

# Executive Committee

Monday, 11 November 2019

## MINUTES

### Present:

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

### Also Present:

Councillor Joe Baker, Jennifer Wheeler, Joanne Beecham, Peter Fleming and Ann Isherwood

### Officers:

Lyndsey Berry, Kevin Dicks, Chris Forrester, Sue Hanley, Georgina Harris, Amar Hussain and Ostap Paparega

### Senior Democratic Services Officer:

Jess Bayley

### 57. APOLOGIES

An apology for absence was received on behalf of Councillor Craig Warhurst.

### 58. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 59. LEADER'S ANNOUNCEMENTS

The Leader circulated a written record of his announcements at the meeting.

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Chair

**60. MINUTES**

**RESOLVED that**

**the minutes of the meeting of the Executive Committee held on Tuesday 29<sup>th</sup> October 2019 be approved as a true and correct record and signed by the Chair.**

**61. BUDGET SCRUTINY WORKING GROUP - RECOMMENDATIONS**

The Chair of the Budget Scrutiny Working Group, Councillor Jenny Wheeler, presented a report outlining the background to two recommendations that had been proposed by the group at a recent meeting.

During 2019 the group had held a number of meetings. At the latest meeting of the group Members had considered information about the Section 24 Notice that had been issued by the external auditors, Grant Thornton, to the Council in July 2019 and the action plan that the Council had developed to address the points raised by the auditors. The group had concluded that scrutiny Members had a key role to play in providing assurance to the Executive Committee in respect of the Council's budget position and any decisions that might have significant budget implications for the Council.

The first recommendation proposed by the group focused on the Council's investments and acquisitions. Since the approval of the Council's Investment and Acquisition Strategy in 2017 the Executive Committee had been invited to consider two proposed investments. Neither of these investments had been subject to budget scrutiny. Councillor Wheeler suggested that at a time when the Council's financial position was challenging the budget Scrutiny Working Group should consider all proposed investments and acquisitions as standard policy at the Council. Members were advised that the group recognised that commercial decisions needed to be taken quickly in order to enable the Council to be competitive and therefore the group was prepared to meet at short notice to consider any proposed investments and acquisitions to avoid holding up the decision-making process.

The second recommendation focused on the information in respect of the financial implications of proposed action that was detailed in reports presented at Committee meetings. The recommendation proposed that more detail needed to be provided about the financial implications of alternative options and the sources of funding for proposed actions as this would help the Executive Committee when making decisions. At the Overview and Scrutiny Committee meeting held on 7<sup>th</sup> November 2019 when the report had been

considered Members had suggested that this proposal should apply where appropriate, in recognition that all of this information would not always be required for every report considered at an Executive Committee meeting.

Following the presentation of the report Members thanked the Budget Scrutiny Working Group for their hard work. In response to questions from the Committee Councillor Wheeler confirmed that the recommendations had been approved by the Budget Scrutiny Working Group in October 2019 and that a majority of Members had approved the recommendations at the Overview and Scrutiny Committee meeting held on 7<sup>th</sup> November. The evidence basis for the group's proposals was also discussed and Councillor Wheeler explained that the group had considered the content of reports that had been debated by the Audit, Governance and Standards Committee at meetings in July and September 2019 as well as information about the Council's budget. The recommendations were designed to support the Executive Committee and would enable the Budget Scrutiny Working Group to act as a constructive critical friend.

## **RESOLVED that**

- 1) business cases for new investment and acquisition opportunities for the Council should all be considered by the Budget Scrutiny Working Group before a decision is taken by the Executive Committee; and**
- 2) the financial implications detailed in reports to the Executive Committee should address the following points as a minimum where appropriate:**
  - a) the financial costs of the proposed action;**
  - b) the source of funding for the proposed action;**
  - c) potential alternative options and the financial costs of each alternative option; and**
  - d) the financial costs to the Council where the proposed action deviates from previous Council policy.**

## **62. TOWN CENTRE REGENERATION (COMMUNITY HUB AND RAILWAY QUARTER)**

The Head of North Worcestershire Economic Development presented a report which outlined the outcomes of a master planning exercise for the regeneration of Redditch town centre and the vision for the town moving forward. During the presentation of the report the following matters were highlighted for Members' consideration:

- The consultants BDP had reviewed options available for the use of a number of sites, including the railway quarter, Church Road and the former covered market area.
- Potential development across the sites had an estimated value of between £200 and 250 million, which could involve development of both residential and commercial properties.
- The community hub had been conceived as a one-stop-shop in terms of public service provision to local residents. The hub could provide integrated services, enable business efficiencies within the public sector and ensure good use of public land.
- Dragongate had held conversations with a number of partner organisations about the potential to introduce a community hub. Initial feedback received from partner agencies had been very positive.
- Partner agencies had overwhelmingly been in favour of building a new property to house the community hub, rather than using an existing building. This would ensure that the varying needs of each organisation could be met through bespoke building design work.
- The next step would be for a tender process to be undertaken to procure an architect-led team to start design work for the community hub.
- Work was still required to clarify the space requirements of each organisation that would take part in the hub as well as operational requirements.
- Officers were focusing on the area encompassing the Redditch library, former covered market area and Redditch Town Hall as the potential location for a future community hub, though the exact site remained to be determined.
- Redditch had been announced as one of 100 towns that would be eligible for funding from the Town's Fund.
- Guidance for the Town's Fund had been published after the publication of the report in respect of the regeneration of Redditch town centre.
- Redditch could potentially receive up to £25 million from the Town's Fund. In order to secure funding from this source public consultation about potential use of the funding would be required and the Council would need to develop a Town Investment Plan and a business case. The government would make a decision about the level of funding that would be awarded to Redditch based on these submissions.

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

- The need for Redditch town centre to be regenerated.
- The hard work of officers to date in respect of the regeneration of Redditch town centre.

- The length of time that had elapsed since the original plans to regenerate the town centre had been considered by Members in March 2018.
- The state of the area debates, how these had been advertised, the number of people who had attended and whether there was an intention for these to occur in every ward in the Borough. It was suggested that further information about the state of the area debates should be provided for Members' consideration after the meeting.
- The potential future use of the Redditch Town Hall site for housing, retail and as the site for a hotel and the fact that no decisions had yet been taken in respect of this matter.
- The extent to which the Council was likely to secure funding from the Town's Fund for the regeneration of Redditch town centre. Members were advised that the guidance did not specify that there would be a competitive process. However, the Council would need to demonstrate that Redditch should receive funding and it was important therefore to include the right information in the Town Investment Plan. The work that had already been undertaken in respect of the regeneration of Redditch town centre would place the Council at an advantage in this respect.
- The timeline for securing financial support from the Town's Fund. The Committee was informed that the Town Investment Plan would need to be submitted for the consideration of the government by summer 2020 and a decision would then be taken by the government in respect of funding in 2020/21.
- In the meantime, further work was required in respect of technical requirements.
- The £173,000 funding that the Council had already received for the regeneration of Redditch town centre.
- The potential to secure financial support from other organisations, in addition to funding from the Town's Fund, to support the regeneration of Redditch town centre. Officers explained that the Council would not be excluded from applying for funding from other sources alongside the financial support from the Town's Fund and this could include funding from the West Midlands Combined Authority (WMCA) and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP).
- The negative perceptions some people had of Redditch and the positive impact that the regeneration of the town centre would have on civic pride.
- The combination of residential and commercial opportunities within the plans.

During consideration of this item the Chair of the Overview and Scrutiny Committee, Councillor Joe Baker, was invited to speak on behalf of the Committee about recommendations that had been

made by Members following pre-scrutiny of the report at a meeting on 7<sup>th</sup> November 2019. During this meeting the Overview and Scrutiny Committee had noted their support for plans to regenerate Redditch town centre. Councillor Baker explained that the role of the Overview and Scrutiny Committee was to act as a critical friend and as such concerns had been raised by the Committee about the need to learn lessons from past redevelopment exercises. In particular, reference had been made to the redevelopment of Church Hill district centre some years previously and the limited engagement that had been undertaken with ward Councillors. The Overview and Scrutiny Committee had concluded that, due to the relevance of the town centre to all Councillors they should all be consulted as part of work on the redevelopment of Redditch town centre and this had featured in the Committee's recommendations on the subject to the Executive Committee. These points were noted.

**RECOMMENDED that**

- 1) the Council note the BDP Town Centre Sites report and endorses the concept of a comprehensive regeneration scheme for the station quarter, Church Road sites, the Library site and the outdoor market site;**
- 2) the Council agrees the content of the Dragongate Community Hub Business Case and BDP's Redditch Town Centre Development Sites Final Report be used as a basis for submitting a proposal to the Town's Fund;**
- 3) the Council agrees that the content of the Dragongate Community Hub business case and BDP's Redditch Town Centre Development Sites Final Report be used as a basis for submitting a bid to the Greater Birmingham and Solihull Local Enterprise Partnership's Strategic Economic Plan (SEP) Enabling Fund;**

**and RESOLVED that**

- 4) the findings of the state of the area debate are noted and officers are instructed to produce a future consultation plan related to the town centre regeneration programme;**
- 5) the content of the Dragongate Community Hub business case be noted and the Executive Committee endorse the concept of a community hub within the public sector and culture quarter;**

- 6) authority be delegated to the Chief Executive after consultation with the Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to commission an architect-led professional team to draw up feasible and deliverable design proposals supported by viability appraisals for a community hub, to include consideration of partners' requirements; and
- 7) subject to the agreement of recommendation 1 above, authority be delegated to the Chief Executive after consultation with the Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to work with key partners on the wider initiatives.

## **63. SECTION 24 - MONITORING UPDATE REPORT**

The Financial Services Manager presented an update in respect of the progress that had been achieved by the Council in addressing the points that had been raised by the external auditors in the Section 24 Notice. The Committee was informed that Officers had been working hard in the second quarter of the financial year and the implications of this work for the Council's Medium Term Financial Plan (MTFP) would be reported for Members' consideration in the Financial Monitoring report in December 2019.

**RESOLVED that**

**the report be noted.**

## **64. OVERVIEW AND SCRUTINY COMMITTEE**

Officers confirmed that there were no outstanding recommendations from the meeting of the Overview and Scrutiny Committee held on 24<sup>th</sup> October 2019 that required consideration.

**RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on 24<sup>th</sup> October 2019 be noted.**

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

The recommendations from the Overview and Scrutiny Committee meeting held on 7<sup>th</sup> November 2019 in respect of the Budget Scrutiny Working Group and the regeneration of Redditch town centre were considered under the relevant item on the agenda.

The Senior Democratic Services Officer (Redditch) confirmed that the Overview and Scrutiny Committee's recommendation in respect of the Council's Concessionary Rents Policy, agreed at the meeting of the Committee on 7<sup>th</sup> November 2019, had not been made available for consideration at this meeting. This was because the Overview and Scrutiny Committee had agreed that the recommendation should be referred to the Executive Committee for consideration in January 2020 alongside the report that was due to be considered on this subject at that time.

## **66. ADVISORY PANELS - UPDATE REPORT**

The following verbal updates were provided in respect of the Executive Advisory Panels:

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

Councillor Clayton confirmed that the first meeting of this group was due to take place on Tuesday 19<sup>th</sup> November 2019.

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

Councillor Dormer confirmed that the following meeting of the Constitutional Review Working Party (CRWP) was due to take place on 13<sup>th</sup> January 2020.

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

Members were advised that there had been no meetings of the Board since the previous meeting of the Executive Committee. The next meeting of the Board was scheduled to take place on 27<sup>th</sup> November 2019.

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

Councillor Dormer advised that the following meeting of the Member Support Steering Group was due to take place on 4<sup>th</sup> February 2020.

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

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



**67. UNIT 17, BROAD GROUND ROAD, REDDITCH AND THE REDDITCH BUSINESS CENTRES**

The Head of North Worcestershire Economic Development presented a report which summarised the findings of a review of the three business centres that were operated by the Council; Greenlands Business Centre, Hemming Road Business Centre and Rubicon Business Centre. During the presentation of the report the following points were highlighted for the consideration of the Committee:

- Management of all three of the business centres matched the Council's strategic purposes.
- GJS Dillon had undertaken a review in 2018 of industrial spaces in Worcestershire, which had been considered on a district by district basis. The findings in that report had helped to inform the review of the business centres.
- Two of the centres, at Hemming Road and the Greenlands Business Centre, generated a financial surplus for the Council whilst Rubicon Business Centre operated at a financial loss.
- Expenditure on the business centres was higher in cases where occupancy rates were lower as the authority then had to take on greater responsibility for business rates commitments.
- Analysis of Rubicon Business Centre had revealed that in order for the Council to break even when managing the centre with a 70 per cent occupancy rate, rents for businesses would need to be increased by a minimum of 66 per cent.
- There was the possibility that existing businesses would be willing to agree a 66 per cent increase in their rent and Members could explore this option further. However, there was also the possibility that this would make the Rubicon Business Centre uncompetitive.
- The Council could take no further action, but this was not considered to be a viable option because of the significant financial losses associated with operating the Rubicon Business Centre.
- Another alternative option could include exiting the Rubicon Business Centre lease, subject to clarifying the legal implications for the Council.

Once the report had been presented Members noted that the original intention of the business centres had been to provide start-up businesses with affordable premises until they became successful. There was a lower level of start-up companies in Redditch compared to other parts of Worcestershire and many small businesses were located in the Borough.

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

“Consideration be given to options for improving the viability of the Rubicon Centre, including increasing the rent levels charged for both office and industrial / workshop space.”

In proposing the amendment Councillor Hartnett explained that he was concerned it would be premature to consider exiting Rubicon Business Centre at this stage. He suggested that consultation was needed with affected tenants and all options needed to be considered before the Council vacated the property. There was the possibility that tenants would appreciate the financial difficulties facing the Council and would be willing to increase their rents by a significant amount in order to continue to work with the authority.

In seconding the proposal Councillor Chance commented that all options needed to be explored to ensure that the business centres remained viable. Furthermore, Councillor Chance raised concerns that Members were being asked to make a decision in respect of this subject before consultation had taken place with the tenants who would be affected.

Members discussed the amendment and in so doing noted the significant financial losses to the Council associated with current arrangements for the operation of Rubicon Business Centre. The industry average, in order to break even when managing a business centre, involved a 65 per cent occupancy level. However, it was noted that if the Council increased rents by 66 per cent this occupancy level would be difficult to achieve. The increase in rent would also mean that rents would be well above market value which would potentially impact on the competitiveness of the centre in terms of attracting new businesses. Existing businesses might also struggle with the increase in rent costs. In addition to these points, Members noted that rather than start-up companies, 41 per cent of businesses in the Rubicon Business Centre had rented space for 10 years or more.

On being put to a vote the amendment was lost.

Members noted that the Council would seek to provide support to existing businesses to enable them to secure suitable alternative premises for their business if needed.

A further amendment was subsequently proposed by Councillor Mike Rouse. This amendment was seconded by Councillor David Thain. The amendment proposed that businesses in the Rubicon

Business Centre should be provided with no less than three months' notice to quit. This amendment was agreed.

## **RESOLVED**

- 1) that the review of the business centres is noted including the financial performance of the centres (two make a surplus and one makes a loss); and**
- 2) to exit the Rubicon Centre and that no business be given less than three months' notice to quit.**

(During consideration of this item Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to exclude the press and public prior to any debate on the grounds that information would be revealed relating to the financial affairs of any particular body (including the authority holding that information)).

The Meeting commenced at 6.30 pm  
and closed at 8.05 pm