

Executive Committee

Tuesday, 11 February 2020

MINUTES

Present:

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

Officers:

Kevin Dicks, Clare Flanagan, Sue Hanley, Jayne Pickering and Darren Whitney

Senior Democratic Services Officer:

Jess Bayley

100. APOLOGIES

There were no apologies for absence.

101. DECLARATIONS OF INTEREST

There were no declarations of interest.

102. LEADER'S ANNOUNCEMENTS

The Leader circulated a list of announcements at the meeting.

In addition, the Leader advised Members that a response had been received from the Government regarding the review of Councils' membership of the Local Enterprise Partnerships (LEPs). The Government had requested that Councils and the LEPs resolve membership arrangements locally and a deadline of 28th February had been set for this process. However, if the matter was not resolved locally the Government had indicated that a decision would be imposed. A letter was in the process of being drafted which outlined the Council's perspective in respect of this matter and the preferred approach, if required to remain in one LEP, would be for Redditch Borough Council to be a member of the Greater Birmingham and Solihull LEP (GBSLEP).

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Chair

103. INDEPENDENT REMUNERATION PANEL REPORT AND RECOMMENDATIONS 2020/21

The Electoral Services Manager presented the Independent Remuneration Panel's (IRP) recommendations in respect of Redditch Borough Councillors' allowances for 2020/21.

Members discussed the proposals that had been made by the IRP and noted that this included the suggestion that the basic allowance for all Members should increase, which would have implications for the level of Special Responsibility Allowance (SRA) available to eligible Members. There was general consensus that Members could not justify increasing their allowances at a challenging financial time for the Council. However, Members agreed that the recommendations from the IRP which would not result in any additional financial costs for the Council should be approved.

RECOMMENDED that

- 1) travel allowances for 2020-21 continue to be paid in accordance with the HMRC mileage allowance;**
- 2) subsistence allowances for 2020-21 remain unchanged;**
- 3) the Dependent Carer's Allowance remains unchanged; and**
- 4) for Parish Councils in the Borough, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by Redditch Borough Council and in accordance with the relevant regulations.**

104. PAY POLICY STATEMENT 2020/21

The Executive Director of Finance and Corporate Resources presented the Pay Policy Statement 2020/21. The Committee was informed that this was a statutory document that had to be produced every year as part of the Council's budget setting process. The report needed to include information about senior managers' remuneration as well as spinal column points for staff pay grades. Members were asked to note that the report reflected the current management team arrangements prior to any changes and should have clarified that the Head of Housing's remuneration was covered 100 per cent by Redditch Borough Council.

RECOMMENDED that

the Pay Policy be approved.

105. MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2023/24

The Executive Director of Finance and Corporate Resources presented the Medium Term Financial Plan 2020/21 to 2023/24 and in so doing highlighted the following for Members' consideration:

- As Members were aware the Council had been issued with a Section 24 Notice in September 2020 by the external auditors, Grant Thornton.
- In the Section 24 Notice Grant Thornton had raised concerns about the financial sustainability of the Council moving forward. The Council was required to have a realistic financial plan and to monitor the budget and expenditure in 2019/20.
- Officers had been monitoring the Council's performance in relation to the 2019/20 budget. By the date of the meeting the authority was on track to deliver significant savings by the end of the financial year.
- Throughout the year updates in respect of the Section 24 Notice and the Council's budget position had been provided to the Budget Scrutiny Working Group and the Audit, Governance and Standards Committee.
- At the start of the financial year the Council had had less than £1 million in balances and this had been a cause for concern for the external auditors.
- Grant Thornton had been clear that Members needed to be able to demonstrate that they could make difficult decisions in order to balance the Council's budget.
- In 2019/20 a number of difficult decisions had been taken, including in respect of Rubicon Business Centre, funding for Voluntary and Community Sector groups and the closure of the One Stop Shops.
- At the start of the 2019 financial year a financial gap of £1.1 million had been expected for the Council in 2020/21. By February 2020 the Council was anticipating a surplus of £82,000 in that year.
- The £82,000 surplus would be returned to balances which would bring the Council's budget to a total just over £1 million.
- Savings had been secured in relation to areas such as the Management Review and as a result of a review of the operational model for the Dial a Ride service.
- Proposed changes to the Dial a Ride service would result in a reduction of buses in operation from six to five and the introduction of a voluntary car scheme. There would be no associated redundancies arising from these changes
- The Council's actuaries reviewed the authority's pension scheme each year. The investments that had been made for the pensions fund had performed better than expected and as a consequence the Council's contributions to the pensions

fund would not be as great as had originally been anticipated therefore an annual saving had been included in the budget projections.

- During the year there had been capital reprofiling work undertaken in respect of the Council's Capital Programme. This had resulted in significant changes and savings in respect of borrowing costs.
- The Council had unexpectedly received additional income in the form of New Homes Bonus (NHB) funding for 2020/21. The Government had been very clear that there would be no legacy payments associated with the NHB available to the Council in subsequent years.
- The Council Tax Resolutions would be presented to the Executive Committee at a meeting immediately before Council on Monday 24th February 2020.
- There remained a lot of uncertainty moving forward regarding future funding for local government.
- The Government's Fair Funding Review would provide some clarity once this had been finalised.
- Changes were also anticipated in respect of business rates. Members were advised that the Government was due to reset the level of business rates growth and this could result in a significant loss of income for the Council in the future.
- The Council also still needed to address a total budget gap of £1.6 million in 2021/22 to 2023/24.
- The Housing Revenue Account (HRA) was in a better position than had been anticipated at the start of the year. The Council would, however, still need to draw down from balances and reserves in order to balance the budget in the first couple of years of the plan.
- By 2023/24 the financial position for the HRA would start to improve as rent rises would be having a positive impact on the budget by that point.

After the presentation of the report Members discussed the following points in detail:

- The work of the Financial Services team and Heads of Service in respect of achieving savings in order to balance the Council's budget. Members thanked Officers for their hard work.
- The requirement for the Council to achieve a balanced budget at least in the first year of the four year plan.
- The challenges that had been presented by the Section 24 Notice.
- The difficult decisions that had been taken by Members in 2019/20 and the need for further difficult decisions to be taken in the future.

- The good news that the Council had received in respect of returns on the Council's pension investments.
- The need for a proper review to be undertaken of Local Government funding and the challenging financial situation impacting on many local authorities.
- The income that had been received from Rubicon Leisure since the company was established. Officers explained that as a result of introducing the company the Council's funding for Leisure and Cultural Services had reduced from £1 million to £600,000. The finances of the company would be reported to the Shareholder Committee.
- The date by which the 30 year business plan for the HRA would be available. Officers explained that the Council was in the process of working on a four year plan. Once the stock condition survey was completed the information arising from that survey would enable the Council to plan work for Housing over a longer period of time.
- The Government's plans to reset of business rates and when this might occur. Members requested further information about this process once it had been clarified.
- The funding that had been allocated to a café in Morton Stanley Park in the Capital Programme and the purpose of this fund. Officers explained that a business plan would be produced in respect of this matter and there was some S106 funding which could also be used for infrastructure spending in the park.
- The date by which the business plan would be reported to Members. Officers explained that should this funding be approved in the Capital Programme there would not be a requirement to present a report to the Executive Committee and this would be the preferred approach in order to increase the speed of the decision making process in line with recommendations from the Corporate Peer Challenge.
- The £1 million for works in respect of asbestos falling to £400,000 in subsequent years and the extent to which funding on this process had been spent to date.
- The issues that could impact on the Council's budget which were outside of the authority's control such as Brexit.
- The Briefing that had recently been provided to Members in respect of commercialism and the fact that this had been well attended.

During consideration of this item Members noted that the Budget Scrutiny Working Group had pre-scrutinised the report at a meeting held on Monday 10th February 2020. Based on their discussions the group had concluded that the capital programme should be presented in a different style in future years, whereby items in the plan would be set out in groups aligning to the Council's strategic purposes. The group had also suggested that the Council needed

to ensure that once the Section 24 Notice no longer applied, this would be effectively communicated to the public in order to reassure residents. Members agreed that both of these proposals from the group should be supported.

RECOMMENDED that

- 1) **the Unavoidable costs as attached at Appendix1 be approved:**
 - 2020/21 £221k
 - 2021/22 £221k
 - 2022/23 £228k
 - 2023/24 £235k

- 2) **the Revenue Bids as attached at Appendix 2 and Appendix 4 be approved:**
 - 2020/21 £95k
 - 2021/22 £45k
 - 2022/23 £45k
 - 2023/24 £45k

- 3) **the Identified Savings as attached at Appendix 3 be approved:**
 - 2020/21 £467k
 - 2021/22 £562k
 - 2022/23 £676k
 - 2023/24 £729k

- 4) **the General Fund Capital Programme bids as attached at Appendix 4 be approved:**
 - 2020/21 £242k
 - 2021/22 £51k
 - 2022/23 £51k
 - 2023/24 £51k

- 5) **the General Fund capital programme at Appendix 5 be approved:**
 - 2020/21 £3.775m
 - 2021/22 £3.206m
 - 2022/23 £5.149m
 - 2023/24 £3.246m

- 6) **the net general fund revenue budget be approved;**
 - 2020/21 £9.701m
 - 2021/22 £9.903m
 - 2022/23 £10.141m
 - 2023/24 £10.355m

- 7) the Housing Revenue Account Budget at Appendix 7 be approved:

2020/21 £24.657m

2021/22 £24.987m

2022/23 £25.233m

2023/24 £25.705m

- 8) the Housing Revenue Account Capital Programme at Appendix 8 be approved:

2020/21 £10.755m

2021/22 £12.555m

2022/23 £12.217m

2023/24 £11.931m

- 9) the increase of the Council Tax per Band D at £5 for 2020/21 be approved;

- 10) the transfer to Balances of £82k for 2020/21; and

RESOLVED that

- 11) there should be a review of how the capital programme spreadsheet is presented in future years, and that items on the capital programme should be grouped in accordance with the Council's strategic purposes; and

- 12) once the Section 24 Notice no longer applies to the authority, the Council should ensure it actively communicates this to the public in the local press, having communicated it to the public in the first place. Members recognise that this will be subject to the Council receiving a sustainable value for money statement from the external auditors and approval of the Council's accounts in September 2020.

106. OVERVIEW AND SCRUTINY COMMITTEE

Officers confirmed that there were no outstanding recommendations arising from the meeting of the Overview and Scrutiny Committee held on Thursday 9th January 2020 that required the Executive Committee's consideration.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Thursday 9th January 2020 be noted.

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

Officers confirmed that there were no further minutes or recommendations from other Committees requiring the Executive Committee's consideration on this occasion.

108. ADVISORY PANELS - UPDATE REPORT

The following verbal updates were provided in respect of the recent work of Executive Advisory Panels and important working groups.

a) Climate Change Cross Party Working Group – Chair, Councillor Brandon Clayton

Councillor Clayton explained that the following meeting of the group would take place in April.

b) Constitutional Review Working Party – Chair, Councillor Matthew Dormer

Councillor Dormer advised that a meeting of the Constitutional Review Working Party was due to take place on 14th July 2020.

c) Corporate Parenting Board – Council Representative, Councillor Julian Grubb

Councillor Grubb informed the Committee that he had attended the latest meeting of the Board. Members were advised that Councillor Grubb was monitoring the potential for Redditch Borough Council to provide assistance to Worcestershire County Council with respect to offering support to young people leaving care.

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

Councillor Dormer explained that the latest meeting of the group had taken place on 4th February 2020. During the meeting Members had finalised the content of the induction pack for new Members due to be elected in May 2020. Members' attendance at training had also been discussed and would continue to be monitored by the group.

The Committee was asked to note that two more data protection training sessions for Members would be held on the evenings of Tuesday 18th February and Thursday 27th February 2020. All Members who had not yet attended data

protection training during the municipal year were urged to attend one of these sessions.

e) Planning Advisory Panel – Chair, Councillor Matthew Dormer

Members were advised that no meetings of the Planning Advisory Panel were scheduled to take place.

109. MINUTES

RESOLVED that

subject to the amendments to the exempt Minute Item No. 99, as discussed in exempt session, the minutes of the meeting of the Executive Committee held on Tuesday 14th January 2020 be approved as a true and correct record and signed by the Chair.

(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 prior to any debate on the grounds that information would be revealed relating to the financial affairs of any particular body (including the authority holding that information)).

The Meeting commenced at 6.33 pm
and closed at 7.18 pm