do so would undermine the purpose of the visit. So, where giving notice might, for example, lead to additional work being done to hide non-compliance or offending, temporary behaviour changes or evidence being removed, no notice will be given. It should also be noted, however, that there is a general requirement in some Codes of Practice e.g. Food Law Code of Practice, that notice is not provided prior to a routine inspection. Where this is the case, notice will not be given unless it is necessary to achieve the services ends, for example, if the presence of a particular manager is essential at a manufacturing facility.

When officers visit or carry out inspections, they will give feedback to businesses to encourage and reinforce good practice. They will also share information about good practice amongst businesses, and with other regulators. Where serious non-compliances are identified during an inspection that requires some formal action, feedback on minor issues may be delayed until the serious issues are resolved.

Where WRS and another regulator have a shared interest in a business, officers will seek to work together with relevant colleagues to ensure that activities can be rationalised to minimise the burden on the business, where such action is of benefit to the business and does not harm the standard of enforcement for either regulator. The service will also take account of the circumstances of smaller businesses, including any difficulties they may have in achieving compliance unless the non-compliance in question creates a serious risk.

## **7. Information Requirements**

Worcestershire Regulatory Services do not require large quantities of information from businesses on a routine basis. When determining what data we may require, we will consider the costs and benefits of data requests to businesses and,

- Limit the data that we request to that which is either appropriate, or required by statute e.g. food registration, licensing applications, etc,
- Minimise the frequency of collection and seek the information from other sources where relevant and possible.

We will work with our fellow local regulators to minimise the information we request from businesses, and we will seek to maximise our data sharing within the provisions of the Data Protection Act. We will seek to use compatible collection methods to give consistency.

We will involve businesses in vetting data requirements and form design for clarity and simplification. We will also ensure that, where possible, data can be returned electronically.

## **8.0 Enforcement Action**

In accordance with good practice, we will:

- Publish our Enforcement Policy;
- Report on our enforcement activities year on year to interested parties through an Annual Report;
- Follow-up enforcement actions where appropriate;
- Be transparent in the way in which we enforce requirements and, apply and determine penalties (when such powers are made available.)

When considering what action should be taken, we will look to:

- Be proportionate to the nature of the offence and the harm caused,
- Change the behaviour of the offender;
- Eliminate any financial gain or benefit from non-compliance;
- Address the harm caused by regulatory non-compliance, where appropriate;
- Deter future non-compliance,
- Be responsive and consider what is appropriate for the particular offender and regulatory issue, and
- Avoid perverse incentives that might influence the choice of sanctioning response.

When considering formal enforcement action, we will, when appropriate, discuss the circumstances with those suspected of a breach and take these comments into account when deciding on the best approach, (unless immediate action is required to prevent or respond to a serious breach or where to do so would be likely to defeat the purpose of the proposed enforcement action.) Where a prosecution may be an option, the offender is likely to be offered an interview under the provisions of the Police and Criminal Evidence Act 1984, which will give an opportunity for the alleged offender to give their side of the story.

Where the outcome is a decision to send a file to the relevant legal service for them to consider prosecution, this will be reported to the potential defendants. For lesser disposals, an explanation of the need for the action will be provided as soon as is reasonable practicable after the intervention.

### **8.1 Deciding what enforcement action is appropriate**

In assessing what enforcement action is necessary and proportionate, consideration will be given to:

- The seriousness of compliance failure or offence;

- The business's past performance and its current practice;
- The risks being controlled;
- Legal, official or professional guidance;

There are a large number of potential enforcement options in some legislative areas. The level of action taken will vary from no action/ verbal advice & assistance through to proceedings in Court. Examples of the main types of action that can be considered are shown below:

- No action/ verbal advice & assistance;
- Informal Action and Written Advice;
- Fixed penalty Notices;
- Penalty Charge Notices;
- Statutory Notice;
- Formal closure
- Seizure of goods/equipment;
- Injunctive Actions;
- Refusal/revocation of a licence;
- Simple Caution;
- Prosecution.

## **8.2 No Action/ Verbal Advice or assistance**

There will be circumstances where a contravention may not warrant action, or it may be inappropriate. Many minor contraventions can be dealt with via advice and/ or assistance. Domestic nuisance issues may be best resolved by the neighbours entering into dialogue without the direct intervention of officers. Where this is not appropriate, due to the behaviour of one party or where the complainant is from a vulnerable group, the service will consider the best option for intervention depending on the circumstances.

## **8.3 Informal Action and Written Advice**

For minor breaches of the law we will give advice on how to put them right, including a deadline by which this must be done. The time allowed will be reasonable, and take into account the seriousness of the contravention and the implications of the non-compliance. Where the advice required is detailed, or there are potentially serious implications from the failure, the advice will be provided in writing. Failure to comply could result in further enforcement action.

Where ever possible we will advise alleged offenders about 'good practice', but we will clearly distinguish between what they *must do* to comply with the law and what is recommended best practice.

## **8.4 Statutory Notices**

Officers of the Service have the power under various pieces of legislation, or through delegation, to issue notices that:

- Prohibit the sale or distribution of goods where relevant provisions may have been breached,
- Require a business to take specific actions to remedy an identified problem,
- Require a business to desist from particular activities that may not comply with legal requirements.
- Require any person to take action to ameliorate or stop nuisances being caused by their actions

Notices may require immediate action where, for example, there are risks to public health or safety, or an immediate risk of environmental damage or serious nuisance. In other circumstances, a reasonable amount of time will be given, depending on the circumstances, to rectify the problem.

Certain types of notice allow works to be carried out in default. This means that if a notice is not complied with (a breach of the notice) the service may commission the carrying out of any necessary works to satisfy the requirements of the notice. Where the law allows, the partner council may then charge the person/business served with the notice for any costs WRS incurs in carrying out the work.

In certain limited circumstances e.g. under the provisions of food safety legislation, where an authorised officer is satisfied that there is an imminent risk of injury to health from the condition of the premises, the officer may serve notice to close the premises. This would be immediately followed by an application to a Magistrates Court to confirm the closure.

All notices issued will contain details of any Appeals process that may be available to the recipient.

### **8.5 Fixed Penalty Notices**

A few offences prescribed by legislation are subject to fixed penalty notices. These notices are recognised as a low-level enforcement tool and avoid the defendant obtaining a criminal record. They will only be used in appropriate circumstances to give a fast and measured response to a situation. Where legislation permits an offence to be dealt with by way of a Fixed Penalty Notice (FPN), we may choose to administer a FPN on a first occasion, without issuing a warning.

### **8.6 Penalty Charge Notices**

Penalty Charge Notices (PCNs) are prescribed by certain legislation as a method of enforcement by which the offender pays an amount of money in recognition of the breach. Failure to pay the PCN will result in the offender being pursued in the County Court for non-payment of the debt. A PCN does not create a criminal record and we may choose to issue a PCN without first issuing a warning in appropriate circumstances.

### **8.7 Institution of Legal Proceedings**

Once an officer has completed his/ her enquiries, they will submit a case report to a senior officer, independent of the investigation, who will decide the most appropriate course of action using amongst other things, the criteria identified below.

Where the law has been broken, there is a range of enforcement options available and, under normal circumstances, a process of escalation will be used until either compliance is reached or there is no option other than to instigate proceedings. This approach would not be appropriate where there is a serious risk to public safety or the health of the environment, or the offences have been committed deliberately or negligently or involve deception, or where there is significant economic detriment or potential detriment caused by the activity. Each case is unique and will be considered on its own facts and merits.

The senior officer will take into consideration the requirements of the Code for Crown Prosecutors and other relevant codes before deciding whether or not to pass the file to the relevant legal officer for their review and the formal consideration of whether to authorise the institution of legal proceedings.

Before doing this, the senior officer will have to be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each defendant on each offence identified. They must have concluded that a jury or bench of Magistrates, properly directed in accordance with the law, is more likely than not to convict the defendant of the charge alleged based on the evidence before them. To this end, the senior officer will look at all the available evidence, reliability of witnesses, supporting documentation and any other matters relating to the investigation. Only when this evidential test has been satisfied will the public interest to proceed with the prosecution be considered.

In deciding whether a prosecution will serve the public interest, the senior officer will balance factors for and against the prosecution carefully, fairly and impartially. Some factors may increase the justification to prosecute whereas others may militate against. Below are some of the matters to be taken into consideration for and against criminal proceedings. This is not an exhaustive list and, as such, each case is taken strictly on its own individual merits:

#### **Factors in Favour of Prosecution**

- The offender was in a position of control within the business,
- The offender acted dishonestly, wilfully or negligently.
- The product or service was aimed at a vulnerable group or person.
- The product or service has caused or had the potential to cause physical or mental injury or suffering, significant harm or loss.
- The offender has received advice or a warning concerning the circumstances of the offence or similar matters.
- The offender has previous convictions that are relevant.
- The offence, though not serious in its self, is widespread in the area where it was committed.
- There are grounds to believe that the offence is likely to be continued or repeated, for example by a history of recurring conduct.
- The outcome of a prosecution might serve an important, informative purpose or establish a legal precedent.

#### **Factors which would mitigate against the need for a prosecution**

- The offence was minor in nature and as a result of a genuine mistake or misunderstanding, which did not involve significant negligence.
- The offender is vulnerable, for example through age-related issues, or was at the time of the offence suffering from significant mental or physical ill health, which

- contributed to the commission of the offence, and the offence was neither serious nor likely to be repeated.
- The loss or harm could be described as minor and was as a result of a single incident, particularly if it was caused by a failure of judgment.
  - The offender put right the loss or harm caused prior to the intervention of the Service.
  - Prior to the Service's intervention, the offender had introduced adequate steps to prevent further similar offences.
  - The defendant was a youth at the time of the offence.
  - There has been a long delay between the offence and any potential court action, unless either:
    - (i) The offence is serious,
    - (ii) The delay has been caused by the defendant or his/ her legal representatives,
    - (iii) The offence has only recently come to light, or
    - (iv) The complexity of the offence meant that there has been a long investigation.

### **8.8 Proceeds of Crime Applications**

Some cases taken by the service can lead to applications being made under the Proceeds of Crime Act 2002 (POCA) for confiscation of assets or a POCA investigation may run alongside an investigation into breaches. These are likely to be the most serious cases, where there is persistence of offending over a long period of time or where the offences are deemed to be "lifestyle crime" under POCA. Their purpose is to recover the financial benefit that the offender has obtained from his criminal conduct. WRS will look to use these provisions in an appropriate manner.

### **8.9 The use of Simple Cautions**

Where the public interest justifies it, the senior officer reviewing a case will consider offering a Simple Caution (or Reprimand/ Final Written Warning if the offender is below the age of 18.) In offering a Simple Caution, we will take account of the Home Office Guidelines in relation to the cautioning of offenders, and the Code for Crown Prosecutors. Where the offender is under 18 and a formal approach is being considered, appropriate bodies such as the Youth Offending Team will be consulted.

A Simple Caution requires an admission of guilt on behalf of the offender, however there is no sentence and there is no recorded conviction. A caution will remain on record for a period of 2 years and may be cited in Court should a further offence be committed and prosecuted during that time.

### **8.10 Injunctions**

Injunctive action is a civil law process that may be used to ensure that person or business desists from a particular pattern of behaviour or action. Whilst these are not the norm in dealing with regulatory matters, seeking an injunction may be the most appropriate method of disposal for an issue. A decision to seek an injunction would be taken by the legal officer for the relevant partner council and is most likely to be relevant where the

normal legal processes such as the issuing of notices and prosecution have not led to resolution of a problem. WRS officers will work with the relevant partner legal team to develop such cases and support them being taken through the Court process.

### **8.11 Other Orders available**

There are a range of orders available in law under various provisions that can be used to tackle what is widely described as “anti-social behaviour.” Where these provisions offer a suitable way of dealing with an issue, the service has sufficient resource to deal with the matter and has delegated authority from the relevant partner, the service will take them forward with the support of the relevant partner legal service. The service may refer such matters back to the relevant partner where there is another enforcement team better placed to deal with the issue.

### **8.12 Refusal, Suspension and Revocation of Licence/ Permit**

Where there is a requirement for a business to be licensed or permitted by the local authority, the licence/ permit may be granted under delegated authority unless representations or objections are received against the application. In the majority of such cases, a Licensing Committee or Sub-Committee will hear the case and decide to grant, grant with conditions, or refuse the licence application. In addition, in relation to the Gambling Act 2005, applications for premises Licence, the Licensing Committee can exclude a condition of licence.

Some Licensing or permitting regimes are based on specialist knowledge and have detailed guidance that would make decision making by a lay-person difficult. In such circumstances officers may have delegated authority to refuse, suspend or revoke such licenses. Where this occurs, the applicant/ licensee will be told why and provided with details of any available appeal process.

In most circumstances, a licence/ permit may be considered for suspension, revocation, or the application of further conditions, where officers become aware of either the commission of offences relating to the conduct of the business, or breaches of existing conditions or similar controls. In the majority of cases, these matters will be heard before the Licensing Committee (or a Sub-Committee,) of the relevant partner Authority, and the elected members will determine what action should be taken unless it is one of the matters mentioned above where officers can make a decision under delegated authority. In relation to the more specialised regimes where officers have full delegated responsibility for decision making, explanations of why further conditions/ suspension or revocation are necessary will be provided to the licence/ permit holder along with any routes of appeal that are available.

## **9.0 Additional Information**

The Senior Managers involved in making the more serious decisions will also have regard to legal advice from the relevant partner Head of Legal Services and will not instigate any legal proceedings without their authority.



### **9.1 Standards and Accountability**

Where relevant WRS will create effective consultation and feedback opportunities to ensure we have continuing cooperative relationships with businesses and other interested parties.

We will ensure our officers provide courteous and efficient services to businesses. We will enable them to interpret and apply relevant legal requirements and ensure that they enforce requirements fairly and consistently between like-businesses in similar situations. We will take account of comments from businesses and other interested parties regarding the behaviour and activity of our staff.

### **9.2 Liaison with other regulatory bodies and enforcement agencies**

Where appropriate, enforcement activities within Worcestershire Regulatory Services will be coordinated with other regulatory bodies and enforcement agencies to maximise the effectiveness of any enforcement.

Where an enforcement matter affects a wide geographical area beyond the County boundaries, or involves enforcement by one or more other local authorities or organisations; where appropriate all relevant authorities and organisations will be informed of the matter as soon as possible and all enforcement activity coordinated with them.

Worcestershire Regulatory Services will share intelligence relating to wider regulatory matters with other regulatory bodies and enforcement agencies, and examples include:

- Government Agencies
- Police Forces
- Fire Authorities
- Other Statutory Bodies
- Local Authorities

### **9.3 Further Information**

Anyone requiring further information on this policy should contact Worcestershire Regulatory Services by writing to:

Worcestershire Regulatory Services  
Wyre Forest House  
Finepoint Way,  
Kidderminster,  
Worcestershire  
DY11 7WF

Or by e-mail to:

[wrsenquiries@worcsregservices.gov.uk](mailto:wrsenquiries@worcsregservices.gov.uk)

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**EXECUTIVE**10<sup>th</sup> September 2019**FINANCIAL FRAMEWORK 2020/21 – 2023/24**

<b>Relevant Portfolio Holder</b>	Councillor David Thain , Portfolio Holder for Finance and Enabling Services
<b>Relevant Head of Service</b>	Jayne Pickering, Executive Director Finance and Corporate Resources
<b>Non-Key Decision</b>	

**1. SUMMARY OF PROPOSALS**

- 1.1 To enable Members to consider the overall financial strategic framework and objectives for the Council for the period 2020/21- 2023/24. In addition Executive is asked to note the Section 24 Notice from the External Auditors.

**2. RECOMMENDATIONS**

- 2.1 **That Executive notes the Section 24 notice and agrees the regular reporting of the action plan once approved by Audit, Standards and Governance through to Executive.**
- 2.2 **That Executive notes the overarching financial objectives and framework to be used in developing the detailed financial plan, to enable the Council to realise savings and additional income whilst delivering the strategic priorities of the Council.**

**3. KEY ISSUES****Financial Implications****Section 24 Notice**

- 3.1 As Members are aware, following the audit for 2018/19, Grant Thornton issued the Council with a Statutory recommendation made under section 24 of the Local Audit and Accountability Act 2014. Grant Thornton concluded that it was appropriate for them to use our powers to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position.
- 3.2 The full details of the S24 recommendation are included in Appendix 1 together with the management responses in relation to addressing the financial gap the Council faces for 2020/21. The formal recommendation includes a requirement for the Council to deliver :

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- A full assessment of the deliverability of the £1.13 million savings challenge for 2019/20 and the agreement and monitoring of actions by the Executive that either prevent or minimise the further use of both General Fund and HRA balances in 2019/20.
  - A financial plan for 2020/21 that includes the identification of further deliverable savings and income generation schemes, cost base reductions and Council Tax increases that eliminates the planned £1.17 million use of General Fund balances and ensures there are no further calls on HRA balances. This will require Members to take difficult decisions about sustainable levels of service and increases in Council Tax.
  - Agreement of a realistic financial plan for 2021/22 that has deliverable savings and seeks to ensure that there are no further planned uses of General Fund and HRA balances that would put them below a financial sustainable level.
- 3.8 Whilst a number of responses have been included in Appendix 1 a formal response has to be made to the Auditors in respect of the recommendations above. The formal response will be presented for approval to the Audit, Governance and Standards Committee on 26<sup>th</sup> September and will then be monitored through future Audit meetings and reported through Executive.

**Financial Framework**

- 3.9 The Medium Term Financial Strategy (MTFS) is a four year strategy which sets out the Council's commitment to provide services that meet the needs of people locally and that represent good value for money within the overall resources available to it. The MTFS is what links our Council Plan with forecasted resources and budgets and shows how our Council's finances will be structured and managed to ensure that this fits with, and supports, the priorities of our Council and its community
- 3.10 In light of the financial pressures the Council faces the strategy aims to provide a framework in which the Council can become financially sustainable whilst delivering the priorities to our communities. The key objectives are:
- To ensure resources are directed to the council's strategic purposes
  - To set financially sustainable budgets over the 4 year period for General Fund and HRA
  - To increase balances to £1.5m in the General Revenue Fund and £1m in the HRA
  - To maximise income opportunities whilst supporting the vulnerable
  - Identify and disinvest in non priority areas
  - To ensure all savings are achievable and developed with robust data

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- To reduce overheads & direct costs over the 4 year period
- To maximise use of assets and disinvest surplus or non performing assets
- To further develop the commercial culture within the Council
- To consider and adapt to the uncertain future financial climate
- To work with the public, members and staff to engage and inform partners on the impact of the financial pressures of the Council

3.11 The strategy will bring together the key issues affecting the:

- Revenue Budget
- Capital Strategy and Capital Programme,
- Treasury Management Strategy.
- Investment & Acquisition Strategy
- HRA budget and rent setting report

A key part of the strategy will be to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to both capital and revenue spending. This will include assumptions made in relation to the national and local changes to financial funding that may impact on the future financial position of the Council.

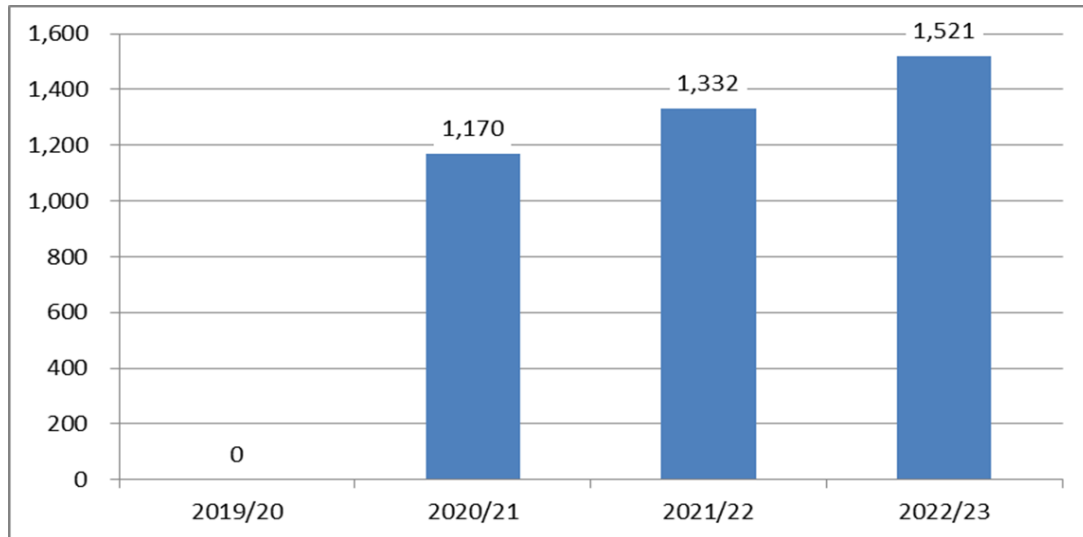
3.12 Prior to the final budget approval in February 2020 the financial strategy will be developed and presented to members to include, over the next 6 months;

- Review and approval of fees and charges
- Identification of savings plans
- Consideration of additional pressures to the budgets
- HRA Rent setting and 30 year plan
- Detailed consideration of the Capital Programme
- Review of Reserves
- Consideration of Government Funding settlement and impact on the financial position

3.13 The Budget Scrutiny working group as established by the Overview and Scrutiny Committee will continue to meet on a regular basis to review costs, fees and charges and the capital programme and it is anticipated they will make a number of recommendations to Executive.

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3.14 The current Medium Term Financial position for the Council presents the following gap over the next 3 years.



3.15 As can be seen from the above table the Council has to deliver £1.5m over the next 3 years with a £1.2m to be found for 2020/21.

3.16 In addition to the financial strategy objectives for 2020/21 measures are in place currently to address the financial challenge with the aim to maximise the savings in 2019/20 to enable balances to be increased. These actions are in place for both the General Fund, Capital and the HRA and include:

- Non essential spend freeze
- Recruitment Freeze
- Full review of Capital Spending to enable a reduction in borrowing costs
- Ensuring all commercial activities are marketed to maximise income potential

3.17 Financial position and update reports will be presented to Executive over the next 6 months to enable the Council strategic purposes to be delivered within a sustainable financial position and be presented in line with the Council Tax setting in February 2020.

3.18 Whilst officers will always continue to seek to make the council efficient, generate savings and additional income it has to be noted that some extremely difficult decisions will need to be made and as such it is essential that the Council has clear priorities and indeed non priorities.

#### **4 Legal Implications**

4.1 As part of the budget and the Council Tax approval process, the Council is required by the Local Government Finance Act 1992 to make specific

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calculations and decisions in approving a balanced budget for the following financial year and setting the Council Tax Level. These will be included in the report to Executive and Council in February.

**5 Service / Operational Implications**

- 5.1 The Financial Strategy will enable services to be maintained and, where achievable, improvements to the community.

**6 Customer / Equalities and Diversity Implications**

- 6.1 The link with the finances supporting the Council Plan will enable the funding to be directed to the Councils purposes to support the community.

**7 RISK MANAGEMENT**

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

- Reductions in government funding leading to a reduction in the level of services delivered to the public
- Reductions in business rates income as a result of appeals or reduction in the rateable value leading to a lower level of income for the Council.
- Identification of sufficient and ongoing revenue savings to deliver a balanced budget.
- Allocation of sufficient resources to meet the needs of service delivery and the Councils priorities.
- Maintain adequate revenue and capital balances as identified in the MTFP to ensure financial stability.

The regular financial monitoring by Officers and Executive will provide a framework to mitigate the above risks.

**8. APPENDICES**

Appendix 1 – Grant Thornton Audit Opinion to include S24 notice.

**AUTHOR OF REPORT**

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# The Audit Findings for Redditch Borough Council

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Year ended 31 March 2019

29 July 2019



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

This table summarises the key findings and other matters arising from the statutory audit of Redditch Borough Council ('the Council') and the preparation of the group and Council's financial statements for the year ended 31 March 2019 for those charged with governance.

## Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- To certify the closure of the audit.

Our powers and duties under the Act include making written recommendations to the Council under section 24 of the Act. The Council is required by the Act to hold a public meeting to consider such recommendations and publicly respond to them.

We have concluded that it is appropriate for us to use our powers to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position. Section one details our recommendation, the reasons why we are making the recommendation and what the Council needs to do to respond to the recommendation.

We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

## Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the group and Council's financial statements:

- give a true and fair view of the financial position of the group and Council and the group and Council's income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed on site during June and July. Our findings are summarised on pages 7 to 18. We have identified five adjustments to the financial statements, one of which officers declined to make.

During the audit an ongoing legal case around pensions was resolved, affecting all bodies admitted to the Local Government Pension Scheme (LGPS), and other public sector schemes. This required the Council to obtain a further actuarial report. At the same time the actuary took the opportunity to update the value of the pension fund assets for further information received. For Redditch Borough Council this has the effect of increasing the Council Gross Expenditure on Net Cost of Services by £974k. The Net Pension Fund Deficit increases by the same amount, but as the asset value has increased by £1,381k the overall effect is to reduce the deficit by £407k.

There were two adjustments to the Property, Plant & Equipment note. These had the effect of reducing the Balance Sheet value and increasing total expenditure by £113k.

Depreciation of buildings is understated by £68k. Officers declined to adjust for this on the basis that it is immaterial. This matter is included in our Letter of Representation, and the Audit, Governance and Standards Committee is asked to agree the non adjustment. Were the adjustment to be made the value of land and buildings would decrease by £68k, and total expenditure increase by the same amount.

Audit adjustments are detailed in Appendix C.

Our anticipated audit report opinion will be unmodified (Appendix E).

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# Headlines

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## Financial Statements (cont.)

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion (Appendix E) or material changes to the financial statements, subject to the following outstanding matters;

- final review of audit work by the Engagement Lead and consideration of the overall sufficiency of audit evidence;
- update of our subsequent events review to the date of sign off;
- receipt of management representation letter; and
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited.

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## Value for Money arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').

We have completed our risk based review of the Council's value for money arrangements. The Council is rapidly approaching an extremely serious financial situation. Urgent action is needed to ensure that the Council lives within its' financial means and continues to be financially viable. As things stand it is highly likely that in 18 months the Council will have exhausted its working balances of £1,200k.

We have concluded that Redditch Borough Council does not have proper arrangements to secure economy, efficiency and effectiveness in its use of resources in regard to financial sustainability. We therefore anticipate issuing a qualified 'Adverse' value for money conclusion, as detailed in Appendix E. Our findings are summarised on pages 19 to 26.

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## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit. We note however that the audit has been challenging to complete and further improvements are required to the quality of supporting information and to the timeliness and quality of responses to audit queries.

# Statutory recommendation

## **Recommendation made under section 24 of the Local Audit and Accountability Act 2014**

The Council needs to take urgent action to prevent both its General Fund and HRA balances being exhausted by the end of 2020/21. Failure to take effective action will put the Council at risk of breaching its statutory duty to set a balanced budget.

It must agree and implement an achievable financial strategy that ensures a sustainable level of General Fund and HRA balances is maintained in the medium term (at least the next three years up to and including 2021/22), taking into account the current uncertainties about future local authority funding.

This must include the following.

- A full assessment of the deliverability of the £1.13 million savings challenge for 2019/20 and the agreement and monitoring of actions by the Executive that either prevent or minimise the further use of both General Fund and HRA balances in 2019/20.
- A financial plan for 2020/21 that includes the identification of further deliverable savings and income generation schemes, cost base reductions and Council Tax increases that eliminates the planned £1.17 million use of General Fund balances and ensures there are no further calls on HRA balances. This will require Members to take difficult decisions about sustainable levels of service and increases in Council Tax.
- Agreement of a realistic financial plan for 2021/22 that has deliverable savings and seeks to ensure that there are no further planned uses of General Fund and HRA balances that would put them below a financial sustainable level.

## **Our responsibilities**

As well as our responsibilities to give an opinion on the financial statements and assess the arrangements for securing economy, efficiency and effectiveness in the Council's use of resources, we have additional powers and duties under the Act. These include powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We have concluded that it is appropriate for us to use our powers to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position.

## **Reasons for making the recommendation**

The scale of the Council's financial pressure and the savings delivery challenge is significant. We are concerned that if the Council does not take effective action to agreed and implement a balanced budget, without the need to use balances, there will be insufficient resources to manage its financial risks in 2020/21.

## **Savings delivery plan from 2020 onwards**

As at the 31 March 2019 the Council had a General Fund balance of £1.22 million, a reduction of £800,00 since 31 March 2016. This reflects the failure to fully identify and deliver savings plans in previous years. The Medium-Term Financial Plan, approved in February 2019, identified a savings requirement of £1.13 million for 2019/20. Savings schemes totalling £949,000 are being implemented, but £181,000 of savings are currently unidentified. The Financial Plan also identified a £1.17 million financial gap in 2020/21, which if not addressed will leave £55,000 of General Fund balances available as a risk contingency.

# Statutory recommendation

In 2018/19 the Council used £0.56 million of balances, rather than the £89,000 planned. This was due to the decision to fund expenditure from balances, rather than identify further savings, and budget overspends in some areas. The budget included £1.50 million savings, of which £1.30 million was delivered. It is likely that some use of General Fund balances will be needed in 2019/20 to balance any under delivery of savings and budget pressures. The Council has not yet reported on the in-year financial position for 2019/20. The quarter one report is due to be reported to the Executive on 10 September 2019.

We have noted that:

- savings of £1.17 million still need to be identified for 2020/21, increasing to £1.52 million by 2022/23
- the budget gap in 2020/21, assuming cumulative savings delivery of £841,000, is £1.17 million which would exhaust the current General Fund balance
- although earmarked reserves are currently £5.12 million, we understand that these amounts are largely committed, in particular the £3.25 million Business Rate Retention Reserve, and therefore provide little scope to support the overall financial position if General Fund balances are exhausted
- from April 2021 the Council will, even if all of the forecast savings are achieved, be spending £30,000 a week more than it receives, with no balances left and the budget gap growing to £1.33 million in 2021/22
- the HRA balance has decreased from £1.48 million at 31 March 2018 to £0.77 million at 31 March 2019, with a further £0.4 million planned to be used in 2019/20. The balance remaining will then be around half of the £0.6 million minimum which the Council has itself set.

There is very limited capacity for the Council to use balances in future years and every effort needs to be made to ensure that savings of £1.13 million are delivered in full in 2019/20 and further savings are delivered to minimise the use of balances in 2020/21 and beyond.

## Previous statutory recommendations

In 2015 we issued four recommendations under section 11 (3) of the Audit Commission Act 1998 (now superseded by section 24 of the Local Audit and Accountability Act). These recommendations concerned the Council's accounts production and budgeting process and have been addressed. It is both disappointing and concerning that we again find it necessary to take this unusual step to ensure that the Council takes appropriate action to manage its finances.

## What does the Council need to do next?

Schedule 7 of the Local Audit and Accountability Act 2014 requires the following:

The local authority must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the authority

At that meeting the authority must decide

- whether the recommendation is to be accepted, and
- what, if any, action to take in response to the recommendation.

Schedule 7 specifies meeting publication requirements that the authority must comply with.

# Summary

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of the group's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks; and
- Reviewing the figures and consolidation for Rubicon.

We have not had to alter or change our audit plan, as communicated to you on 25 April 2019.

## Key messages

As reported last year, our audit identified a higher number of amendments than we would expect. Some of the working papers initially supplied did not provide the requisite assurance or could not be agreed to the financial statements. In many instances the initial response was inadequate and necessitated additional audit time in raising further questions. We discussed this with the Deputy and Executive Director, and the quality of responses improved towards the end of our audit.

As we reported last year, the Finance Team needs to ensure that next year enough time is allowed for a robust and thorough quality review of the accounts and working papers before they are presented for audit. The Finance Team also needs to quality review proposed responses to the audit team before they are sent to the audit team – a "right first time" approach.

Many of the changes we identified were repeated from last year. It is disappointing and time consuming to have to raise the same issues in successive years. The Finance Team needs to ensure that the template Statement of Accounts for 2019/20 start with the final audited 2018/19 Statement.

Recommendations for management as a result of our audit work are set out in Appendix A. The other key messages arising from our audit of the Council's financial statements are as follows.

- there is one unadjusted misstatement relating to depreciation on buildings;
- there was one adjustment to your primary statements, in relation to the McCloud case impacting on the Net Cost of Services and LGPS deficit;
- there was one adjustment to your primary statements, in relation to updated pension fund asset values impacting on the Net Cost of Services and LGPS deficit; and
- there were two adjustments arising from incorrect accounting for asset valuations.

# Summary

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality calculations remain the same as reported in our audit plan and are detailed below.

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Audit, Governance and Standards Committee meeting on 29 July 2019, as detailed in Appendix E. These outstanding items include:

- final review of audit work by the Engagement Lead and consideration of the overall sufficiency of audit evidence;
- update of our subsequent events review to the date of sign off;
- receipt of management representation letter; and
- review of the final set of financial statements.

	Amount (£)	Qualitative factors considered
Materiality for the financial statements	1,300,000	<ul style="list-style-type: none"> <li>• Business environment – the Council operates in a stable, publicly funded environment</li> <li>• Control environment – no significant deficiencies identified.</li> </ul>
Performance materiality	800,000	<ul style="list-style-type: none"> <li>• No history of significant deficiencies but high number of deficiencies</li> <li>• History of a large number of immaterial misstatements.</li> </ul>
Trivial matters	65,000	<ul style="list-style-type: none"> <li>• Matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</li> </ul>
Specific materiality: - Senior officer remuneration	100,000	<ul style="list-style-type: none"> <li>• Public interest</li> </ul>



# Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
<p>1 <b>The revenue cycle includes fraudulent transactions (rebutted)</b></p>	<p><b>Auditor commentary</b></p> <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• the culture and ethical frameworks of local authorities, including Redditch Borough Council, mean that all forms of fraud are seen as unacceptable.</li> </ul> <p>Therefore we do not consider this to be a significant risk for Redditch Borough Council.</p> <p>Our audit work has not identified any issues in respect of revenue recognition.</p>
<p>2 <b>Management override of controls</b></p>	<p><b>Auditor commentary</b></p> <p>To address this risk we have:</p> <ul style="list-style-type: none"> <li>• evaluated the design effectiveness of management controls over journals</li> <li>• analysed the journals listing and determined the criteria for selecting high risk unusual journals</li> <li>• tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration</li> <li>• gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness with regard to corroborative evidence</li> <li>• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.</li> </ul> <p>Obtaining a journals listing which was complete and reconciled back to the financial statements took longer than planned and required officers to run a number of different reports. Our audit work has not identified any issues in respect of management override of controls.</p>

# Significant findings – audit risks

## Risks identified in our Audit Plan

## Commentary

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### Valuation of land and buildings

### Auditor commentary

To address this risk we have:

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work
- evaluated the competence, capabilities and objectivity of the valuation expert
- written to the valuer to confirm the basis on which the valuation was carried out
- challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding
- tested revaluations made during the year to see if they have been input correctly into the Authority's asset register
- evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

We experienced significant difficulties in completing our work in this area. In particular:

- It was unclear how in-year depreciation had been calculated. When challenged, officers did not understand the workings either, and it took some time to resolve.
- A number of properties that the Council asked the Valuer to revalue in year were missed, and Officers did not ensure these valuations were obtained. It transpired that these properties were included in both the General Fund and HRA asset register, and some were shown as being sold. Resolving this issue took a lot of auditor and officer time.
- We challenged officers and the valuer on the valuation of Council Dwellings. A full valuation is conducted every five years. In line with DCLG guidance interim reviews are undertaken annually on a desktop basis to avoid major fluctuations between full valuation dates. We will compare the values used during the interim review with similar properties recently sold on the open market to obtain assurance that the interim valuation process prevents material misstatement in the balance sheet. At the time of writing this report we have yet to complete this work.
- We identified three free to use car parks which were incorrectly valued using the Fair Value Existing Use basis. The valuation should have been based on Depreciated Replacement Cost as there is no income, and it is amenity land.

Our audit work to date has not identified any other issues in respect of valuation of land and buildings. At the time of drafting this report our audit work was subject to completion and final Engagement Lead review.

# Significant findings – audit risks

## Risks identified in our Audit Plan

## Commentary

4

### Valuation of the pension fund net liability

### Auditor commentary

To address this risk we have:

- update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls
- evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work
- assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation
- assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability
- test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary
- undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report
- obtain assurances from the auditor of Worcestershire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our audit to date has identified one issue in relation to accounting for the impact of the McCloud Court of Appeal judgement. This is considered under section "Significant findings – other issues" on the next page.



Our audit work has not identified any other issues in respect of valuation of the valuation of the pension fund liability. At the time of drafting this report our audit work was subject to completion and final Engagement Lead review.

# Significant findings - other issues





This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan and a summary of any significant control deficiencies identified during the year.

Issue	Commentary	Auditor view
<p><b>1 Impact of the McCloud judgement</b></p> <p>The Court of Appeal has ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members.</p> <p>Our Grant Thornton view was that this gave rise to a past service cost and liability within the scope of IAS 19 as the ruling created a new obligation.</p> <p>The Government applied to the Supreme Court for leave to appeal this ruling, but this was rejected in late June 2019. The case will now be remitted back to employment tribunal for remedy.</p> <p>The legal ruling has implications for pension schemes where transitional arrangements have been implemented, including the Local Government Pension Scheme (LGPS).</p> <p>This was confirmed on 15 July 2019 in a statement released by The Chief Secretary to the Treasury. The quote below confirms that remedies will need to be applied to the LGPS and hence supports the Authority's stance in the recognition of increased liabilities:</p> <p><i>“As ‘transitional protection’ was offered to members of all the main public service pension schemes, the government believes that the difference in treatment will need to be remedied across all those schemes. This includes schemes for the NHS, civil service, local government, teachers, police, armed forces, judiciary and fire and rescue workers. Continuing to resist the full implications of the judgment in Court would only add to the uncertainty experienced by members.”</i></p>	<p>The decision as to the appropriate accounting treatment is one for the Council. At the Council's request the actuary has re-run the valuation report with their best estimate of the impact re-McCloud.</p> <p>We have agreed with Officers that the financial statements will be amended to reflect the estimated decrease in the net deficit in the scheme for the Council from £73,337k to £72,930k. This is a function of an increase in the deficit due to the additional past service costs of £974k, and a decrease in the deficit of £1,381k due to the increase in asset values arising from better information since the earlier actuarial report.</p>	<p>We have reviewed the analysis performed by the actuary, and consider that the approach that has been taken to arrive at this estimate is reasonable.</p> <p>Our audit procedures have confirmed the relevant adjustments have been made to the financial statements in regard to the LGPS.</p>



# Significant findings – key judgements and estimates

Accounting area	Summary of management’s policy	Audit Comments	Assessment
<b>Provisions for NNDR appeals</b>	The Council is responsible for repaying successful rateable value appeals. The calculation of the provision required is based upon the latest information about outstanding rates appeals provided by the Valuation Office Agency (VOA) and previous success rates. Due to a reduction in outstanding appeals, the provision has decreased by £560k from £2,630k in 2017/18 to £2,070k in 2018/19.	Our testing has confirmed the appropriateness of the underlying information used to determine the estimate. The estimate calculated is reasonable.	 (Green)
<b>Land and Buildings – Council Housing -</b>	The Council owns 5,716 dwellings and is required to revalue these properties in accordance with DCLG’s Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties. The year end valuation of Council Housing was £279,599k, a net increase of £17,441k from 2017/18 (£262,158k).	We have set out our findings in relation to the valuation of land and buildings on page 10. In relation to Council Houses, we have tested that properties are included in the correct beacon, and that the valuations used are appropriate given the area and reduction for the social use factor.  At the time of drafting this report our audit work was subject to completion and final Engagement Lead review. Based on the work completed, we are satisfied that the judgements and estimates used by management in determining the value of Council Housing are appropriate for the Council.	 (Work is incomplete)





**Assessment**

-  We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
-  We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
-  We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

# Significant findings – key judgements and estimates

	Summary of management's policy	Audit Comments	Assessment
<b>Land and Buildings – Other</b>	The Authority revalues its land and buildings as a minimum on a rolling five-yearly basis with interim reviews. If the value of an asset class is projected to materially change during the period since the last valuation then further valuations are instructed. Some asset classes are currently valued annually.	<p>We have set out our findings in relation to the valuation of other land and buildings on page 10.</p> <p>At the time of drafting this report our audit work was subject to completion and final Engagement Lead review. Based on the work completed, we are satisfied that the judgements and estimates used by management in determining the value of land and buildings are appropriate for the Council.</p>	 (Work is incomplete)
<b>Net pension liability</b>	A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2016. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.	<p>We have set out our findings in relation to the net pension liability on pages 11 and 12. We are satisfied that the judgements and estimates used by management in determining the pension fund asset and liability are consistent with those used by the actuary and appropriate for the Council.</p> <p>We have noted that the net liability has increased as a result of a legal case, which has national implications.</p>	 (Green)

**Assessment**

-  We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
-  We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
-  We consider management's process is appropriate and key assumptions are neither optimistic or cautious

# Significant findings – key judgements and estimates

Summary of management’s policy	Audit Comments	Assessment																								
<p><b>Net pension liability</b></p> <p>The Council’s net pension liability at 31 March 2019 is £72.93m.</p> <p>The Council uses Mercer to provide actuarial valuations of the Council’s assets and liabilities derived from these schemes. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2016. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>Undertaken an assessment of management’s expert</li> <li>Reviewed and assessed the actuary’s roll forward approach taken,</li> <li>Used an auditors expert (PwC) to assess the actuary and assumptions made by the actuary</li> </ul> <table border="1" data-bbox="758 391 1798 848"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.4%</td> <td>2.4% - 2.5%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>2.3%</td> <td>2.4% - 2.5%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.7%</td> <td>Scheme and employer specific</td> <td>●</td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>25.1.1/ 22.8</td> <td>23.7 – 24.4/ 21.5 – 22.8</td> <td>●</td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>28.2/ 25.8</td> <td>26.2 – 26.9/ 24.1 – 25.1</td> <td>●</td> </tr> </tbody> </table> <p>We have reviewed:</p> <ul style="list-style-type: none"> <li>Completeness and accuracy of the underlying information used to determine the estimate</li> <li>Impact of any changes to valuation method</li> <li>Reasonableness of the Council’s share of LPS pension assets.</li> <li>Reasonableness of increase/decrease in estimate</li> <li>Adequacy of disclosure of estimate in the financial statements</li> </ul> <p>In October 2018, the High Court ruled that defined benefit pension schemes must remove any discriminatory effect that guaranteed minimum pension entitlements (GMPs) have had on members benefits. GMPs must be equalised between men and women and that past underpayments must be corrected. Actuaries have taken differing approaches to this issue. Mercer have not made any allowance for (GMPs). We have estimated an impact of 0.1% of gross pension liabilities. We do not consider this to be material.</p>	Assumption	Actuary Value	PwC range	Assessment	Discount rate	2.4%	2.4% - 2.5%	●	Pension increase rate	2.3%	2.4% - 2.5%	●	Salary growth	3.7%	Scheme and employer specific	●	Life expectancy – Males currently aged 45 / 65	25.1.1/ 22.8	23.7 – 24.4/ 21.5 – 22.8	●	Life expectancy – Females currently aged 45 / 65	28.2/ 25.8	26.2 – 26.9/ 24.1 – 25.1	●	<p>● (Green)</p>
Assumption	Actuary Value	PwC range	Assessment																							
Discount rate	2.4%	2.4% - 2.5%	●																							
Pension increase rate	2.3%	2.4% - 2.5%	●																							
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**Assessment**

- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

# Significant findings - Going concern

## Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

## Going concern commentary

### Management's assessment process

Management do not undertake a formal assessment of whether the Council is a going concern.

The Council has a sound income stream through Council Tax (£6.1m) and Business Rates (£1.7m). It has delivered a balanced budget year on year and has a realistic Medium Term Financial Plan.

The Council also has usable, non earmarked reserves of £1.2m.

### Work performed

Our audit work, including our VFM work, has not raised any doubts around the going concern assumption. Also, in the public sector, going concern is taken to mean that the services are transferred / delivered by another body. As the Council services / functions would be delivered by any successor body, the threat of re-organisation does not apply.

### Concluding comments

### Auditor commentary

This is reasonable as the Council has a realistic Medium Term Financial Plan and sufficient reserves to cover any unexpected need for the next 12 months. It would be considered a going concern even if it demised and the services transferred to another body. Our Informing the Audit Risk Assessment report, presented to Audit, Governance and Standards Committee on 25 April, shows on pages 15 to 16 the arrangements in place to demonstrate that the Council is a going concern.

### Auditor commentary

Our audit did not identify any events or conditions which may cast significant doubt on going concern assumption.

The reported position of the Council at 31 March 2019 per the draft financial statements shows that they have total current assets of £14.7m compared to £16.7m current liabilities, £1.1m and £4.5m of total current assets are cash and short term investments respectively and are therefore highly liquid.

The borrowings of the Council, while significant are almost entirely with PWLB and therefore low risk.

The Council will not remain a going concern throughout the life of the current MTFP however as there are inadequate working balances to support the budget after 2020/21.

We have concluded that it is appropriate for us to use our powers within the Local Audit and Accountability Act 2014 ('the Act') to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position. The detail is set out on pages 5 and 6. We are satisfied that the Council has sufficient financial reserves and resilience to be able to continue to deliver statutory services to 31 July 2020. Consequently, we do not have any concerns regarding going concern.

We are satisfied that the preparation of the financial statements using the going concern principal is reasonable. Based on the above comments, we anticipate being able to issue an unmodified opinion.



# Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
① <b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with the Audit, Governance and Standards Committee. We have not been made aware of any material incidents in the period and no other issues have been identified during the course of our audit procedures.</li> </ul>
② <b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>We are not aware of any related parties or related party transactions which have not been disclosed.</li> </ul>
③ <b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.</li> </ul>
④ <b>Written representations</b>	<ul style="list-style-type: none"> <li>Our letter of representation requested from the Council, includes the adjustments which officers have declined to make. The Audit, Governance and Standards Committee is asked to agree this approach.</li> </ul>
⑤ <b>Confirmation requests from third parties</b>	<ul style="list-style-type: none"> <li>We requested from management permission to send confirmation requests to banks and councils with whom the Council had investments or borrowing. This permission was granted and the requests were sent. All of these requests were returned with positive confirmation.</li> </ul>
⑥ <b>Disclosures</b>	<ul style="list-style-type: none"> <li>Our review found no material omissions in the financial statements. We identified changes to a number of disclosures in the Statement of Accounts which the Council has agreed to amend.</li> </ul>
⑦ <b>Audit evidence and explanations/significant difficulties</b>	<ul style="list-style-type: none"> <li>All information and explanations requested from management was provided.</li> <li>We have reported the significant difficulties with accounts our audit of the draft accounts and working papers on page 7.</li> </ul>

# Other responsibilities under the Code

Issue	Commentary
① <b>Other information</b>	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to Appendix E.</p>
② <b>Matters on which we report by exception</b>	<p>We are required to report on a number of matters by exception in a numbers of areas:</p> <ul style="list-style-type: none"> <li>• If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit</li> <li>• If we have applied any of our statutory powers or duties</li> </ul> <p>We have concluded that it is appropriate for us to use our powers within the Local Audit and Accountability Act 2014 ('the Act') to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position. The detail is set out on pages 5 and 6.</p>
③ <b>Specified procedures for Whole of Government Accounts</b>	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Work is not required as the Council does not exceed the threshold.</p>
④ <b>Certification of the closure of the audit</b>	<p>We intend to certify the closure of the 2018/19 audit of Redditch Borough Council in the audit opinion, as detailed in Appendix E.</p>

# Value for Money

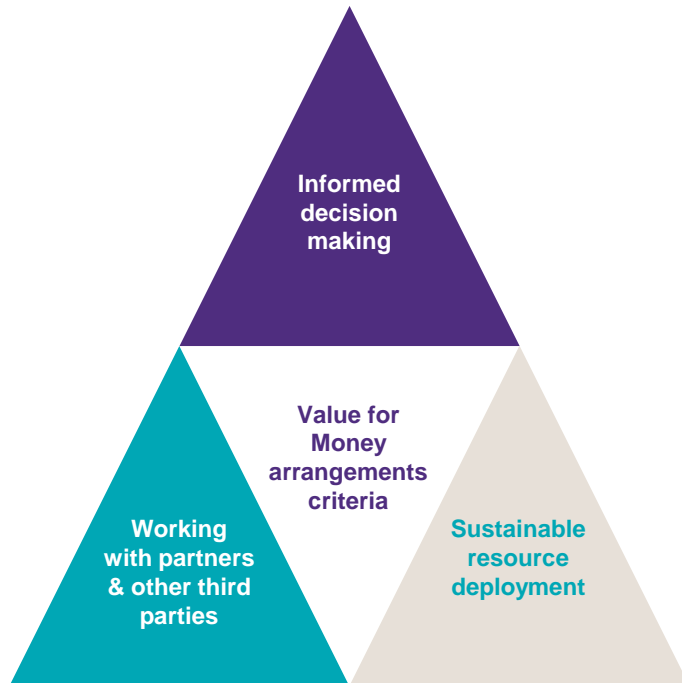
## Background to our VFM approach

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2017. AGN 03 identifies one single criterion for auditors to evaluate:

*"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people."*

This is supported by three sub-criteria, as set out below:



## Risk assessment

We carried out an initial risk assessment in December 2018 and identified two significant risks in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated these risks to you in our Audit Plan dated 31 January 2019.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risks determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

## Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

## Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

# Value for Money

## Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were:

- the financial sustainability of the Council; and
- procurement and contract management in the housing department.

We have set out more detail on the risks we identified, the results of the work we performed, and the conclusions we drew from this work on pages 21 to 26.

## Overall conclusion

Because of the significance of the matters we identified in respect of financial sustainability, we are not satisfied that the Council has made proper arrangements to secure economy, efficiency and effectiveness in your use of resources. We therefore propose to give a qualified 'adverse' conclusion.

The text of our proposed report can be found at Appendix E.

Owing to weaknesses in financial sustainability we have issued an "Except for" Value for Money Conclusion in previous years. In 2017/18 we reported "the Council is not in a financially sustainable long term position, and does not have sufficiently developed plans to address this. If the current MTFP is delivered the Council will have insufficient balances to be able to support spending at the proposed level beyond 2020/21."

One year on and the Council finds itself in an even more challenging financial position. Short term decision making and an inability or unwillingness to take difficult decisions now means that the Council is likely to exhaust its available reserves by the end of March 2021, even if the extremely challenging savings targets are met in full.

In 2018/19 the Council had intended to use £85k of balances in year, but actually used £565k, an increase of £480k, in order to fund other pressures identified during the year. Savings of around £1.1m were delivered which included £700k as identified as part of the budget process and a further £400k towards the unidentified savings during the year. The General Fund balance has now decreased to £1,225k at 31 March 2019.

The table below summarises the financial challenge for the next four years:

Year	Savings required (£000)	Further gap (£000)	Net Revenue Budget (£000)
2019/20	1,127	0	9,543
2020/21	841	1,170	10,269
2021/22	846	1,332	10,469
2022/23	816	1,521	10,757
<b>Total</b>	<b>3,630</b>	<b>4,023</b>	<b>10,757</b>

We also note that the HRA balance reduced to £770k at 31 March 2019 (5% of expenditure excluding revaluation impact). This means there is now very little contingency to manage unforeseen expenditure.

## Recommendation for improvement

We discussed findings arising from our work with management and have agreed one Statutory Recommendation as set out on pages 5 and 6. Management's response to this can be found in the Action Plan at Appendix A

## Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
<p><b>1</b> <b>Financial sustainability</b></p> <p>How robust is the MTFP and how well developed are savings plans?</p> <p>We have previously identified that improvement is needed to planning finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions.</p> <p>1) We will review the February 2019 MTFP and select a number of new savings or income generation schemes to test.</p> <p>2) We will assess the progress being made to put the Council on a long term financially viable footing.</p> <p>3) We will monitor implementation of the Leisure LATC and the savings arising from it.</p> <p>4) We will review the impact of the Commercialisation Programme Board.</p> <p>5) We will monitor progress on the management restructure.</p>	<p>1) We tested a number of schemes, and found the majority of them to be based on reasonable assumptions. For example, a total of £120k additional income a year from the Lifeline contract with Cannock Chase District Council. Although at the time of our work the contract had not been signed. Also, £54k a year savings from a new printing contract.</p> <p>The robustness of unallocated savings of £181k a year is much less clear. This is comprised:</p> <ul style="list-style-type: none"> <li>• £95k Part year potential management restructure</li> <li>• £25k Investment income</li> <li>• £61k transformational service redesign</li> </ul> <p>The management restructure has been planned for several years, and progress has been slow. However, savings are being delivered from three vacant CMT posts and a part time interim arrangement in place for leisure services. Investment income and transformational service redesign savings are dependent on other factors - including purchasing property and service redesign. These savings are "at high risk" of delivery.</p> <p>2) There is little evidence of members taking difficult decisions to secure the long term financial sustainability of the Council. For example, the S.151 Officer planned a council tax increase of 2.99%, but an increase of 2.2% was approved by Council. The council tax setting report shows a base number of properties of 26,096. Reducing the council tax increase has saved each property less than £2 a year, but cost the council £200k over the four years of the MTFP. Further, there is little evidence of services being re-designed in a way that will address the financial pressures. From April 2021 the Council will, even if all of the forecast savings are achieved, be spending £30k a week more than it receives, with no balances left.</p>	<p><b>Auditor view</b></p> <p>The Council is rapidly approaching an extremely serious financial situation. Urgent action is needed to ensure that the Council lives within its financial means and is financially viable. As things stand it is highly likely that in 18 months the Council will have exhausted its balances and still be spending £30k a week more than it receives.</p> <p>Short term decision making and the failure to take difficult decisions has left the Council finances in a precarious state.</p> <p>While most of the schemes we looked at were soundly based and should achieve the income generation or savings anticipated, they are not sufficient to address the financial challenge. The Council's primary source of income is Council Tax and the Council needs to ensure that it raises sufficient revenues to sustain its financial viability.</p> <p>It is noted that officers are fully aware of this situation and have recommended numerous ways to address the situation – including recommending the maximum council tax increase for 2019/20. Members now need to address the situation with some urgency.</p>

## Key findings

1

### Significant risk

#### Financial sustainability

How robust is the MTFP and how well developed are savings plans?

We have previously identified that improvement is needed to planning finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions.

1) We will review the February 2019 MTFP and select a number of new savings or income generation schemes to test.

2) We will assess the progress being made to put the Council on a long term financially viable footing.

3) We will monitor implementation of the Leisure LATC and the savings arising from it.

4) We will review the impact of the Commercialisation Programme Board.

5) We will monitor progress on the management restructure.

### Conclusion

#### Management response

Officers and Members are fully committed to ensuring that robust plans for making savings and increasing income are put in place.. Whilst significant savings have been made over the last 5 years and the commercialisation agenda has commenced, it is appreciated that urgent reviews of costs and income need to be undertaken to give assurance that clear options can be provided to ensure financial stability

There are a number of actions that have been put in place to address the projected financial position including:

- Portfolio Holder and CMT workshop arranged to consider future direction (priorities and non-priorities) against the backdrop of the financial position to enable robust and deliverable saving proposals to be made
- Present to members from September options for savings and additional income generation to be proposed for medium term financial plan
- Delivery of financial strategy for October Executive to address concerns on financial sustainability
- Detailed review of 2018/19 actual v 2019/20 budget to enable any additional budget allocated to be released for the period 2019/20-2021/23
- Immediate freeze on non essential spend to ensure the protection of the balances position for 2019/20
- Immediate recruitment freeze to all posts other than business critical posts. Consideration of all vacant posts by Head of Service and Strategic Lead to ensure any excess vacant posts are released for the period 2019/20-2021/23
- Review of costs associated with support services and robust estimates of savings realised from new systems and automation to be made
- Full and detailed review of the Capital Programme to assess need of spend against projects and vehicles (including replacement period of vehicles)
- Maximise asset sales to receive capital receipts where appropriate to balance revenue streams within the Council
- Maximise rental income from assets
- Consideration by budget scrutiny to enable challenge of savings proposed
- Work with Grant Thornton and other Councils to identify best practice in the identification and monitoring of savings
- Further review of use of agency staff to reduce spend

1

**Significant risk**

**Financial sustainability (cont.)**

How robust is the MTFP and how well developed are savings plans?

We have previously identified that improvement is needed to planning finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions.

- 1) We will review the February 2019 MTFP and select a number of new savings or income generation schemes to test.
- 2) We will assess the progress being made to put the Council on a long term financially viable footing.
- 3) We will monitor implementation of the Leisure LATC and the savings arising from it.
- 4) We will review the impact of the Commercialisation Programme Board.
- 5) We will monitor progress on the management restructure.

**Findings**

3) A permanent Managing Director, the former Head of Leisure Services, started in post on 18 February, and another Countryside Centre has moved into Rubicon Leisure.

Evidence presented to us indicates that savings of £346k will be achieved directly by the outsourcing, which is as expected.

4) Review of the Commercialisation Programme Board minutes shows that the core membership is all of the senior officers we would expect, plus a few others, with particular officers brought in when their areas are being discussed. The meetings cover a range of topics, including investment in commercial premises, possible new crematorium, fees & charges, working with other councils.

The Board has recognised that, in some areas, for example marketing, external support may be required.

Currently, there is little in the way of tangible outputs or changes arising from the work of the Board.

5) The Management Restructure is still in progress. One Head of Service has moved to Rubicon and two have left the Council.

**Conclusion**

**Auditor view**

Rubicon is expected to deliver the savings forecast, but the Commercialisation Programme Board has so far had very little impact. Progress on the Management Restructure has been delayed due to a number of HR related issues which have now been resolved. Implementation now needs to be completed as a matter of urgency.

1

**Significant risk****Financial sustainability (cont.)**

How robust is the MTFP and how well developed are savings plans?

We have previously identified that improvement is needed to planning finances effectively to support the sustainable delivery of strategic purposes and maintain statutory functions.

- 1) We will review the February 2019 MTFP and select a number of new savings or income generation schemes to test.
- 2) We will assess the progress being made to put the Council on a long term financially viable footing.
- 3) We will monitor implementation of the Leisure LATC and the savings arising from it.
- 4) We will review the impact of the Commercialisation Programme Board.
- 5) We will monitor progress on the management restructure.

**Conclusion****Management response**

The commercialisation programme board has only been in place for just over 18 months and it is clear that significant commercial opportunities have a longer lead in period to deliver savings. The Board has considered a number of key areas to include:

- Income – full review of fees and charges to include cost recovery and how chargeable service meets the strategic priorities of the Council. This has led to better information in relation to setting of fees and charges to both budget scrutiny and Council
- Assets & Investments – considered a number of investment opportunities including one that has recently secured a successful bid (subject to member decision and due diligence). In addition the Board has considered the development on housing land and the sale of land should this be of best value for the Council
- Contracts – consideration of training to improve efficiency of managers letting contracts which in turn leads to further savings. Agreement on changes to the use of agency staff to reduce costs and to protect staff employed by the Council
- Savings achieved through improved procurement and better contracts
- Improving the branding and marketing of Council income opportunities
- Consideration of further solar panel installations on council buildings to generate income
- Procured support via the LGA Productivity Expert Programme
- Procured Aylesbury Vale DC to carry out commercialism training with all managers
- Procured external support to look at business opportunities in Our Bereavement Services including Redditch Crematorium
- Successfully bid to deliver lifeline and out of hours service for another Local Authority
- Procured external commercialism support on a 1 plus 1 contract which will start in August 2019



	<b>Significant risk</b>	<b>Findings</b>	<b>Conclusion</b>
<p><b>2 Procurement and contract management in the housing department</b></p> <p>Are planned changes to the housing department being made?</p> <p>1) We will review progress against the Strategic Improvement / Action Plan.</p> <p>2) We will review progress to deliver savings and ensure the HRA is not reporting a deficit each year.</p>	<p>The Council is making adequate progress in turning around the housing department.</p> <p>1) The HRA Progress report was presented to Executive in February 2019. It sets out the significant improvement in reducing the number of void properties, and provides an update on progress against the action plan. A Stock Condition survey is in progress in order to allow a fully developed capital programme to be developed.</p> <p>The Council has identified 10 surplus sites, and work is beginning on obtaining planning permission for two of these for new homes.</p> <p>Internal service staffing structures have been developed and are being costed.</p> <p>2) The HRA balance is now approaching the £600k minimum level having decreased from £1,475k at 31 March 2018 to £770k at 31 March 2019. The budget set for 2019/20 anticipates the use of £400k reserves in order to achieve balance. This will reduce the HRA balance to £370k – well below the minimum amount the Council has set. From 2020/21 rent will start increasing again at CPI plus 1% which will help bring the account back into balance without the reliance on the use of balances.</p> <p>Progress is being made to turn void properties around sooner.</p>	<p><b>Auditor view</b></p> <p>The Council has made reasonable progress in addressing the challenges presented by the housing department. The sheer scale of those challenges means that it will take time for the reforms and improvements to embed and have an impact.</p> <p>HRA balances are now very low, and anticipated to fall below the Council’s own recommended minimum balance by 31 March 2020. There is a low level of financial resilience in the HRA in the short-term. The Council needs to manage HRA budgets effectively to ensure the minimum level of balances is maintained.</p>	

2

**Significant risk**

**Procurement and contract management in the housing department (cont.)**

Are planned changes to the housing department being made?

1) We will review progress against the Strategic Improvement / Action Plan.

2) We will review progress to deliver savings and ensure the HRA is not reporting a deficit each year.

**Conclusion**

**Management response**

The Council is committed to ensuring that the HRA is financially resilient to address the costs that have been associated with the many challenges the service has been addressing over the last few years. The Housing Strategic Improvement / Action Plan was originally endorsed by Members in September 2018 and included a number of actions aimed at addressing the financial position of the HRA. The current position on the actions includes:

- All budgets are reviewed on a monthly basis with the departmental management team to ensure that overspends are captured quickly and actions put in place to address
- The senior service structures have been completed to enable a robust structure for the future delivery of the services
- A short to medium term budget has been created incorporating feedback from CMT, removing budgets no longer required. Agreement by Executive to charge affordable rents on acquisitions and new build given the primary focus is revenue. The capital programme has been scaled back pending outcomes from the stock condition survey. Future modelling around repairs & maintenance will also then be undertaken
- Officers reviewing & updating recharges and tenant service charges to ensure income is generated where relevant and appropriate
- A full review of the repairs and maintenance service is scheduled to look at how the efficiency of the in house work force can be improved alongside the use of contractors therefore reducing overall spend significantly
- A new Housing Management System is being procured that will in the longer term achieve efficiency savings
- Maximise asset sales to receive capital receipts where appropriate to balance revenue streams within the Council
- A refresh of the 30 year HRA Business Plan

# Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D.

## Audit and Non-audit services



For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

	Fees £	Threats identified	Safeguards
<b>Audit related</b>			
Certification of Housing capital receipts grant	2,250	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £2,250 in comparison to the total fee for the audit of £44,629 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of 2018/19 Housing Benefit subsidy claim	24,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £24,000 in comparison to the total fee for the audit of £44,629 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. This work will be completed after we issue our opinion on the financial statements.
<b>Non-audit related</b>			
None			




None of the services provided are subject to contingent fees.

# Action plan

We have identified two recommendations for the Council, arising from our work on the Statement of Accounts, as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2019/20 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<p>1</p> <p> (Red)</p>	<p><b>Statement of Accounts production</b></p> <p>Many of the changes we identified as a result of our audit were repeated from last year. It is disappointing and time consuming to have to raise the same amendments in successive years. The Council needs to ensure that the template Statement of Accounts for 2019/20 start with the final audited 2018/19 Statement.</p>	<p>The Council needs to ensure that amendments to the structure of the Statement of Accounts for 2019/20 and the titles and headings used therein reflects the changes agreed this year.</p> <p><b>Management response</b></p> <p>The Council will ensure that in future years a greater amount of time will be allocated to quality checking at a senior level.</p>
<p>2</p> <p> (Red)</p>	<p><b>Quality of working papers and responses</b></p> <p>We noted some improvement in the quality of the working papers initially provided to us. However, those improvements were insufficient to avoid a very high number of questions being raised. For the majority of our audit the responses we received were frequently inadequate, necessitating further questions.</p> <p>Officers need to properly address the recommendation made last year and to ensure that responses to audit questions are “Right first time”.</p>	<p>Officers need to properly address the recommendation made last year and to ensure that responses to audit questions are “Right first time”.</p> <p><b>Management response</b></p> <p>A training plan will be put in place to address improvements in working papers and responses to audit queries. This will be developed in consultation with Grant Thornton.</p>

#### Controls

-  High – Significant effect on control system
-  Medium – Effect on control system
-  Low – Best practice

# Follow up of prior year recommendations

We identified the following issues in the audit of Redditch Borough Council's 2017/18 financial statements, which resulted in two recommendations being reported in our 2017/18 Audit Findings report. Our work this year has identified that neither of these has been addressed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
①	<p><b>X</b></p> <p>While the financial statements were presented for audit by 31 May, there is scope to improve the quality of the statements and the supporting working papers.</p> <p><b>Recommendation</b></p> <p>Officers should ensure that sufficient time is built into the financial statements production process to allow for a robust and thorough quality review of both the statements and supporting working papers.</p>	<p>We noted some improvement in the quality of the working papers initially provided to us. However, those improvements were insufficient to avoid a very high number of questions being raised. For the majority of our audit the responses we received were frequently inadequate, necessitating further questions.</p> <p>Officers need to properly address the recommendation made last year and to ensure that responses to audit questions are "Right first time".</p>
②	<p><b>X</b></p> <p>The Council is not in a financially sustainable long term position, and does not have sufficiently developed plans to address this. If the current MTFP is delivered the Council will have insufficient balances to be able to support spending at the proposed level beyond 2020/21.</p> <p><b>Recommendation</b></p> <p>Officers and Members need to avoid having too many priorities, and to adopt a clear approach on de-prioritisation. The Council needs to make some difficult and challenging decisions in order to ensure it can live within its means in the longer term.</p>	<p>Our Value for Money Conclusion work this year has identified inadequate progress in developing a financially sustainable long term position. The financial position is now even more challenging than it was last year. We have therefore issued an "Adverse" VFM Conclusion concluded that it is appropriate for us to use our powers within the Local Audit and Accountability Act 2014 ('the Act') to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position.</p>

#### Assessment

- ✓ Action completed
- X Not yet addressed

# Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2019.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
1 Increase in the Council pension fund deficit arising from the McCloud ruling. Cr. Net Pensions Liability Dr. Cost of Services	974	(974)	974
2 Decrease in the Council pension fund deficit arising from the updated return on assets. Cr. Remeasurement of the net defined benefit liability in the CIES Dr. Net Pensions Liability	(1,381)	1,381	(1,381)
<b>Overall impact of McCloud</b>	<b>(407)</b>	<b>407</b>	<b>(407)</b>
3 Three free to use car parks were incorrectly valued using Fair Value Existing Use basis, instead of Depreciated Replacement Cost (as there is no income, and it is amenity land). Values overstated by £165k. Cr. PPE Operational Assets Dr. Revaluation Reserve Dr. CIES	33	(165) 132	33
4 Two general fund properties included in the HRA asset register as well in error. They should only be in the General Fund. Cr. HRA Dwellings Dr. CIES	80	(80)	80
<b>Overall impact of other adjustments</b>	<b>113</b>	<b>(113)</b>	<b>113</b>

# Audit Adjustments

## Misclassification and disclosure changes

The list below provides details of the main misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

- Enhancements to the Narrative Report, including to properly reflect the significant financial challenge the Council faces;
- Changes to the Annual Governance Statement in order to comply with requirements and also to properly reflect the issues in the Housing Department (these were also reported last year);
- Changes to some Headings and Statement Titles to comply with requirements (these were also reported last year);
- Five adjustments to the prior year financial statement figures as the final audited version was not used.

# Audit Adjustments

## Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2018/19 audit which have not been made within the final set of financial statements. The Audit, Governance and Standards Committee is required to approve management's proposed treatment of all items recorded within the table below:

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Reason for not adjusting	
1 General Fund assets included in Operational Land & Buildings are under depreciated by £68k. If adjusted this would reduce the Balance Sheet value and increase expenditure by £68k. Dr. CIES Cr. Operational Land & Buildings		68	(68)	68	The amount is immaterial.
<b>Overall impact</b>	<b>68</b>	<b>(68)</b>	<b>68</b>		



# Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

## Audit Fees

	Proposed fee (£)	Final fee (£)
Council Audit	44,629	TBC
<b>Total audit fees (excluding VAT)</b>	<b>£44,629</b>	<b>TBC</b>

The final audit fee is to be confirmed, pending discussions with Officers and PSAA regarding additional fee as a result of:

- the significant extra work required to reach a Value For Money Conclusion and issue a Statutory Recommendation (estimated £4,000);
- the extra work required arising from the McCloud case (estimated £2,000);
- the additional work required to form a conclusion on the valuation of council dwellings (estimated £1,000);
- the additional work required to form a conclusion on the valuation of other land and buildings (estimated £1,500); and
- the additional work required to resolve the very high number of questions we raised, inadequate explanations to our questions, and the number of amendments required to the Statement of Accounts (estimated £4,500).

## Non Audit Fees

Fees for other services	Fees £
<b>Audit related services:</b>	
Certification of Housing capital receipts grant	2,250
Certification of 2018/19 Housing Benefit subsidy claim	24,000
	<b>£26,250</b>

# Audit opinion

We anticipate we will provide the Group with a modified audit report

## Independent auditor's report to the members of Redditch Borough Council

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Redditch Borough Council (the 'Authority') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the Movement in Reserves Statement for the Council and Group, the Comprehensive Income and Expenditure Statement, the Group Comprehensive Income and Expenditure Statement, the Balance Sheet, the Group Balance Sheet, the Cash Flow Statement, the Group Cash Flow Statement, the Housing Revenue Account, the Movement on the HRA Statement the Collection Fund Statement and notes to the financial statements, including a summary of significant accounting policies. The notes to the financial statements include the Notes to the Core Financial Statements, Notes to the Housing Revenue Account and Notes to the Collection Fund Statement. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2019 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Director of Finance and Resources' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Director of Finance and Resources has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Executive Director of Finance and Resources is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the Authority and group financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# Audit opinion

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the group and Authority obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

## Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters, except on 29 July we made written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 in relation to financial sustainability. The Council needs to take urgent action to prevent both its General Fund and HRA balances being exhausted by the end of 2020/21. Failure to take effective action will put the Council at risk of breaching its statutory duty to set a balanced budget.

## Responsibilities of the Authority, the Executive Director of Finance and Resources and Those Charged with Governance for the financial statements

As explained more fully in the Statement of Responsibilities set out on pages 11 to 12, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Executive Director of Finance and Resources. The Executive Director of Finance and Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2018/19, for being satisfied that they give a true and fair view, and for such internal control as

# Audit opinion

the Executive Director of Finance and Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director of Finance and Resources is responsible for assessing the group's and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Audit, Governance & Standards Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements - Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

### Adverse Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, because of the significance of the matters described in the basis for adverse conclusion section of our report, we are not satisfied that, in all significant respects, the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

### Basis for adverse conclusion

In considering the Authority's arrangements for securing efficiency, economy and effectiveness in its use of resources we identified the following matters:

The Authority's medium-term financial plan was updated in February 2019 and covers the period to 31 March 2023. Over this period, the plan forecasts that expenditure will exceed income by £4.0 million, with a further £3.6 million of savings to be achieved. As at 31 March 2019 the Council had a General Fund reserves balance of £1.225 million. The Medium Term Financial Plan, approved in February 2019, identified a £1.17 million financial gap in 2020/21, which if not addressed will leave £55,000 of General Fund balances available as a risk contingency.

In 2018/19 the Council used £0.56 million of balances, rather than the £89,000 planned. This was due to the decision to fund expenditure from balances, rather than identify further savings, and budget overspends in some areas. The budget included £1.50 million savings, of which £1.30 million was delivered. It is likely that some use of General Fund balances will be needed in 2019/20 to balance any under delivery of savings and budget pressures. The Medium-Term Financial Plan, approved in February 2019, identified a savings requirement of £1.13 million for 2019/20. Savings schemes totalling £949,000 are being implemented, but £181,000 of savings are currently unidentified. The Council has not yet reported on the in-year financial position for 2019/20. The quarter one report is due to be reported to the Executive on 10 September 2019.

# Audit opinion

From April 2021 the Authority will, even if all of the forecast savings are achieved, be spending £30,000 a week more than it receives, with no reserves balance left based on its existing Medium-Term Financial Plan. There are currently no plans to bridge the gap on a sustainable basis.

Additionally, the HRA reserves balance has decreased from £1.475 million at 31 March 2018 to £0.770 million at 31 March 2019, with a further £0.400 million of reserves planned to be utilised in 2019/20. The balance remaining will then be approximately half of the £0.600 million minimum reserves policy which the Authority has set.

These matters identify weaknesses in the Authority's arrangements for setting sustainable budgets. Failure to take effective action will put the Council at risk of breaching its statutory duty to set a balanced budget.

They are evidence of weaknesses in proper arrangements for sustainable resource deployment in planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

## Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

## Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects the Authority had proper

arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

## Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of the Redditch Borough Council in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

## Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

Richard Percival, Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

[Date]



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**EXECUTIVE COMMITTEE**10<sup>th</sup> September 2019**Finance Monitoring Quarter 1 2019/20**

<b>Relevant Portfolio Holder</b>	Councillor David Thain, Portfolio Holder for Portfolio Holder for Corporate Management
<b>Relevant Head of Service</b>	Jayne Pickering, Executive Director Finance and Corporate Resources
<b>Non Key Decision</b>	

**1. Purpose and summary**

To report to Cabinet on the Council's financial position for Revenue and Capital for the financial period April 2019 – June 2019.

**2. Recommendations****The Executive Committee is asked to resolve**

- 2.1 The current financial position in relation to revenue and capital budgets for the period April – June 2019 as detailed in the report.

**3. Revenue budgets**

- 3.1 This report provides details of the financial performance of the Council. The purpose of this report is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across all of the Strategic Purposes to enable Members to be aware of the level of funding attributed to each area and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for the period April – June 2019.
- 3.2 Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed. This report explains the key variances to budget for 2019/20.
- 3.3 The £9.804m original budget as included in the table below is made up of the budget approved in February 2019 of £9.543m, which is then adjusted to reflect the approved transfers from reserves of £262k held in Corporate Financing.

In addition the Latest Budget 2019/20 of £10.148m includes transfers from reserves of £345k which is shown in appendix 2.

**EXECUTIVE COMMITTEE**10<sup>th</sup> September 2019

3.4

<b>Revenue Budget Summary – Overall Council Financial Year 2019/20</b>
--

Please note figures have been rounded

Strategic Purpose	Original Budget 2019/20 £'000	Revised budget 2019/20 £'000	Budget to date 2019/20 £'000	Actuals to date 2019/20 £'000	Variance to date 2019/20 £'000
Keep my place safe and looking good	4,044	4,324	1,256	1,147	-109
Help me run a successful business	560	592	259	288	29
Help me be financially independent	406	415	196	231	36
Help me to live my life independently	134	134	-269	-266	3
Help me find somewhere to live in my locality	859	859	208	195	-13
Provide Good things for me to see, do and visit	576	663	157	128	-29
Enable others to work/do what they need to do (to meet their purpose)	3,224	3,161	2,746	2,653	-93
<b>Totals</b>	<b>9,804</b>	<b>10,148</b>	<b>4,553</b>	<b>4,377</b>	<b>-176</b>
<b>Corporate Financing</b>	<b>-9,804</b>	<b>-10,148</b>	<b>-8,113</b>	<b>-8,148</b>	<b>-35</b>
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>-3,560</b>	<b>-3,771</b>	<b>-211</b>

**Financial Commentary:**

There are a number of variances across the strategic purposes. The summary above shows the overall 2019/20 revenue position for the Council and the main variations are as a result of:

**Keep my place safe and looking good (£109k underspend)**

These budgets include those relating mainly to Environmental Services, Planning, 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 :



**EXECUTIVE COMMITTEE**10<sup>th</sup> September 2019

- There is a saving within Community safety budgets due to salary vacancies which are being addressed in a service review. The underspend, however, will be offset against the overhead recharge to the HRA (shown in enabling services) due to the service being 100% attributable to the HRA of **£24k**.
- There is variance within planning policy due to some additional clean up grant being received and underspends in the first quarter on general supplies and services **£16k**.
- There are some salary savings due to vacancies of **£36k** within Place teams and Trees & woodland management mainly due to a pending services delivery review.

**Help me run a successful business (£29k underspend)**

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 no individual variances in the quarter 1 to report.

**Help me be financially independent (£36k overspend)**

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 within revenues is due to some additional printing costs and costs in relation to revaluations on council tax and NNDR **£22k**

**Help me to live my life independently (£3k overspend)**

There are a number of budgets relating to the delivery of the strategic purpose including; Lifeline and Community Transport.

- There are no individual variances in the quarter 1 to report.

**Help me find somewhere to live in my locality (£13k underspend)**

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 some salary savings due to reduced hours and also increased income from Houses in Multiple occupation following changes in regulations **£9k**.

**Provide Good things for me to see, do and visit (£29k underspend)**

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

- There is a variance within Business development – Cultural services due to a saving on the Christmas lights budget, some additional income on the civic suite and staff vacancies.

**EXECUTIVE COMMITTEE**10<sup>th</sup> September 2019

- There are further savings within Park & Events and Sports & Arts development to do with temporary salary savings due to the change of service delivery and new staff structure implementation - these posts have now been filled going into 2019/20.

**Enable others to work/do what they need to do (to meet their purpose) (£93k underspent)**

All support services and corporate overheads are held within the enabling purpose. These include; IT, HR, Finance, Management team and other support costs.

- The underspend variance within Asset & Property Management is mainly due to vacant posts – a service review is taking place **£28k**
- There are also further salary savings in Customer service support and Financial services due to vacant posts. Some of these are expected to be filled going into 2019/20 **£80k**.

**Corporate Financing (£35k saving)**

- There is a variance in corporate financing due to borrowing costs not being as much as expected due to the spending profile of the capital programme in the first quarter of the year

**4. Savings Monitoring**

4.1 The e medium term financial plan included £1,127k of savings identified to be delivered during 2019/20 the breakdown of these savings is attached at appendix 3. £206k of these identified savings is in relation to a vacancy factor and £181k saving is in relation to transformational redesign.

To quarter 1 £273k of the £1,127k identified savings have been realised against the budgeted April to June savings of £281k

Officers are working through the vacancy savings and the transformational savings to enable these to be shown from quarter 2 in addition to any further savings that can be delivered.

**5. Cash Management**

5.1 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

<b>Date</b>	<b>£m</b>	<b>Position</b>
As at 31 <sup>st</sup> March 2019 (Actual)	6.0	Borrowing
As at 30 <sup>th</sup> June 2019	nil	Borrowing

**EXECUTIVE COMMITTEE**

10<sup>th</sup> September 2019

**5.2 Borrowing**

As at the 30<sup>th</sup> June 2019 there are no short term borrowings 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 £158k for 2019/20 due to expenditure relating to current capital projects.

**5.3 Investments**

At 30<sup>th</sup> June 2019 there were £4m investments held.

**6. Capital Budgets**

**Capital Budget Summary – Overall Council  
 Financial Year 2019/20**

Please note figures have been rounded

Strategic Purpose	Original Budget 2019/20 £'000	Revised budget 2019/20 £'000	Budget to date 2019/20 £'000	Actuals to date 2019/20 £'000	Variance to date 2019/20 £'000
Keep my place safe and looking good	1,672	1,672	418	56	-362
Help me to live my life independently	860	860	314	312	-2
Provide Good things for me to see, do and visit	1,057	1,057	221	0	-221
<b>Totals</b>	<b>3,879</b>	<b>3,879</b>	<b>997</b>	<b>373</b>	<b>-625</b>

**Financial Commentary:**

- *Please note capital carry forwards from 2018/19 are not included in the above figures – please see appendix 4 – these budgets now approved will be loaded for quarter 2 monitoring.*

**Keep my place safe and looking good**

The main variances for this strategic purpose relate to the following projects;

- Improved parking scheme – whilst the scheme is progressing well other Locality Schemes have been delayed as still awaiting approvals from the County Council. Hopefully, these will be forthcoming shortly in 2019/20.
- Vehicle replacement budget - Meetings to be held with all service areas to see if their vehicles need to be replaced this year and has their specification requirements changed. Finance will be informed

**EXECUTIVE COMMITTEE**10<sup>th</sup> September 2019

by the end of quarter 2 of all the vehicles planned to be rolled forward into future years. The procurement process for the remaining vehicles will start at the end of August.

**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**

- The projects are all in relation to s106 projects and expected to commence within the second quarter of the financial year 2019/20.

**7. Housing Revenue Account**

Appendix 1 details the financial position for the Housing Revenue Account (HRA) for the period April – June 2019.

**8. Earmarked Reserves**

The position as at 30th June 2019/20 is shown in Appendix 2.

**9. General Fund Balances**

The General Fund Balance as at the 31st March 2019 is £1.223m. A balanced budget was approved in February 2019 to include identified savings which have been built into individual budget allocations. This also included a planned use of balances for 2019/20 of £211k. The current level of balances will therefore reduce to £1.012m with recommended level of balances of £750k.

**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.

**EXECUTIVE COMMITTEE**10<sup>th</sup> September 2019**13. Risk Management**

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

**APPENDICES**

Appendix 1 – HRA Monitoring April – June 2019/20

Appendix 2 – Earmarked Reserves 2019/20

Appendix 3 – Savings Monitoring 2019/20

Appendix 4 - Capital carry forwards 2018/19

**AUTHOR OF REPORT**

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**HOUSING REVENUE ACCOUNT (HRA)****REVENUE 2019/20 Quarter 1**

	2019/20 Full Year Budget £'000	2019/20 Budget to Date Apr - Jun £'000	2019/20 Actuals Apr - Jun £'000	2019/20 Variance Apr - Jun £'000	2019/20 Projected Outturn £'000	2019/20 Projected Variance £'000
<b>INCOME</b>						
Dwelling Rents	22,857	6,064	6,071	-7	22,857	0
Non-Dwelling Rents	523	398	364	34	523	0
Tenants' Charges for Services & Facilities	649	215	184	31	620	29
Contributions towards Expenditure	43	5	13	-8	54	-11
<b>Total Income</b>	<b>24,072</b>	<b>6,682</b>	<b>6,632</b>	<b>50</b>	<b>24,054</b>	<b>18</b>
<b>EXPENDITURE</b>						
Repairs & Maintenance	5,523	1,396	1,406	10	5,523	0
Supervision & Management	8,660	896	636	-260	8,400	-260
Rent, Rates, Taxes & Other Charges	144	36	9	-27	144	0
Provision for Bad Debts	273	0	0	0	273	0
Depreciation & Impairment of Fixed Assets	5,729	0	0	0	5,729	0
Interest Payable & Debt Management Costs	4,179	0	0	0	4,179	0
<b>Total Expenditure</b>	<b>24,508</b>	<b>2,328</b>	<b>2,051</b>	<b>-277</b>	<b>24,248</b>	<b>-260</b>
<b>Net cost of Services</b>	<b>436</b>	<b>-4,354</b>	<b>-4,581</b>	<b>-227</b>	<b>194</b>	<b>-242</b>
<b>Net Operating Expenditure</b>	<b>436</b>	<b>-4,354</b>	<b>-4,581</b>	<b>-227</b>	<b>194</b>	<b>-242</b>
Interest Receivable	-36	0	0	0	-36	0
Revenue Contribution to Capital Outlay	0	0	0	0	0	0
Use of Balances	-400	0	0	0	0	400
Transfer to Earmarked Reserves	0	0	0	0	0	0
<b>(Surplus)/Deficit on Services</b>	<b>0</b>	<b>-4,354</b>	<b>-4,581</b>	<b>-227</b>	<b>158</b>	<b>158</b>

**Financial Commentary:**

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

The major variances are due to the following:

- Contributions towards Expenditure      Worcs County Council funding reduction delayed pending a funding review
- Repairs & Maintenance:                      figure may be understated due to lack of data around costs of works yet to be invoiced
- Supervision & Management:                the variance is predominantly due to vacant posts pending the ongoing review of the Housing function

For items where budgets to date show as zero this is due to these costs being allocated as part of the year end accounting processes

**HRA CAPITAL 2019/20 Quarter 1****Strategic Purpose****Help Me to Find Somewhere to Live in my Locality**

	2019/20 Full Year Budget £'000	2019/20 Budget to Date Apr - Jun £'000	2019/20 Actuals Apr - Jun £'000	2019/20 Variance YTD £'000
1-4-1 Housing Replacement	4,277	1,069	1,187	118
Catch Up Rep-Bath Replacements	100	25	10	-15
Catch Up Rep-Kitchen Upgrades	100	25	16	-9
Asbestos General	1,000	250	53	-197
Structural Repairs	60	15	20	5
General Roofing	50	13	0	-13
Electrical Upgrades	400	100	152	52
Upgrade Of Central Heating Systems	400	100	65	-35
Window Replacements	100	25	0	-25
Equipment & Adaptations	696	174	130	-44
Drainage	0	0	2	2
Water Supply	50	13	0	-13
Environmental Enhancements	375	94	7	-87
Kitchen voids	0	0	0	0
FRA Works	500	125	35	-90
Stock Condition Survey	150	38	85	48
Fencing Renewals	90	23	0	-23
Housing System	537	134	31	-103
Design & Supervision	350	88	0	-88
	<b>9,235</b>	<b>2,309</b>	<b>1,793</b>	<b>-516</b>

**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: properties built or purchased using 1-4-1 capital receipts generated from Right to Buy sales



Description	Balance b/fwd 1/4/2019	Budgeted Release 2019/20	Revised Balance b/fwd 1/4/2019	Transfers in existing reserve 2019/20	Transfers out existing reserve 2019/20	New Reserve 2019/20	C/fwd 31/3/2020	Comment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>GF Earmarked Reserves</b>								
Business Rates Grants	(7)	7	0	0	0	0	0	Small Business Rate Relief - Ringfenced grant
Commercialism	(29)	0	(29)	0	0	0	(28)	To help fund costs in relation to commercialism projects
Community Development	(4)	2	(2)	0	0	0	(2)	To support the costs associated with community projects
Community Safety	(225)	0	(225)	0	225	0	0	External grant funding to be released over a number of years on Community Safety Projects ongoing
Corporate Services	(150)	150	0	0	0	0	0	Funding for Locality Enhancements
Customer Services	(12)	12	0	0	0	0	0	Contribution to WCC for an open portal
Electoral Services	(41)	19	(22)	0	0	0	(22)	To support the delivery of individual electoral registration and to set aside a reserve for potential refunds to government
Equalities	(11)	11	0	0	0	0	0	To fund licence fees
Equipment Replacement	(73)	0	(73)	0	0	0	(73)	ICT equipment reserve
Financial Services	(72)	0	(72)	0	0	0	(72)	Brexit reserve and also funds to support the new enterprise system
Corporate Financing	(3,246)	0	(3,246)	0	0	0	(3,246)	The reserve has been created to offset the loss on Business rates collection and appeals in 2019/20.
Housing Benefits Implementation	(199)	0	(199)	0	0	0	(199)	Specific welfare reform grant received
Housing Support	(725)	50	(675)	0	0	0	(675)	Government Specific Grant - annual funding
Land charges	(9)	0	(9)	0	0	0	(9)	To fund potential litigation in relation to Land Charges
Land Drainage	(141)	0	(141)	0	0	0	(141)	To support costs associated with health and safety issues within the environment
Leisure	0	0	0	0	0	0	0	To support set up costs relating to the new Leisure company
Mercury Emissions	0	0	0	0	0	0	0	To be used to re line the cremators
Parks and Open spaces	(23)	10	(13)	0	13	0	0	To fund a review of the local allotments.
Planning	(30)	0	(30)	0	0	0	(30)	
Public Donations	(6)	0	(6)	0	0	0	(6)	Accumulated donations for designated projects.
Sports Development	(63)	0	(63)	0	63	0	0	Ringfenced grants for a number of sports development activities to improve Health and Wellbeing in the Borough
Town Centre	(45)	0	(45)	0	43	0	(2)	To support improvements in the Town Centre High Street
Warmer Homes	(12)	0	(12)	0	0	0	(12)	To support the costs associated with community projects (repair)
<b>Totals</b>	<b>(5,125)</b>	<b>262</b>	<b>(4,863)</b>	<b>0</b>	<b>345</b>	<b>0</b>	<b>(4,518)</b>	
<b>HRA Capital Reserve</b>								
Capital Reserve-HRA	(18,236)	0	(18,236)	0	0	0	(18,236)	Reserve to enable the debt repayment on HRA, and future repairs and maintenance along with support for the Housing Growth Programme.
<b>Totals</b>	<b>(18,236)</b>	<b>0</b>	<b>(18,236)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,236)</b>	

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Department	Strategic Purpose	Description of saving	2019-20 £'000	Quarter 1			
				On target Y/N	Additional (add to to in yr savings) £'000	below target Y/N	Pressure £'000
Community Services	Help me live my life independently	Lifeline - Additional Income from Cannock Chase contract	-90	Y			
Community Services	Help me live my life independently	Lifeline - Additional Income from Cannock Chase contract - SLA	-30	Y			
Community Services	Help me live my life independently	Reduction in budget following changes to the Grants to Voluntary Bodies scheme	-20	Y			
Corporate Services	Enabling	Print contract	-54	Y	-10		
Corporate Services	Enabling	Savings realised on supplies and services	-2	Y			
Corporate Services	Enabling	Savings realised on supplies and services	-1	Y			
Corporate Services	Enabling	Savings realised on supplies and services	-1	Y			
Corporate Services	Enabling	10 year pension liability from 2008 restructure	-84	Y			
Corporate Services	Enabling	Vacancy management	-206	N		Y	17
Corporate Services	Enabling	Transformational service redesign	-181	Y	-32		
Customer Access & Financial Support	Enabling	NNDR budget	-13	Y			
Customer Access & Financial Support	Help me be financially independent	Benefits - HRA Recharge for service	-40	Y			
Customer Access & Financial Support	Help me run a successful business	Property - Additional rental income	-58	Y			
Customer Access & Financial Support	Help me be financially independent	Audit budgets	-4	Y			
Customer Access & Financial Support	Help me be financially independent	Audit budgets	-3	Y			
Customer Access & Financial Support	Help me be financially independent	Audit budgets	-14	Y			
Environmental Services	Keep my place safe and looking good	Additional Income from increased cremation fees	-32	N		Y	10
Environmental Services	Keep my place safe and looking good	Budgets not required	-10	Y			
Legal and Democratic	Help me find somewhere to live in my locality	Land charges	-1	Y			
Legal and Democratic	Enabling	Additional Income	-5	Y			
Leisure and Cultural Services	enabling	Reduction in forecast for ongoing systems implementation	-38	Y			
Regulatory Client	Help me run a successful business	Additional Income	-3	Y			
Regulatory Client	Help me run a successful business	Additional Income	-10	Y			
Parenting & Family Support	help me live my life independently (incl health & activity)	Additional Income	-16	Y			
Housing General Fund	Help me to find somewhere to live in my locality	Accumulation of minor reductions in various budget lines	-5	Y			
Housing General Fund	Help me to find somewhere to live in my locality	Reduction in crash pad costs	-11	Y			
Housing General Fund	Help me to find somewhere to live in my locality	Flexible Homelessness Support Grant awarded for 2019/20	-193	Y			
Housing General Fund	Help me to find somewhere to live in my locality	Public liability insurance budget removed as not applicable	-2	Y			
			-1,127		-42		27

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Description	Department	strategic purposes	Funding	Full year Budget 2018-19 £'000	Full year expenditure 2018-19 £'000	Full year Variance 2018-19 £'000	Request for Carry Forward into 2019/20 £'000
Public Building	CAFS	keep my place safe and looking good	borrowing / capital receipts	250	126	-124	124
Gf Asbestos	CAFS	keep my place safe and looking good	borrowing / capital receipts	110	36	-75	75
Small Area Improvements	Community Services	keep my place safe and looking good	borrowing / capital receipts	40	0	-40	40
Lifeline Hardwire Upgrade 2015	Community Services	help me live my life independently	borrowing / capital receipts	31	2	-29	29
ASDA Underpass Project	Community Services	keep my place safe and looking good	S106	25	0	-25	25
Disabled Facilities Grant	Community Services	help me live my life independently	DFG grant	1,117	575	-542	542
HMO Grants	Community Services	help me live my life independently	borrowing / capital receipts	50	7	-43	43
Energy & Efficiency Installs	Community Services	help me live my life independently	borrowing / capital receipts	110	0	-110	110
Camera Replacement Programme	Community Services	keep my place safe and looking good	borrowing / capital receipts	55	0	-55	55
Public Realm Improvements Elvington Cl	Community Services	keep my place safe and looking good	S106	25	9	-16	16
Traveller / Trespass Function	Community Services	keep my place safe and looking good	borrowing / capital receipts	5	0	-5	5
Improved Parking Scheme	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	334	296	-38	38
Vehicle Purchase - Cleansing	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	1,496	898	-598	598
Locality Capital Projects	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	534	19	-515	515
Wheelie Bin Purchase	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	127	91	-36	36
Fuel Pumps And Upgrade	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	25	0	-25	25
Vehicle Lift Within Workshop	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	25	0	-25	25
Car Park Maintenance	Environmental Services	keep my place safe and looking good	borrowing / capital receipts	25	24	-1	1
New finance system	Financial Services	Enabling	borrowing / capital receipts	455	0	-455	455
S106 Regrading Pitches Terry'S Field	Leisure & Cultural Services	Provide good things, for me to see, do and visit	S106	30	0	-30	30
S106 Health and Fitness Facilities	Leisure & Cultural Services	Provide good things, for me to see, do and visit	S106	29	0	-29	29
Terrys Field	Leisure & Cultural Services	Provide good things, for me to see, do and visit	S106	9	0	-9	9
Batchley Brook and Pond area	Leisure & Cultural Services	keep my place safe and looking good	S106	21	0	-21	21
Play / Sports Feckenham Cricket Ground	Leisure & Cultural Services	Provide good things, for me to see, do and visit	S106	20	2	-18	18
Improvements At Business Centres	Planning & Regeneration	help me run a successful business	borrowing / capital receipts	80	0	-80	80
<b>TOTAL CURRENT CAPITAL PROGRAMME</b>				<b>5,027</b>	<b>2,085</b>	<b>-2,942</b>	<b>2,943</b>

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# Overview and Scrutiny Committee

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Thursday, 4th July, 2019

## MINUTES

### Present:

Councillor Joe Baker (Chair), Councillor Debbie Chance (Vice-Chair) and Councillors Joanne Beecham, Michael Chalk, Andrew Fry, Anthony Lovell, Nyear Nazir, Mark Shurmer and Jennifer Wheeler

### Officers:

Jayne Baylis, Sue Hanley, Guy Revans and Judith Willis

### Democratic Services Officers:

J Bayley and F Mughal

### 13. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors Salman Akbar and Peter Fleming. It was confirmed that Councillors Anthony Lovell and Nyear Nazir were attending as their respective substitutes.

### 14. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of any party whip.

### 15. MINUTES

The minutes of the Overview and Scrutiny Committee meeting held on 6<sup>th</sup> June, 2019 were submitted for Members' consideration.

### RESOLVED that

**the minutes of the Overview and Scrutiny Committee meeting held on 6<sup>th</sup> June, 2019 be approved as a correct record and signed by the Chair.**

.....  
Chair

# Overview and Scrutiny Committee

Thursday, 4th July, 2019

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## 16. PUBLIC SPEAKING

Members noted that on this occasion there were no public speakers registered.

## 17. PRE-DECISION SCRUTINY - TENANCY CONDITIONS FOR COUNCIL HOUSING TENANTS AND TENANTS HANDBOOK

Members considered a report providing an update in respect of proposed changes to the Council's Housing Tenancy Agreement and Conditions. The Housing Services Manager and Head of Community Services highlighted the key areas in the report.

The Conditions of Tenancy detailed the tenant's rights and responsibilities as well as the Council's rights and responsibilities as a landlord. The Committee was informed that the Tenants' Handbook was also being revised which contained more detailed information on managing a tenancy.

The revised agreement and conditions would go out for consultation with tenants and a final report would be presented to the Executive Committee at a later date.

During consideration of this matter the following points were noted:

- The draft document proposed that the landlord would replace any faulty toilet seats. However, Members noted that at Birmingham City Council this was the responsibility of the tenant and it was suggested that this could be a requirement in Redditch too.
- The handbook would provide information to enable tenants to understand the difference between damp and condensation. Members noted that they often received complaints about damp but sometimes this was due to condensation that could be managed before it caused any problems.
- With regards to dealing with tenants who suffered from mental health issues, the Council's Housing Officers worked with Mental Health teams to provide support. The Council's Housing Allocations Policy also took the needs of those with mental health illnesses into account.
- Concerns were raised that it was important for tenants to be informed not just about their rights but also of the need to take their responsibility as tenants seriously and with this in mind Members suggested that the 'Your Rights' section should be renamed 'your rights and responsibilities' Officers explained that the agreement and handbook both stressed both the rights and the responsibilities of the tenant.



# Overview and Scrutiny Committee

Thursday, 4th July, 2019

- Members expressed the view that it was important for the Council's housing Officers to participate in more community engagement as this would enable them to identify problems in the wards.
- Questions were raised about how the Council would enforce compliance with the conditions detailed in the agreement and handbook. Officers advised that training had recently been received on the Anti-Social Behaviour, Crime and Policing Act which provided landlords with a range of enforcement tools and powers.
- Members noted that they had observed untidy gardens and rubbish in gardens whilst in their wards and concerns were raised about the extent to which the Council currently undertook effective enforcement action to resolve these types of issue.
- The proposed agreement stipulated that the tenant had no right to sub-let their property, or rooms in their property, without prior permission from the Council.
- Members suggested that when circulated the handbook should include information about waste and recycling services.
- The Committee thanked officers for their hard work and noted that Officers in the Locality Teams were working hard to support local communities.

## RECOMMENDED that

- a) **the tenancy agreement should be amended at paragraph 9.20, to read "park vehicles in areas set aside for emergency vehicles and allocated disable bays";**
- b) **the Council be more pro-active with enforcement, in particular, with regard to rubbish deposited in gardens, to ensure that gardens are kept tidy; and**
- c) **the 'your rights' section be retitled 'your rights and responsibilities'.**

## 18. PRE-DECISION SCRUTINY - HOUSING / HOUSING REVENUE IMPROVEMENT PLAN - PROGRESS REPORT

The Deputy Chief Executive presented the Housing Strategic Improvement/Action Plan – Progress Report and in so doing the following matters were highlighted for Members' consideration:

- The report outlined the progress that had been made in relation to the Housing Improvement Action Plan, which was endorsed in September 2018.

# Overview and Scrutiny Committee

Thursday, 4th July, 2019

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- With regard Leadership/Management Development Programme, a revised timescale was proposed for October 2019.
  - The Gas Business Case would be presented to the Executive Committee for consideration in October 2019.
  - All information in relation to governance, performance and measures for the Housing Service was updated on a monthly basis and available for Members to view on the Council's dashboard.
  - Officers were aiming to complete the stock condition survey by the end of November 2019.

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

- Members noted that there were two vacant posts detailed in the report and questioned whether these would be filled. Officers advised that these vacant posts were due to be advertised by the end of July 2019.
- The Committee requested clarification in terms of the percentage of rent that was collected from tenants by the Council per month. Members were informed that the data in relation to arrears was reported on the dashboard; however, the percentage of rent collected was not monitored. Members requested a further update in respect of this matter for consideration at the following meeting of the Committee.
- Members questioned when the last stock condition survey had been undertaken by the Council. Officers explained that a stock condition survey had previously been undertaken in 2001; however, this had only covered 10% of the Council's housing stock.
- With regard to the Gas Maintenance a business case would be presented to the Executive Committee for consideration in due course which would outline the various options available to the Council in terms of future service delivery.
- Members welcomed news that all gas inspections of the council's properties were up to date.
- The Council's new Housing Management IT system was briefly discussed and Members questioned how this would operate alongside the new Enterprise finance system. Officers advised that the two systems would be integrated.
- Members noted that in previous years new kitchens and bathrooms had been installed at properties even when they were not necessarily needed. The stock condition survey would enable the Council to identify where there was a need for these to be replaced.

# Overview and Scrutiny Committee

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Thursday, 4th July, 2019

In conclusion, Members thanked officers for all their hard work.

## **RESOLVED that**

**the Housing Strategic Improvement/Action Plan – Progress report be noted.**

### **19. OVERVIEW AND SCRUTINY SELECT COMMITTEE FINDINGS AND NEW GOVERNANCE GUIDANCE - PRESENTATION**

Members were reminded that at the previous meeting of the Committee on 6<sup>th</sup> June, 2019 the Committee had considered the Overview and Scrutiny Statutory Guidance that had been published by the Department of Housing, Communities and Local Government in May 2019. As requested during that meeting a report had been produced which highlighted the areas in the guidance that diverged from local scrutiny practice. Members were invited to consider whether to make any amendments to local practice based on the content of the report.

During consideration of the report the following points were highlighted:

- The guidance stressed the need for early and regular engagement between the Executive and Scrutiny. Although the Chair of the Overview and Scrutiny Committee discussed scrutiny matters with the Leader of the Council when necessary, the Committee suggested that this arrangement should be formalised as it was at other Councils. To ensure that these meetings were useful Members proposed that the Leader of the Council should meet with the Chair and Vice Chair of the Overview and Scrutiny Committee as well as the leader of the opposition to discuss scrutiny matters. In line with practice at other Councils Members suggested that these meetings should take place on a quarterly basis, though additional meetings could be arranged if required.
- Communicating Scrutiny's Role and Purpose to the Wider Authority and Communicating Scrutiny's Role to the Public was another section of the guidance that was discussed. Members noted that the local press were not always able to attend scrutiny meetings, though could help to disseminate information about scrutiny activities to the public. The Committee agreed that the Council's Communications Team should be invited to attend a future meeting to help discuss action that could be taken to help raise awareness of the work of the Overview and Scrutiny Committee with the public.

# Overview and Scrutiny Committee

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- Conflicts of interest, including familial links was a future point in the guidance that was considered by the Committee. Members noted that it was important to avoid any perception that a Member's approach to scrutiny was shaped by their familial links to a Member of the Executive committee. However, Members also agreed that in a small authority such as Redditch Borough Council there was always the possibility that scrutiny Members would have family links members of the Executive Committee. It was agreed that where Members were scrutinising the work of a particular Portfolio Holder any scrutiny Members related to that Portfolio Holder should declare an interest.

**RECOMMENDED to the Constitutional Review Working Party that**

**the Chair and Vice Chair of the Overview and Scrutiny Committee should meet on a quarterly basis with the Leader of the Council and the leader of the opposition to discuss scrutiny matters.**

## **20. OVERVIEW AND SCRUTINY TRAINING EVENT - MEMBERS TO CONSIDER POTENTIAL ITEMS TO REVIEW**

Members considered a report which detailed the potential items for scrutiny that had been identified by Members during Overview and Scrutiny training in May 2019. The potential topics for scrutiny that had been suggested by the Councils Corporate Management Team (CMT) were also considered by the Committee. The Chair reminded the Committee that there were two task group reviews being undertaken and any further reviews that Members identified for investigation would not be able to take place until these reviews had been completed. Members were also asked to note that the Committee had successfully undertaken a lot of pre-scrutiny of items on the Executive Committee's work Programme and it was suggested that this approach to scrutiny at Committee meetings needed to continue.

Based on the items detailed in the report Members agreed that the following subjects would be suitable for scrutiny in 2019/20:

- Poverty – Members agreed that this subject might be suitable for a Short Sharp Review or Task Group exercise. Councillor Wheeler agreed to produce a scoping document in respect of this subject for consideration at a future meeting of the Committee.

# Overview and Scrutiny Committee

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- Mental Health Services, to include loneliness, in particular, with older people. Members agreed to invite officers from Worcestershire County Council to attend a future meeting to provide an update in respect of this matter. As Councillor Debbie Chance advised the Committee that some elements of mental health would be covered by Suicide Prevention Scrutiny Task Group Members agreed that this presentation should take place once that investigation had been completed.
- Skills in the local workforce – Members agreed to invite representatives of the north Worcestershire Economic Development Unit to attend a future meeting of the Committee to deliver a presentation in respect of this matter. The Committee suggested that this presentation should cover training needs for young people entering the workforce, skills and training for adults seeking to move careers and local employees' salaries.
- Anti-Social Behaviour (ASB) – Members agreed that the Crime and Disorder Scrutiny Panel should consider the work of the North Worcestershire Community Safety Partnership to address anti-social-behaviour in Redditch. As this had been the subject of a similar report to the Panel in 2018 it was agreed that comparative data for the two years should be provided in this report for Members' consideration.

**RESOLVED that:**

**the items suggested by Members during the discussion be incorporated onto the Committee's Work Programme.**

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

Members considered the minutes of the Executive Committee meeting held on 11<sup>th</sup> June, 2019 and the Executive Committee's Work Programme for the period 1<sup>st</sup> August to 30<sup>th</sup> November, 2019.

Officers advised that the recommendation the Overview and Scrutiny Committee had made in June 2019 to the Executive Committee in relation disabled facilities grants had been approved.

**RESOLVED that**

- 1) the minutes of the Executive Committee meeting held on 11<sup>th</sup> June 2019 be noted; and**

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- 2) **the content of the Executive Committee's Work Programme for the period 1<sup>st</sup> August to 30<sup>th</sup> November, 2019 be noted.**

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

- a) Budget Scrutiny Working Group – Chair, Councillor Wheeler

Councillor Wheeler informed the Committee that the Budget Scrutiny Working Group met on 1<sup>st</sup> July, 2019 and welcomed Councillor Akbar to the group. Members were informed that the model of this working group worked well last year and therefore a similar approach had been agreed for 2019/20.

The Financial Services Manager had attended the meeting to provide an update in relation to the Medium Term Financial Plan which outlined the potential budget gap for 2020/21 – 2023/24.

Relevant senior Officers had been invited to attend a future meeting of the group to provide an update in respect of the work of the Commercialism Programme Board.

- b) Parking Enforcement Task Group – Chair, Councillor Mark Shurmer

Members were informed that the first meeting had been arranged to take place on 11th July, 2019.

- c) Performance Scrutiny Working Group – Chair, Andrew Fry

Members were informed that the first meeting of this municipal year took place on 21<sup>st</sup> June, 2019. During this meeting Members had considered the corporate performance report in respect of one of the strategic purposes 'Help me be Financially Independent'. Members would consider the performance report for 'Help run a successful business' at the following meeting of the working group.

- d) Suicide Prevention Scrutiny Task Group – Chair, Debbie Chance

Members were advised that five members had been appointed to the Task Group but a sixth Member was also now interested in participating in the review. It was confirmed that Councillor Baker should be appointed to sit on the group.

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Councillor Debbie Chance informed the Committee that the first meeting of the Task Group took place on 27<sup>th</sup> June, 2019 and a work programme had been produced. A series of meetings had been scheduled and key witnesses had been identified to attend future meetings of the group.

## **RESOLVED that**

**Councillor Joe Baker be appointed to sit on the Suicide Prevention Task Group.**

## **23. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS**

- a) West Midlands Combined Authority (WMCA) Overview and Scrutiny Committee – Council Representative, Councillor Michael Chalk

Members considered the content of the WMCA Overview and Scrutiny Committee's Annual Report for 2018/19. Members were informed that the next meeting of the Committee was due to be held on 15<sup>th</sup> July, 2019.

- b) Worcestershire Health Overview and Scrutiny Committee (HOSC) – Council Representative, Councillor Michael Chalk

Councillor Chalk provided a written update in respect of the Worcestershire Health Overview and Scrutiny Committee meeting that had been held on 27<sup>th</sup> June, 2019. During this meeting an update had been provided in respect of acute stroke services. Members had been advised that there was a national shortage of consultants for stroke services. In Worcestershire the service was provided at the Worcester Royal hospital, though sometimes the consultant provided advice from Herefordshire via skype.

Members discussed stroke service provision in the county. Some personal examples were provided by Members in respect of their experiences when suffering with a stroke and concerns were raised that residents from Redditch might struggle to access the service when needed due to the distance that they had to travel to Worcester. Members also commented that if consultants were providing advice via skype to Worcester Royal Hospital a similar service should be made available at the Alexandra Hospital to serve the needs of local residents.

# Overview and Scrutiny Committee

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Thursday, 4th July, 2019

Concerns were raised that increasingly younger people were having strokes. Many younger people lived in the Borough of Redditch and it was important to ensure that local health services met their needs.

Members concurred that the subject required further investigation and Members therefore agreed to invite representatives of Worcestershire Acute Hospital NHS Trust to attend a future meeting of the Committee to discuss the matter further.

**RESOLVED that**

- 1) **the content of the WMCA Overview and Scrutiny Committee's Annual Report 2018/19 be noted; and**
- 2) **representatives of Worcestershire Acute Hospitals NHS Trust be invited to attend a future meeting of the Committee to deliver a presentation in respect of stroke services.**

**24. OVERVIEW AND SCRUTINY WORK PROGRAMME**

The Senior Democratic Services Officer (Redditch) presented the Overview and Scrutiny Committee's Work Programme and in doing so informed the Committee that the items that had been identified earlier for scrutiny would be incorporated into the work programme.

Members were advised that the Service Delivery Options – HRA Gas Maintenance report would now be considered by the Executive Committee in October, 2019 and therefore this item would be moved back to October on the Overview and Scrutiny's Work Programme for Pre-Decision Scrutiny.

**RESOLVED that**

**the Overview and Scrutiny Committee's Work Programme be noted.**

The Meeting commenced at 6.30 pm  
and closed at 8.07 pm



REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE  
COMMITTEE**

10 September 2019

**DISPOSAL OF A HRA ASSET AND REMOVAL OF FORMER RAILWAY BRIDGE –  
GREEN LANE, STUDLEY**

Relevant Portfolio Holder	Cllrs Craig Warhurst and Brandon Clayton
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis/Guy Revans
Ward(s) Affected	None
Ward Councillor(s) Consulted	No
Key Decision	

**1. SUMMARY OF PROPOSALS**

- 1.1 Members are requested to declare the Housing Revenue Account (HRA) property No. 65 Green Lane, Studley surplus to requirements and for Officers to dispose of the property.
- 1.2 Due to the structural condition of the brick arched former railway bridge in Green Lane, this structure be demolished with the reduction of the associated embankments. This will allow the existing footway/cycle track to be vertically realigned, and provide an increased site area for No. 65 Green Lane, thereby allowing the existing property to be demolished with two new residential plots being provided in its place.

**2. RECOMMENDATIONS****2.1 The Executive Committee is asked to RECOMMEND that:**

- i) No. 65 Green Lane, Studley be declared surplus to requirements and officers to dispose of the site;**
- ii) Any HRA capital receipt achieved based on the current market value of No. 65 Green Lane, be used to increase the HRA stock;**
- iii) Option C - The Capital Engineering Scheme be approved, with Authority be delegated to the Head of Environmental Services to submit a detailed planning application to Stratford-on-Avon District Council, for the complete scheme. If successful, the Planning consent will include an outline approval for the erection of 2 No. 4 bed houses;**
- iv) The sites for the 2 No. 4 bed houses be marketed and the received monies, after deduction of the amount as described in ii) above, shall be used as Capital funds towards the cost of the Engineering Works;**

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- v) The additional funds required to complete the Engineering Works be taken from the Capital Locality Scheme Capital Programme 2019/20, as the proposed works are of the nature that the budget was set up for in the first instance;
- vi) The estimated cost of the Engineering Works cannot be finalised at this time, as Officers are currently endeavouring to determine the most cost effective method of disposing of the extensive surplus material from the excavated embankments. However, subject to the satisfactory outcome of this analysis the total Engineering Works should not exceed £200k.

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

- 3.1 Disposal of the site will generate a capital receipt for the HRA, together with the increase in the value of the site with planning permission for two new residential plots. The additional receipt above the current value of the HRA asset achieved through the engineering works will provide monies towards the main Capital scheme. The total Engineering Works are estimated at this stage to be £200k.
- 3.2 Funding for the Engineering works will be funded through the Capital Locality Scheme Budget which has sufficient unallocated budget for this work. The estimated final cost to the budget is identified in confidential appendix D.
- 3.3 If the removal of the bridge is not agreed, Officers consider that a full structural survey will be required by a suitably qualified and experienced Structural Bridge Engineer. Officers believe this will cost in the region of £20k - £25k, as it is likely that a full structural analysis will be necessary in addition to a detailed visual inspection and survey. The result of such an exercise will almost certainly require immediate remedial works to be undertaken, irrespective of costs, which could be considerable. Once this path is taken, an annual inspection will be a necessity, together with financing any resulting remedial works. A perennial drain on this Authority's asset maintenance budget.

**Legal Implications**

- 3.4 There are no legal implications.

**Background/Service Implications**

- 3.5 No. 65 Green Lane is owned by Redditch Borough Council (RBC) and is an HRA asset but lies within Stratford-on-Avon District Council boundary. The property is currently void and Officers do not consider that it is suitable to remain as part of the HRA stock.

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- 3.6 The property is a 2 bedroom 3 person cottage constructed pre 1919 and the external construction of the property lacks adequate insulation properties. The property is currently void.
- 3.7 Internally the property is very small. On the ground floor there is a living room leading to a small kitchen, with a further lean to utility area and the only wc in the property. Off the living room there is a shower room. The stairs are very steep and narrow and have a 90 degree turn at the bottom. Upstairs there is a double bedroom and a single bedroom only.
- 3.8 As a two bedroom house this property would normally be allocated to a family, but Officers do not consider it suitable. In order to improve the property and make it suitable for letting, significant work including a two storey extension would be required.
- 3.9 Officers do not consider this would be a suitable option and consider the sale and use of the capital receipt for the Housing Growth Programme would provide better value for money.
- 3.10 In close proximity to this site there exists a brick arched bridge structure spanning Green Lane that was formally the route of the now disused Evesham to Redditch railway line. This structure, together with associated land is owned by RBC. Part of this again lies outside of the Borough boundary. The railway line down to where Brickyard Lane abruptly changes direction and the bridge structure was originally owned by the former Development Corporation with such assets being transferred to RBC some years' ago.
- 3.11 Green Lane and Brickhouse Lane are adopted highways, under the responsibility of both Worcestershire and Warwickshire County Councils (refer to Appendix B).
- 3.12 From a recent visual inspection, the actual bridge structure gives considerable cause for concern, as bricks have fallen from one of the soldier courses on the western face of the structure. Also, it is evident that surface water has penetrated the structure itself which will undoubtedly affect its structural integrity over time.
- 3.13 The deck of the structure facilitates the Sustrans Cycle Route 5 over, but this footpath construction has failed at each end of the span of the bridge, presumably resulting again from the ingress of surface water. The stone copings on the top of the parapet walls show signs of lateral movement due to the deterioration of the mortar bedding. In addition, RBC undertook remedial works some years ago, where bricks from the arch soffit had become displaced and fallen directly onto the highway below.
- 3.14 As a result of the above structural concerns, RBC appears to be left with three possible courses of action, these being as follows:
- i) Option A – Do-nothing option is extremely likely to result in the existing brick arched bridge structure deteriorating over time, which may again not only cause loose bricks to fall onto the highway below, but other elements may

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become at risk, due to its structural integrity being compromised. A health and safety risk that cannot be permitted to occur. A structural survey would be required due to the risks identified with the bridge;

- ii) Option B – Undertake an independent structural survey of the bridge structure, and following this, instigate the recommended remedial works, which could be substantial and obviously expensive. Future regular maintenance inspections and resulting works will be a continuous drain on RBC's asset maintenance resources;
- iii) Option C – This proposal which is considered the most prudent and cost effective, removes the existing bridge structure completely, thereby removing altogether the need for any costly future maintenance. Realigns part of Green Lane to provide a more acceptable horizontal alignment and junction arrangement with Brickhouse Lane. Reduces the embankment within the locality of Green Lane thereby facilitating an at-level crossing for the Cycle Route (refer to Appendix A).

The realignment of the Cycle Route with the removal of the embankment will also facilitate a larger site area of No.65 Green Lane. Consequently, this will enable demolition of the existing cottage and the provision of 2 No. 4-bed houses, with an acceptable eastern visibility splay (which is lacking with the present highway configuration), subject of course to Planning Consent being forthcoming from Stratford-on-Avon District Council. These sites with outline Planning Consent can then be sold on the open market.

- 3.15 The preferred Option C above, would of course be gaining some financial benefit from the disposal of the residential site (No.65 Green Lane). Obviously, however, only the potential increased value of this site can be utilised for use as part payment of this scheme, as the estimated value of the site as it now stands is with the HRA fund.
- 3.16 It is of course a matter of fact that both Highway Authorities will significantly benefit from this highway improvement, which currently suffers from extremely poor forward visibility on Green Lane itself, and similar visibility restrictions at the Brickhouse Lane junction. As a result, both County Councils have already been advised of the proposal in detail, and 'invited' to contribute financially towards the cost. Regrettably, both County Councils have replied giving their preliminary approval, but are unable to contribute financially.
- 3.17 This Council's responsibility is for the bridge structure itself, and obviously the cycle way over it, in as much as the bridge provides the support for this asset where it crosses the highway. Although the cycleway construction is adopted by the County Councils, it is our opinion is that we cannot merely demolish the bridge structure and then leave the cycleway with a substantial 'gap' in its route, to be 'filled' by others.

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- 3.18 In view of both of the Highway Authorities not being able to contribute financially towards the preferred highway realignment works, we are left with undertaking only the minimum of works necessary. These will consist of demolishing the actual bridge structure, removal of the embankments at each end sufficiently enough to regrade them to an acceptable longitudinal gradient, and provide a realigned footway/cycle way with an at-level highway crossing at Green Lane. Reinstatement of elements of kerbing, carriageway, drainage, verges, etc., within the vicinity of the removed bridge will of course be necessary, but the existing carriageway alignment will of course remain as before, albeit in an unnecessary configuration. Consequently, the revised design of the scheme has been based upon these parameters (refer to Appendix C).

**Customer/Equalities and Diversity Implications**

- 3.19 The disposal of an unfit property and reinvesting into more appropriate affordable housing will assist in providing appropriate affordable housing for customers.
- 3.20 There are no equality or diversity implications.

**4. RISK MANAGEMENT**

- 4.1 The existing brick arched bridge structure, due to its structural integrity being compromised, if not removed, may result in further elements becoming loose and falling onto the highway below. A health and safety risk that cannot be permitted to occur.
- 4.2 The bridge structure, although being a redundant asset as far as the former railway network is concerned, is probably still an important icon to a number of railway enthusiasts. As such, this may involve some opposition to its removal, but as highlighted within Option B, retainment of this structure would necessitate annual assessments and increased costs to the Council.

**5. APPENDICES**

- A - Drawing No. P2237/1 – Preliminary Layout  
B - Drawing No. P2237/4 - Existing Layout (Planning Application)  
C - Drawing No. P2237/5 - Proposed Layout (Planning Application)  
D - Exempt Information - Financial Estimates

**6. BACKGROUND PAPERS**

None

**7. KEY**

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None

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


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Appendix A



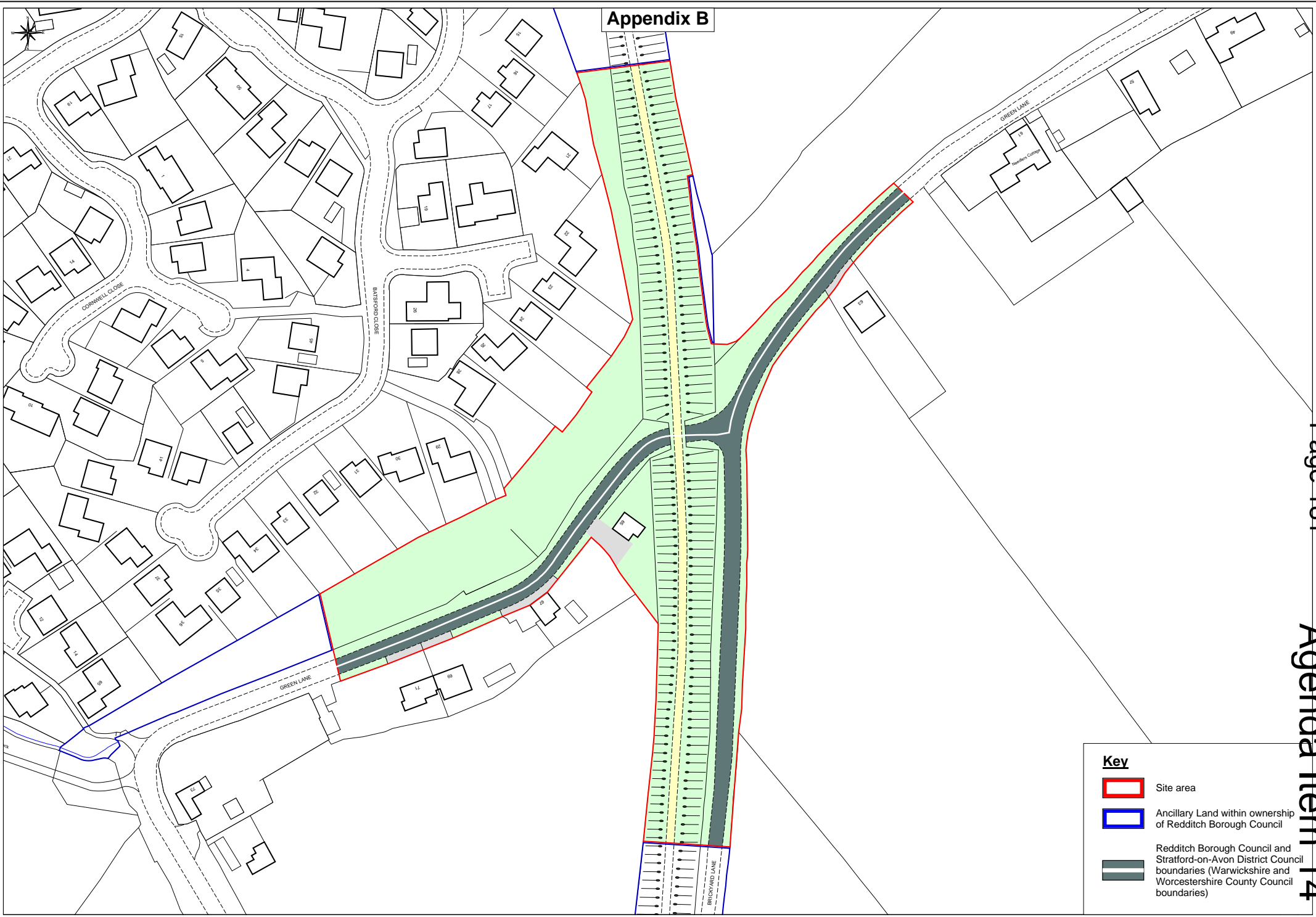
**Key**




-  Realigned Highway and Junction
-  Realigned Footpath/Cycle Way
-  Proposed site for 2 No. 4 bed houses
-  Re-shaping of remainder of earthworks after removal of existing embankments

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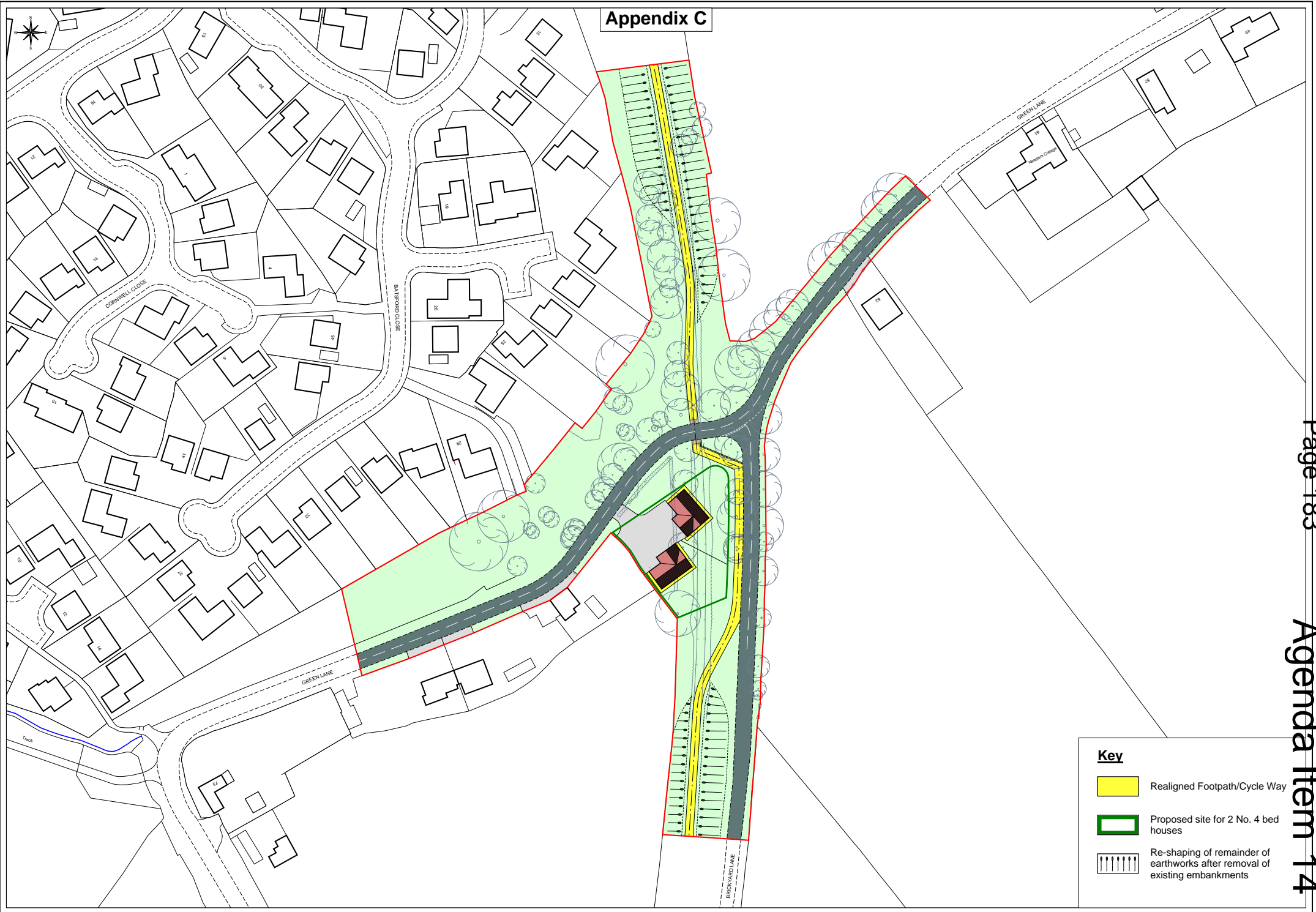
Appendix B






- Key**
-  Site area
  -  Ancillary Land within ownership of Redditch Borough Council
  -  Redditch Borough Council and Stratford-on-Avon District Council boundaries (Warwickshire and Worcestershire County Council boundaries)

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Appendix C



**Key**

-  Realigned Footpath/Cycle Way
-  Proposed site for 2 No. 4 bed houses
-  Re-shaping of remainder of earthworks after removal of existing embankments

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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