



Executive Committee

Tue 11 Feb
2020
6.30 pm

Committee Room Two
Town Hall
Redditch

REDDITCH BOROUGH COUNCIL

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

Committee

Tuesday, 11th February, 2020

6.30 pm

Committee Room 2 - Town Hall
Redditch

Agenda

Membership:

Cllrs:	Matthew Dormer (Chair)	Julian Grubb Bill Hartnett
	David Thain (Vice- Chair)	Mike Rouse Craig Warhurst
	Greg Chance	
	Brandon Clayton	

1. Apologies

2. Declarations of Interest

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

3. Leader's Announcements

4. Minutes (Pages 1 - 24)

NOTE: The exempt minute (Minute Item No. 99) attached for this item has only been made available to Members and relevant Officers. Should Members or Officers wish to discuss this exempt minute in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

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

5. Independent Remuneration Panel Report and Recommendations 2020/21 (Pages 25 - 38)

6. Pay Policy Statement 2020/21 (Pages 39 - 48)

7. Medium Term Financial Plan 2020/21 to 2023/24 (Pages 49 - 78)

The budget Scrutiny Working Group will be pre-scrutinising this report at a meeting on Monday 10th February 2020. Due to the timing of the group's meeting any recommendations arising from this meeting will be tabled for the consideration of the Executive Committee.

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8. Overview and Scrutiny Committee (Pages 79 - 88)

The minutes of the meeting of the Overview and Scrutiny Committee held on Thursday 9th January have been attached.

There are no outstanding recommendations for consideration.

9. 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.

10. Advisory Panels - update report

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

- a) Climate Change Cross-Party Working Group – Chair, Councillor Brandon Clayton;
- b) Constitutional Review Working Panel – Chair, Councillor Matthew Dormer;
- c) Corporate Parenting Steering Group – Council Representative, Councillor Julian Grubb;
- d) Member Support Steering Group – Chair, Councillor Matthew Dormer; and
- e) Planning Advisory Panel – Chair, Councillor Matthew Dormer.



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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

Also Present:

Councillor Joe Baker (Chair of the Overview and Scrutiny Committee) Councillors Roger Bennett, Peter Fleming and Nyear Nazir

Officers:

Helen Broughton, Lisa Devey, Kevin Dicks, Claire Felton, Clare Flanagan, Sue Hanley, Ostap Paparega, Jayne Pickering and Judith Willis

Senior Democratic Services Officer:

Jess Bayley

82. APOLOGIES

There were no apologies for absence.

83. DECLARATIONS OF INTEREST

There were no declarations of interest.

84. LEADER'S ANNOUNCEMENTS

The Leader circulated a list of his announcements at the meeting.

85. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on Thursday 19th December 2019 be approved as a true and correct record and signed by the Chair.

.....
Chair

**86. SUPPORT TO THE VOLUNTARY AND COMMUNITY SECTOR
2020/21**

The Head of Community Services presented a report on the subject of support to the Voluntary and Community Sector (VCS) in 2020/21. During the presentation of the report the following matters were highlighted:

- The report outlined six options for the provision of support to VCS organisations over the following three years.
- The options all focused on the Council's Concessionary Rents Scheme and VCS grants programme and the different ways in which these could operate.
- The Council also had a contract with the Citizens Advice Bureau (CAB) to provide financial advice to residents and this had been considered as part of the review.
- Consultation had been undertaken with VCS organisations. The organisations had reported that they would prefer to receive core funding from the Council, rather than funding for specific projects, as this was the area where VCS organisations tended to struggle to secure funding.
- The VCS organisations had also highlighted the social value of their work to the local community during the consultation process.

During consideration of this item an additional Option Seven was proposed by Councillor Hartnett for future support to be provided to VCS organisations. This proposal was seconded by Councillor Greg Chance.

The proposed seventh option was as follows:

"1. End the current Councillor community grants scheme and revert back to the Grants Panel of elected Members for the distribution of grants which is now £145,000 and to be distributed as previously to set criteria as set by the Council and its priority.

2. Support to continue to pay the £75,000 financial advice and problem solving contract".

In proposing Option Seven Councillor Hartnett commented that he was opposed to all of the options detailed in the report. He suggested that those options sent a message to VCS organisations that the Council would not support the VCS and did not value VCS organisations. In addition, Councillor Hartnett expressed concerns about the potential impact of requiring VCS organisations to pay a commercial rent and he suggested that this could impact on the long-term viability of some VCS groups as a consequence.

Councillor Hartnett commented that many VCS organisations provided services that should be delivered either by Redditch Borough Council or Worcestershire County Council. Furthermore, he questioned what organisations would fill the gap that might emerge in local service delivery if those VCS organisations were no longer able to operate as a consequence of the withdrawal of a concessionary rent. Councillor Hartnett suggested that this could have a negative impact on the community and could result in increased demand for services from the NHS, Redditch Borough Council and Worcestershire County Council. To address this situation Councillor Hartnett suggested that a Member-led Grants Panel should be reintroduced to consider grants applications from VCS groups and the Council should continue to allocated £75,000 to a contract with a VCS organisation to provide financial advice to local residents.

Also in support of his proposal Councillor Hartnett commented that VCS organisations undertook valuable work in the local community. He suggested that for every £1 spent on the sector the community received £10 in value. Councillor Hartnett expressed concerns that VCS organisations did not appear to think that the Council understood the value of their work. However, the Council did value their work and Councillor Hartnett suggested that this should be reflected in the support that the Council provided to the sector. Councillor Hartnett concluded by acknowledging that the Council was in financial difficulties but he suggested that this should not result in a reduction in support for VCS groups.

In seconding Option Seven Councillor Greg Chance noted that the Overview and Scrutiny Committee had recommended in November 2019 that the review of the concessionary rents scheme should end and that alternative Council savings should be identified. This recommendation had not been approved at the previous meeting of the Executive Committee. Councillor Chance also commented that when support for VCS organisations had previously been reviewed this had occurred only with the support of the sector. Councillor Chance suggested that Option Seven would ensure that funding for local VCS groups was sustainable and the groups would remain viable.

Members discussed the proposed Option Seven and in doing so noted that a similar proposal had been made at the meeting of the Overview and Scrutiny Committee held on 9th January 2020 when Members had pre-scrutinised the report. However, this proposal had been defeated at that meeting. In addition, Members commented that previous reviews had been undertaken of the Council's grant scheme and the Concessionary Rents Scheme had been introduced some years ago.

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During consideration of this item a named vote was requested on Option Seven in accordance with Council Procedure Rule 17.5.

Members voting FOR Option Seven below:

Councillors Greg Chance and Bill Hartnett. (2)

Members voting AGAINST Option Seven below:

Councillors Brandon Clayton, Matthew Dormer, Julian Grubb, Mike Rouse, David Thain and Craig Warhurst. (6)

The proposal was therefore lost.

Also during the debate on this item Members considered a recommendation that had been made by the Overview and Scrutiny Committee on the subject of this report at a meeting held on Thursday 9th January 2020. The Chair of the Overview and Scrutiny Committee, Councillor Joe Baker, presented the recommendation and in doing so explained that the Committee had heard from a number of local residents who had spoken on the subject of support for VCS organisations in the Borough. The residents had made a number of points, including the suggestion that a market appraisal should be undertaken of the sector. The Overview and Scrutiny Committee had aimed to highlight the views of local residents and VCS organisations with the Executive Committee and had taken into account those views when agreeing their recommendation. This recommendation proposed that the Executive Committee should reconsider the inclusion of 'meanwhile type' leases in any proposed options.

Members discussed the recommendation from the Overview and Scrutiny Committee. It was noted that this had originally been suggested as an action that could assist the sector by representatives of local VCS groups. However, concerns were expressed that it would not be appropriate from a governance perspective to offer meanwhile leases to VCS organisations. Instead, a range of options might be available and these would need to be reviewed in context on a case by case basis. For these reasons the recommendation from the Overview and Scrutiny Committee was noted.

The Committee subsequently discussed the following matters relating to the support the Council provided to VCS organisations and the options detailed in the report:

- The Council's existing support to VCS organisations, which had been reviewed at a time when Council finances were

challenging and following the external auditor's issuing of the Section 24 Notice for the authority.

- The potential for Option Five to be adopted by the Council.
- The focus of Option Five, which would provide VCS organisations with an opportunity to prepare for changes to both the support received from the Council in concessionary rents and grants over a phased period.
- The reduction in concessionary rents that would be available to effected VCS organisations over a three year period should Option Five be approved.
- The proposal to continue to provide £175,000 in grant funding to VCS organisations over the three year period under Option Five.
- The potential for a Redditch Community Foundation to be established in the future to support local VCS organisations which could operate in a similar manner to other community foundations in the country.
- The nine organisations that were in receipt of a concessionary rent from the Council. Members acknowledged that there were more VCS organisations in the Borough that did not receive a concessionary rent than did.
- The need for Members to make difficult decisions in order to balance the Council's budget.
- The potential impact that decisions about the Council's budget could have on local VCS organisations.
- The reductions that had been made over recent years to the funding available to VCS organisations through the grants programme and in the contract to provide financial advice.
- The work of the Member-led Grants Panel in previous years and the potential to replace this with an Officer-led Grants Panel.
- The suggestion that had been received from VCS organisations that there should be an Officer-led Grants Panel which would notify VCS organisations of the reasons why they had been unsuccessful in securing Council funding so that lessons could be learned for the future.
- The need for the Officer-led Grants Panel to comply with strict criteria when assessing grant applications.
- The financial support provided to VCS organisations by Councils in other parts of the country. It was suggested that it was unusual for a Council to provide concessionary rents to VCS groups.
- The demographics in Redditch and the increasing use of food banks by local residents. Members noted that VCS organisations had an important role to play in providing services to the most vulnerable people in society.
- The potential for the Council to assist VCS organisations by helping them to identify alternative sources of funding that was not provided by the local authority.

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At the end of a lengthy discussion a named vote was requested in accordance with Council Procedure Rule 17.5 about the proposals detailed in the report, including the proposal to adopt Option Five moving forward.

Members voting FOR the proposals below:

Councillors Brandon Clayton, Matthew Dormer, Julian Grubb, Mike Rouse, David Thain and Craig Warhurst. (6)

Members voting AGAINST the proposals below:

Councillors Greg Chance and Bill Hartnett. (2)

The proposals were therefore carried.

RECOMMENDED that

- 1) **Option Five in the report be approved, whereby the Council ends the Concessionary Rents Scheme but provides a stepped down transition over a 3 year period paid for out of a reduced VCS grants pot of £175k of which £50k will be allocated to a Financial Advice and Problem Solving grant;**

RESOLVED that

- 2) **that an officer panel to be established to deal with applications for any grant awarding activity to include allocation of Institute of Cemetery and Crematorium Management (ICCM) funding, the Financial Advice and Problem Solving grant and general VCS Grant funding; and**
- 3) **that delegated authority be given to the Head of Community and Housing Services following consultation with the Portfolio Holder for Leisure, to agree a new VCS Grants Policy in accordance with the preferred option.**

87. ESSENTIAL LIVING FUND POLICY

The Customer Support Manager presented a report outlining proposals to introduce a new policy for the Essential Living Fund (ELF). The policy would ensure that the Council adopted a consistent approach to providing financial support to the most vulnerable local residents from the ELF fund.

RECOMMENDED that

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- 1) the Essential Living Fund (ELF) policy be approved; and
- 2) the policy be implemented from the 1st April 2020.

88. FLEXIBLE HOMELESSNESS SUPPORT GRANT AWARD FOR 2020-21

The Head of Community Services presented a report which detailed proposals for the use of the Flexible Homelessness Support Grant in 2020/21. The Committee was informed that the grant was received on an annual basis and this year the Council had received £193,000. The report proposed to distribute the majority of the fund amongst various organisations and projects that would help to prevent homelessness.

Members discussed the grant and noted that this funding made a valuable contribution to supporting some of the most vulnerable people in the local community.

Questions were raised about the use of the remaining funds in the grant that had not been allocated. Officers explained that the remaining funds could be used flexibly throughout the year to meet emerging needs. A similar approach had been adopted in previous years.

RESOLVED that

- 1) the Flexible Homelessness Support Grant is allocated to the following initiatives:

Initiatives	£ (up to)
Redditch Nightstop - Outreach Worker to support 21 to 35 year olds and prevent homelessness or work towards planned moves into suitable and sustainable accommodation. .	30,000
CCP Rough Sleeper Outreach Service and Housing First support provider	62,080
Fry Accord – 18 units of supported accommodation for Ex-Offenders or those -likely to offend	22,000
St Basils – Provide 23 units of Foyer accommodation for young people aged 16- 23 years of age additional funding to provide 24 hour cover following a reduction in funding from County Council	14,123
Total	£128,203

- 2) **delegated authority be granted to the Head of Community Services following consultation with the Portfolio Holder for Housing to use any unallocated Grant during the year or make further adjustments to current initiatives as necessary to ensure full utilisation of the Grant for 2020/21.**

89. WORCESTERSHIRE REGULATORY SERVICES - BUDGET RECOMMENDATIONS

The Executive Director of Finance and Corporate Resources presented recommendations on behalf of the Worcestershire Regulatory Services (WRS) Board. The Board had discussed budget contributions from each of the six district Councils in the shared service at a meeting held on 28th November 2019. No changes were proposed to the budget contribution from Redditch Borough Council. However, there were additional pension pressures for WRS staff which had already been incorporated into the Council's budget.

Members were advised that the WRS Board comprised two representatives from each Council. The representatives of the Councils took it in turn to Chair the meetings. In 2019/20 Councillor Julian Grubb was the Chair and he reported that the budget proposals had been comprehensively reviewed and had been endorsed by representatives of all the Councils at the Board meeting.

RECOMMENDED that

- 1) **Redditch Borough Council's base revenue partner contribution for 2020/21-2022/23:**

Redditch Borough Council	£529k
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- 2) **Redditch Borough Council's partner percentage allocation for 2020/21 onwards:-**

	%
Redditch Borough Council	17.53

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- 3) **Redditch Borough Council's additional partner liability for 2020/21 in relation to unavoidable salary pressure and increase in WRS pension forward funding rate.**

Redditch Borough Council	£16k
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- 4) **Redditch Borough Council's additional partner liabilities for 2020/21 in relation to three additional Technical Officers.**

Council	Tech Officer Primary Authority – 3 Months £000	Tech Officer Animal Activity £000	Tech Officer Gull Control £000
Redditch Borough Council	1	1	

- 5) **the 2020/21 gross expenditure budget of £3,547k as shown in Appendix 1 to the report; and**
- 6) **the 2020/21 income budget of £530k as shown in Appendix 3 to the report.**

90. NORTH WORCESTERSHIRE ECONOMIC GROWTH STRATEGY

The Head of Economic Development and Regeneration for North Worcestershire presented the North Worcestershire Economic Growth Strategy. During the presentation of this report the following points were highlighted for Members' consideration:

- The strategy had been developed in accordance with key national and local economic development priorities.
- The review had occurred at a time when nationally a review was being undertaken of the boundaries for Local Enterprise Partnerships (LEPs).
- In each LEP area there was a Local Industrial Strategy and a Shared Prosperity Fund. The funding from this stream would help to support projects and initiatives in the country following the UK's departure from the EU.
- The Shared Prosperity Fund would be distributed by the LEPs. Therefore, it was important to have a local Economic Development Strategy that matched the aims and objectives of the LEP in order to secure funding from this source.
- Investment Managers working in the local investment market advised their clients on whether to invest in opportunities

based on three key considerations; local talent and skills, quality premises and technology.

- Redditch was considered an attractive place for business from a technology perspective as there was an excellent fibre network and it was possible that the town would be involved in the introduction of the 5G network.
- However, there was a lot more to do in respect of skills in the local workforce.
- Automation had been identified as a risk to employment in the Borough. Automation was a particular risk in areas such as manufacturing, retail and wholesale businesses and 46% of employment in Redditch was in these sectors.
- The Government had asked LEPs to identify projects that could be taken forward under local strategy delivery plans and it was possible that Redditch would benefit from this initiative.

Once the report had been presented Members discussed the following matters in detail:

- The average qualifications of Redditch residents. Members expressed concern that only 21% of the population had achieved NVQ level 4 or equivalent qualifications compared to 45% of residents in Bromsgrove district and 38% of the population nationally.
- The good digital connectivity in the Borough and the opportunities that this could present for the Redditch economy.
- The progress that had been achieved with the LEP review. Members were informed that letters had been submitted according to deadline in respect of this review but it was anticipated that no announcement would be made by the Government on LEP membership until later in the month.
- The Towns' Fund and the extent to which progress had been achieved with convening a meeting of the Redditch Town's Fund Board prior to the Government's deadline of 31st January 2020. Officers advised that a meeting of the Board was due to take place on 30th January 2020.
- The membership of the Town's Fund Board. The Committee was advised that a number of organisations and individuals had been invited to appoint representatives to serve on the Board. However, the final membership remained to be confirmed.
- The guidance in respect of the role of the Town's Fund Board which had not yet been published by the Government.
- The progress that had been achieved by the Council already in terms of the town centre regeneration work and the advantage that this would provide in terms of the potential to access funding from the Towns' Fund in the future.
- The techniques that had been used by the Council to interact with local business leaders. Members were advised that the

Council had worked with and supported a number of local businesses.

- The work of Metis Aerospace, based in Redditch, which had launched the first Wifi 6 business trial in the world.
- The work of Astwood Infrastructure which produced equipment for vertical farming and also managed a microbrewery.

RESOLVED that

the report and its strategic priorities and interventions be agreed.

91. FEES AND CHARGES 2020/21

The Executive Director of Finance and Corporate Resources presented the proposed fees and charges for 2020/21. The fees and charges had been reviewed in detail by Heads of Service in the preparation of the report. Officers were requesting delegated authority to vary fees and charges for Leisure and Cultural Services by 20% and Bereavement Services by 25%.

Members discussed the fees and charges report in some detail and in so doing noted the following:

- The circumstances under which Officers might need to vary fees and charges for Leisure and Cultural Services and Bereavement Services. Officers highlighted the case of sporting activities where a small number of people had booked to participate as an example where fees could be reduced to incentivise other people to participate to the benefit of their health and wellbeing.
- The need for the Council to consider supply and demand when varying fees for Leisure and Cultural Services and Bereavement Services. Officers confirmed that the Council would aim to avoid pricing the Council out of the market.
- The criteria that would be applied by Officers in respect of the requested authority to vary fees and charges by 20% for Leisure and Cultural Services and 25% for Bereavement Services.
- The need for the officers with expertise in Bereavement Services and Leisure and Cultural Services to have some flexibility. Members noted that this might enable these services to operate more efficiently.
- The need for transparency in setting fees and charges for services. Concerns were raised that the requested authority to vary fees for Bereavement Services and Leisure and Cultural Services would not enhance transparency.
- The benefits of providing the ability to vary fees for Bereavement Services as rapid technological changes made it

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- difficult to benchmark charges for some services and would allow officers to amend charges where needed mid-year.
- The proposed £15 registration fee for Dial a Ride and how frequently this would apply. Officers explained that this would be an annual fee.
 - The consultation that had been undertaken with customers of the Dial a Ride service about changes to the fees. Officers explained that customers had been consulted in the summer of 2019 and the majority had recognised the need to increase fees.
 - The estimated income from the increase to fees for the Dial a Ride service. The Committee was informed that the Council currently received £52,000 income from the service and the increase in fees would result in a corresponding increase in income up to £64,000.
 - The increase in fees for the Shopmobility service and the income this would generate. Officers advised that this would lead to an increase of £44,000 in income for the service.
 - The fees listed for the Garden Waste Service and whether these were new or existing charges. The Committee was informed that the fees applied to new households and that there were existing fees for the service which had been delivered by the Council for some time.
 - The reduction in the fee for the supply of logs per cubic metre. Members were advised that this service was no longer provided by the Council.
 - The service charge for the sheltered schemes. Officers explained that a mistake had been made in the report and a charge should have been recorded for this service at £3.
 - The charges that would apply for repairs to Council houses and when charges would apply. The Committee was advised that charges would be applied in accordance with the requirements set out in the Tenants Handbook and Recharge Policy and would apply to wilful damage but not to wear and tear.
 - The new charge of £17 proposed for the personal care package at St David's House and the reasons for introducing this charge. Members were informed that this charge had been in place for some time and was set at a level suggested by Worcestershire County Council. Officers had concluded that the charge should be included in the report to ensure transparency.
 - The reasons why the concessionary charges for football appeared to have been removed from the report.

During consideration of this item Members noted that the fees and charges 2020/21 report had been pre-scrutinised by both the Budget Scrutiny Working Group and the Overview and Scrutiny Committee at meetings held on 2nd December 2019 and 9th January

2020 respectively. Based on detailed scrutiny of the report, the Budget Scrutiny Working Group had proposed that to help provide clarity for Members more detail needed to be included in the fees and charges report in future years. Members concurred that this proposal would be helpful as the style of the report was in places confusing. For this reason the proposal from the group was approved.

RECOMMENDED that

- 1) **all of the proposed fees and charges as set out in Appendix 1 be approved;**
- 2) **discretion on Leisure services and Bereavement Services fees and charges throughout the financial year 2020/21 be approved. The discretion is requested to be up to 20% (either increase or decrease) for Leisure services and 25% (either increase or decrease) for Bereavement services against the charges as detailed in the report. However, the fees and charges should still remain within the industry and regional norms for the activities provided.**
- 3) **all fees and charges that are included in Appendix 1 are charged commencing 1st April 2020.**

RESOLVED that

more detail should be included in the fees and charges reports in the future and there should be greater reconciliation between the old and new fees for a service in the report to help clarify how they relate to each other.

92. COUNCIL TAX BASE

The Executive Director of Finance and Resources presented the Council Tax Base report. The Committee was informed that the contents of the report were used to inform the Council Tax calculations for 2020/21.

Members were advised that there had been a typographical error in the report which should have recognised that the Executive Committee had the authority to approve the proposals detailed in the report rather than Council.

RESOLVED that

- 1) **the calculation of the Council's Tax Base for the whole and parts of the area for 2020/21, be approved; and**

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- 2) in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the figures calculated by the Redditch Borough Council as its tax base for the whole area for the year 2020/21 be 26,276.50 and for the parts of the area listed below be:

Parish of Feckenham	367.50
Rest of Redditch	<u>25,909.00</u>
Total for Borough	<u>26,276.50</u>

93. MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2023/24 - PRESENTATION

The Executive Director of Finance and Corporate Resources delivered a presentation on the subject of the Medium Term Financial Plan (MTFP) 2020/21 to 2023/24 (Appendix 1). During the delivery of this presentation the following matters were highlighted for Members' consideration:

- The starting point for the budget was a deficit of £1.170 million in 2020/21 rising to £1.5 million in 2023/24.
- There were pressures on the budget, including a likely 2% salary increase in 2020/21 as well as anticipated increases in utility fees. In addition, there was a £50,000 pressure from Parks and Open Spaces and further pressures arising from bad debts and WRS pension liabilities.
- However, over £300,000 savings had also been secured and £50,000 had been released from reserves.
- The Council had been awarded New Homes Bonus (NHB) funding in 2020/21 which had not been anticipated, though the Government had been clear that there would be no legacy payments in subsequent years.
- There had also been positive news about an increased return on investments in the pension fund which had resulted in savings over the four years of the plan.
- Officers were proposing that there should be £200,000 set aside in a reserve for the pension fund in case less positive news emerged about the fund between 2021/21 to 2023/24.
- There had been a review of borrowing costs which had resulted in savings. A significant proportion of these savings derived from a review of the fleet replacement programme.
- The Government had announced that district Councils could only increase Council Tax by 2% in 2020/21. This was less than had originally been anticipated in the MTFP in February 2019 so had financial implications for the Council moving forward.
- By the date of the meeting the gap in the budget for 2020/21 was £217,000.

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- Should Members agree to close the One Stop Shops and to make the proposed changes to the support the Council provided to VCS organisations the budget gap would reduce significantly further in 2020/21.
- Officers were aiming to review overhead costs in order to reduce the costs of delivering Enabling services.
- However, there remained a gap of £1.6 to 1.7 million to find in the subsequent three years of the plan. Therefore Members would still need to make difficult decisions in order to balance the budget moving forward.
- Furthermore, the future funding arrangements for local government remained uncertain and any decisions at a national level in respect of this matter over the next few years could have implications for the Council's budget.
- In respect of the Housing Revenue Account (HRA) in 2020/21 the budget could only currently be balanced using funding from balances. This would mean that in the first two years of the plan the HRA would go below the recommended level of balances.
- However, in year three it was anticipated that the budget position for the HRA would improve significantly as a result of increasing rents.

Members subsequently discussed the MTFP and in doing so noted the following:

- The challenging financial position of the Council and the need for Members to make difficult decisions in order to balance the budget.
- The need for the Government to provide local Councils with certainty about future funding arrangements.
- The reduction in the revenue support grant that had been received from the Government by the authority over the years and the impact that this had had on the Council's finances.
- The risk that the Government would impose further reductions on Council House rents in future years and the implications of this action for the HRA.
- The stock condition survey that was being undertaken. Officers explained that the information obtained in this survey would help to ensure that a robust approach was undertaken to repairs and maintenance work in future years.
- The Council's Financial Services team. Members thanked officers in the team for their hard work.

RESOLVED that

the report be noted.

94. MANAGEMENT REVIEW

The Chief Executive presented the Management Review and in so doing highlighted the following points for the Committee's consideration:

- A single management team shared with Bromsgrove District Council had been agreed in 2009 and introduced in 2010.
- In the Efficiency Statement agreed in 2016 it had been proposed that there should be a review of the single management structure. It had not been possible to undertake this review until 2019/20 due to a variety of factors detailed in the report.
- In undertaking the review the Chief Executive had consulted with the Leaders of Redditch Borough and Bromsgrove District Councils regarding their preferred approach. They had been clear that they did not feel a fundamental review of the management structure was needed at this time.
- The Chief Executive had also reviewed capacity within the management team and had looked to identify any skills gaps and challenges for the Council. These had been identified as commercialism, development projects and Financial Services.
- In respect of commercialism the Chief Executive had concluded that all staff needed to be more commercial rather than one senior officer taking responsibility for commercialism.
- There were a number of opportunities available to the Council in relation to development projects, including the potential to access funding from the Towns' Fund. Again the Chief Executive had concluded that it would not be appropriate to appoint one senior officer responsible for these projects. However, the authority could work closely with bodies such as the West Midlands Combined Authority (WMCA) to take advantage of all opportunities.
- The one area where a new senior post was proposed was in respect of Financial and Customer Services. Improvements had been made in the management of the Council's finances in recent years and this proposal was not intended as a criticism of the Financial Services staff. However, a new post would provide the Executive Director of Finance and Corporate Resources with the capacity to focus on more strategic matters which would benefit the authority.
- The report also proposed to formalise the arrangement whereby the Heads of Community Services and Environmental Services had assumed responsibility for Housing (Tenancy) Services and Housing (Property) Services respectively as this arrangement had been working well.
- In addition, the report proposed to continue the arrangement whereby the Head of Legal, Equalities and Democratic Services had assumed responsibility for Property Services

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since this had returned to Council control from the Place Partnership Ltd.

- The report also proposed that the Head of Planning and Regeneration Service should assume responsibility for Leisure and Cultural Services so that she could take a lead on place shaping in the Borough.
- Subject to Members approving the proposed structure it would subsequently be put out to formal consultation.

During consideration of this item Members noted that the Budget Scrutiny Working Group had pre-scrutinised the Management Review report at a meeting held on Monday 13th January 2020. The group had concluded that the structure proposed in the report would be the most appropriate for the Council at this time. Scrutiny Members had been particularly keen to avoid taking any action that might destabilise the authority at a challenging financial time for the Council. The group had therefore endorsed the recommendation detailed in the report.

RECOMMENDED that

the proposed changes to the Single Management Structure attached at Appendix C be approved and put out to formal consultation with the affected staff and trade unions.

95. OVERVIEW AND SCRUTINY COMMITTEE

The Chair advised that there were no outstanding recommendations arising from meetings of the Overview and Scrutiny Committee held on Thursday 5th December and Monday 16th December 2019 requiring Members' consideration.

RESOLVED that

the minutes of the meetings of the Overview and Scrutiny Committee held on Thursday 5th December and Monday 16th December 2019 be noted.

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

Members were advised that there were no further recommendations or referrals from other Committees that required consideration at this meeting.

97. ADVISORY PANELS - UPDATE REPORT

The following updates were provided by Members in respect of Executive Advisory Panels:

Executive Committee

Tuesday, 14 January 2020

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

Councillor Clayton advised that the latest meeting of the group had taken place on Monday 13th January 2020. A further meeting of the group was scheduled to take place on Tuesday 7th April 2020.

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

Councillor Dormer informed the Committee that the following meeting of the Constitutional Review Working Party would take place on Tuesday 14th July 2020.

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

Councillor Grubb advised Members that a meeting of the Corporate Parenting Board was scheduled to take place on Thursday 6th February 2020. At this meeting Councillor Grubb was aiming to clarify District Councillors' roles and responsibilities as corporate parents.

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

Councillor Dormer explained that a meeting of the Member Support Steering Group was due to take place on Tuesday 4th February 2020.

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

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

98. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that

under S.100 I of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 (A) of the said Act, as amended.

Executive Committee

Tuesday, 14 January 2020

Item 18 – Far Moor Lane, Redditch – Land Disposal to Homes England.

99. FAR MOOR LANE, REDDITCH - LAND DISPOSAL TO HOMES ENGLAND

The Head of Legal, Equalities and Democratic Services presented a report in respect of the disposal of land owned by the Council at Far Moor Lane to Homes England.

The Council had already agreed to declare the land surplus at a meeting of the Executive Committee held in March 2015. The report provided an update on the position that had since been reached by the Council.

RESOLVED that

- 1) the disposal of the site off Far Moor Lane (noting as per Executive decision in 2015) be noted and to approve the terms for this disposal as outlined in the exempt report at appendix 2; and**
- 2) that authority be delegated to the Head of Legal, Equalities and Democratic Services and the Executive Director of Finance and Corporate Resources following consultation with the Portfolio Holder for Corporate Management to negotiate and agree the Heads of Terms in accordance with the terms agreed and to proceed with the sale accordingly.**

(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 6.30 pm
and closed at 9.00 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**

11 February 2020

**REPORT OF THE INDEPENDENT REMUNERATION PANEL –
RECOMMENDATIONS FOR MEMBERS' ALLOWANCES FOR 2020-21 AND THE
MEMBERS ALLOWANCES SCHEME**

Relevant Portfolio Holder	Councillor , M Dormer, Leader and Councillor David Thain, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

Each Council is required by law to have an Independent Remuneration Panel (IRP) which recommends the level of allowances for Councillors. The Panel is made up of suitably skilled members of the public who are completely independent of the Borough Council. It also makes recommendations to four other District Councils in Worcestershire. The Panel's report is enclosed for consideration by the Executive Committee and ultimately by the Council.

2. RECOMMENDATIONS

The Committee is asked to consider the report and recommendations and RECOMMEND to Council

2.1 whether or not to accept all, some or none of the recommendations of the Independent Remuneration Panel for 2020-21;

2.2 having considered the Panel's report and recommendations, whether or not changes are required to the Council's scheme of allowances for Members arising from this.

3. KEY ISSUES**Financial Implications**

- 3.1 If the Council makes changes to the current amounts of allowances there may be additional savings or costs. If the Council implements all the recommendations of the IRP, using the current scheme, costs would be increased in the region of £4,650.

EXECUTIVE COMMITTEE

11 February 2020

Legal Implications

- 3.2 The Council is required to “have regard” to the recommendations of the Panel. However, it is not obliged to agree to them. It can choose to implement them in full or in part, or not to accept them.
- 3.3 If the Council decides to review its scheme of allowances for Councillors, it is also required to take into account recommendations from the Panel before doing so.

Service/Operational Implications

- 3.4 There are no direct service or operational implications arising from this report. Once the Council has agreed the allowances for 2020-21 Officers will update and publish the Members’ Allowances Scheme as appropriate.

Customer/Equalities and Diversity Implications

- 3.5 None arising from this report.

4. RISK MANAGEMENT

Payments to Councillors can be a high profile issue. The main risks are reputational. However, the Council is transparent about the decisions made on allowances. The Allowances scheme and sums paid to Councillors each year are published on the Council’s website.

5. APPENDICES

Report and recommendations from the Independent Remuneration Panel for 2019-20.

6. BACKGROUND PAPERS

Members Allowances Scheme – in the Council Constitution at part 18:

<http://moderngovwebpublic.redditchbc.gov.uk/ieListDocuments.aspx?CId=379&MId=2511&Ver=4>

AUTHOR OF REPORT

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**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2020-21

Redditch Borough Council

January 2020

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Recommendations

The Independent Remuneration Panel recommends to Redditch Borough Council the following:

- 1. That the Basic Allowance for 2020-21 is £4,526 representing a 2% increase.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2020-21 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2020-21 remain unchanged.**
- 5. That the Dependent Carer's Allowance remains unchanged.**
- 6. That 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.**

Introduction

The Independent Remuneration Panel (IRP) has been appointed by the Council to carry out reviews of the allowances paid to Councillors, as required by the Local Government Act 2000 and subsequent legislation. The Panel has carried out its work in accordance with the legislation and statutory guidance.

The law requires each Council to "have regard" to the recommendations of the Independent Panel. We noted that last year the Council supported the recommendations of the panel.

This year the Panel offered to meet with the Group Leaders of the Council to discuss any other particular issues. Members of the Panel met with the Leader of the Council on 23 October and discussed the role of the panel and Special Responsibility Allowances (SRAs) for vice chairs of committees. There were, however, no specific suggestions for the Panel to consider.

At this point we would like to stress that our recommendations are based on thorough research and benchmarking. We have presented the Council with what we consider to be an appropriate set of allowances to reflect the roles carried out by the Councillors. The purpose of allowances is to help enable people from all walks of life to become involved in local politics if they choose.

The Panel does, however, acknowledge that in the current challenging financial climate there are difficult choices for the Council to make. Ultimately it is for the Council to decide how or whether to adopt the recommendations that we make.

Background Evidence and Research Undertaken

There is a rich and varied choice of market indicators on pay which can be used for comparison purposes. These include:

- National survey data on a national, regional or local level;
- Focussed surveys on a particular public sector;
- Regular or specific surveys;
- Use of specific indices to indicate movement in rewards or cost of living.

As background for the decisions taken by the Panel this year we have:

- Analysed and considered the Annual Survey of Hours and Earnings (ASHE) statistics for 2019 which gives the mean hourly wage rate for Worcestershire at £14.88.
- Benchmarked the Basic Allowance against allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" Councils for each authority.
- Considered local government pay awards.
- Reviewed information from the West Midland Members' Allowance Survey 2019.
- Considered the inflation rate (CPI) which was 1.5% in November 2019 (ONS).

In 2015, Worcester City Councillors recorded time spent on Council business for a number of weeks. This enabled the Panel to confirm the number of hours per week for front line councillors, which is used in the consideration of the recommended basic allowance.

The figure being recommended by the Panel of £4,526 for the Basic Allowance appears reasonable and appropriate when compared to other Local Authorities.

Arising from our research, in Table 1 we have included information showing the Members' allowances budget for Basic and Special Responsibility Allowances paid for 2018-19 as a cost per head of population for each Council. To give context, we have included details of the proportion of net revenue budget spent by each Council on basic and Special Responsibility allowances.

In Table 2 we show the average payment per member of each authority of the Basic and Special Responsibility Allowances, which illustrates the balance between the level of Special Responsibility Allowances paid and the Basic Allowance.

Table 1 - Total spend on Basic and Special Responsibility Allowances (SRA) as a cost per head of population 2018-19 figures

Authority, population¹ and number of Councillors	Total spend Basic Allowances	Total spend on SRA	SRA as a percentage of total Basic Allowance	Cost of total basic and SRA per head of population	Total of basic and SRA as a percentage of Net General Revenue Fund expenditure
	£	£	%	£	%
Bromsgrove DC (31) 95,768	136,350	60,697	45.01	2.05	1.80
Malvern Hills DC (38) 75,339	163,274.80	65,517.37	40	2.93	2.99
Redditch Borough (29) 84,500	100,881	38,706	38.37	1.65	1.46
Worcester City (35) 100,405	150,117	68,016	45.31	2.17	1.64
Wychavon (45) 118,738	192,241	69,087	35.94	2.08	1.95

¹ ONS population figures mid 2019. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2018-19 financial year.

Table 2 - Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2018 – 19 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,356.35
Malvern Hills District (38)	6,020.85
Redditch Borough (29)	4,813.37
Worcester City (35)	6,232.37
Wychavon District (45)	5,807.29

Basic Allowance 2020 - 21

Considerations in calculating the Basic Allowance

In considering the Basic Allowance note is taken of:

- The roles and responsibilities of Members; and
- Their time commitments – including the total average number of hours worked per week on Council business.

We then apply a public service discount of 40% to reflect that Councillors volunteer some of their time to the role. As part of the Panel's assessment and analysis in June 2019 of a random sample of IRP reports from Nearest Neighbour councils we identified that other panels reported that they also apply a 40% public service discount. The Panel remain of the opinion that this level of public service discount is appropriate.

The Basic Allowance is paid to all Members of the Council.

Whilst each Council may set out role descriptions for Councillors, the Panel accepts that each councillor will carry out that role differently, reflecting personal circumstances and local requirements.

However, we consider the Basic Allowance to include Councillors' roles in Overview and Scrutiny, as any non-Executive member of the Council is able to contribute to this aspect of the Council's work. It is for this reason that we do not recommend any Special Responsibility Allowance for members of the Overview and Scrutiny Committee. We also consider that ICT could be included in the Basic Allowance as it is generally more readily available to individuals than in previous years. However, we are comfortable that specific local decisions may be made about how ICT support is provided.

During the round of meetings held with Leaders during autumn 2019, all raised the issue of the SRA recommended for the Chair of Overview and Scrutiny. The Panel's position had always been that the Chair of Overview and Scrutiny has a very important and independent statutory role to scrutinise and, where appropriate, to challenge or question decisions taken or planned to be taken by the Council, as set out in the Local Government Act 2000. The Panel considered that this should be reflected in the award of an SRA equivalent to that of a Cabinet Portfolio Holder (ie, a multiplier of 1.5.). As a result of concerns raised, the Panel has reviewed its

position on the SRA for Chair of Overview and Scrutiny in this reporting cycle but it is not persuaded that this SRA should be reviewed downwards as suggested by some Councils. In reaching this decision the Panel has taken account of the "Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities published in May 2019, which reinforces the significance and importance of the role of Overview and Scrutiny in holding an authority's decision makers to account on behalf of their electorate.

As mentioned earlier, in 2015 Worcester City Councillors recorded the time spent per week on Council business for a number of weeks during the early autumn. This was considered to reflect an appropriate "average" period of time for meetings and other commitments. The results from this survey showed that the average input was 10 hours and 50 minutes per week. This figure matches the one used for a number of years by the Panel, based on previous research with constituent councils, to calculate the basic allowance.

We reviewed the levels of wage rates for Worcestershire as set out in the ASHE data (details in appendix 2) and the benchmark information available to us from the Chartered Institute of Public Finance and Accountancy (CIPFA) "nearest neighbours" authorities as part of our research into the level of basic allowance recommended. We are also aware that the majority of local government employees received an average of 2% increase in pay in April 2019 (dependent on scale).

The research information used in considering the level of the Basic allowance is set out at **appendix 2**.

Special Responsibility Allowances (SRA) 2020-21

General Calculation of SRAs

The basis for the calculation of SRAs is a multiplier of the Basic Allowance as advocated in the published Guidance.

The Panel has reviewed the responsibilities of each post, the multipliers and allowances paid by similar authorities. As in previous years, the Panel has benchmarked the allowances against those paid by authorities listed as "Nearest Neighbours" by CIPFA.

The Panel has been asked on occasions to consider recommending SRAs for Vice-Chairs of Committees. Having considered the evidence presented to us and the nature of the roles, as a principle the Panel does not recommend SRAs for Vice-Chair roles.

Appendix 1 to this report sets out the allowances recommended for 2020-21.

Mileage and Expenses 2020-21

The Panel notes that the Council has used the HMRC flat rate for payment of mileage for Councillors and recommends that this continues. The Panel was asked by one council to make a recommendation in relation to mileage rates for privately owned electric vehicles. The Panel notes that councils generally apply the HMRC Approved Mileage Allowance Payment (AMAP) rates for employees and council members using their own privately owned vehicles for official business. The Panel notes that whilst HMRC introduced an Advisory Electric Rate (AER) for electric vehicles in September 2018, this

rate does not apply to privately owned electric vehicles and the AMAP rate should, therefore, continue to be used where the AMAP rates are applied by Councils.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

Allowances to Parish Councils 2020-21

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish in Bromsgrove/Malvern Hills/Redditch/Worcester City/ Wychavon.

The Independent Remuneration Panel

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with 4 of the other 5 District Councils in Worcestershire. Separate Annual Reports have been prepared for each Council.

The members of the Panel are:

Terry Cotton, Interim Chair of the Panel - Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Until May 2011 he worked at The Government Office for The West Midlands where he was a Relationship Manager between central and local Government and a lead negotiator for local performance targets. Following voluntary early severance in May 2011, he worked part-time in Birmingham's Jewellery Quarter, setting up a new business led community development trust and currently works part-time for Worcestershire County Council's Road Safety Team. He is also a trustee of a small charitable trust providing grants to grassroots community initiatives in deprived communities.

Caroline Murphy - Caroline has 20 years' experience of working in public and voluntary sector organisations, including three West Midlands Local Authorities and the Civil Service. She was a senior Education Manager at Wolverhampton City Council until 2011 developing and delivering a large part of the 14-19 Pathfinder, during which time her department was recognised as achieving Beacon Council Status. She has a wealth of experience at building partnerships. Caroline now works as freelance Education, Skills and Development Adviser supporting individuals and organisations with strategic management, quality assurance and improvement, safeguarding, regulation compliance, research and evaluation, data protection and developing policies and procedures. She has worked in a consultancy capacity for a number of organisations, specialising in those who support vulnerable young people. She also spent 14 years as the Vice Chair of Governors of a primary school in Birmingham.

Jonathan Glover – Jonathan has over 30 years' experience working in central and local government. He has worked mostly in central government, in a range of departments and disciplines. These include: regional finance and accounts; building management; personnel management; contract management. At a local level he specialised in employment support for people with disabilities. Returning to a regional role, he ensured projects throughout the West Midlands region, which were receiving European Commission grants, complied with EC financial and regulatory compliance. Since leaving the civil service he has worked in both the public and private sector. Jonathan was a governor at his local junior school for eight years. He was vice chair of the full governing body, representing the school at Ofsted inspection and appeal panels; chair of its curriculum sub committee; and a member of personal and finance sub committees. He was a member of several recruitment and interview panels, including for a new headteacher.

Reuben Bergman – Reuben is a Fellow of the CIPD with significant senior HR leadership experience across a range of public sector organisations in both England and Wales. He currently runs a HR Consultancy Business in Worcestershire providing advice and support on managing change, employment law, HR policy development, mediation, management coaching and employee relations. Reuben has led successful equal pay reviews in three separate local authorities and is known for his successful work in managing change and developing effective employee relations. He is a qualified coach, mediator and a Shared Service architect. He has won national awards for his work on employee engagement and the development of an innovative Café style leadership development programme.

Matthew Davies – Matthew qualified as a Social Worker in 2008, and subsequently worked in Worcestershire and Jersey in the Channel Islands with children, their families and carers. On returning to Worcestershire in 2013 he worked with children in the care of the local authority before he was appointed as a Safeguarding Manager in Worcestershire in 2014, a role he continued in Manchester City until 2017. Currently he's employed as an Independent Reviewing Officer in Worcestershire. Independent Reviewing Officers are Social Workers, who are also experienced social work managers whose duty is to ensure the care plans for children in care are legally compliant and in the child's best interest. Passionate about learning and development Matthew is a guest speaker who contributes toward the West Midlands Step Up To Social Work Programme for the West Midlands, contributing toward the learning of social workers in training. He is also an Independent Panel Member of an Independent Fostering Agency, contributing toward the approval of prospective and established foster parents for children in care.

The Panel has been advised and assisted by:

- Claire Chaplin and Margaret Johnson from Worcester City Council;
- Darren Whitney, Amanda Scarce and Jess Bayley from Bromsgrove and Redditch Councils;
- Mel Harris from Wychavon District Council;
- Lisa Perks from Malvern Hills District Council.

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

Terry Cotton, Interim Chair of Independent Remuneration Panel

Appendix 1

**Independent Remuneration Panel for District Councils in Worcestershire
Recommendations for 2020-21**

Redditch Borough Council

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,526	4,437
Special Responsibility Allowances:				
Leader	3	3	13,578	13,311, plus 6,656 as portfolio holder
Deputy Leader	1.75	1.75	7,920.50	7,765, plus 6,656 as portfolio holder
Cabinet Portfolio Holders	1.5	1.5	6,789	6,656
Executive Members without portfolio	****	1	****	4,437
Chair of Overview and Scrutiny Committee	1.5	1.5	6,789	6,656
Chairs of Overview and Scrutiny Task Groups	0.25	0.25	1,131.50	1,109
Chair of Audit, Standards and Governance Committee	0.25	0.25	1,131.50	1,109
Chair of Planning Committee	1	1	4,526	4,437
Chair of Licensing Committee	0.75	0.75	3,394.50	3,328
Political Group Leaders	0.25	0.25	1,131.50	1,109

Appendix 2**Summary of Research**

Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" authorities tool.

No two Councils or sets of Councillors are the same. Developed to aid local authorities in comparative and benchmarking exercises, the CIPFA "Nearest Neighbours" Model adopts a scientific approach to measuring the similarity between authorities. Using the data, Redditch Borough Council's "Nearest Neighbours" are:

- Tamworth Borough Council
- Gloucester City Council
- Stevenage Borough Council
- Kettering Borough Council
- Worcester City Council
- Cannock Chase District Council

Information on the level of Basic and Special Responsibility Allowances was obtained to benchmark the levels of allowances recommended to the Council.

Annual Survey of Hours and Earnings (ASHE) Data on Pay

<https://www.nomisweb.co.uk/reports/lmp/la/contents.aspx>

<https://www.nomisweb.co.uk/query/construct/summary.asp?reset=yes&mode=construct&dataset=30&version=0&anal=1&initset=>

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at District level about rates of pay. For benchmarking purposes the Panel uses the levels for hourly rates of pay excluding overtime. This is multiplied by 11 to give a weekly rate, which is then multiplied by 44.4 weeks to allow for holidays. This was the number of hours spent on Council business by frontline Councillors, which had been reported in previous surveys and substantiated by a survey with Worcester City Councillors in the autumn of 2015. The rate is then discounted by 40% to reflect the element of volunteering that each Councillor undertakes in the role. Applying this formula would produce a figure of £4,360 per annum.

CPI (Consumer Price Inflation)

In arriving at its recommendations the Panel has taken into account the latest reported CPI figure available to it, published by the Office for National Statistics. This was 1.5% for November 2019.

Local Government Pay Award

The Panel was particularly mindful of the latest Local Government pay award implemented from 1 April 2019. For the majority of Local Government employees this resulted in a pay increase of 2% on 1st April 2019.

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EXECUTIVE

2020

PAY POLICY STATEMENT 2020/21

Relevant Portfolio Holder	Cllr David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole, Head of Transformation and Organisational Development
Ward(s) Affected	n/a
Ward Councillor(s) Consulted	n/a

1. SUMMARY OF PROPOSALS

To enable Members to approve the Pay Policy for 2020/21

2. RECOMMENDATIONS

The Executive is asked to RECOMMEND to Council that the Pay Policy as detailed in Appendix 1 to the report be approved.

3. KEY ISSUES

- 3.1 The Localism Act requires English and Welsh local authorities to produce a Pay Policy statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March each year for the subsequent financial year. The Pay Policy Statement for the Council is included at Appendix 1.

The Statement must set out policies relating to-

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between-
 - (i) The remuneration of its chief officers, and
 - (ii) The remuneration of its employees who are not chief officers.

The provisions within the Localism Act bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.

Financial Implications

- 3.2 All financial implications have already been included as part of the budget setting process and posts are fully budgeted for.

EXECUTIVE**2020**

The information provided is based on the current pay structure and is subject to any national pay award for 2020/21 being agreed

Legal Implications

- 3.3 These are already included in the report

Service / Operational Implications

- 3.4 This report precedes the Management Restructure. The Management Restructure is subject to consultation therefore the current pay policy is as defined in this report.

Customer / Equalities and Diversity Implications

- 3.5 There are no implications in relation to this report

4. RISK MANAGEMENT

There are no implications in relation to this report

5. APPENDICES

Appendix 1 - Pay Policy 2020/21

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2020 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Managers 1 - 2, Head of Service 1, Head of Service 2, Head of Service 3, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Bromsgrove District Council.
6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 43, the Council uses the

nationally negotiated pay spine. Salary points above this are locally determined. The Council's Pay structure is set out below.

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	1	2	17,364	17,711
2	2	5	17,711	18,795
3	5	9	18,795	20,344
4	9	14	20,344	22,462
5	14	19	22,462	24,799
6	19	24	24,799	27,905
7	25	30	28,875	32,878
8	30	34	32,878	36,876
9	34	37	36,876	39,782
10	37	40	39,782	42,683
11	40	43	42,683	45,591
Manager 1	Hay evaluated	43%	55,756	58,030
Manager 2	Hay evaluated	45%	58,030	60,412
Head of Service 1	Hay evaluated	51%	66,312	69,019
Head of Service 2	Hay evaluated	61%	79,574	82,822
Head Of Service 3	Hay evaluated	68%	88,777	92,025
Executive Director	Hay evaluated	74%	96,355	100,145
Deputy Chief Executive	Hay evaluated	80%	106,099	108,254
Chief Executive	Hay evaluated	100%	130,011	135,317

7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are

evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the "Gauge" Job Evaluation process..

8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
10. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
11. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band.

Senior Management Remuneration

12. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2020 (assuming no inflationary increase for these posts).
13. Redditch Borough council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

Post Title	% of Chief executive salary	Pay range (minimum) £	Pay range (maximum) £	Incremental points	Cost to Redditch Borough Council £
Chief Executive	100%	130,011	135,317	3	66,407
Deputy Chief Executive	80%	106,099	108,254	3	53,588
Executive Director of Finance and Resources. (Also S151 Officer)	74%	96,355	100,145	3	49,125
Head of Worcestershire Regulatory Services	68%	88,777	92,025	3	<i>This is a shared post across 6 district Authorities at a cost of £15,066 each</i>
Head of Customer Access and Financial Support	61%	79,574	82,822	3	40,599
Head of Planning and Regeneration	61%	79,574	82,822	3	40,599
Head of Transformation and Organisational Development	61%	79,574	82,822	3	40,599
Head of Legal, Equalities and Democratic	61%	79,574	82,822	3	40,599

Services					
Head of Environmental Services	61%	79,574	82,822	3	40,599
Head of Leisure and Cultural Services	61%	79,574	82,822	3	40,599
Head of Community Services	61%	79,574	82,822	3	40,599
Head of Housing Services	61%	79,574	82,822	3	40,599

Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

16. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

Additions to Salary of Chief Officers (applicable to all staff)

17. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
 - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
 - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
 - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
 - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
 - f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
 - g. market forces supplements in addition to basic salary where identified and paid separately;
 - h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
 - i. attendance allowances.

Payments on Termination

18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
20. Redundancy payments are based upon an employee's actual weekly salary and, in

accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

21. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:
- a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - b. Any bonuses so paid or receivable by the person in the current and previous year;
 - c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - d. Any compensation for loss of employment and any other payments connected with termination;
 - e. Any benefits received that do not fall within the above.

Lowest Paid Employees

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2020 this is £17,364 per annum.
23. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
24. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
25. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce which is 1:3.7.

26. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Accountability and Decision Making

28. In accordance with the Constitution of the Council, the Council is responsible for setting the policy relating to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. Decisions about individual employees are delegated to the Chief Executive.
29. The Appointments Committee is responsible for recommending to Council matters relating to the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer, Section 151 Officer and Chief Officers as defined in the Local Authorities (Standing Orders) Regulations 2001 (as amended);
30. For the Head of Paid Service, Monitoring Officer and the Chief Finance Officer, the Statutory Officers Disciplinary Action Panel considers and decides on matters relating to disciplinary action.

EXECUTIVE11th February 2020**MEDIUM TERM FINANCIAL PLAN 2020/21 – 2023/24**

Relevant Portfolio Holder	Councillor David Thain, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To enable members to consider the Medium Term Financial Plan for the period 2020/21 – 2023/24 to include General Fund Revenue and Capital together with the Housing Revenue Account budget proposals. The report includes recommendations to Council to enable a balanced budget to be set for 2020/21 and the proposed Council Tax for 2020/21. In addition members are asked to note the position for future years 2021/22-2023/24. The recommendations will then be presented to Council on 24th February together with the resolutions once we have received all of the precepting bodies Council Tax calculations.

2. RECOMMENDATIONS

- 2.1 **Executive is asked to recommend that Full Council;**

- 2.1.1 **Approve the Unavoidable costs as attached at Appendix 1:**

2020/21 £221k
 2021/22 £221k
 2022/23 £228k
 2023/24 £235k

- 2.1.2 **Approve the Revenue Bids as attached at Appendix 2 and Appendix 4:**

2020/21 £95k
 2021/22 £45k
 2022/23 £45k
 2023/24 £45k

- 2.1.3 **Approve the Identified Savings as attached at Appendix 3:**

2020/21 £467k
 2021/22 £562k
 2022/23 £676k
 2023/24 £729k

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2.1.4 Approve the General Fund Capital Programme bids as attached at Appendix 4:

2020/21 £242k
2021/22 £51k
2022/23 £51k
2023/24 £51k

2.1.5 Approve the General Fund capital programme at Appendix 5:

2020/21 £3.775m
2021/22 £3.206m
2022/23 £5.149m
2023/24 £3.246m

2.1.6 Approve the net general fund revenue budget;

2020/21 £9.701m
2021/22 £9.903m
2022/23 £10.141m
2023/24 £10.355m

2.1.7 Approve the Housing Revenue Account Budget at Appendix 7 :

2020/21 £24.657m
2021/22 £24.987m
2022/23 £25.233m
2023/24 £25.705m

2.1.8 Approve the Housing Revenue Account Capital Programme at Appendix 8:

2020/21 £10.755m
2021/22 £12.555m
2022/23 £12.217m
2023/24 £11.931m

2.1.9 Approval the increase of the Council Tax per Band D @ £5 for 2020/21.

2.1.10 Approve the transfer to Balances of £82k for 2020/21.

3. KEY ISSUES

Financial Implications

- 3.1 The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be

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made. This year a 4 year plan is proposed to 2023/24 to ensure we address the section 24 Notice. The plan addresses how the Council will provide financial funding to the Strategic Purposes and ensure residents receive quality services to meet their needs in the future. The Purposes that drive the financial considerations are:

- Run and Grow a successful business
- Finding somewhere to live
- Aspiration , Work and Financial Independence
- Living independent, active & healthy lives
- Communities which are safe, well maintained & green

3.2 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.

3.3 The formal recommendation required the Council to deliver

- 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.

3.4 Members and officers have reviewed the services provided by the Council over the last 6 months to consider the levels of funding available to the Council and identified where potential savings can be made or additional income generated.

3.5 In addition a financial framework was approved to enable an overarching strategy to be in place to support the future financial position of the Council. 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

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- 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
- 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

3.6 Significant savings are forecast for 2019/20 and these will be transferred to General Fund balances with the aim to increase these to the level proposed in the framework. As can be seen in Table at 3.10 to this report additional income and savings have been identified to reduce the costs associated with the delivery of services. Furthermore Members have already approved service changes and realignment of funding to realise additional savings of;

- Closure of the One Stop Shops (saving £60k)
- Withdrawal from the Rubicon Business Centre (saving £92k)
- Reallocation of Voluntary Community Service Funding (saving £108k)

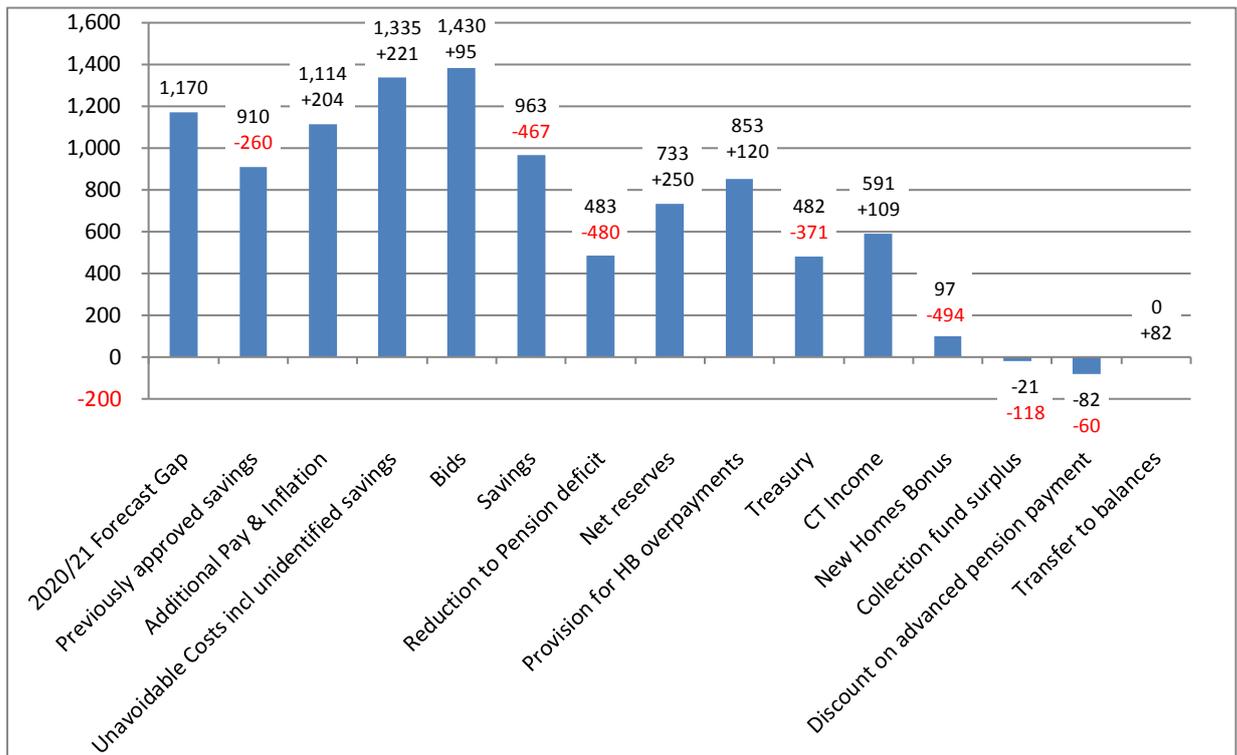
3.7 The Council has made these difficult decisions in light of the financial challenges it faces and it is clear that further savings are required over the longer term to address the financial pressures of the Financial Plan as shown in Table at 3.23.1. Whilst addressing the position for 2020/21 it is clear that further savings are required to ensure the Council has a financially sustainable position in the future in light of the potential changes to Borough Council funding and service demands in the future. There is a need to consider how these savings can be made and there are potential areas for review included later in this report which will need to be explored with officers and members to ensure the Council is financially sustainable in the longer term.

3.8 Over the last 12 months the Budget Scrutiny working group as established by the Overview and Scrutiny Committee has met on a regular basis to review costs, fees and charges and the capital programme and have made a number of recommendations to Executive.

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3.9 Officers have factored in a number of assumptions into the Medium Term Financial Plan to update it in line with revised calculations and information from officers and Government.

3.10 The table below demonstrates the changes in the financial projections and budget gap for 2020/21 based on the original estimation of a £1,170k gap as presented in February 2019. Following the table there are explanations of the reasons for the changes resulting in an achieved balanced budget for 2020/21.



3.11 **Previously approved savings (£260k)**

Members have already approved service changes and realignment of funding to realise additional savings of;

- Closure of the One Stop Shops (saving £60k)
- Withdrawal from the Rubicon Business Centre (saving £92k)
- Reallocation of Voluntary Community Service Funding (saving £108k)

3.12 **Additional pay and inflation (£204k)**

One of the pressures to the budget is general inflation on utility costs along with additional costs in relation to pay. The additional costs relating to pay inflation are above that initially anticipated. The original budget included

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1% pay award however current negotiations are proposing a 2% which is therefore included in the estimated position above.

3.13 Unavoidable Costs (£221k)

When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2019/20 together with any issues that have been raised as fundamental to maintaining service provision as part of the budget process. In addition, income shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. The pressures and income shortfalls of £221k are identified at Appendix 1. These include

- Removal of the previous unidentified savings £181k
- Additional WRS salary pressures £16k

3.14 Bids (£95k)

In addition to the unavoidable pressures revenue bids have been identified and included at Appendix 2 (and appendix 4). Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies. The total bids for 2020/21 of £95k include a Strategy development for Parks and green spaces (£50k) and the revenue implications of capital expenditure.

3.15 Identified Savings/additional income (£467k)

Identified savings and additional income of £467k are detailed at Appendix 3. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating. These include;

- Income generated from new 0 -19 Prevention & Early Intervention contract £32k
- A reduction in insurance budgets of £80k due to a new insurance contract being tendered.
- Savings from the management review (subject to consultation) £54k
- Reduction in enabling costs £45k
- Reduction in costs associated with the Dial A Ride service £90k

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It is proposed that a realignment of the Dial A Ride service can deliver savings to the Council whilst maintaining the service to our community. The £90k saving identified from the service will be achieved through the introduction of a new service delivery model. This will reduce the fleet of minibuses from six to five and the buses will focus on group activities thereby utilising the available passenger capacity on each trip. Where possible bookings will be arranged to service specific locations of the Borough eg. supermarket trips to cover local communities on allocated days of the week. This will increase the number of passengers on the bus at any one time. The service will use a community volunteer car scheme for the least efficient and more costly one to one journeys such as GP or medical appointments. Overall this new service delivery model will increase the number of passengers and income generated per month. New services such as a chaperone service and one off full cost recovery trips to venues outside of the Borough will also be investigated.

3.16 Reduction to pension deficit (£480k)

An actuarial assessment of the council's pension liabilities has seen a sizeable reduction in the historic pension deficit payments due to significantly better performance than was expected from investments by the pension fund.

3.17 Net Reserves (£250k)

In relation to the revised pension liabilities it is worth advising that as Pension deficits are re calculated every 3 years and can be volatile a proposal has been made to allocate £200k of the savings to an earmarked reserve which will be available to manage any pension actuary adverse changes. In addition a reserve is proposed to support transformational change within the Borough of £100k along with a release of a reserve £50k which is no longer required.

3.18 Provision for Housing Benefits (£120k)

The Council spends £15m on Housing Benefit funded from the DWP. There is currently no bad debt provision for Housing Benefit overpayments and therefore an assessment has been made and the £120k is proposed to provide funding for these debts.

3.18 Treasury (£371k)

The decrease of £371k is driven by two factors. The first is a re-profiling of the capital programme to more accurately reflect planned spend which has moved expenditure into future years and also reduced planned spend. Secondly officers undertook a review of the length of asset lives where appropriate which in some cases resulted in an increase. This reduces the

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minimum revenue provision (MRP) per year for assets where the asset life increased, though not reducing the total amount of MRP required to be provided over the life of those assets.

3.19 Council Tax (£109k)

As part of the Financial Settlement the Council is allowed to increase Council Tax by up to 2% or £5 whichever is higher without the need for a referendum. This is less than the previous assumption of 2.99% and therefore there is a projected loss of income for 2020/21 – 2023/24. The current projections include £5 increase for 2020/21 and the demand on the collection fund to meet the Council's own needs will be £6.617m. The Council Tax relating to the Council's services will rise from £239.15 to £244.15.

In addition the Council pay a parish precept estimated at £8k which is funded from Council tax income from the specific parish area.

3.20 New Homes Bonus (NHB) (£494k)

The amount of NHB for 2020/21 has been confirmed as £924k, which is £494k more than anticipated in the MTFP. This is due to the Government funding an additional year of New Homes Bonus than initially proposed. However the financial settlement stated this would be for one year only and would not attract future legacy payments. A consultation on New Homes Bonus is expected in the spring to enable alternative proposals to be considered by the Council

3.21 Council Tax Surplus (£118k)

This is the estimated surplus based on the latest 2019/20 collection fund information

3.22 NNDR Income – no change

The Council is currently participating in a pan-Worcestershire Business Rates Pool (WBRP) pilot for the 75% Business Rate Retention for 2019-20 financial year. This one year arrangement is at no detriment to our financial position based on our former membership of the Greater Birmingham and Solihull Business Rates Pool. As part of the Finance Settlement approval was granted for the Council to be a member of a Worcestershire Pool for 2020-21 that also includes the Fire Authority. Again there is no detriment to the Council in joining this pool and whilst the position for the Council has been projected at a baseline from the current position for future years it is expected that additional growth may be generated which will be reported in the quarterly financial reports. In addition the position in relation to further appeals and resultant uncertainty due to the impact on performance of the Pool remain a concern; this is being managed by the S151 Officer in

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conjunction with the other treasurers within the Pool. It is unknown if Business Rate Pools will cease when the new funding system is introduced. The planned Business Rates baseline reset in 2021 could result in a reduction in the ability to retain business rates growth and therefore there is a risk this will impact adversely on our overall funding position.

3.23 Future Years

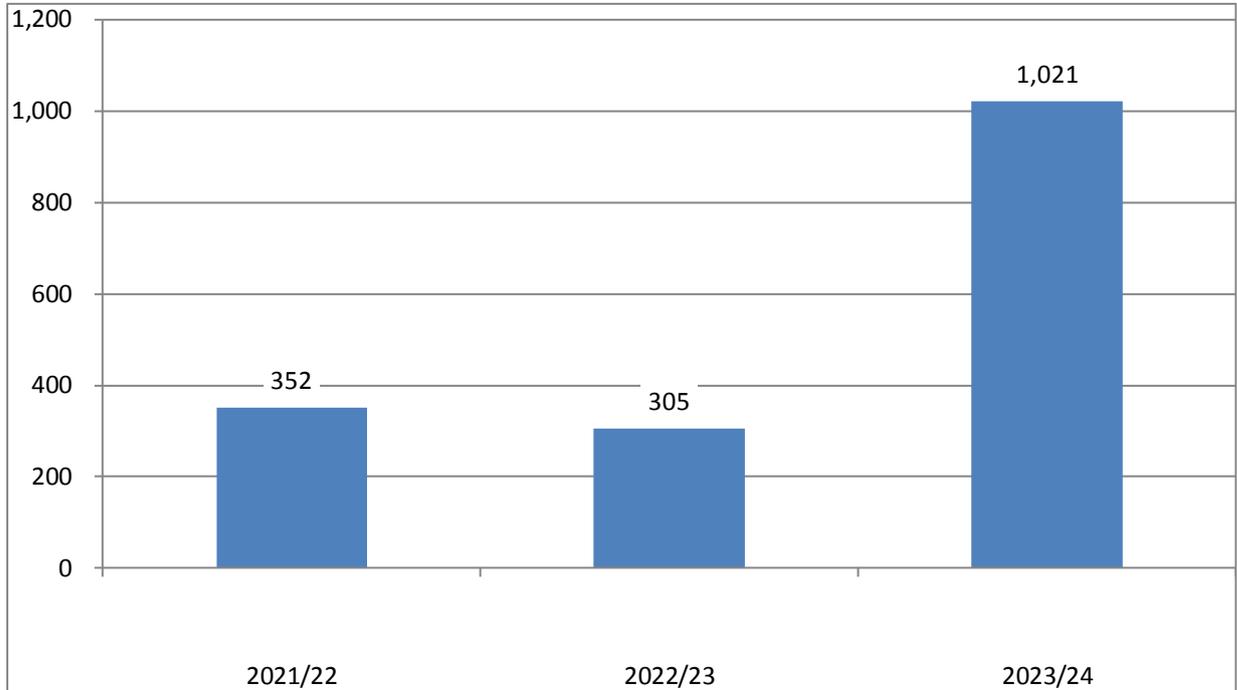
Further consultation is awaited from the Government on plans for reform of local government finance that has now been delayed until 2021. The Council is currently taking part in a pan Worcestershire pilot of 75% business rates retention in 2019-20. The timetable for introducing 75% business rates retention across England and the fair funding review has been deferred until 2021-22. The Council continues to remain vulnerable to other changes in respect of local government finance, such as the rules for distributing new homes bonus. In addition the Government has yet to provide clarity on the impact of Brexit, including such issues as the replacement arrangements for EU funding streams that may benefit the Council, the procurement regime after Brexit and many other aspects of EU law that impact on local government activities;

Assumptions have been made in the financial plan for the following years including:

- The final year of the New Homes Bonus Scheme in 2020/21. There is no further funding included in the MTFP for “new” monies from 2021/22 which will result in a considerable funding gap for the Council. Therefore the New Homes Bonus for 2021/22 will reduce to £231k (from £9244k 2020/21) and 2022/23 to £209k before being withdrawn completely for 2023/24.
- Increases in Council Tax at 2%
- Baseline position for Business Rates as currently there is limited information available on any proposed changes to funding

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3.23.1 This results in a medium term financial gap to 2023/24 as follows:



3.23.2 Members are advised that there is a great level of uncertainty around the funding available from Central Government from 2021/22. The budget presented above shows the position should all New Homes Bonus be removed with no reallocation of central funding to offset this shortfall. In addition there will be a change to the government methodology on the calculation of the amount individual local authorities need to spend (Fair Funding Review) and a reset of the business rates baseline figures. The total shortfall over the three years is £1.678m.

3.23.3 Whilst it is important to see the step improvement in the budget projections there remain significant savings to be made over the Financial Planning period. There is a need to consider how these savings can be made and it is proposed that officers consider the following areas to present options available to reduce costs and grow income to Members in the Autumn. The areas to consider include:

- Improving income through commercial activities and income from regeneration investments
- Increase in income and reduction in spend on Environmental Services
- Increase in income and reduction in spend on Leisure Services
- Additional income or reduction in cost of Dial a Ride
- Additional income or reduction in cost of Shopmobility

REDDITCH BOROUGH COUNCIL**EXECUTIVE**11th February 2020**3.24 General Fund**

The proposed budget is summarised in the table below:

REDDITCH PROPOSED REVENUE BUDGET 2020/21 - 2023/24				
	2020-21	2021-22	2022-23	2023-24
	£000	£000	£000	£000
Departmental base budget	10,269	10,496	10,757	10,757
Incremental Progression/Inflation on Utilities	204	248	246	445
Unavoidable Pressures	220	220	227	234
Revenue Bids/Revenue impact of capital bids	95	45	45	45
Savings and Additional income	-727	-823	-937	-990
Reduction to pension deficit payments	-480	-403	-317	-255
Provision for Housing Benefits overpayments	120	120	120	120
Net Revenue Budget Requirement	9,701	9,903	10,141	10,355
FINANCING				
Reserve release	-50	0	0	0
Transfer to pension reserve	200	0	0	0
Transfer to Transformational Change reserve	100	0	0	0
Business Rates Net Position	-2,899	-2,940	-2,985	-2,985
Council Tax	-6,415	-6,617	-6,821	-7,008
New Homes Bonus	-924	-231	-209	0
Collection Fund Surplus (Council Tax)	-118	0	0	0
Parish Precept	8	8	8	8
Parish Precept income	-8	-8	-8	-8
Bad Debt Provision	50	50	50	50
Investment Income	-832	-899	-967	-1,035
MRP (Principal)	910	969	1,028	1,282
Interest payable	342	375	436	448
Recharge to Capital Programme	-38	-38	-38	-38
Discount on advanced pension payment	-110	-221	-331	-50
Funding Total	-9,784	-9,552	-9,837	-9,336
General Balances				
	2020-21	2021-22	2022-23	2023-24
	£000	£000	£000	£000
Estimated opening balances 20/21 (projected)	957	1,039	687	382
Contribution (from) / to General Balances	82	-352	-305	-1,021
Agreed in year transfer to/from balances				
Closing Balances	1,039	687	382	-639

3.25 Collection Fund

The anticipated collection fund surplus is £880k, which will be distributed amongst the major preceptors using the prescribed formulae. This Councils share of the surplus payable as a one off sum is £118k.

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3.26 Precepts

The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 10th February. This will enable the Council to set the Council Tax on 24th February 2020. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Executive and Council on 24th February.

3.27 Capital Programme

The Capital Programme has been considered to propose any new bids required to deliver services to the community. These are included at Appendix 4 with the proposed complete Capital Programme at Appendix 5. The borrowing costs have been factored into the revenue budget for the financial plan. There are detailed business cases available for all capital projects should members wish to consider them further.

4. Housing Revenue Account

- 4.1 The Housing Revenue Account is a ring fenced account holding transactions relating to Council dwellings. It is a separate account within the General Fund but receives income from Council rents.
- 4.2 For the four financial years up to and including 2019/20 there has been a national requirement to reduce rents by 1% per annum and this has put severe pressure on the housing revenue account. From 2020/21 rents will now increase by the consumer price index plus 1%. The rent increase was approved by the Executive on 19th December 2019. Over the next four years the rent increases will start putting the housing revenue account into a positive position.
- 4.3 Appendix 7 provides a summary of the housing revenue account including the latest forecast for 2019/20. For 2019/20 and 2020/21 the anticipated position is a deficit which would reduce the Housing Revenue Account balances to below the £600k minimum required advised by the Section 151 officer and agreed by Members. To enable the balances to remain at £600k the budget includes drawing £195k from the reserves in 2019/20 and £208k in 2020/21. However, this will be reimbursed 201/22 to 2023/24 as the HRA position improves. The reserves are currently designated for capital purposes but were created from revenue when the HRA was in surplus and the temporary use of the reserve is permitted.
- 4.4 Based on the medium term financial plan by 2023/24 the reserves will have been reimbursed by 2023/24 and £338k will be available to increase the HRA Balances. The continued financial management and assessment of the delivery of a balanced and sustainable budget is a key recommendation in the Section 24 and the subsequent transfer back to

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reserves will demonstrate the Council is managing the financial position for the HRA.

- 4.5 Appendix 8 provides the HRA Capital Programme and Appendix 9 the reserves and capital receipts position taking account of the capital programme and revenue use of reserves. The temporary use and reimbursement of the capital reserve does not impact on the capital plans.

5 Legal Implications

- 5.1 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 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 resolutions and presented to Executive and Council on 24th February 2020.

6 Service / Operational Implications

- 6.1 The MTFP will enable services to be maintained and, where achievable, improvements to the community.

7 Customer / Equalities and Diversity Implications

- 7.1 The impact on the customer has been reduced due to the savings being realised by reduction of waste in the services and ensuring that all service that create value to the customer are resourced.

8. RISK MANAGEMENT

- 8.1 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.

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8.2 Risk Management - Chief Financial Officer (CFO) Opinion on the Estimate Process and Reserve Levels.

Section 25 of the Local Government Act 2003 requires the CFO to report to the Council when it is making the statutory calculations required to determine its Council Tax or precept.

Government guidance states, *'The authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. What is required is the professional advice of the CFO on these two questions. Both are connected with matters of risk and uncertainty. They are interdependent and need to be considered together.'*

8.3 Section 25: Report of the CFO - Robustness of the Estimates

The Chief Financial Officer's opinion is that the estimates are robust, although there are a number of risks and uncertainties as set out below. Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff and Management Team prior to submission to Members. The Council has addressed as a matter of urgency the recommendations as detailed in the Section 24 Notice.

The Council's revenue and capital budgets are 'joined up', both for next year's budget and for the longer term. This means that the full cost of the proposed Capital Programme is reflected in the revenue estimates. Both revenue and capital budgets include the funding needs of the Council.

The main risks in the 2020/21 budget relate to:

- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental risk registers to ensure managers are aware of any variances to budget.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates income. It is difficult to predict the likely income with accuracy. It will be affected by many variables beyond the Council's control, for example, the level of appeals by ratepayers against their rating assessments. The funding mechanism gives a degree of in year protection against volatility but this only defers the impact of variances to future years.
- European Union Withdrawal (Brexit) – the overall effects of Brexit are difficult to quantify. It does remain a significant risk, which will only become clear when the final withdrawal takes place. This will require careful attention

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- Central Government Funding – the MTFP shows income from NHB reducing to zero in 2023/24. This may change as a result of the Fair Funding Review. As already stated, government are consulting on a revised funding formula. There is no certainty around any of the streams of government funding. The current shortfalls in the MTFP need to be addressed over the next 12 months.
- Potential overspends within the HRA Budgets. This will be managed by monthly financial monitoring meetings with the housing and finance teams.

Adequacy of Reserves

The Financial Framework proposed a level of balances at £1.5m for General Fund activity and £1m in the Housing Revenue Account over the next 3 years. It is anticipated that the 2019/20 underspends will enable general fund transfers to increase balances with the aim to reach the level proposed by 2023/24.

The reserves position will allow the Council to be robust and make coordinated plans to address the deficit position.

Taking account of the above, and the level of risk within the budget, the S151 Officer judges that reserves are at an appropriate level throughout the period of the MTFP. This will need to be reviewed if there are any major unplanned calls on reserves, for example, to fund capital expenditure.

9. APPENDICES

Appendix 1 – Unavoidable costs

Appendix 2 – Revenue Bids

Appendix 3 – Identified savings

Appendix 4 – Capital bids

Appendix 5 – Proposed Capital programme

Appendix 6 – Budget by strategic purposes

Appendix 7 - Housing Revenue Account Budget 2020/21 and medium term financial plan to 2023/24

Appendix 8 – Housing Revenue Account Capital Programme 2020/21 to 2023/24

Appendix 9 – HRA reserves and capital receipts position

AUTHOR OF REPORT

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UNAVOIDABLE PRESSURES - RBC

Appendix 1

Service	Strategic Purpose	Description of Pressure	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'001
Human Resources	Enabling	Chris 21 system annual cost - one year costs due to New system in place.	8	0	0	0
CCTV	Communities which are safe, well maintained & green	increase in contract for CCTV maintenance	7	7	7	7
Corporate management	Enabling	Removal of Unidentified savings	181	181	181	181
Elections	Enabling	New polling stations	2	2	2	2
Business Development - Business	Run and grow successful business	Shortfall in income from community centre no longer in use - Hawthorn Road	6	6	6	6
Environmental Health	Communities which are safe, well maintained & green	Worcestershire Regulatory Services (WRS) Salary pressures	16	24	31	38
			221	221	228	235

NEW REVENUE BIDS - RBC

Appendix 2

Service	Strategic Purpose	Description of revenue bid	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Private Sector Housing Team	Finding somewhere to live	ldox licence fee	1	1	1	1
Parks & Events	Communities which are safe, well maintained & green	Strategy development parks and green spaces/ play and pitch/ sports dev/S106 adoption	50	0	0	0
			51	1	1	1

SAVINGS & ADDITIONAL INCOME - RBC

Appendix 3

Service	Strategic Purpose	Description of saving	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Human Resources	Enabling	Savings on car mileage budget	-2	-2	-2	-2
Lifeline	Living independent, active & healthy lives	Additional income for digitalised systems	-17	-34	-44	-54
Community Services - Shopmobility	Living independent, active & healthy lives	Savings arising from a new model of working the shopmobility service	-1	-1	-1	-1
Community Transport	Living independent, active & healthy lives	Dial - a Ride savings	-90	-90	-90	-90
Communications & Print	Enabling	Additional Saving from New Print Contract	-10	-10	-10	-10
Corporate Services	Enabling	Management Review	-54	-54	-54	-54
Corporate Services	Enabling	Reduction in enabling costs - 1% per annum	-45	-90	-135	-180
Customer Access & Financial Support	Aspiration, work & financial independence	Service restructure	-30	-30	-35	-35
Core Environmental Operations	Communities which are safe, well maintained & green	Inflation on income from WCC for underpass maintenance	-2	-3	-4	-4
Engineering	Communities which are safe, well maintained & green	Inflation on income from WCC for land drainage	-2	-2	-3	-3
Transport	Enabling	Additional income from MOTs.	-3	-3	-3	-3
Place Teams	Communities which are safe, well maintained & green	Inflation on income from WCC for verge maintenance	-3	-5	-7	-9
Engineering	Communities which are safe, well maintained & green	Income from WCC for design services provided by Engineering & Design Team	-3	0	0	0
Bereavement Services	Communities which are safe, well maintained & green	Additional income from changes in structure re commercialism	-11	-18	-60	-80
Finance	Enabling	Insurance contract saving	-80	-80	-80	-80

Service	Strategic Purpose	Description of saving	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Finance	Enabling	Savings arising from New Finance Enterprise System.	0	-30	-35	-40
0-19 Prevention and Early Intervention Service	Enabling	Income for new contract for Prevention and Early Intervention service	-32	-32	-32	0
Democratic Services	Enabling	Budget no longer required	-3	-3	-3	-3
Democratic Services	Enabling	Budget no longer required	-10	-10	-10	-10
Legal Services	Enabling	Additional income from HRA recharge	-34	-35	-36	-37
Business Development - Cultural	Communities which are safe, well maintained & green	Additional income from civic suite	-1	-1	-1	-1
Business Development - Cultural	Communities which are safe, well maintained & green	Reduction in advertising budget civic suite	-1	-1	-1	-1
CMT	Enabling	Professional fees budget saving	-17	-17	-17	-17
Development Management	Communities which are safe, well maintained & green	Savings on car mileage budgets	-2	-2	-2	-2
Planning Policy	Communities which are safe, well maintained & green	General supplies and services budget savings	-5	-5	-5	-5
Building Control	Communities which are safe, well maintained & green	General supplies and services budget savings	-1	-1	-1	-1
Licensing	Run and grow successful business	Inflationary increase on income	-1	-1	-1	-1
Licensing	Run and grow successful business	Inflationary increase on income	-3	-3	-3	-3
Rubicon Client	Run and grow successful business	Saving due to AVVC being run by Rubicon	-4	-4	-4	-4
			-467	-562	-676	-729

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Description	Strategic Purposes	funding	2020/21 Total £'000	2021/22 Total £'000	2022/23 Total £'000	2023/24 Total £'000
Public Building	Communities which are safe, well maintained & green	borrowing/capital receipts	250	250	250	0
GF Asbestos	Communities which are safe, well maintained & green	borrowing/capital receipts	40	40	40	0
Home Repairs Assistance	Living independent, active & healthy lives	Long Term Debtors	40	40	40	0
New Digital Service	Communities which are safe, well maintained & green	borrowing/capital receipts	86	51	51	51
Improved Parking Scheme (includes locality funding)	Communities which are safe, well maintained & green	borrowing/capital receipts	0	400	400	0
Vehicle replacement	Communities which are safe, well maintained & green	borrowing/capital receipts	744	316	2,258	1,195
Localilty Capital Projects - Green Lane, Studley	Communities which are safe, well maintained & green	borrowing/capital receipts	200	0	0	0
Localilty Capital Projects - Garage Condition Survey (Housing)	Communities which are safe, well maintained & green	borrowing/capital receipts	100	0	0	0
Localilty Capital Projects - Capital Landscape Improvement	Communities which are safe, well maintained & green	borrowing/capital receipts	25	0	0	0
Wheelie Bin purchase	Communities which are safe, well maintained & green	borrowing/capital receipts	85	85	85	0
Replacing 3 fuel pumps and upgrading tank monitoring equipment	Communities which are safe, well maintained & green	borrowing/capital receipts	25	0	0	0
Car Park Maintenance	Communities which are safe, well maintained & green	borrowing/capital receipts	25	25	25	0
Fleet Management Computer System	Communities which are safe, well maintained & green	borrowing/capital receipts	17	0	0	0
Environmental Services Computer System	Communities which are safe, well maintained & green	borrowing/capital receipts	38	0	0	0
Regeneration Fund	Enabling	borrowing/capital receipts	2,000	2,000	2,000	2,000
Café and Infrastructure Morton Stanley Park	Communities which are safe, well maintained & green	borrowing/capital receipts	100	0	0	0
Total current Capital programme			3,775	3,206	5,149	3,246

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Redditch Borough Council Budget 2020/21 - 2023/24	Final Budget											
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2023/24 £'000	2023/24 £'000
Strategic purpose	Expenditure	Income	Net									
Aspiration, work & financial independence	21,239	-20,576	663	21,281	-20,558	723	21,251	-20,571	680	21,280	-20,584	697
Communities which are safe, well maintained & green	7,436	-2,961	4,474	7,531	-2,978	4,553	7,635	-3,031	4,604	7,713	-3,062	4,651
Enabling	10,164	-7,372	2,792	10,357	-7,482	2,875	10,601	-7,542	3,059	10,637	-7,492	3,145
Finding somewhere to live	1,267	-216	1,051	1,223	-216	1,008	1,234	-216	1,019	1,247	-216	1,031
Living independent, active & healthy lives	1,372	-1,038	334	1,398	-1,058	340	1,418	-1,069	348	1,434	-1,049	385
Run and grow successful business	1,464	-1,077	386	1,485	-1,077	408	1,506	-1,077	429	1,526	-1,077	449
Financing	1,772	-11,474	-9,702	624	-10,176	-9,552	744	-10,581	-9,837	1,056	-10,392	-9,336
Grand Total	44,713	-44,715	-0	43,899	-43,545	352	44,390	-44,087	305	44,894	-43,871	1,021

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Housing Revenue Account (HRA) 2019/20 to 2023/24

	2019/20 Revised budget £'000	2019/20 Forecast Outturn £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000
INCOME						
Dwelling Rents	22,857	22,900	23,083	23,615	24,152	24,704
Non-Dwelling Rents	523	523	537	551	564	578
Tenants' Charges for Services & Facilities	649	649	667	683	700	718
Contributions towards Expenditure	43	81	44	45	46	48
Total Income	24,072	24,153	24,331	24,894	25,462	26,048
EXPENDITURE						
Repairs & Maintenance	5,293	5,975	6,038	6,095	6,070	6,166
Supervision & Management	8,660	8,388	8,249	8,417	8,589	8,764
Rent, Rates, Taxes & Other Charges	144	147	294	302	309	317
Provision for Bad Debts	273	200	182	187	191	195
Depreciation & Impairment of Fixed Assets	5,729	5,729	5,715	5,807	5,895	6,084
Interest Payable & Debt Management Costs	4,179	4,179	4,179	4,179	4,179	4,179
Total Expenditure	24,278	24,618	24,657	24,987	25,233	25,705
Net Operating Expenditure	206	465	326	93	-229	-343
Interest Receivable	-36	-100	-118	-105	-86	-71
Transfer to/(from) general reserves	-170	-170	0	0	0	338
Transfer to/(from) Earmarked Reserves		-195	-208	12	315	76
(Surplus)/Deficit on Services	0	0	0	0	0	0
HOUSING REVENUE ACCOUNT BALANCE						
Forecast Balance as at beginning of year	770	770	600	600	600	600
Surplus/(deficit) for year	-170	-170	0	0	0	338
Forecast Balance as at end of year	600	600	600	600	600	938

HRA Capital Programme and Financing

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve					
Capital - Gas CH	400	416	416	416	416
Capital - Electric Heating		42	42	42	42
Capital - Kitchen Renewals	100	180	180	180	180
Capital - Bathroom Renewals	100	105	105	105	105
Capital - Windows	100	100	100	100	100
Capital - Electrics	400	888	888	888	888
Capital - Electrics - Catch up works	0	624	624	286	0
Capital - Door Renewals	0	20	20	20	20
Capital - Door Access Systems	0	72	72	72	72
Capital - Roofs	50	270	270	270	270
Capital - Balcony Replacements	0	150	150	150	150
Capital - Fencing Replacements	90	90	90	90	90
Capital - Asbestos Removal	1,000	400	400	400	400
Capital - structural	60	30	30	30	30
Capital - Water Supply	50	50	50	50	50
Capital - Hard Wire Installation	0	378	378	378	378
Capital - Damp & Mould	0	38	38	38	38
Capital - Fire Safety	0	82	82	82	82
Capital - works on buy backs	0	270	270	270	270
Capital - Compartmentation Works	500	1,800	1,800	1,800	1,800
Capital Design	350	300	300	300	300
	3,200	6,305	6,305	5,967	5,681
Capital Receipts					
Capital - Stock Condition Survey	150	0	0	0	0
Capital - New Housing System	448	469	106	0	0
Capital - Excellent Estates	375	350	350	350	350
Capital - Bin Stores	0	200	200	200	200
Capital - disabled adaptations	696	700	700	700	700
	1,669	1,250	1,250	1,250	1,250
Acquisitions	4,277	3,200	5,000	5,000	5,000
	9,146	10,755	12,555	12,217	11,931

Financed by

Major Repairs Reserve	3,200	6,305	6,305	5,967	5,681
Capital Receipts	1,669	1,250	1,250	1,250	1,250
Capital Receipts earmarked for acq	1,283	960	1,500	1,500	1,500
HRA Capital Reserve	2,994	2,240	3,500	3,500	3,500
	9,146	10,755	12,555	12,217	11,931

HRA Reserves and Capital Receipts Position 2019/20 to 2023/24

	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve					
Balance 1st April	5,867	8,394	7,804	7,306	7,235
Contributions in year	5,727	5,715	5,807	5,895	6,084
Applied in year	-3,200	-6,305	-6,305	-5,967	-5,681
Balance 31st March	8,394	7,804	7,306	7,235	7,638
Capital Receipts					
Balance 1st April	2,109	1,940	2,093	2,283	2,509
Contributions in year	1,500	1,403	1,440	1,477	1,515
Applied in year	-1,669	-1,250	-1,250	-1,250	-1,250
Balance 31st March	1,940	2,093	2,283	2,509	2,774
Capital Receipts earmarked for acquisition					
Balance 1st April	3,961	4,228	4,671	4,611	4,588
Contributions in year	1,550	1,403	1,440	1,477	1,515
Applied in year	-1,283	-960	-1,500	-1,500	-1,500
Balance 31st March	4,228	4,671	4,611	4,588	4,602
HRA Capital Reserve					
Balance 1st April	18,236	15,047	12,599	9,111	5,926
Transferred to revenue reserve	-195	-208	12	315	76
Applied in year for capital	-2,994	-2,240	-3,500	-3,500	-3,500
Balance 31st March	15,047	12,599	9,111	5,926	2,502
HRA Revenue Reserve					
Balance 1st April	0	0	0	0	0
Transfer from/to Capital Reserve	195	208	-12	-315	-76
Transfer to/from revenue account	-195	-208	12	315	76
Balance 31st March	0	0	0	0	0

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Overview and Scrutiny Committee

Thursday, 9th January, 2020

MINUTES

Present:

Councillor Joe Baker (Chair), Councillor Debbie Chance (Vice-Chair) and Councillors Joanne Beecham, Michael Chalk, Peter Fleming, Andrew Fry, Nyear Nazir, Mark Shurmer and Jennifer Wheeler

Also Present:

Councillor Mike Rouse, Portfolio Holder for Leisure
Councillor David Thain, Portfolio Holder for Corporate Management

Officers:

Ruth Bamford, Helen Broughton, Lisa Devey, Clare Flanagan, Jayne Pickering, Deb Poole, Guy Revans and Judith Willis

Democratic Services Officers:

J Gresham and A Scarce

80. APOLOGIES AND NAMED SUBSTITUTES

An apology for absence was received on behalf of Councillor Salman Akbar and it was confirmed that Councillor Nyear Nazir would be attending as his substitute.

81. DECLARATIONS OF INTEREST AND OF PARTY WHIP

Councillor J. Beecham declared a pecuniary interest due to her employment as a cattery owner in respect of Minute Item 86. It was decided that this would not exclude her from any discussions.

There were no other declarations of interest nor of any party whip.

.....
Chair

Overview and Scrutiny Committee

Thursday, 9th January, 2020

82. MINUTES

The minutes of the Overview and Scrutiny Committee meetings held on 5th December, 2019 and 16th December, 2019 were submitted for Members' consideration.

RESOLVED that

the minutes of the Overview and Scrutiny Committee meetings held on 5th December, 2019 and 16th December, 2019 be approved as a correct record and signed by the Chair.

83. PUBLIC SPEAKING

The Committee welcomed three public speakers to the meeting, who were invited to speak to the Committee in turn. No written records of the speeches was provided for Council records. The speeches as delivered during the meeting, which lasted for a maximum of three minutes each and might therefore, not reflect the full length of the points residents had recorded in advance of the meeting, are recreated below.

a) Ms Liz Williams - Fighting for Survival Group

"For those of you that don't know me I'm Liz Williams, and I am speaking on behalf of the Fighting for Survival Group. Firstly can I just say thank you to for reconsidering the proposed changes. I would also like to thank the Officers who have worked on producing the report.

I would like to make a couple of points. Firstly, the importance of leases to the Voluntary Sector. If we apply for funding from other organisations then part of the funding criteria is often having a lease. If we do not have this then we cannot be awarded the funding.

I just want to clarify that I am speaking on behalf of 8 of the 9 organisations affected by this change in policy, not for the Voluntary Sector as a whole.

Secondly, we believe that only voluntary organisations based in Redditch should be awarded funding. If they are outside of the Borough it means that often they can apply for funding within Redditch and in the area where they based – here and there.

Overview and Scrutiny Committee

Thursday, 9th January, 2020

I am sure that you do not want empty units in our districts. It does not look good if there are empty units in our district centres. Even with the £5000 grants on offer that does not even cover our rents. It's just not enough.

Finally we would like to get a market appraisal on the units. We never got a proper appraisal of rents in the units."

b) Ms Sue Yeng

"Hello. As an introduction I have been working in the voluntary section since I was a child, first with the West Indian Community and then with Women's Refuge. I also work around positive use of the bandstand in Redditch".

The following points were noted from the speech:

- Hours that are provided by the voluntary sector provide value for money for the Council. Working in the voluntary sector can almost be a full-time job.
- The voluntary sector provides support for the Council and the community and is good value for money as we provide services that the council do not have to provide and 'fill the gaps'.
- New policy needs to be re-visited.
- Council Tax could be raised by £12 per annum and this would cover the costs so no changes need to be made.

c) Mr Andy Thompson

"Good evening, I am here representing the Liberal Democrats in regards to the proposal of change to the Council's Concessionary Rents Policy.

It is reckless to cut funding for the voluntary sector and the proposals that are given in the report just don't add up.

More money cannot be obtained from renting to commercial organisations as the units are sub-standard and will not reach the market rental value. This will mean that the units will be unoccupied and will require Council maintenance.

After working with the voluntary groups before I have always encouraged them not to be reliant on one pot of money and always diversify their income streams. To stop it in one go is dangerous.

Overview and Scrutiny Committee

Thursday, 9th January, 2020

During the financial crash in 2008 the voluntary sector stepped up and filled the gaps that were created”.

An email was received by Democratic Services regarding the Voluntary Concessionary Rent Policy and read out by the Senior Democratic Officer. It read as follows:

“Hi I am a disabled lady who wants a voice but unable to attend. Could someone tell the committee that the increased rents to charities would be detrimental to so many in our community who rely on the places for mental health support, physical, emotional, and social and these increases will cost more to the finances with the damage it will do with increases for services. Please urgently reconsider Karen Smith”.

84. PRE-DECISION SCRUTINY - SUPPORT TO THE VOLUNTARY AND COMMUNITY SECTOR 2020/21 (REPORT TO FOLLOW)

The Head of Community Services explained that the Portfolio Holder for Leisure, Councillor Mike Rouse, who was also in attendance at the meeting for this item, would introduce the report which had been provided by Officers. Councillor Mike Rouse outlined the background of the report and reasons why the Voluntary Concessionary Rents Scheme was proposed to change.

It was highlighted that

- Due to the Section 24 notice there needed to be some difficult decisions made with a focus on an increase in revenue.

The Chair invited Councillor David Thain, as Portfolio Holder for Corporate Management to speak. Councillor David Thain thanked the Officers for all of their hard work on pulling together a complicated report. Councillor Thain also added that the voluntary sector in the area needed to move forward and look to national organisations as a model on how to expand their own organisations.

Following the presentation of the position statement for the Council’s Concessionary Rents Policy a number of points were discussed in detail by Members:

Overview and Scrutiny Committee

Thursday, 9th January, 2020

- The hard work and commitment by Officers in regards to this proposal were acknowledged.
- This policy had divided the Council and had left the Council in a difficult position.
- The voluntary sector was the heart of the community in Redditch.

Councillor Debbie Chance expressed the view that this policy change should be suspended as none of the options provided in the report supported what she considered to be the proper way to go forward. It was then proposed that a further option be considered by Executive. This recommendation was circulated by Councillor Debbie Chance as follows:

“That the Executive

Option 7

- To reject all 6 current options in favour of O&S current position that no change is made to the Voluntary Concessionary Rent Scheme.
- To NOT continue with the current Members £5000 grant allocation of £145,000 and revert back to the former grants panel and grants allocation scheme to set the criteria. Setting up a simpler application scheme.
- Maintain the £75,000 grant for financial and advice problem solving”.

The recommendation made by Councillor Debbie Chance was seconded by Councillor Joe Baker.

On being put to a vote the proposal was lost.

Councillor Peter Fleming raised his concerns regarding the ‘meanwhile type’ leases that Officers had included in a number of the options in the report. It was discussed by Members that this meant leases were unstable for the organisations. The Head of Planning explained that the reason for the ‘meanwhile type’ leases was that some of these areas were looking to be redeveloped and

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leases needed to be flexible to offer the best options for redevelopment. Councillor Peter Fleming suggested that a recommendation be made that the Executive reconsider the inclusion of 'meanwhile type' leases in any proposed options. This recommendation was seconded by Councillor Nyear Nazir and on being put to the vote it was approved.

Members questioned Officers as to what the most important issue for the voluntary groups was. The Head of Community Services explained that during the consultation period the issue that most concerned the sector was the lack of stable Core Funding available. It was agreed by Members that this was important and they enquired whether it was possible to provide Core Funding from the pot of funding which was already available.

The Committee also discussed other options that had previously been used to provide support to the voluntary sector. Members questioned Officers as to whether the sector was pleased with the revised funding process in respect of grants given out by Members. Officers reported that organisations had expressed the view during consultation that they had a preference for a grant application process as opposed to the current Community Councillor Grants scheme.

A number of other issues were discussed by Members including:

- The need for compromise in making this difficult decision.
- Voluntary organisations had expressed the view during the consultation that they would feel more comfortable with an Officer led panel decision making process with clear and fair criteria which included providing feedback to unsuccessful applicants.

Members discussed at length which option was most acceptable to them.

Councillor Shurmer proposed that Executive discard options 1, 2 and 6 and only consider options 3, 4 and 5. This proposal was not seconded as it stood. Councillor Shurmer amended the recommendation and proposed that Executive discard options 1, 2,

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5 and 6 and only consider options 3 and 4. This recommendation was seconded by Councillor Jennifer Wheeler.

On being put to the vote and the recommendation was lost.

Councillor Debbie Chance the proposed that the report be noted. This resolution was seconded by Councillor Michael Chalk and on being put to the vote this was agreed.

RECOMMENDED that

the Executive Committee reconsider the inclusion of 'meanwhile type' leases in any proposed options.

RESOLVED that

the report be noted.

(At the end of this item there was a brief adjournment).

85. PRE-DECISION SCRUTINY - ESSENTIAL LIVING FUND POLICY (REPORT TO FOLLOW)

The Customer Support Manager presented the Essential Living Fund report for Members' consideration, which proposed an update of the current policy.

The Customer Support Manager informed Members that the proposed policy helped to provide clarity for customers and council officers. It also provided a more targeted approach to enable customers work towards long term financial stability.

Members questioned whether the proposed policy would be offering more financial support helping fewer people and officers explained that the proposed changes offered a consistency of service and prevented the same customers presenting to the council on a monthly basis.

Councillor Mark Shurmer proposed that the report be noted. This resolution was seconded by Councillor Andrew Fry and on being put to the vote this was agreed.

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RESOLVED that

the report be noted.

**86. PRE-DECISION SCRUTINY - FEES AND CHARGES 2020/21
(REPORT TO FOLLOW)**

The Executive Director Finance and Resources presented the Fees and Charges report prior to its consideration at the Executive Committee and then Council. Members scrutinised the report by exception and the following lines were identified and clarified by Officers:

- Dial a Ride and Shopmobility– it was clarified by Officers that the increase brought the charges in line with neighbouring authorities and the changes had been agreed through consultation and would not be means tested.
- Bereavement Services – the structure of the Wesley Music fees had changed and the increases were reflected in the report.
- Repairs and Maintenance charges – Members asked that the fees and charges needed to be more specific and that a differentiation between accidental and malicious damage should be made. The Head of Service for Housing (Repairs and Maintenance) clarified that this was already being done through the Tenants' Handbook and that each repair would be taken on a case by case basis.
- Street Naming – Officers clarified that these costs were met by building developers.
- The recommendation arising from the meeting of the Budget Scrutiny Working Group held in December 2019 when Members had recommended that the fees and charges report needed to be presented in a simpler style.

The new charges were included in this report which explained the 100% increases in some Service Areas.

RECOMMENDED that

more detail should be included in the fees and charges reports in the future and there should be greater reconciliation between the old and new fees for a service in the report to help clarify how they relate to each other.

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

The Overview and Scrutiny Committee considered the minutes of the Executive Committee meeting held on 19th December, 2019 and the Executive Committee's Work Programme for the period 1st February 2020 to 31st May 2020.

Members were advised that the recommendation from the previous meeting regarding the Review of the One Stop Shops had been noted but not endorsed. The recommendation concerning the Member briefing by Black Radley regarding the Commercialism strategy was noted by the Executive Committee with the caveat that at least 50% of Members committed to attending the briefing.

RESOLVED that

- 1) **the minutes of the Executive Committee meeting held on 19th December, 2019 be noted; and**
- 2) **the Executive Committee's Work Programme from 1st February 2020 to 31st May 2020, be noted.**

88. OVERVIEW AND SCRUTINY WORK PROGRAMME

There were no updates to the Overview and Scrutiny Work Programme.

RESOLVED that

the report be noted.

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

- a) Budget Scrutiny Working Group – Chair, Councillor Jenny Wheeler

Councillor Wheeler advised that there had been no meeting of the group since the previous meeting of the Committee.

Members discussed the recommendation from the last Budget Scrutiny Group regarding fees and charges reports and the reconciliation between old and new fees for service.

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- b) Parking Enforcement Task Group – Chair, Councillor Mark Shurmer

Councillor Shurmer advised that there had been no meeting of the group since the previous meeting of the Committee.

- c) Performance Scrutiny Working Group – Chair, Councillor Andrew Fry

Councillor Fry advised that there had been no meeting of the group since the previous meeting of the Committee.

- d) Suicide Prevention Task Group – Chair, Councillor Debbie Chance

Councillor Chance advised that there had been no meeting of the group since the previous meeting of the Committee.

RESOLVED that

the update reports be noted.

90. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS

Councillor Michael Chalk advised that there were no updates to be provided in respect of West Midlands Combined Authority Overview and Scrutiny Committee and Worcestershire Health Overview and Scrutiny Committee.

The Meeting commenced at 6.30 pm
and closed at 8.53 pm