

# **Executive Committee**

**Monday, 25 February 2019**

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## **MINUTES**

### **Present:**

Councillor Matthew Dormer (Chair), and Councillors Tom Baker-Price, Greg Chance, Brandon Clayton, Bill Hartnett, Gareth Prosser, Mike Rouse and Craig Warhurst

### **Officers:**

Kevin Dicks, Claire Felton, Sue Hanley and Jayne Pickering

### **Senior Democratic Services Officer:**

Jess Bayley

### **97. APOLOGIES**

An apology for absence was received on behalf of Councillor David Bush.

### **98. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **99. LEADER'S ANNOUNCEMENTS**

A written update on the Leader's Announcements was circulated at the meeting.

### **100. MINUTES**

#### **RESOLVED that**

**the minutes of the meeting of the Executive Committee held on Tuesday 5<sup>th</sup> February 2019 be agreed as a correct record and signed by the Chair.**

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Chair

## 101. MEDIUM TERM FINANCIAL PLAN 2019/20 TO 2022/23, INCLUDING PAY POLICY STATEMENT AND COUNCIL TAX SETTING

The Executive Director of Finance and Corporate Resources presented the Medium Term Financial Plan 2019/20 to 2022/23. During the presentation of this report the following matters were highlighted for Members' consideration:

- The Medium Term Financial Plan was designed to help the Council achieve its strategic purposes.
- The Budget Scrutiny Working Group had been reviewing the process for preparing the budget throughout the year and had been assisted by the Overview and Scrutiny Committee at its latest meeting.
- In the last Medium Term Financial Plan it had been assumed that in 2019/20 there would be a shortfall of £475,000 in the budget. The report set out the action that had been taken and the proposals that had been made to ensure that the budget balanced in 2019/20.
- The Council had achieved £1.1 million of savings and there were now no unidentified savings included within the Medium Term Financial Plan.
- The Government had confirmed that the Council would not need to pay back the negative revenue support grant in 2019/20 which had originally been built into the budget. Officers were assuming that the local authority would not need to pay this negative support grant in the subsequent three financial years.
- The Council had received more New Homes Bonus (NHB) funding than had been anticipated at the end of the previous financial year.
- The business rates bid for Worcestershire had been approved and the district Councils were putting forward bids for up front funding for projects that would help to reduce expenditure on social care overall.
- There was significant uncertainty moving forward about local authority budgets and this was impacting on the projected figures for the Council's budget in future years. By 2022/23 a deficit of £1.5 million was anticipated.
- In 2019/20 the Council would have balances of £1.4 million. Officers were anticipating that these would decline significantly during the period of the plan and by 2021/22 Officers were anticipating that balances would fall below the level set as a requirement by the Section 151 Officer.
- Unavoidable pressures had been included in the Medium Term Financial Plan. These were financial pressures that the Council had to deliver in order to continue to provide services.

- A contribution of £150,000 to the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) had been included in the plan. As the Council would be in the Worcestershire business rates pilot pool for a year, officers had built income from that pool into the budget to offset the costs in terms of the contribution to the GBSLEP.
- The bids and savings included the contract that had been secured by the Lifeline team with Cannock Chase District Council and the £50,000 in printing savings.
- The capital bids mainly comprised S106 funds, though there were also bids in respect of the fleet replacement process and for the North Worcestershire Water Management (NWWM) team.

Following the presentation of the report Councillor Baker, as Chair of the Overview and Scrutiny Committee, was invited to present the recommendations arising from the Committee's scrutiny of the Medium Term Financial Plan, which had occurred at a meeting that took place on 20<sup>th</sup> February 2019. Members were advised that the Overview and Scrutiny Committee had scrutinised the proposed budget in detail. Based on the discussions during the meeting the Committee had concluded that action needed to be taken to generate further income in order to address some of the significant gaps in the budget anticipated for the last three years of the plan. Members had suggested that the Council could investigate the potential to charge residents to attend Council-run events, such as Morton Stanley Festival. The Committee had also suggested that the Council could explore alternative ways to utilise Council assets, such as the Town Hall, in order to generate income. Finally the Committee had raised a number of concerns in respect of the sustainability of the budget and the inclusion of some elements, such as the Redditch Community Lottery.

Members subsequently discussed the proposed budget in detail and in doing so raised the following points:

- The exploration of the potential for alternative uses to be made of the Council's budget, which was already the subject of considerable work.
- The work Officers had already undertaken to explore the potential to charge for Council events. Difficulties had been identified with this, such as the need to fence off the area where an event was taking place.
- The alternative options to generate income from Council events, such as through sponsorship or voluntary contributions.
- The total increase of £60,000 on Members' allowances should the recommendations from the Independent Remuneration Panel (IRP) be approved.

- The reduction in grant funding for the Voluntary and Community Sector (VCS) of £20,000 as a result of changes to the Council's grants process.
- The introduction of £5,000 grants for each Councillor to distribute to VCS organisations in 2019/20 and the training that would be required by Members prior to distributing this funding.
- The introduction of the Redditch Community Lottery and the extent to which the financial projections for the lottery were realistic.

During consideration of this item an amendment was proposed by Councillor Bill Hartnett. This was seconded by Councillor Greg Chance.

The amendment proposed an alternative budget as detailed in the table below:

	2019-20 £000	2020-21 £000	2021-22 £000	2022-23 £000
Departmental base budget	9,116	9,173	9,387	9,388
Incremental Progression/Inflation on Utilities	132	206	281	483
Unavoidable Pressures	373	287	227	255
Revenue Bids/Revenue impact of capital bids	133	113	105	105
Savings and Additional income	1,107	-821	-826	-796
Reserve release	-262	0	0	0
Efficiency savings rolled forwards	1,117	1,271	1,282	1,282
<b>Net Revenue Budget Requirement</b>	<b>9,503</b>	<b>10,229</b>	<b>10,456</b>	<b>10,717</b>
<b>FINANCING</b>				
Contribution to Worcestershire County Business Rate Pool	2,855	-2,899	-2,941	-2,986
Council Tax	6,241	-6,524	-6,857	-7,178
New Homes Bonus	-754	-430	-231	-209
Collection Fund Surplus (Council Tax)	-14	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	-661	-952	-1,349	-1,673
MRP (Principal)	1,004	1,159	1,249	1,610

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Interest payable	158	584	1,002	1,237
Recharge to Capital Programme	-38	-38	-38	-38
Discount on advanced pension payment	-193	-50	-50	-50
<b>Funding Total</b>	<b>9,543</b>	<b>-9,099</b>	<b>-9,164</b>	<b>-9,237</b>
<b>General Balances</b>				
Opening Balances	1,401	1,440	310	-982
Contribution (from) / to General Balances	40	-1,130	-1,292	-1,481
Agreed in year release of balances				
<b>Closing Balances</b>	<b>1,440</b>	<b>310</b>	<b>-982</b>	<b>-2,463</b>

#### Alternative Budget Includes :

- reinstating the grants budget of £20k
- reducing member allowances to previous year level saving £60k
- improves the financial position by £160k over 4 years

In proposing the alternative budget Councillor Hartnett explained that this would ensure that the £20,000 funding that had been removed from the grants process would be reinstated. The alternative budget did not include the additional £60,000 arising from the increase in Members' allowances proposed by the IRP. Nor would the alternative budget include the additional £9,000 in allowances that had been added by the Executive Committee on 5<sup>th</sup> February 2019 and which had not been proposed by the IRP. Councillor Hartnett noted that the alternative budget would have removed funding to establish the Redditch Community Lottery but this was not possible as this budget had already been spent.

In seconding the alternative budget Councillor Greg Chance commented that it was acknowledged that this would not resolve all of the financial difficulties facing the Council. However, the alternative budget would reinstate £20,000 to support VCS groups working in the local community. The alternative budget would also remove the increase of £60,000 in Members allowances which could instead be reinvested in frontline services.

Members subsequently debated the alternative budget and during this discussion raised the following matters:

- The financial challenges facing local government and the fact that the budgetary position for Councils had been difficult for a number of years.
- The £40,000 savings that would be achieved in each year should the alternative budget be approved.
- The increase in Members' allowances proposed by the IRP and the length of time that had passed since the Council had agreed an increase to the allowances for Members.
- The rate of allowances paid to Redditch Members in 2018/29 and the fact that these were 70 per cent lower than the remuneration received by Councillors elected to serve on Bromsgrove District Council.

On being put to the vote the amendment was defeated.

## **RECOMMENDED**

- 1) **the approval of the Unavoidable costs as attached at Appendix 1:**
  - 2019/20 £373k
  - 2020/21 £287k
  - 2021/22 £227k
  - 2022/23 £255k
- 2) **the approval of the Revenue Bids as attached at Appendix 2:**
  - 2019/20 £193k
  - 2020/21 £173k
  - 2021/22 £165k
  - 2022/23 £165k
- 3) **the approval of the Identified Savings as attached at Appendix 3:**
  - 2019/20 £1,127k
  - 2020/21 £841k
  - 2021/22 £846k
  - 2022/23 £816k
- 4) **the approval of the Capital Programme bids as attached at Appendix 4:**
  - 2019/20 £1.875m
  - 2020/21 nil
  - 2021/22 nil
  - 2022/23 £1.352m
- 5) **the approval of the Pay Policy Statement as attached in Appendix 6;**

- 6) the approval of the Council Tax Resolutions to include the increase of the Council Tax per Band D at 2.2% and the following:
- a) that it be noted at its meeting on 8th January 2019, the Executive Committee calculated the Council Tax Base 2019/20
    - (i) for the whole Council area as 26,096.00 [Item T in the formula in Section 31B of the Local Government Act 1992, as amended (the “Act”)]; and
    - (ii) for dwellings in those parts of its area to which a Parish precept relates; this being Feckenham Parish as 370.10.
  - b) that the calculation of the Council Tax requirement for the Council’s own purposes for 2019/20 (excluding Parish precepts) is £6,240,858.40.
  - c) that the following amounts be calculated for the year 2019/20 in accordance with sections 31 to 36 of the Act:
    - (i) £50,996,528 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act (taking into account all precepts issued to it by Parish Councils) (*i.e. Gross expenditure*)
    - (ii) £44,747,370 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. (*i.e. Gross income*)
    - (iii) £6,249,158 being the amount by which the aggregate of 3 (a) above exceeds the aggregate at 3 (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
    - (iv) £239.47 being the amount at 3 (c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

- (v) £8,300 being the aggregate amount of all special items (Feckenham Parish precept) referred to in Section 34 (1) of the Act.
- (vi) £239.15 being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1 (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (vii) £261.58 being the amount given by adding to the amount at 3(f), the amount of the special item relating to the Parish of Feckenham 3(e), divided by the amount in 1(b) above.
- (viii) The amounts below given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	174.38	159.43
B	7/9	203.46	186.01
C	8/9	232.52	212.58
D	1	261.58	239.15
E	11/9	319.70	292.29
F	13/9	377.84	345.44
G	15/9	435.96	398.58
H	18/9	523.16	478.30



- d) it be noted that for the year 2019/20, Worcestershire County Council, Warwickshire and West Mercia Police & Crime Commissioner and Hereford and Worcester Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwelling in the Council's area as indicated below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
<b>Worcestershire County Council</b>	840.50	980.58	1120.67	1260.75	1540.92	1821.08	2101.25	2521.50
<b>Warwickshire and West Mercia Police and Crime Commissioner</b>	144.44	168.51	192.59	216.66	264.81	312.95	361.10	433.32
<b>Hereford and Worcester Fire and Rescue Authority</b>	56.23	65.60	74.97	84.34	103.08	121.82	140.57	168.68

- e) Having calculated the aggregate in each case of the amounts at 4(h) and 5 above, that Redditch Borough Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 hereby sets the amounts shown below as the amounts of Council Tax for 2019/20 for each part of its area and for each of the categories of dwellings:

Valuation Band	Proportion of Band D tax paid	Parish of Feckenham £	All other parts of the Council's area £
A	6/9	1,215.55	1,200.60
B	7/9	1,418.15	1,400.70
C	8/9	1,620.75	1,600.81
D	1	1,823.33	1,800.90
E	11/9	2,228.51	2,201.10
F	13/9	2,633.69	2,601.29
G	15/9	3,038.88	3,001.50
H	18/9	3,646.66	3,601.80

- f) that the Executive Director Finance & Resources be authorised to make payments under Section 90(2) of the Local Government Finance Act 1988 from the Collection Fund by ten equal instalments between April 2019 to March 2020 as detailed below:

	Precept £	Surplus on Collection Fund £	Total to pay £
Worcestershire County Council	32,900,532.00	74,370.00	32,974,902.00
Warwickshire and West Mercia Police and Crime Commissioner	5,653,926.95	12,089.00	5,666,015.95
Hereford & Worcester Fire	2,200,935.39	5,024.00	2,205,959.39

- g) that the Executive Director Finance & Resources be authorised to make transfers under Section 97 of the Local Government Finance Act 1988 from the Collection Fund to the General Fund the sum of £6,263,532.40 being the Council's own demand on the Collection Fund (£6,240,858.40) and Parish Precept (£8,300) and the distribution of the Surplus on the Collection Fund (£14,374);
- h) that the Executive Director Finance & Resources be authorised to make payments from the General Fund to Feckenham Parish Council the sums listed above (£8,300) by instalment on 1 April 2019 in respect of the precept levied on the Council;
- i) that the above resolutions 3 to 5 be signed by the Chief Executive for use in legal proceedings in the Magistrates Court for the recovery of unpaid Council Taxes; and
- j) that notices of the making of the said Council Taxes signed by the Chief Executive are given by advertisement in the local press under Section 38(2) of the Local Government Finance Act 1992.

**RESOLVED that**

the Overview and Scrutiny Committee's recommendations in respect of the Medium Term Financial Plan 2019/20 to 2022/23, proposed at a meeting of the Committee on 20<sup>th</sup> February 2019, be noted.

## 102. OVERVIEW AND SCRUTINY COMMITTEE

The Chair confirmed that there were no outstanding recommendations from the Overview and Scrutiny Committee meeting held on 4<sup>th</sup> February 2019 for consideration at the meeting.

### **RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on Monday 4th February 2019 be noted.**

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

The Chair confirmed that there were no outstanding matters referred by other Committees for consideration at the meeting.

## 104. ADVISORY PANELS - UPDATE REPORT

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

Councillor Dormer advised the Committee that a meeting of the Constitutional Review Working Party had taken place on 12<sup>th</sup> February 2019. The recommendations arising from this meeting would be considered at the Council meeting on 25<sup>th</sup> February 2019.

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

Members were advised that, as discussed at the previous meeting of the Executive Committee, Councillor Baker-Price had attended the latest meeting of the Corporate Parenting Steering Board as a substitute.

Councillor Baker-Price explained that during the latest meeting of the Board Members had discussed the delays that could occur in terms of the provision of universal credit. Often when a young person left care s/he did not then receive universal credit for up to four weeks which could create difficulties and a Section 37 needed to be obtained to provide assistance.

- c) Grants Panel – Chair, Councillor Greg Chance

Councillor Chance confirmed that there was no update to provide.

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

Members were informed that the following meeting of the Member Support Steering Group was due to take place on the evening of Tuesday 26<sup>th</sup> February 2019. This was the rescheduled meeting of the group that had been due to take place in January and Members were asked to bring their agenda packs from that date in order to reduce the amount of paperwork generated for the meeting.

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

Councillor Dormer explained that the following meeting of the Planning Advisory Panel was due to take place on 13<sup>th</sup> March 2019.

The Meeting commenced at 7.00 pm  
and closed at 7.32 pm