



# Executive Committee

Mon 25 Feb  
2019  
7.00 pm

Committee Room Two  
Town Hall  
Redditch

**REDDITCH** BOROUGH COUNCIL

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a  
difference*

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# Executive

Committee

Monday, 25th February, 2019

7.00 pm

Council Chamber - Town Hall  
Redditch

## Agenda

### Membership:

Cllrs:	Matthew Dormer (Chair)	Bill Hartnett Gareth Prosser
	David Bush (Vice- Chair)	Mike Rouse Craig Warhurst
	Tom Baker-Price 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 - 14)

### 5. Medium Term Financial Plan 2019/20 to 2022/23, Including Pay Policy Statement and Council Tax Setting (Pages 15 - 40)

The Executive Committee will be asked to consider and recommend the Medium Term Financial Plan 2019/20 to 2022/23.

Following this to recommend to Council the Council Tax for 2019/20 (resolutions to follow).

Members are asked to note that the Overview and Scrutiny Committee will be pre-scrutinising the Medium Term Financial Plan 2019/20 to 2022/23 at a meeting on 20<sup>th</sup> February 2019. Any recommendations arising from this meeting will be reported to the Executive Committee in an additional papers pack.

### 6. Overview and Scrutiny Committee (Pages 41 - 48)

### 7. 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.

## **8. Advisory Panels - update report**

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

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



## Executive Committee

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### MINUTES

#### Present:

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

#### Also Present:

Ali Brill (Worcestershire County Council)

#### Officers:

Matthew Austin, Ann Dallison, Clare Flanagan, Sue Hanley, Jayne Pickering, Guy Revans and Judith Willis

#### Committee 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 Chair circulated a written update on the Leader's Announcements.

#### 85. MINUTES

##### RESOLVED that

**the minutes of the meeting of the Executive Committee held on 8<sup>th</sup> January 2019 be approved as a correct record and signed by the Chair.**

.....  
Chair

**86. REDDITCH BOROUGH COUNCIL'S COMMUNITY LOTTERY**

The Voluntary Community Sector Grants Co-ordinator presented a report in respect of Redditch Borough Council's Community Lottery. The programme had been agreed in September 2018 but before the lottery was launched the Council had to approve a number of policies in order to ensure compliance with the requirements of the Gambling Commission. The policies had been circulated for the consideration of relevant staff in advance of the Committee meeting to ensure that they did not conflict with other Council policies. Delegated powers had also been requested to enable officers to update the policies quickly in response to any changing requirements set by the Gambling Commission.

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

- The basis for the projected figures that would be generated by the lottery, which were detailed in the report.
- The potential impact that the introduction of a community lottery would have on participation in lotteries for local charities, such as that held by the Primrose Hospice.
- The impact that the introduction of the lottery might have on the Council's grants programme.
- The lottery schemes that had been introduced by other local authorities in the country which had been relatively successful.
- The advice that Aylesbury Vale District Council had provided to the Council prior to the decision to introduce a lottery.

During consideration of this item Members referred to the recommendations that had been made by the Overview and Scrutiny Committee in respect of the community lottery. Members of the Overview and Scrutiny Committee had raised a number of concerns with respect to the lottery scheme and these had been detailed in a written summary of the discussions, which was tabled at the meeting.

**RESOLVED that**

**the recommendations made by the Overview and Scrutiny Committee at a meeting on 4<sup>th</sup> February in respect of the community lottery be noted; and**

**RECOMMENDED that**

- 1) **the Business Plan and suite of Policies be approved, and implemented for the Redditch Community Lottery Scheme; and**

- 2) **the Head of Community Services in consultation with the relevant Portfolio Holder be granted delegated authority to adapt the policies as and when required to ensure ongoing compliance with the rules and regulations set by the Gambling Commission as per our lottery licence.**

**87. INDEPENDENT REMUNERATION PANEL REPORT AND RECOMMENDATIONS FOR 2019/20**

The Principle Solicitor presented a report outlining the findings of the Independent Remuneration Panel (IRP) in respect of Members' allowances. The IRP had made a number of recommendations which would lead to an increase in the allowances paid to Redditch Members.

The Committee was asked to note that at the request of the Chair the financial implications of an increase to Members' allowances had been reviewed. Officers had found that the proposed changes, should they be approved, would result in an increase of £60,000 to the budget, rather than the £51,000 that had been detailed in the report. This would be incorporated in the Medium Term Financial Plan (MTFP) should Members agree the rise.

Included within the report was reference to the position of members of the Executive Committee without portfolio. The IRP had not made any recommendations in respect of their Special Responsibility Allowance (SRA). This was because no other Council covered by the Worcestershire IRP had an arrangement whereby members without portfolio served on the Executive Committee so there was no comparable information available. The Chair suggested that it would be fair to provide Members in this position with an SRA and he proposed that this should be increased by a multiplier of 1, in line with the proposed rise to the basic allowance for all Councillors.

Members subsequently discussed the following matters:

- The fact that Redditch Borough Council had not agreed an increase to Members' allowances for ten years.
- The need to attract new candidates to stand as Councillors and the fact that the financial remuneration might impact on their ability to commit to the role.
- The potential for the Council to attract candidates from deprived backgrounds to serve as Councillors and the impact that enhanced remuneration might have on their ability to take up the role.
- The recent decision taken by the Council in respect of the pay model for staff and the fact that this would lead to an increase in wages for many staff.

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- The allowances paid to Members serving on Bromsgrove District Council and the value of achieving parity in terms of allowances paid, given the shared services arrangements between the two Councils.
- The allowances paid to Councillors in other parts of Worcestershire and the significant differences in remuneration between Redditch and the other districts that had arisen over the ten years that Redditch Members had not increased their allowances.
- The increasing responsibilities of a local Councillor and the time that Members needed to dedicate to the role in order to fulfil their responsibilities effectively.
- The impact that an increase in Members' allowances would have on the Council's ability to meet the authority's equality duties.
- The reasons why Members decided to serve on the Council. There was general consensus that this was not for financial reasons.

## **RECOMMENDED that**

- 1) **the Basic Allowance for 2019-20 is £4,437, representing 2% increase;**
  - 2) **the Special Responsibility Allowances are as set out in Appendix 1 to the Independent Remuneration Panel's report;**
  - 3) **travel allowances for 2019-20 continue to be paid in accordance with the HMRC mileage allowance;**
  - 4) **subsistence allowances for 2019-20 remain unchanged;**
  - 5) **the Dependent Carer's Allowance remains unchanged;**
  - 6) **for Parish Council 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; and**
  - 7) **the Special Responsibility Allowance for members of the Executive Committee without Portfolio be increased by a multiplier of 1.**
88. **ARROW VALLEY COUNTRYSIDE CENTRE - CHANGE OF OPERATOR**

The Executive Director of Finance and Corporate Resources presented a report outlining proposals for the change of operator at the Arrow Valley Countryside Centre. Members were advised that



the operation of the service at the countryside centre had been outsourced to an external company in 2011 with a ten year lease. During the course of their tenure concerns had been raised by Members, Officers and customers about a range of matters relating to the building and the consistency of the service. There had also been limited performance data provided to the Council over the past few years, despite this being a requirement in the contractual agreement. The current leaseholders had indicated to the Council that they would be withdrawing from the contract by March 2019, which was before the end of the lease. This provided the council with an opportunity to review future arrangements. The initial business case for Rubicon Leisure had noted that the local authority might seek to manage additional Council owned facilities once their leases expired and it was considered expedient to ask Rubicon Leisure to take over management of the Arrow Valley Countryside Centre. The Council was not required to undertake a tendering process in order to finalise this arrangement.

The Council was aiming to ensure that the Arrow Valley Countryside Centre in future operated in a manner that would meet the Council's strategic purpose 'provide good things to do, see and visit'. Rubicon Leisure had provided projected income figures for the Arrow Valley Countryside Centre. As a precaution these figures were low as it had been difficult to estimate potential income generation due to the lack of available data from the existing leaseholder. Should Members agree to transfer management of the Arrow Valley Countryside Centre the staff would be TUPE transferred over the Rubicon Leisure.

Members discussed the report and proposals for the future use of the Arrow Valley Countryside Centre and noted the following points during consideration of the matter:

- The need to improve the services available to customers at the Arrow Valley Countryside Centre.
- The alterations made by the current contractor to the countryside centre and the extent to which this had been made at a cost to the Council.
- The potential to recoup any costs from the current leaseholder. Members were advised that it was important to review the terms of the contract as well as to consider the potential court costs that might arise should the Council seek to recoup costs from the current leaseholders.
- The financial costs to the Council involved in making sure the building was in a good condition should it not prove possible to recoup the funding from the current leaseholder.
- The need to ensure that the office space, including the mezzanine level in the countryside centre remained available for community use. Members commented that they were not

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willing to permit Rubicon Leisure to use the centre as office space.

- The need to ensure that the Council was clear about the terms of use of the Arrow Valley countryside Centre with Rubicon Leisure.

### **RECOMMENDED that**

- 1) **the Council accepts the surrender of the current service provider's lease of the Arrow Valley Countryside Centre on 31 March 2019;**
- 2) **operation of the Arrow Valley Countryside Centre be transferred to Rubicon Leisure Ltd from 1<sup>st</sup> April 2019; and**
- 3) **the Medium Term Financial Plan (MTFP) is revised to reflect the reduction in the overall Rubicon Leisure management fee expected to result from the transfer.**

### **89. COUNCIL TAX SUPPORT SCHEME AND WIDER SUPPORT FRAMEWORK**

The Executive Director of Finance and Corporate Resources presented the Council Tax Support Scheme and Wider Support Framework. The Committee was advised that the Council had had a scheme since 2013. The current system enabled working age applicants to receive up to 80 per cent relief on their Council Tax. In September Members had agreed that the Council should launch a consultation about the potential to introduce a banded discount scheme. This consultation exercise had subsequently been held and the majority of respondents had reported that they were not in favour of this proposal.

Officers had concluded that the current arrangements should remain in place for 2019/20. This would provide time to observe how changes to Council tax support schemes that were being introduced by other local authorities impacted in their communities and on this basis the most appropriate arrangements for Redditch could be selected. Changes were proposed however in respect of the Council Tax Support available to care leavers and proposals detailed in the report were designed to help them. These proposals corresponded with recommendations that had been made by the Care Leavers Short Sharp Scrutiny Review in 2018.

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

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- The needs of care leavers, including the benefits arising from further information being provided to care leavers about Council Tax and the support they were entitled to.
- The reasons why the Council decided not to introduce a banded support scheme.
- The number of residents who responded as part of the consultation exercise. Officers advised that they would provide this information outside the meeting.
- The problems that had been experienced by other local authorities that had already introduced a banding system. Some Councils had incorrectly inputted details about residents which had caused problems with the system.

During consideration of this item a care leaver was invited by the Chair to speak about his experiences and the extent to which additional support through the Council Tax Support Scheme would be appreciated by care leavers. Members were informed that many care leavers struggled financially and emotionally when they left care and moved into alternative accommodation. The proposals in the report would help care leavers at a time when they were particularly vulnerable to regain some stability. Many care leavers would repay the community in the long-term as they were all keen to succeed in life.

## **RECOMMENDED that**

**the Local Council Tax Support scheme is revised to provide:**

- 1) Care Leavers under 21 years of age are treated as a protected group and provided 100% Local Council Tax Reduction (LCTR);**
- 2) Care leavers aged 21 years or over and under 25 years of age are treated as a protected group and provided up to 100% LCT;**
- 3) the scheme is updated in line with national welfare benefits; and**
- 4) Council Tax Hardship Scheme is amended to enable transitional support to be provided to care leavers under 25 whose income results in significant withdrawal of support.**

**90. BUSINESS CASE - DOMESTIC WASTE COLLECTION RESOURCES**

The Environmental Services Manager presented a report in respect of the resources for domestic waste collection services. The Committee was advised that the report had been prepared following significant disruption to waste collection services in the summer of 2018. This had impacted on 20,000 households, with 10,000 not receiving a waste collection service until the following week. The problems had occurred for a variety of reasons, including staff leave and sick leave. The Place team had provided support but this had distracted them from their work. Agency staff had also been employed to help, though this had occurred at a cost to the Council. Officers were proposing the introduction of three new posts in order to enhance resilience within the team.

So far in 2018/19 the Council had spent £91,000 on agency staff, whilst the previous year the cost had been over £100,000. There was no budget for agency staff so this represented an overspend. Officers were suggesting that the extra staff proposed in the report would help to address the problems that had caused the Council to employ agency staff temporarily, leading to a reduction in costs for the service. However, Officers noted that the Council might continue to need to use agency staff from time to time.

Members were asked to note that the Government would be consulting on proposed changes to waste collection services in 2019. There were a number of proposals detailed in the report which would have implications for Council services should they be approved. The proposals included the suggestions that:

- There should be compulsory weekly refuse collections.
- Garden waste collection services should be free.
- The range of plastics in use in the country should be reduced.
- Approaches to recycling should be standardised across the country.

Redditch Borough Council was working with the other local authorities in Worcestershire, as well as the County Council, to respond to these proposals from the Government. Members would be notified of the outcomes of the Government's consultation and the implications of any changes to the Council in due course.

Members subsequently discussed a number of issues relating to domestic waste collection services:

- The reciprocal arrangement with Bromsgrove District Council whereby the refuse collection teams collected waste in

locations close to their boarders. Officers confirmed that this would be continuing.

- The need for a budget for replacing bins.
- The positive impact that the chargeable garden waste service had had on the Council's budget. Members were advised that the number of customers for garden waste collection services had exceeded expectations.
- The need to ensure that expenditure on waste collection services was derived from relevant budgets.

**RECOMMENDED that**

**Members agree the recommendation from the Business Case, and that £83,674 additional funding is included in the medium term financial plan to fund 3 members of staff to support the waste collection service.**

**91. HOUSING / HOUSING REVENUE IMPROVEMENT PLAN - PROGRESS REPORT**

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

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

- This was the first progress report in respect of the Housing Implementation Plan that had been presented to Members. Further updates would follow at six month intervals.
- The report had been pre-scrutinised by the Overview and Scrutiny Committee and a similar report was due to be considered by the Audit, Governance and Standards Committee in April.
- The Council had a balanced Housing Revenue Account (HRA), though the financial position for the Council remained challenging.
- Service reviews were being undertaken and would be taken forward during the year.
- Consideration of the gas business case by the Executive Committee until June 2019. This would provide time to seek external expert advice.
- The Council was complaint with requirements in terms of gas services but Officers needed to review the boiler replacement programme.
- The number of voids had been reduced from approximately 120 to 51. Further reductions in the number of void properties would only follow once the Council had procured a new Housing IT system.

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- In total 20 per cent of the stock condition survey had been completed.
- Service development continued to be treated as an area of high risk.
- Since the previous report to Committee on this subject a risk had been added in respect of seeking housing advice.
- Health and safety risks had been upgraded from medium to high. Whilst the Council was compliant with health and safety requirements some issues had been identified, including with the Council's high rise buildings, that merited the upgrade.

Members discussed the report in detail and noted that Officers had worked hard to address the problems that had been identified with Housing Services in 2017/18. The Overview and Scrutiny Committee had also concurred that the staff had worked hard and Members had agreed that they should be thanked for this hard work. There had been a number of difficulties that had had to be overcome and both Officers and Members had found this stressful.

## **RESOLVED that**

- 1) **thanks be extended to all housing staff, including the Deputy Chief Executive, the Head of Environmental Services and the Head of Community Services for their hard work to address the issues in respect of Housing Services that were identified in 2017/18; and**
- 2) **the Executive Committee consider the content of the report and endorse the progress reports for each of the items detailed.**

## **92. PERFORMANCE REPORT**

The Deputy Chief Executive presented the performance report and explained that the focus was on the performance of services in relation to the strategic purpose 'help me to find somewhere to live in my locality'. Key strategic measures had been included within the report, including one focusing on mental health issues which was being led by the Redditch Partnership Executive Board.

Changes were due to be made to housing services, in line with plans detailed in the housing implementation plan. As part of the process Officers were planning to involve tenants in the development of relevant new policies. Information had also been provided about the Council's compliance in relation to gas safety, electrics and asbestos.

There were pressures at the Council in respect of homelessness reduction. Nationally there were staff shortages and this was

having an impact in Redditch. The Council was working to address this and £250,000 would be invested in homelessness prevention.

**RESOLVED that**

**the report be noted.**

**93. MEDIUM TERM FINANCIAL PLAN - UPDATE REPORT**

The Executive Director of Finance and Corporate Resources presented an update on the MTFP 2019/20 to 2022/23. Members were advised that the budget would not be finalised until the Executive Committee meeting that was due to take place immediately before Council on 25<sup>th</sup> February 2019. On the date of the meeting there remained a budget gap of £195,000 which would need to be addressed by 25<sup>th</sup> February. As the budget remained to be finalised Members were advised that details such as the budget bids would change and therefore Members were advised that it would be sensible not to make any decisions at this stage.

The gap over the four year period was projected to increase to £1.6 million. However, there remained a lot of uncertainty with respect to government funding for local government. Clarity still needed to be provided about how much revenue support grant, if any, would be received by the Council in future years, whether the Council would continue to receive any additional funding from the New Homes Bonus and how much funding would be received by local authorities from business rates. For these reasons the figures were estimates.

Officers were working on the basis that Council Tax would increase by 2.99 per cent and this had been incorporated into the MTFP. There was the potential that the Council would need to make a £150,000 contribution to the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). As the Worcestershire Business Rates Pool had been approved by the Government it was likely that this would be funded from that budget. The £150,000 was an estimate based on the figure that had been noted by both Bromsgrove and Wyre Forest District Councils.

During discussions about the GBSLEP questions were raised about the payments that had been made to the Worcestershire LEP and the Staffordshire LEP and the reasons why this payment had not also been made to the GBSLEP. The Chair explained that it had recently been clarified that the GBSLEP should also have received this funding from the Government and this would happen in due course.

To address the budget gaps Officers would be reviewing the Council's reserves to assess whether these were all required.

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There was also the possibility there would be funding opportunities for the Council in terms of social care and early help intervention services.

Members noted that reference was made in the report to funding for the Christmas lights. This had been included as a budget bid in the MTFP in 2018 but at the time Members had been assured that this would only happen the once. Officers were therefore asked to double check why a budget bid for Christmas lights was being requested for a second year.

**RESOLVED that**

**the report be noted.**

**94. OVERVIEW AND SCRUTINY COMMITTEE**

The Committee was informed that there were no outstanding recommendations arising from the meeting of the Overview and Scrutiny Committee held on 3<sup>rd</sup> January 2019 that remained to be considered.

**RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on 3<sup>rd</sup> January 2019 be noted.**

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

The Chair confirmed that there were no outstanding recommendations from either the Overview and Scrutiny Committee or any other Committees for consideration at the meeting.

**96. ADVISORY PANELS - UPDATE REPORTS**

Constitutional Review Working Party – Chair, Councillor Matthew Dormer

Councillor Dormer advised that the next meeting of the Constitutional Review Working Party would take place on Tuesday 12<sup>th</sup> February 2019. Any recommendations arising from this meeting would be reported to Council at a meeting on 25<sup>th</sup> February 2019.

Corporate Parenting Board – Council Representative, Councillor Gareth Prosser



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Councillor Prosser advised that the next meeting of the Corporate Parenting Board was due to take place on 7<sup>th</sup> March. As this clashed with the next meeting of the West Mercia Police and Crime Panel, which Councillor Prosser was also due to attend, Councillor Baker-Price would be attending the meeting as his substitute.

#### Grants Panel – Chair, Councillor Greg Chance

Councillor Chance informed Members that the Grants Panel had recently considered metal recycling issues and had made a recommendation about the organisation that would receive the associated funding.

#### Member Support Steering Group – Chair, Councillor Matthew Dormer

Councillor Dormer advised that a meeting of the group that had been due to take place on 29<sup>th</sup> January had been postponed due to inclement weather and the limited availability of Members to attend the meeting. The meeting of the group had been rescheduled to take place on 26<sup>th</sup> February 2019.

#### Planning Advisory Panel – Chair, Councillor Matthew Dormer

There had been no meetings of the Planning Advisory Panel since the previous meeting of the Executive Committee.

The Meeting commenced at 7.00 pm  
and closed at 8.28 pm

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**MEDIUM TERM FINANCIAL PLAN 2019/20 - 2022/23**

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

**1. SUMMARY OF PROPOSALS**

1.1 To enable members to consider the 2019/20 budget and council tax and to make a recommendation to Council. In addition members asked to note the position for future years 2020/21 to 2022/23.

**2. RECOMMENDATIONS**

**2.1 Executive is asked to recommend to Full Council**

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

2019/20 £373k  
2020/21 £287k  
2021/22 £227k  
2022/23 £255k

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

2019/20 £193k  
2020/21 £173k  
2021/22 £165k  
2022/23 £165k

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

2019/20 £1,127k  
2020/21 £841k  
2021/22 £846k  
2022/23 £816k

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

2019/20 £1.875m  
2020/21 nil  
2021/22 nil  
2022/23 £1.352m

**2.1.5 The approval of the Pay Policy Statement as attached in Appendix 6.**

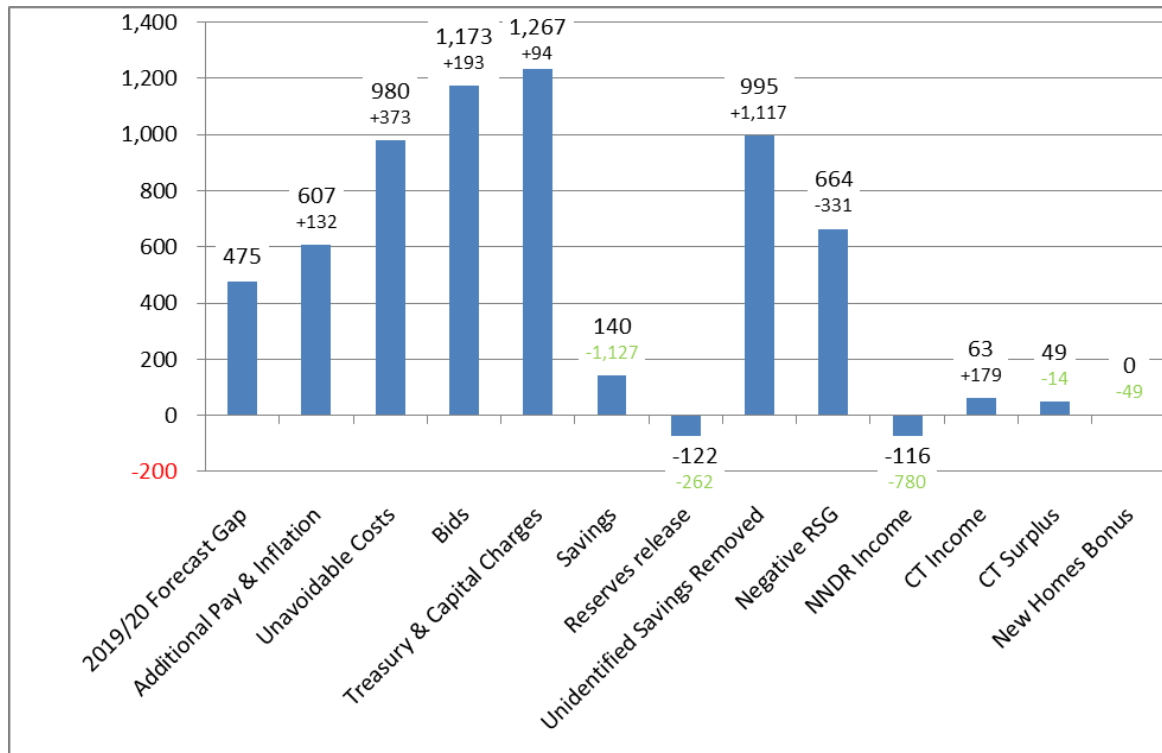
**2.1.6 The approval of the Council Tax Resolutions as attached at Appendix 7 to include the increase of the Council Tax per Band D @ 2.2%**

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**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 made. For 2019/20 a 4 year plan is proposed to 2022/23. 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 :
- Help me find somewhere to live in my locality
  - Provide good things for me to see, do and visit
  - Help me live my life independently
  - Help me run a successful business
  - Help me be financially independent
  - Keep my place safe and looking good
- 3.2 When reviewing the budget projections officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next 4 years.
- 3.3 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.
- 3.4 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.
- 3.5 The table below demonstrates the changes in the financial projections and budget gap for 2019/20 based on the original estimation of a £475k gap as presented in February 2018. Following the table there are explanations of the reasons for the changes resulting in an achieved balanced budget for 2019/20.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE****25<sup>th</sup> February 2019****3.6 Additional pay and inflation**

One of the pressures to the budget is the financial impact of implementing the National pay agreement in relation to increasing the spinal points attached to the current pay model as approved by Council and currently under consultation with the unions. The financials implications of this have been included in the budget.

**3.7 Unavoidable Costs**

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 2018/19 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 £373k are identified at Appendix 1

**3.8 Bids**

In addition to the unavoidable pressures revenue bids have been identified and included at Appendix 2. Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies. The total bids for 2019/20 of £193k include funding for automation of transactional processing and funding for an apprentice

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**3.9 Treasury**

The increase of £94k is a result of the additional borrowing costs associated with the capital programme offset by the savings from making an upfront payment to the pension fund. No assumptions have been made for future capital receipts on surplus sites.

**3.10 Identified Savings/additional income**

Identified savings and additional income of £1,127k are detailed at Appendix 2. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating. This includes the income of £90k that has been generated from the service agreement to provide Lifeline services to Cannock Council.

**3.11 Unidentified savings**

In previous years an assessment has been made of savings and additional income that could potentially be realised by the Council. It is proposed that there are no longer any savings or income allocations that are not specifically identified and therefore there is a pressure to the budget of £1,117k to reflect the removal of the unidentified savings

**3.12 Negative RSG**

Whilst the final settlement has not been received the projections include the removal of the £331k negative grant payment to Government in line with the provisional settlement.

**3.13 NNDR Income**

For 2019/20 the Government assessed baseline for business rates is £2.171m. This is paid by the Government to Redditch as a grant following the creation of the Worcestershire Business Rate Pilot. Under the Pilot the County Council receive 75% of the business rate income and the Government receive 25%. The County Council also receive all the Section 31 grant previously received by the County and Districts. The Pilot agreement includes a commitment of nil detriment and the County Council will top up payments to Districts in addition to the baseline grant to provide an equivalent income they would have received had the previous system remained in place. For Redditch the top up payment is £0.684m. In relation to the no detriment clause it is assumed that any payment to the Birmingham LEP (estimated at £150k) will be met from the additional business rates received. Compared with the base budget assumption there has been an increase of £0.780m which reflects a mixture of

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business rate growth and additional section 31 support from the Government to compensate for national decisions that have reduced business rate income.

**3.14 Council Tax**

The Council is allowed to increase Council Tax by up to 2.99% without the need for a referendum. The Council will decide the level of the council tax for 2019/20 on 25th February 2019. The current projections include a 2.2% increase and therefore the demand on the collection fund to meet the Council's own needs will be £6.241m. The Council Tax relating to the Councils services will rise from £234.00 to £239.15.

Compared with the base budget assumed for 2019/20 in the medium term financial plan there has been a reduction in Council Tax and reflects fewer new dwellings

**3.15 Council Tax Surplus**

This is the estimated surplus based on the latest 2018/19 collection fund information.

**3.16 New Homes Bonus (NHB)**

3.16.1 The amount of NHB for 2019/20 has been confirmed as £754k, which is £49k more than anticipated in the MTFP. The 2019/20 income would be generated from 268 band D properties. However the 0.4% levy on growth equates to 128 properties which results in an annual reduction of £213k in New Homes Bonus received.

3.16.2 The MTFP will continue to be refreshed annually to take account of future changes in funding.

**3.17 Future Years**

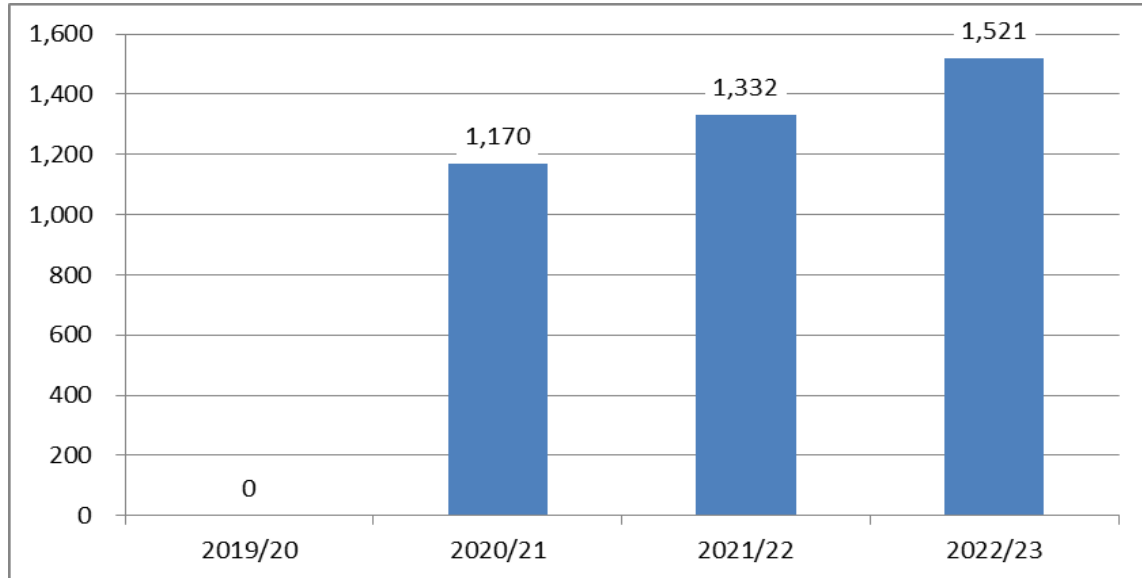
3.17.1 Assumptions have been made in the financial plan for the following years including:

- The final year of the New Homes Bonus Scheme in 2019/20. Therefore an estimate of £208k is included in 2019/20 to continue for 4 years. There is no further funding included in the MTFP for "new" monies from 2020/21 which will result in a considerable funding gap for the Council.
- Additional costs of borrowing for the capital programme
- Financial impact of the revised pay model

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This results in a medium term financial gap as follows:



Members should be advised that there is a great level of uncertainty around the funding available from Central Government from 2020/21. The budget presented above shows the position should all new Homes Bonus be removed with no reallocation of central funding to offset this shortfall. Therefore this position is potentially the worst financially for the Council over the 4 years and this will be better informed by the outcome of the fair funding and localisation of business rates legislation



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A more detailed table is shown below:

<b>REDDITCH PROPOSED REVENUE BUDGET 2019/20 - 2022/23</b>				
	2019-20	2020-21	2021-22	2022-23
	£000	£000	£000	£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	193	173	165	165
Savings and Additional income	-1,127	-841	-846	-816
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>9,543</b>	<b>10,269</b>	<b>10,496</b>	<b>10,757</b>
<b>FINANCING</b>				
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
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	1,400	230	-1,102
Contribution (from) / to General Balances	-0	-1,170	-1,332	-1,521
Agreed in year release of balances				
<b>Closing Balances</b>	<b>1,400</b>	<b>230</b>	<b>-1,102</b>	<b>-2,623</b>

**3.18 General Fund**

3.10.1 The level of the general fund balance is currently £1.4m. The minimum level of balances recommended is £750k. It is clear that further savings are required over the period to maintain balances at the recommended level.

**3.19 Collection Fund**

3.19.1 The anticipated collection fund surplus is £106k, 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 £14k.

**3.20 Precepts**

3.20.1 The precepts from Worcestershire County Council, the Hereford and Worcester Fire and Rescue Service and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 11<sup>th</sup>

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February. This will enable to Council to set the Council Tax on 25<sup>th</sup> February 2019 which is in advance of the 28<sup>th</sup> February deadline on precepts being received. These are included in the resolutions.

**3.21 Capital Programme**

3.21.1 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

**3.22 Pay Policy**

3.22.1 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 31<sup>st</sup> March each year for the subsequent financial year. The Pay Policy Statement for the Council is included at Appendix 6.

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.

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

The information provided is based on the approved pay model that is currently under consultation with the unions.

**4 Legal Implications**

4.1 As part of the budget and the Council Tax approval process, the Council is required by the Local Government Finance Act 1992 to make specific calculations and decisions in approving a balanced budget for the following financial year and setting the Council Tax Level. These will be included in the report to Executive and Council in February.

**5 Service / Operational Implications**

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

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**6 Customer / Equalities and Diversity Implications**

- 6.1 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.

**7 RISK MANAGEMENT**

- 7.1 To mitigate the risks associated with the financial pressures facing the Authority regular monitoring reports are presented to both officers and Members to enable proactive action being undertaken to address any areas of concern. Risks include:
- Reductions in government funding leading to a reduction in the level of services delivered to the public
  - Reductions in business rates income as a result of appeals or reduction in the rateable value leading to a lower level of income for the Council.
  - Identification of sufficient and ongoing revenue savings to deliver a balanced budget.
  - Allocation of sufficient resources to meet the needs of service delivery and the Councils priorities.
  - Maintain adequate revenue and capital balances as identified in the MTFP to ensure financial stability.

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

**8. APPENDICES**

- Appendix 1 – Unavoidable costs
- Appendix 2 – Revenue Bids
- Appendix 3 – Identified savings
- Appendix 4 – Capital bids
- Appendix 5 – Proposed Capital programme
- Appendix 6 – Pay Policy
- Appendix 7 - Council Tax Resolutions (to follow)

**AUTHOR OF REPORT**

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## UNAVOIDABLES - RBC

Appendix 1

Department	Description of Pressure	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Comments
Business Transformation	Occupational Health Budget	15	15	15	15	To increase the level of occupational health support to previous budget level to ensure staff are supported in their health and well being.
Legal & Democratic Services	Increase of Election costs for RBC	28	0	0	28	To provide the additional funding required to undertake a standalone Borough election . A budget increase would not be required in 2020 as there are PCC elections to share the cost. A budget is not required in 2021 as there are only County Elections. A budget increase may not be required in 2022 as this is the next scheduled Parliamentary Election, however this will need to be reviewed if a Parliamentary Election is held in the intervening period.
Environmental Services	Reline of second cremator	40	0	0	0	Reline of second cremator required to maintain service.
Housing General Fund	Increase in out of hours standby allowance	6	6	6	6	Increase in out of hours standby allowance.
Housing General Fund	Increase in furniture equipment costs related to additional units	1	1	1	1	Increase in furniture equipment costs related to additional units above.
Housing General Fund	Two fixed term posts funded from Flexible Homeless Support Grant	60	60	0	0	Two fixed term posts funded from Flexible Homeless Support Grant.
Housing General Fund	Additional rent deposits budget based on current trends and increased contribution to Redditch Nightstop - funded from FHSG	62	44	44	44	Additional rent deposits budget based on current trends and increased contribution to Redditch Nightstop - funded from FHSG.
Housing General Fund	Additional B&B budget due to increased levels of homelessness cases - mostly offset by increase in rents charged	5	5	5	5	Additional B&B budget due to increased levels of homelessness cases - mostly offset by increase in rents charged.
Housing General Fund	Additional removals/storage	6	6	6	6	Additional removals/storage budget related to line above.
Corporate Services	Contribution to the Birmingham Local Enterprise Partnership	150	150	150	150	Potential Contribution to the Birmingham Local Enterprise Partnership - covered by additional business rates received through the Worcestershire Business Rates pilot scheme as it was agreed there would be no detriment to Redditch in joining the worcestershire pool.
<b>TOTAL</b>		<b>373</b>	<b>287</b>	<b>227</b>	<b>255</b>	

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**NEW REVENUE BIDS - RBC**

Appendix 2

Department	Description of revenue bid	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Comments
Business Transformation	Legal advice specific to employment Law	10	10	10	10	To ensure the Council can draw on specific employment law advice for complex cases when required.
Business Transformation	Automation Resource	15	15	15	15	To support the automation of processing and system functionality to enhance efficiency.
Legal & Democratic Services	Members remuneration increase	60	60	60	60	Cost reflects additional funding required should members approve the remuneration.
Leisure and Cultural services	Parks and green spaces - 1 x post for Modern Apprenticeships within the parks and green space team to provide additional support in maintained the premier parks and gardens across Redditch (Arrow Valley Country Park and Morton Stanley Park).	8	8	0	0	Apprenticeships for Leisure's Parks and Green Space team were approved by management within the restructure in September 2017. However, budget is required as a revenue bid to support this important apprenticeship post. The additional support will help provide a quality green space and inspection team for AVCP and MS parks and play areas.
Leisure and Cultural services	Christmas lights	20	0	0	0	To help fund the Redditch Christmas Lights.
Environmental Services	Staffing increases	80	80	80	80	Net impact of additional staff and resources required for the Business Case re waste collection.
<b>TOTAL</b>		<b>193</b>	<b>173</b>	<b>165</b>	<b>165</b>	

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**SAVINGS & ADDITIONAL INCOME - RBC**

Appendix 3

Department	Description of saving	2019-20 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	Comments
Community Services	Lifeline - Additional Income from Cannock Chase contract	-90	-90	-90	-90	Lifeline - Additional Income from Cannock Chase contract
Community Services	Lifeline - Additional Income from Cannock Chase contract - SLA	-30	-30	-30	-30	Lifeline - Additional Income from Cannock Chase contract - SLA
Community Services	Reduction in budget following changes to the Grants to Voluntary Bodies scheme	-20	-20	-20	-20	Reduction in budget following changes to the Grants to Voluntary Bodies scheme
Corporate Services	Print contract	-54	-54	-54	-54	Print contract savings realised
Corporate Services	Savings realised on supplies and services	-2	-2	-2	-2	Savings realised on supplies and services
Corporate Services	Savings realised on supplies and services	-1	-1	-1	-1	Savings realised on supplies and services
Corporate Services	Savings realised on supplies and services	-1	-1	-1	-1	Savings realised on supplies and services
Corporate Services	10 year pension liability from 2008 restructure	-84	-84	-84	-84	10 year pension liability from 2008 restructure
Corporate Services	Vacancy management	-206	-205	-209	-179	2% vacancy management saving to capture savings from vacant posts that are not requiring cover from agency.
Corporate Services	Transformational service redesign	-181	-181	-181	-181	Transformational service redesign
Customer Access & Financial Support	NNDR budget	-13	-13	-13	-13	Review of Business Rate budgets
Customer Access & Financial Support	Benefits - HRA Recharge for service	-40	0	0	0	Benefits - recharge for locality officer
Customer Access & Financial Support	Property - Additional rental income	-58	-58	-58	-58	Property - Additional rental income from all commercial units
Customer Access & Financial Support	Audit budgets	-4	-4	-4	-4	Review of Audit budgets
Customer Access & Financial Support	Audit budgets	-3	-3	-3	-3	Review of Audit budgets
Customer Access & Financial Support	Audit budgets	-14	-14	-14	-14	Review of Audit budgets
Environmental Services	Additional Income from increased cremation fees	-32	-32	-32	-32	Income from increased cremation fees
Environmental Services	Budgets not required	-10	-10	-10	-10	Review of general budgets
Legal and Democratic	Land charges	-1	-1	-1	-1	Land charges
Legal and Democratic	Additional Income	-5	-5	-5	-5	Income for work from Rubicon Leisure
Leisure and Cultural Services	Reduction in forecast for ongoing systems implementation	-38	0	0	0	Reduction in forecast for ongoing systems implementation
<b>TOTAL</b>		<b>-1,127</b>	<b>-841</b>	<b>-846</b>	<b>-816</b>	

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**CAPITAL BIDS - RBC**

Appendix 4

Department	Funding Source i.e. Grant, Borrowing, Reserve, S105	CAPITAL IMPLICATIONS				Commentary ( link to priorities etc)
		2019-20 £	2020-21 £	2021-22 £	2022-23 £	
Environmental Services	capital receipts/Borrowing	0	0	0	1,351,700	Fleet Replacement Programme
Leisure & Cultural Services	S106 Funding	79,686	0	0	0	Proposal to replace existing toddler/junior play area, using S106 Play contribution, with a destination play facility to provide a greater attraction for people to see do and visit in Morton Stanley Park
Leisure & Cultural Services	S106 Funding	25,633	0	0	0	Proposal to improve hard and soft landscaping areas within Morton Stanley Park using S106 open space contribution to improve the existing infrastructure within this premier park
Leisure & Cultural Services	S106 Funding	98,535	0	0	0	Proposal for Sports Pitch improvement works using S106 contribution for Sports Facility improvement at Morton Stanley Park to provide quality pitches for use by the junior club
Leisure & Cultural Services	S106 Funding	17,470	0	0	0	Proposals to support Redditch Cricket Club improvement works using S106 funding for Sport within the local area to enhance the clubs facilities.
Leisure & Cultural Services	S106 Funding	333,403	0	0	0	Proposal to use S106 Contribution for improvements to Morton Stanley Park. This contribution will support other enhancement projects within Morton Stanley on Junior / toddler Play Areas, Open Space Infrastructure and access routes and Sports Provision.
Leisure & Cultural Services	S106 Funding	60,606	0	0	0	proposal for S106 funding specifically for Pumtrack in AVCP. This funding will be used to re-create the former pumtrack at AV South tp provide a free of charge facility for use by the community



**CAPITAL BIDS - RBC**

Appendix 4

Department	Funding Source i.e. Grant, Borrowing, Reserve, S105	CAPITAL IMPLICATIONS				Commentary ( link to priorities etc)
		2019-20 £	2020-21 £	2021-22 £	2022-23 £	
Leisure & Cultural Services	S106 Funding	17,271	0	0	0	Proposal for S106 funding specifically for 'green car parking' improvements at AV South to enhance and improve existing provision to support the sports provision in this location.
Leisure & Cultural Services	S106 Funding	21,500	0	0	0	Proposal to use S106 funding specifically for Hedgerow restoration and hedgelaying with associated fencing and gates at Arrow Valley Park SHM and Arrow Valley Park North
Leisure & Cultural Services	S106 Funding	146,590	0	0	0	Proposal to use S106 funding specifically for Grassland habitat restoration, recreation and monitoring at Arrow Valley Park and/or Morton Stanley Park
Leisure & Cultural Services	S106 Funding	17,419	0	0	0	Proposal to use S106 funding specifically for Abbey Stadium sports facilities enhancements. This contribution to be allocated to Rubicon Leisure to use as per S106 agreement terms
Leisure & Cultural Services	S106 Funding	51,248	0	0	0	Proposal to use S106 funding specifically for Forge Mill and Bordesley Abbey play and open space enhancements. This contribution to be allocated to Rubicon Leisure to use as per S106 agreement terms
Leisure & Cultural Services	capital receipts/Borrowing	26,000	0	0	0	Officers request funding for pathway maintenance works following risk inspections and records. Pathway maintenance to ensure health and safety of users is maintained
North Worcestershire Water Management	capital receipts/Borrowing	180,000	0	0	0	Total project cost £375k Funding Secured £80k Match Funding Applied for £110k Capital Cost to RBC £180k Capital can be spread across 19/20 and 20/21 FY but depends on delivery of works.
Community Services	DFG Grant	800,000	0	0	0	Disabled Facilities Grants
<b>TOTAL</b>		<b>1,875,361</b>	<b>0</b>	<b>0</b>	<b>1,351,700</b>	

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Description	Service		2019/20 Total	2020/21 Total	2021/22 Total	2022/23 Total
			£	£	£	£
Public Building	CAFS	borrowing/capital receipts	250,000	250,000	250,000	250,000
GF Asbestos	CAFS	borrowing/capital receipts	40,000	40,000	40,000	40,000
Home Repairs Assistance	Community Services	borrowing/capital receipts	60,000	60,000	60,000	60,000
Disabled Facilities Grant	Community Services	DFG grant	800,000	0	0	0
Vehicle replacment	Environmental Services	borrowing/capital receipts	717,700	412,000	1,927,000	1,587,000
Wheelie Bin purchase	Environmental Services	borrowing/capital receipts	115,000	85,000	85,000	85,000
Vehicle replacment dial a ride	Environmental Services	borrowing/capital receipts	40,000	0	0	0
Improved Parking Scheme ( includes locality funding)	Environmental Services	borrowing/capital receipts	400,000	400,000	400,000	400,000
Car Park Maintenance	Environmental Services	borrowing/capital receipts	25,000	25,000	25,000	25,000
Arrow Valley Country Park - Play, Open Space and Sports Improvements.	Leisure & Cultural Services	S106 Funding	172,000	0	0	0
Arrow Valley Country Park - Play, Open Space and Sports Improvements.	Leisure & Cultural Services	S106 Funding	184,000	0	0	0
Improvement to Morton Stanley -Play Area for toddler and junior play	Leisure & Cultural Services	S106 Funding	79,686	0	0	0
Improvement to Morton Stanley Open Space	Leisure & Cultural Services	S106 Funding	25,633	0	0	0
Improvement to Sports Pitches infrastructure in Morton Stanley Park	Leisure & Cultural Services	S106 Funding	98,535	0	0	0
Improvement to Redditch Cricket Club Facilities	Leisure & Cultural Services	S106 Funding	17,470	0	0	0
Improvement to original Pump Track at AVCP	Leisure & Cultural Services	S106 Funding	60,606	0	0	0
Improvement of 'Green Parking' at Arrow Valley South	Leisure & Cultural Services	S106 Funding	17,271	0	0	0
Hedgerow Mitigation measurres by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP North	Leisure & Cultural Services	S106 Funding	21,500	0	0	0
Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP	Leisure & Cultural Services	S106 Funding	146,590	0	0	0
Pitch or sports facilities improvements at the Abbey Stadium	Leisure & Cultural Services	S106 Funding	17,419	0	0	0
POS/Play Improvements to Forge Mill (24,528 POS and 26,700 Play) and Bordesley Abbey Visitor Centre. PI	Leisure & Cultural Services	S106 Funding	51,248	0	0	0
Maintenance works to existing tarmac pathways in Morton Stanley Park	Leisure & Cultural Services	borrowing/capital receipts	26,000	0	0	0
Removal of 5 weirs through Arrow Valley Park	Leisure & Cultural Services	borrowing/capital receipts	180,000	0	0	0
Morton Stanley Play, Sport and Open Space Improvements (General)	Leisure & Cultural Services	S106 Funding	333,403	0	0	0
<b>Total General Fund</b>			<b>3,879,061</b>	<b>1,272,000</b>	<b>2,787,000</b>	<b>2,447,000</b>

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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 2019/20 and each subsequent financial year, until amended. The information provided is based on a proposed model that is still subject to approval and consultation.
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. This includes the increases for grade 1-11 as agreed by the National Joint Council for 2019.

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	28,785	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%	54,658	56,885
Manager 2	Hay evaluated	45%	56,885	59,221
Head of Service 1	Hay evaluated	51%	65,005	67,659
Head of Service 2	Hay evaluated	61%	78,006	81,190
Head Of Service 3	Hay evaluated	68%	87,027	90,212
Executive Director	Hay evaluated	74%	94,456	98,171
Deputy Chief Executive	Hay evaluated	80%	101,968	106,131
Chief Executive	Hay evaluated	100%	127,461	132,664

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 1<sup>st</sup> April 2019 (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.

<b>Title</b>	<b>% of Chief executive salary</b>	<b>Pay range (minimum) £</b>	<b>Pay range (maximum) £</b>	<b>Incremental points</b>	<b>Cost to Redditch Borough Council £</b>
Chief Executive	100%	127,461	132,664	3	65,035
Deputy Chief Executive	80%	101,968	106,131	3	52,024
Executive Director of Finance and Resources. (Also S151 Officer)	74%	94,456	98,171	3	48,156
Head of Worcestershire Regulatory Services	68%	87,027	90,212	3	<i>This is a shared post across 6 district Authorities at a cost of £14,769each</i>
Head of Customer Access and Financial Support	61%	78,006	81,190	3	39,799
Head of Planning and Regeneration	61%	78,006	81,190	3	39,799
Head of Transformation and Organisational Development	61%	78,006	81,190	3	39,799
Head of Legal, Equalities and Democratic Services	61%	78,006	81,190	3	39,799



Head of Environmental Services	61%	78,006	81,190	3	39,799
Head of Leisure and Cultural Services	61%	78,006	81,190	3	39,799
Head of Community Services	61%	78,006	81,190	3	39,799
Head of Housing Services	51%	65,005	67,658	3	33,165

### **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 1<sup>st</sup> April 2019 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.
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.



# Overview and Scrutiny Committee

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Monday, 4th February, 2019

## MINUTES

### Present:

Councillor Joe Baker (Chair), Councillor Debbie Chance (Vice-Chair) and Councillors Salman Akbar, Roger Bennett, Michael Chalk, Andrew Fry, Pattie Hill, Anthony Lovell and Mark Shurmer

### Officers:

Ann Dallison, Sue Hanley, Guy Revans and Judith Willis

### Democratic Services Officers:

J Bayley and Farzana Mughal

### 80. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillors Joanne Beecham, Gemma Monaco and Jennifer Wheeler. It was confirmed that Councillors Salman Akbar, Roger Bennett and Mark Shurmer were attending as their respective substitutes.

### 81. DECLARATIONS OF INTEREST AND OF PARTY WHIP

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

### 82. MINUTES OF THE OVERVIEW AND SCRUTINY MEETING HELD ON 3 JANUARY 2019

The minutes of the Overview and Scrutiny Committee held on 3<sup>rd</sup> January, 2019 were submitted for Members' consideration.

### RESOLVED that

the minutes of the Overview and Scrutiny Committee held on

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Chair

# Overview and Scrutiny Committee

Monday, 4th February, 2019

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**3<sup>rd</sup> January, 2019 be approved as a correct record and signed by the Chair.**

## **83. COMMUNITY LOTTERY - PRE SCRUTINY**

The Voluntary and Community Sector Grants Co-ordinator provided Members with an overview of the Community Lottery Scheme for Redditch Borough Council. Members were reminded that the Executive Committee and Council had already agreed in September to set up a Council lottery.

The business plan outlined raising money for local community and voluntary sector groups from a weekly draw, with the potential for players to win a £25,000 jackpot. With regards to the ongoing costs of the annual license fee and annual lotteries, Council membership would be met through the 10% share of ticket sales.

Members discussed the following matters in relation to the implementation of this scheme:

- The potential that people from deprived backgrounds would be encouraged to take part in gambling.
- The extent to which the scheme would be sustainable and the basis for the projected figures in the report.
- The safeguarding policy proposed for the scheme and whether the policy would be robust enough to protect those who were under age and vulnerable people.
- The potential impact of the Council's lottery on income derived from organisational lotteries by local charities.
- The extent to which there was demand for a lottery in Redditch. Members expressed concerns that no market testing had been undertaken in the Borough before a decision had been taken to launch a Council lottery.
- The arrangements for the Council to hold a license for the lottery and the role of the external company that would be managing the scheme.
- The potential impact that a number of jackpot winners would have on the insurance premiums for the external management company and the impact that this could have in the long-term on the organisation's willingness to support the lottery. Members were advised that it was likely the lottery would be managed by an experienced external company.
- The possibility that residents would take part in the Council lottery in order to provide financial support to good causes. Members were advised that participants could nominate

# Overview and Scrutiny Committee

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Monday, 4th February, 2019

charities that would receive funding following their purchase of a lottery ticket.

- The examples of Council lotteries that had been successfully launched in other parts of the country.

## **RECOMMENDED that**

- 1) **the Business Plan and suite of Policies found in Appendix 1 - 6 of the report be approved, and implemented for the Redditch Community Lottery Scheme;**
- 2) **the Head of Community Services in consultation with the relevant Portfolio Holder be granted delegated authority to adapt the policies as and when required to ensure ongoing compliance with the rules and regulations set by the Gambling Commission as per our lottery licence;**
- 3) **the Executive Committee note the concerns raised in the preamble above by the Overview and Scrutiny Committee; and**

## **RESOLVED that**

- 4) **an update be provided to the Overview and Scrutiny Committee about the numbers participating in the council lottery scheme six months after the scheme has been launched.**

## **84. HOUSING / HOUSING REVENUE IMPROVEMENT PLAN PROGRESS REPORT - PRE-SCRUTINY**

The Committee received a report in relation to the Council Housing/Housing Revenue Account Strategic Improvement Plan outlining the progress made to date. Whilst presenting the report the Deputy Chief Executive highlighted the following matters for Members' consideration.

Members were reminded that in September, 2018 the Executive Committee agreed a number of decisions which included the endorsement of a Strategic Improvement Action Plan.

# Overview and Scrutiny Committee

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Monday, 4th February, 2019

- This was the first progress report presented to Members. Further updates would follow every six months.
- A revised timetable had been developed in respect of the Gas Services Business Case. Major improvements had been made with the number of voids being reduced from approximately 120 to 51.
- The Housing Capital, Property and Compliance Teams had been reviewed and revised management and service structures had been developed. These would be subject to formal consultation with the Trade Unions and staff.
- The Strategic Measures Dashboard would be updated regularly and Members could request to look at the Corporate Performance report for the six strategic purposes.
- The current risks were reviewed on a regular basis with a full formal review to be undertaken in advance of the new financial year 2019/20.

The Chair informed the Committee that a resident had informed him that a member of the Housing Team had dealt with their enquiry and had been very helpful and courteous.

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

- With regards to the gas contract, the Council would be looking to get external help to ensure that the issues were managed appropriately.
- It was recognised that the voids numbers would not reduce further until the new Housing IT system was in place.
- Pre-inspections on properties would be carried out as well as regular inspections when necessary and photographs would also be taken of the properties.
- The stock condition survey would be completed in the spring and checks would be made at regular intervals.
- The new Housing IT system would be operational in May/June 2019 with the expectation that this would be fully implemented within 18 months.
- The tenants' handbook would be revised in due course.

On behalf of the Committee, the Chair thanked all housing staff, including the Deputy Chief Executive, the Head of Environmental Services and the Head of Community Services for their hard work



# Overview and Scrutiny Committee

Monday, 4th February, 2019

to address the issues in respect of Housing Services that were identified in 2017/18.

## **RECOMMENDED that**

- 1) **thanks be extended to all housing staff, including the Deputy Chief Executive, the Head of Environmental Services and the Head of Community Services for their hard work to address the issues in respect of Housing Services that were identified in 2017/18; and**
- 2) **the Executive Committee consider the content of the report and endorse the progress reports for each of the items detailed.**

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

Members considered the minutes of the Executive Committee meeting held on 8<sup>th</sup> January, 2019 and the Executive Committee's Work Programme from 1st March to 30<sup>th</sup> June 2019, which was tabled at the meeting.

Members agreed to pre-scrutinise the following item:

- Matchborough and Winyates District Centres – Outcome of Soft Market Testing report.

## **RESOLVED that**

- 1) **the minutes of the Executive Committee meeting held on 8<sup>th</sup> January 2019 be noted; and**
- 2) **the Executive Committee's Work Programme be noted; and**
- 3) **the following item be included in the Overview and Scrutiny Work Programme for pre-scrutiny as agreed:**
  - a) **Matchborough and Winyates District Centres – Outcome of Soft Market Testing report.**

# Overview and Scrutiny Committee

Monday, 4th February, 2019

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## 86. OVERVIEW AND SCRUTINY WORK PROGRAMME

The Senior Democratic Services Officer (Redditch) presented the Overview and Scrutiny Committee's Work Programme. The Committee was informed that there would be short timescales available for Members to consider the Medium Term Financial Plan should the meeting on 18<sup>th</sup> February take place. Therefore Officers suggested that the meeting should be rescheduled to take place on 20<sup>th</sup> February in order to allow Members more time to review the report prior to the budget being agreed at Council on 25<sup>th</sup> February.

Members were provided with the following updates:

- Pre-decision Scrutiny - Matchborough and Winyates District Centre Redevelopment Consultation that was due to be considered in February had been replaced with Matchborough and Winyates District Centres – Outcome of Soft Market Testing report and this would be considered in March, 2019.
- CCTV Service Provision Review – Pre-Scrutiny had been removed from the work programme as this was now not being considered by the Executive Committee.
- Pre-decision Scrutiny - Service Delivery Options – HRA Gas Maintenance would be considered in June, 2019.
- Tenancy Conditions for Council Housing Tenants and Tenants Handbook would be considered in July, 2019.
- Overview and Scrutiny – Select Committee Findings and new Government Guidance had not yet been published. This would be presented for Members' consideration when it was published.

### **RESOLVED that**

**subject to the amendments in the preamble above, the Overview and Scrutiny Committee's Work Programme be noted.**

## 87. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - VERBAL UPDATES

Members were advised that Councillor Jennifer Wheeler would be unavailable to Chair meetings of the Budget Scrutiny and Performance Scrutiny Working groups for the rest of the year. Therefore the Committee agreed that Councillor Andrew Fry should Chair the Budget Scrutiny and Performance Scrutiny Working Groups until the end of the municipal year.

# Overview and Scrutiny Committee

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The committee was informed that the next Performance Scrutiny Working Group meeting would be arranged in February, 2019.

**RESOLVED that**

- 1) **Councillor Andrew Fry be appointed Chair of the Budget Scrutiny Working Group for the remainder of the 2018/19 municipal year; and**
- 2) **Councillor Andrew Fry be appointed Chair of the Performance Scrutiny Working Group for the remainder of the 2018/19 municipal year.**

**88. EXTERNAL SCRUTINY BODIES - UPDATE**

Councillor Chalk provided a written update in respect of the West Midlands Combined Authority Overview and Scrutiny Committee.

Members were also provided with an update in respect of Worcestershire Health Overview and Scrutiny Committee (HOSC). Councillor Chalk advised that the next meeting would be held on Tuesday 5<sup>th</sup> February 2019. He informed Members that he had attended the Budget Scrutiny meeting in Worcestershire the previous week and it was highlighted that there were concerns in relation to the increasing numbers of adults with a learning disability requiring care.

The Meeting commenced at 7.00 pm  
and closed at 8.20 pm

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