



Council

Mon 22 Feb
2021

7.00 pm (Or, if later, as soon as the Executive Committee meeting that evening, which will start at 6.30pm, has finished)

Microsoft Teams

REDDITCH BOROUGH COUNCIL

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If you have any queries on this Agenda please contact
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GUIDANCE ON VIRTUAL MEETINGS

Due to the current Covid-19 pandemic Redditch Borough Council will be holding this meeting in accordance with the relevant legislative arrangements for remote meetings of a local authority. For more information, please refer to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police Crime Panels meetings) (England and Wales) Regulations 2020.

Please note that this is a public meeting conducted remotely by Skype conferencing between invited participants and live streamed for general access via the Council's YouTube channel.

[Link to the live stream of the meeting](#)

You are able to access the livestream of the meeting from the Committee Pages of the website, alongside the agenda for the meeting.

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

Notes:

As referred to above, the virtual Skype meeting will be streamed live and accessible to view. Although this is a public meeting, there are circumstances when the committee might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded and for any such items the live stream will be suspended and that part of the meeting will not be recorded.



Council

Monday, 22nd February, 2021

7.00 pm

**During the Covid-19 outbreak
Committee meetings are
taking place on Skype for
Business**

Agenda

Membership:

Cllrs:

Gareth Prosser
(Mayor)
Julian Grubb
(Deputy Mayor)
Salman Akbar
Joe Baker
Tom Baker-Price
Roger Bennett
Joanne Beecham
Juliet Brunner
Michael Chalk
Debbie Chance
Greg Chance
Brandon Clayton
Matthew Dormer
John Fisher

Peter Fleming
Andrew Fry
Bill Hartnett
Ann Isherwood
Wanda King
Anthony Lovell
Gemma Monaco
Nyear Nazir
Mike Rouse
Mark Shurmer
Yvonne Smith
David Thain
Craig Warhurst
Jennifer Wheeler

1. Welcome

2. Apologies for Absence

3. Declarations of Interest

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

4. Minutes (Pages 1 - 10)

5. Announcements

To consider Announcements under Procedure Rule 10:

- a) Mayor's Announcements
- b) The Leader's Announcements
- c) Chief Executive's Announcements.

6. Executive Committee

Minutes from the Meeting of the Executive Committee held on 16th February 2021

As the meeting of the Executive Committee due to be held on 16th February 2021 will be taking place after the publication of the main agenda pack for this Council meeting, the minutes will follow in a supplementary pack.

6 .1 Pay Policy Statement 2021/22 (Pages 11 - 22)

6 .2 Medium Term Financial Plan 2021/22 to 2024/25 (including the capital programme) (Pages 23 - 54)

Note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation or Council tax at a budget decision meeting of the Council.

Executive Committee meeting held on 22nd February 2021

As the meeting of the Executive Committee that is due to be held on Monday, 22nd February 2021 will take place immediately before the Council meeting it will not be possible to provide minutes from this meeting for consideration at Council. Recommendations arising from this meeting of the Executive Committee will be reported for Council's consideration by the Chair of the Executive Committee.

6 .3 Council Tax Resolutions

The Executive Committee will consider a report and make recommendations in respect of the Council Tax resolutions at a meeting immediately preceding the Council meeting.

Under Section 106 of the Local Government Finance Act 1992, any Councillor who is 2 or more months in arrears with their Council tax payments cannot participate in any item at the Council meeting concerning the budget.

Note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation or Council tax at a budget decision meeting of the Council.

7. Urgent Business - Record of Decisions

To note any decisions taken in accordance with the Council's Urgency Procedure Rules (Part 6, Paragraph 5 and/or Part 7, Paragraph 15 of the Constitution), as specified.

(None to date).

8. Urgent Business - general (if any)

To consider any additional items exceptionally agreed by the Mayor as Urgent Business in accordance with the powers vested in him by virtue of Section 100(B)(4)(b) of the Local Government Act 1972.

(This power should be exercised only in cases where there are genuinely special circumstances which require consideration of an item which has not previously been published on the Order of Business for the meeting.)

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Council

Monday, 25th January, 2021

MINUTES

Present:

Councillor Gareth Prosser (Mayor), Julian Grubb (Deputy Mayor) and Councillors Joe Baker, Tom Baker-Price, Roger Bennett, Michael Chalk, Debbie Chance, Greg Chance, Brandon Clayton, Matthew Dormer, John Fisher, Peter Fleming, Andrew Fry, Bill Hartnett, Ann Isherwood, Wanda King, Anthony Lovell, Gemma Monaco, Mike Rouse, Mark Shurmer, Yvonne Smith, David Thain, Craig Warhurst and Jennifer Wheeler

Officers:

Ruth Bamford, Kevin Dicks, Claire Felton, Chris Forrester and Sue Hanley

Senior Democratic Services Officers:

Jess Bayley and Amanda Scarce

50. WELCOME

The Mayor welcomed all those present to the meeting and outlined how the meeting would proceed in a virtual environment.

51. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Salman Akbar, Joanne Beecham, Juliet Brunner and Nyear Nazir.

Members were advised that Councillor John Fisher would be leaving the meeting early.

52. DECLARATIONS OF INTEREST

Councillors Brandon Clayton, Bill Hartnett and Ann Isherwood declared other disclosable interests in respect of Minute Item No 58 – the Executive Committee - in relation to the minutes of the meeting of the Committee held on Tuesday, 12th January 2021. During this meeting Members had agreed the allocation of Flexible Homelessness Support Grant funding to external organisations, including Fry Accord, part of the Accord Group. All three Members had been appointed by the Council to serve on Redditch Co-operative Homes, which was also part of the Accord Group, as an

Chair

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outside body. However, they had no involvement with Fry Accord and there were no decisions in respect of this matter required during the Council meeting.

Councillors Tom Baker-Price, Brandon Clayton and Andrew Fry declared other disclosable interests in respect of Minute Item No. 60 – Blue Light Hub – Middlehouse Lane Report - due to their involvement as members of the Hereford and Worcester Fire and Rescue Authority. They remained in the meeting during consideration of this item and participated in the vote.

Councillor Matthew Dormer declared a pecuniary interest in respect of Minute Item No. 60 – Blue Light Hub – Middlehouse Lane Report - due to his position as a paid firefighter. He left the meeting during consideration of this item and did not participate in the debate or vote thereon.

53. COUNCILLOR PATTIE HILL

The Mayor introduced a tribute to a former colleague, Councillor Pattie Hill, whose death following a prolonged period of illness had occurred in December 2020.

The Leader of the Minority Group commenced the tributes to Councillor Pattie Hill and delivered a personal tribute. Members were advised that Councillor Hill had been kind, compassionate and caring, with an interest in line dancing and Elvis Presley.

The Leader of the Council then led other Members in expressing their thoughts on the character and achievements of Councillor Pattie Hill. All agreed that she had been a passionate proponent of causes in which she believed, particularly in respect of children and young people, and a dedicated Borough and County Councillor as well as a former Mayor, having served in that position in 2015/16. Members expressed their condolences to Councillor Hill's husband and family and noted that she would be missed by the Council and community.

During consideration of this item Council observed a minute's silence as a mark of respect.

54. MINUTES

RESOLVED that

the minutes of the meeting of Council held on 16th November 2020 be approved as a true and correct record and signed by the Mayor.

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55. ANNOUNCEMENTSa) The Mayor's Announcements

The Mayor announced that sadly since the previous meeting of Council Mr Mal Smith, the partner of the Deputy Chief Executive, had died following a long illness. On behalf of the Council the Mayor extended his condolences to the Deputy Chief Executive and to Mr Smith's family and friends.

A list of the Mayor's civic engagements had been provided in the Council agenda for Members' consideration.

b) The Leader's Announcements

The Leader advised that The Artrix in Bromsgrove had been opened that day as a vaccination centre in respect of Covid-19. This news was welcomed, and the Leader thanked all the staff who had worked hard to ensure that the venue could be provided for this purpose.

During consideration of this item the Leader thanked all staff working in the NHS for their hard work. It was acknowledged that NHS staff were doing a phenomenal job at a challenging time in the middle of a pandemic.

c) The Chief Executive's Announcements

The Chief Executive confirmed that he had no announcements to make on this occasion.

56. QUESTIONS ON NOTICE (PROCEDURE RULE 9)

Councillor Tom Baker-Price asked the Leader the following question:

"Does the leader agree with me, that the council should investigate the feasibility of obsoleted council IT being donated for refurbishment, then used by children without computer access and by partnering with the local VCS groups we could support many vulnerable children with little expense?"

The Leader provided the following response to this question:

"Due to the recent equipment replacement project for Member IT facilities, there are a number of Member iPads that are no longer needed and will be returned to the Council. This equipment may be suitable to donate for the purpose outlined by Councillor Baker-Price. However, it is important to note that the iPads are quite old,

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in technology terms, and are close to becoming obsolete, with the latest Apple security updates no longer being available for these devices. However, it is possible that a local charity or other suitable agency may be able to make use of these devices and as such IT can securely wipe any data on these machines and make them available to be donated to an agency determined by Members, as soon as the iPads are returned to the Council.

With regards to ongoing obsolete IT equipment, the Council has recently completed a replacement of Terradici devices (network connected dumb terminals) with new laptops to enable more remote working due to the current pandemic. Over the last few years, the Council has made extensive use of Terradici devices due to their longer lifespans but the onsite nature of these devices is no longer appropriate for the more flexible and remote approach to work that is now required. The removed Terradici devices are not suitable for reuse as they are essentially virtual dumb devices that are not designed to hold any software.

In order to make best use of its technical estate, the Council maximises the use of laptops, PCs and other devices right up to the point where they will no longer accept the latest Microsoft security software, effectively rendering them obsolete. As a consequence of this practice the Council has very few, if any, old devices that could be usefully repurposed by a local VCS group. Other than the iPads mentioned previously any other old technical equipment is effectively unusable in any other environment.”

Councillor Tom Baker-Price subsequently asked the following supplementary question:

“We know many Councils in the country, such as Litchfield District Council and Salisbury City Council, are donating equipment and I’m happy to hear Redditch Borough Council will be doing the same. Will you join me in encouraging local businesses to donate their equipment, once it is over four years old, in order to benefit children?”

The Leader provided the following response to this supplementary question:

“I’m sure we can look into this and I’ll talk to the relevant Officers.”

57. MOTIONS ON NOTICE (PROCEDURE RULE 11)

Members were advised that there were no Motions on Notice for consideration on this occasion.

58. EXECUTIVE COMMITTEE

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Council considered minutes from meetings of the Executive Committee held on 8th December 2020, 12th January 2021 and 19th January 2021.

The following items were discussed in detail:

Fees and Charges 2021/22

Members discussed the fees and charges that had been proposed for 2021/22. During consideration of this report, Members noted that whilst some fees would be increased at a standard 2 per cent others would not increase at all. However, there were some fees where a greater increase had been suggested and concerns were raised about the proposed 5.8 per cent increase for the bulky waste collection service, which represented a 50 pence increase. On the one hand, Members raised concerns that the increase could result in a rise in fly tipping, at a significant cost to the Council and questions were raised about the potential to decrease the fee. On the other hand, Members commented that the fee for the bulky waste collection service had not increased since 2018, the fee compared favourably to that charged by other local authorities for a similar service and the increase would help to cover the costs of the service. Members also commented on the alternative options available to bulky waste collections, including recycling and reuse.

Financial Monitoring Report Quarter 2 2020/21

The Financial Monitoring Quarter 2 report 2020/21 was discussed and Members welcomed the proposed investment in the Arrow Valley and Morton Stanley Parks, which would involve resurfacing works and the introduction of a café and toilets at Morton Stanley Park. Members commented that investment in outdoor facilities during the pandemic would have a positive impact on the wellbeing of local residents.

Discussions were also held about the financial position of the Council. On the one hand, Members commented that the Council had received Government grant funding which had helped the authority to manage the impact of Covid-19. On the other hand, concerns were raised that the Section 24 Notice that had been issued against the Council by the external auditors in 2019 still remained in place.

Independent Remuneration Panel 2021/22 Report

Members considered the Independent Remuneration Panel's recommendations regarding Members' allowances for 2021/22 and in doing so commented on the independence of the panel. The

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Independent Remuneration Panel was thanked for their hard work. However, Members commented that during a global pandemic, at a time when many people were struggling financially, it was difficult to justify an increase to Members' allowances. For this reason, Members agreed that the basic allowance and Members Special Responsibility Allowances (SRAs) should remain unchanged.

Redditch Town's Deal – Town Investment Plan

Members considered the Redditch Town Investment Plan and during the debate in respect of this matter the following issues were highlighted:

- The positive impact that the proposed £25 million investment, should it be approved by Government, would have on the regeneration of Redditch town centre.
- The fact that Redditch had been shortlisted for funding. Members noted that some towns had not been successful when they had applied for support from the Town's Fund.
- The work of the Town's Board, comprising representatives of the private, public and third sectors, in respect of the proposals. Members thanked the Board, particularly the Chair and Vice Chair, for their hard work.
- The hard work of Officers to support the proposals, particularly officers working for the North Worcestershire Economic Development Unit (NWEDR).
- The consultation that had been carried out during the development of the plan. Members noted that there had been over 700 responses and that this consultation process had occurred during the Covid-19 pandemic.
- The stakeholder engagement that had taken place with elected Members and the feedback that had been provided by Members.
- The potential for further action to be taken to enhance the skills and aspirations of local residents. Council was advised that this remained a local priority and had recently been raised at a meeting of the Worcestershire Leaders' Board.
- The opportunities that would be available in the future to continue to engage with the public regarding the proposals.
- The information that had been obtained from previous consultation exercises which had helped to inform the process.
- The information that had been provided on the Council's website about the Town's Deal. Members expressed disappointment that there had not been a bespoke website for the Redditch Town's Deal.
- The remaining projects that had not been included in the Town's Investment Plan. Members noted that the Town's Board had developed a range of ideas and these would be in

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an ideal position to pursue further, subject to additional funding being made available.

- The history of Redditch and the potential for that heritage to be promoted throughout the town.
- The specific projects that had been proposed for the railway quarter and for the library in the town centre.
- The future of the library in Redditch town centre. Members commented that there would continue to be a library in the town centre but it would be positioned in a slightly different location.
- The Mary Portas review of town centres, that had been conducted a few years previously, which had highlighted the integral role of housing within town centres moving forward.
- The contribution that had been made by the Overview and Scrutiny Committee through pre-scrutiny of the proposals and the further updates that the Committee would receive in future years.
- The future position of Redditch in the twenty-first century and the contribution that the digital economy could make to the town. Members noted that 5G would have a particularly beneficial impact on the town as a digital technology hub.

RESOLVED that

the minutes of the meetings of the Executive Committee held on 8th December 2020, 12th January 2021 and 19th January 2021 be approved and all recommendations adopted.

59. COMMITTEE APPOINTMENTS

Members noted the appointments replacing Councillor Pattie Hill on the following Committees:

- Crime and Disorder Scrutiny Panel – Councillor Debbie Chance
- Licensing Committee – Councillor Mark Shurmer
- Overview and Scrutiny Committee – Councillor Yvonne Smith.

60. BLUE LIGHT HUB - MIDDLEHOUSE LANE REPORT - (REPORT TO FOLLOW)

The Chief Executive presented a report proposing the introduction of a Blue Light Hub on Middlehouse Lane.

Council was informed that a key part of the proposals for the regeneration of Redditch town centre was the redevelopment of the current police station site. The building was not considered to be fit for purpose as a police station in the twenty-first century. The

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Council had worked with West Mercia Police and Hereford and Worcester Fire and Rescue Authority on the idea of introducing a blue light hub in a central location in Redditch. In order to realise this vision, it was proposed that the Council should swap land owned at Middlehouse Lane with land owned by Hereford and Worcester Fire and Rescue Authority. Approval of this proposal would enable partner organisations to move forward with the introduction of a blue light hub and would ensure that plans for the redevelopment of the town centre could proceed.

Members discussed the proposals and in doing so commented that neither the current police station nor the current fire station in Redditch were fit for purpose and both buildings had issues with asbestos. The proposals would provide greater opportunities for young and existing firefighters and would also lead to the introduction of housing in the town centre on a brownfield site.

During consideration of this item Members asked about the extent to which there would be a police presence in the town centre, should the proposals be approved. Officers explained that discussions had been held with the Chief Constable regarding this matter and it was clear that there would need to be some form of police presence in the town centre, though the arrangements for this remained to be confirmed.

Reference was also made to the tenure of the housing that would be introduced on the brownfield site. Officers explained that, due to the exempt nature of the information required, a response regarding this matter would be made available to Members outside the meeting.

Concerns were raised about the fact that the proposals would result in relatively modern buildings being demolished. Questions were raised about the potential for the buildings to be reused and for the designs for the new blue light hub to focus on the durability of the building where the hub would be based moving forward. However, Members noted that both the existing fire station and the police station had been constructed in the post war period with materials that had not necessarily been designed to last.

RESOLVED that

- 1) the Council owned land located at Middle House Lane be declared surplus;**
- 2) the proposed land swap to facilitate the redevelopment of the joint blue light hub, involving the exchange of Council owned land located at Middle House Lane (Plot 1) with**

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land located at Middle House Lane owned by Hereford and Worcester Fire Authority (plot 4) be approved;

- 3) a remediation strategy for the plots should be developed; and
- 4) authority be delegated to the Chief Executive and Head of Legal, Democratic and Property Services, following consultation with the Leader, to finalise the heads of terms and to proceed to completion.

(Prior to consideration of this item, Councillor Matthew Dormer declared a pecuniary interest due to his position as a paid firefighter. He left the meeting and did not participate in the debate or vote thereon.)

61. OUTDOOR FITNESS EQUIPMENT (REPORT TO FOLLOW)

The Head of Planning, Regeneration and Leisure Services presented a report proposing the introduction of outdoor fitness equipment at the Abbey Stadium. Members were advised that Section 106 funding would be used to support this proposal. This funding had previously been reserved for expenditure in respect of the Abbey Stadium so could not be invested in anything else.

The Council considered the proposals detailed in the report. Members commented on the fact that ideally these proposals would have been approved earlier in the Covid-19 pandemic. In order to proceed, Rubicon Leisure Limited needed the Council's approval as the funding would be derived from a Section 106 agreement and the company did not have access to alternative sources of capital funding to support the proposals.

Reference was made to the process that had been followed in order to reach a decision on this matter. Members commented that they had previously been asked to approve the allocation of Section 106 funding to the installation of outdoor fitness equipment at the Abbey Stadium through the urgent decision process. However, Members had felt uncomfortable about being asked to approve the allocation of £250,000 of funding for this purpose without reference to Committee and about the level of transparency. For this reason, a request had been made for the report to be referred to Council.

Concerns were raised that the report had not been scheduled through the normal process for the consideration of the Executive Committee and Council. Members noted that the Overview and Scrutiny Committee had also not had an opportunity to scrutinise the proposals and it was suggested that this scheme would have benefitted from scrutiny, particularly in assessing value for money.

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Further concerns were raised about the short notice that had been provided in respect of the publication of the report, which had been circulated in a supplementary agenda pack for Members' consideration. There was general consensus that this should not be permitted to occur with any regularity in future, though it was highlighted that this was unusual. However, it was also noted that, the Section 106 funding had already been allocated for use in respect of the Abbey Stadium and there were limited options available in terms of alternative uses of the funding.

RESOLVED that

- 1) **authorisation be granted for Section 106 (S106) monies in the amount of £257,273.02 to be transferred to Rubicon Leisure in line with the attached business case and S106 agreements for the construction of an outdoor gym facility at the Abbey Stadium;**
- 2) **the Head of Financial and Customer Services, Head of Legal, Democratic and Property Services and Head of Planning, Regeneration and Leisure Services be authorised to finalise the detail for the release of S106 monies for the outdoor fitness project following consultation with Rubicon Leisure and the relevant portfolio holder.**

62. URGENT BUSINESS - RECORD OF DECISIONS

Members were informed that there had been three urgent decisions since the previous meeting of Council. These urgent decisions related to the appointment of a new Section 151 Officer and Director of Resources, the Local Restrictions Support Grant and Additional Restrictions Grant and approval of an additional management fee for Rubicon Leisure Limited for quarter 2 of the 2020/21 financial year.

63. URGENT BUSINESS - GENERAL (IF ANY)

Members were advised that there was no additional urgent business for consideration on this occasion.

The Meeting commenced at 7.00 pm
and closed at 9.59 pm

Executive

16th February 2021

Pay Policy Statement 2020/21

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester
Report Author	Name: Chris Forrester Job Title: Head of Finance and Customer services Contact email: chris.forrester@bromsgroveandredditch.gov.uk Contact Tel: 01527 881673
Wards Affected	Not applicable
Ward Councillor(s) consulted	Not applicable
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND to Full Council that: -

- 1) The Pay policy as detailed in Appendix 1 to the report be approved.**

2. BACKGROUND

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

The Statement must set out policies relating to-

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

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

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3. FINANCIAL IMPLICATIONS

- 3.1 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 current pay structure.

4. LEGAL IMPLICATIONS

- 4.1 These are already included in the report.

5. STRATEGIC PURPOSES - IMPLICATIONS

- 5.1 The pay policy covers all officer's remuneration and therefore includes all strategic purposes of the Council.

Climate Change Implications

- 5.2 There are no implications in relation to this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no implications in relation to this report

Operational Implications

- 6.2 There are no implications in relation to this report

7. RISK MANAGEMENT

- 7.1 There are no implications in relation to this report

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 - Pay Policy 2020/21

Executive16th February 2021**9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	David Thain, Portfolio Holder for Finance and Enabling	Various
Lead Director / Head of Service	Chris Forrester, Head of Finance and Customer Services	Various
Financial Services	Chris Forrester, Head of Finance and Customer Services	Various
Legal Services	Claire Felton	Various
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

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REDDITCH BOROUGH COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2020/ and each subsequent financial year, until amended. 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. .

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	1	2	17,842	18,198
2	2	5	18,198	19,312
3	5	9	19,312	20,903
4	9	14	20,903	23,080
5	14	19	23,080	25,481
6	19	24	25,481	28,672
7	25	30	29,577	33,782
8	30	34	33,782	37,890
9	34	37	37,890	40,876
10	37	40	40,876	43,857
11	40	43	43,857	46,845
Manager 1	Hay evaluated	43%	57,284	59,618
Manager 2	Hay evaluated	45%	59,597	62,066
Head of Service 1	Hay evaluated	51%	68,128	70,910
Head of Service 2	Hay evaluated	61%	81,754	85,091
Head Of Service 3	Hay evaluated	68%	91,208	94,546
Executive Director	Hay evaluated	74%	98,994	102,888
Deputy Chief Executive	Hay evaluated	80%	N/A	111,230
Chief Executive	Hay evaluated	100%	N/A	139,038

7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay

scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the “Gauge” Job Evaluation process..

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

Senior Management Remuneration

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

Title	% of Chief executive salary	Pay range (minimum) £	Pay range (maximum) £	Incremental points	Cost to Bromsgrove District Council
Chief Executive	100%	133,586	139,038	3	50%
Deputy Chief Executive	80%	109,017	111,230	3	50%
Executive Director of Finance and Resources. (Also S151 Officer)	74%	98,994	102,888	3	50%
Head of Worcestershire Regulatory Services	68%	91,208	94,546	3	<i>This is a shared post across 6 district Authorities</i>
Head of Finance and Customer services	61%	81,754	85,091	3	50%
Head of Planning, Regeneration and Leisure Services	61%	81,754	85,091	3	50%
Head of Transformation, Organisational Development and Digital Services	61%	81,754	85,091	3	50%
Head of Legal, Democratic and Property Services	61%	81,754	85,091	3	50%

Head of Environmental and Housing Services	61%	81,754	85,091	3	50%
Head of Community and Housing Property Services	61%	81,754	85,091	3	50%

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.
- 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;
 - 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.
 - long service awards. The Council pays staff an additional amount if they have completed 25 years of service.

- d. honoraria, in accordance with the Council's policy on salary and grading.
Generally, these may be paid only where a member of staff has performed a role at a higher grade;
- e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
- f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
- g. market forces supplements in addition to basic salary where identified and paid separately;
- h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
- i. attendance allowances.

Payments on Termination

- 18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
- 19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
- 20. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

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

Lowest Paid Employees

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2020 this is £17,842 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.

Executive Committee

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MEDIUM TERM FINANCIAL PLAN 2021/22 – 2023/24

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester
Report Author	Name: Kate Goldey Job Title: Senior Business support accounting technician Contact email: k.goldey@bromsgroveandredditch.gov.uk Contact Tel: 01527 881208
Wards Affected	none
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee RECOMMEND that Full Council: -

1) Approve the Unavoidable costs as attached at Appendix 1:

**2021/22 £1.393m
2022/23 £58k
2023/24 £65k**

2) Approve the Revenue Bids as attached at Appendix 2 and Appendix 4:

**2021/22 £230k
2022/23 £244k
2023/24 £224k**

3) Approve the Identified Savings as attached at Appendix 3:

**2021/22 £1.163m
2022/23 £524k
2023/24 £545k**

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

2021/22 £1.064m
2022/23 £999k
2023/24 £904k

- 5) Approve the General Fund capital programme at Appendix 5:

2021/22 £4.269m
2022/23 £6.147m
2023/24 £4.149m

- 6) Approve the net general fund revenue budget.

2021/22 £10.496m
2022/23 £10.093m
2023/24 £10.080m

- 7) Approve the Housing Revenue Account Budget at Appendix 6:

2021/22 £24.694m
2022/23 £24.893m
2023/24 £25.391m

- 8) Approve the Housing Revenue Account Capital Programme at Appendix 7:

2021/22 £12.611m
2022/23 £12.167m
2023/24 £11.881m

- 9) Approval the increase of the Council Tax per Band D @ £5 for 2021/22.

- 10) Approve the transfer to Balances of £44k for 2021/22.

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2. BACKGROUND

To enable members to consider the Medium-Term Financial Plan for the period 2021/22 – 2023/24 to include General Fund Revenue and Capital together with the Housing Revenue Account budget proposals. The report includes recommendations to Council to enable a balanced budget to be set for 2021/22 and the proposed Council Tax for 2021/22. In addition, members are asked to note the position for future years 2022/23-2023/24. The recommendations will then be presented to Council on 22nd February 2021 together with the resolutions once we have received all the precepting bodies Council Tax calculations.

3. 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. The plan addresses how the Council will provide financial funding to the Strategic Purposes and ensure residents receive quality services to meet their needs in the future. The Purposes that drive the financial considerations are:

- Run and grow successful business
- Finding somewhere to live
- Aspiration, work & financial independence
- Living independent, active & healthy lives
- Communities which are safe, well maintained & green

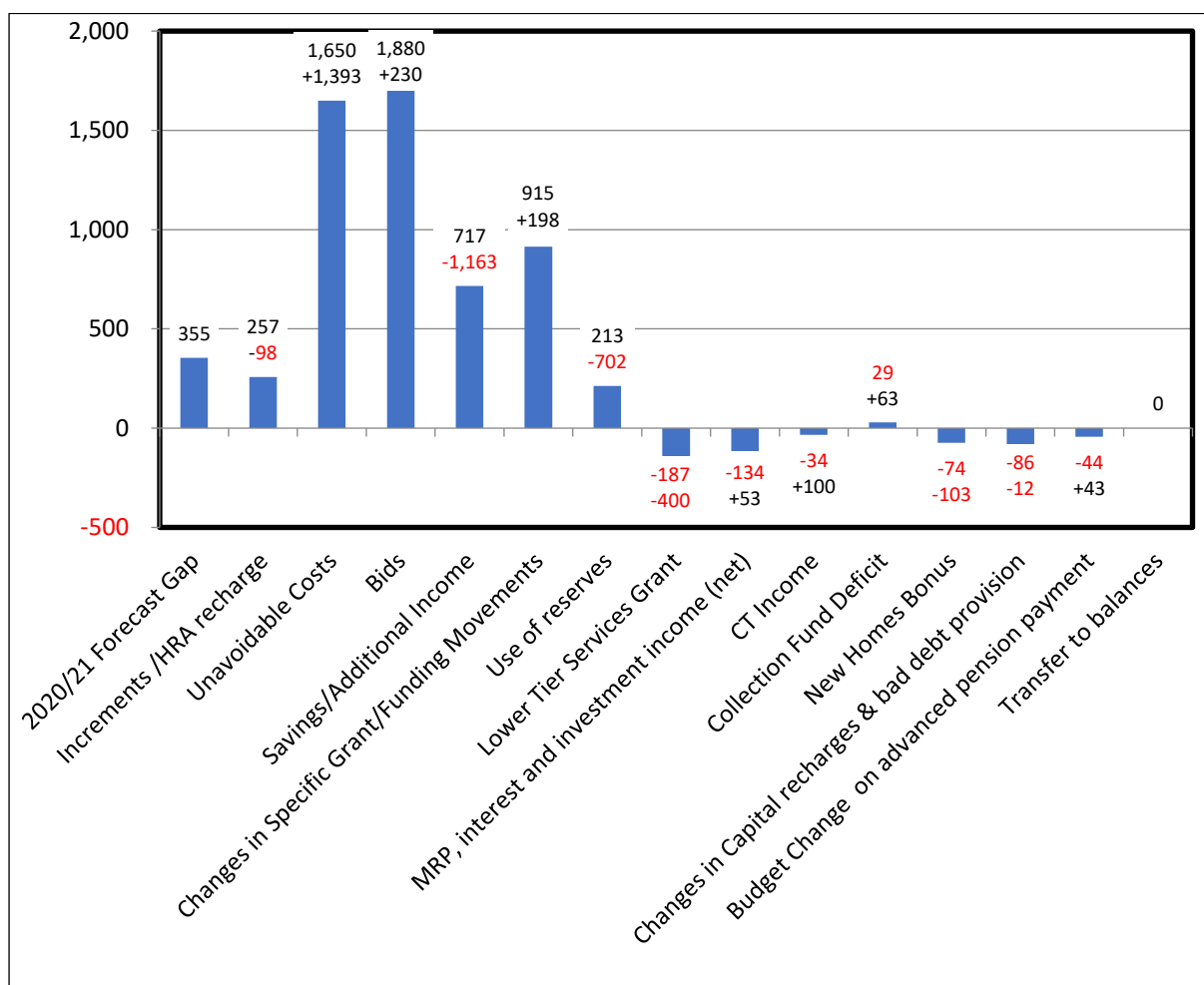
- 3.2 As Members are aware, following the audit for 2018/19, Grant Thornton issued the Council with a Statutory recommendation made under section 24 of the Local Audit and Accountability Act 2014. Grant Thornton concluded that it was appropriate for them to use their powers to make a recommendation under section 24 of the Act due to the Council's current and forecast financial position. At this point in time the audit of the 2019/20 accounts is still on going so it is not yet clear if another Section 24 notice will be issued. The Council has undertaken a significant amount of work to address the issues raised and made some hard decisions to ensure that it is on a more stable financial footing.

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- 3.3 Members and officers have reviewed the services provided by the Council over the last 6 months to consider the levels of funding available to the Council and identified where potential savings can be made or additional income generated.
- 3.4 In addition, a financial framework was approved to enable an overarching strategy to be in place to support the future financial position of the Council. Considering the financial pressures, the Council faces the strategy aims to provide a framework through which the Council can become financially sustainable whilst delivering the priorities to our communities. The key objectives are:
- To ensure resources are directed to the council's strategic purposes.
 - To set financially sustainable budgets over the 3-year period for General Fund and HRA
 - To maintain balances of at least at £1.5m in the General Revenue Fund.
 - To maximise income opportunities whilst supporting the vulnerable.
 - Identify and disinvest in non-priority areas.
 - To ensure all savings are achievable and developed with robust data.
 - To reduce overheads & direct costs over the 3-year period
 - To maximise use of assets and disinvest surplus or non-performing assets.
 - To further develop the commercial culture within the Council
 - To consider and adapt to the uncertain future financial climate.
 - To work with the public, members and staff to engage and inform partners on the impact of the financial pressures of the Council.
- 3.5 The Council has made these difficult decisions in light of the financial challenges it faces, and it is clear that further savings are required over the longer term to address the financial pressures of the Financial Plan as shown in Table at 3.25 Whilst addressing the position for 2021/22 it is clear that further savings are required to ensure the Council has a financially sustainable position in the future in light of the potential changes to Borough Council funding and service demands in the future. There is a need to consider how these savings can be made and there are potential areas for review included later in this report which will need to be explored with officers and members to ensure the Council is financially sustainable in the longer term.

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- 3.6 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 several recommendations to Executive.
- 3.7 Officers have factored a number of assumptions into the Medium-Term Financial Plan to update it in line with revised calculations and information from officers and Government.
- 3.8 The table below demonstrates the changes in the financial projections and budget gap for 2021/22 based on the original estimation of a £355k gap as presented in February 2020. Following the table there are explanations of the reasons for the changes resulting in a balanced budget for 2021/22.



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Incremental progression and HRA recharge (£98k)

- 3.9 One of the pressures to the budget is general inflation on utility costs along with additional costs in relation to pay. The costs relating to pay inflation are above that initially anticipated. The original budget included a 1% pay award however the final agreed pay award was 2.75% which is therefore included in the estimated position above. This in turn has been netted off against the increase therefore to the recharge the General Fund receives from the HRA.

Unavoidable Costs (£1,393k)

- 3.10 When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. These unavoidable pressures include the ongoing effects of pressures identified during 2020/21 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 £1,391k are identified at Appendix 1. These include additional support for Rubicon Leisure Limited. This is as a result of the projected net loss of income following the forced closure of the sites due to the Government legislation during the COVID-19 pandemic. The Shareholder Committee receives financial and performance reports to enable the Council to understand the Company financial position.

Bids (£230k)

- 3.11 In addition to the unavoidable pressure's revenue bids have been identified and included at Appendix 2 (and appendix 4). Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies.

Identified Savings/additional income (£1,163k)

- 3.12 Identified savings and additional income of £1,163k are detailed at Appendix 3. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating. This includes an amount to offset against the additional support needed to support Rubicon Leisure Limited which we have been

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able to use from our general COVID-19 grant. This was received in 2020/21 and is held in general reserves.

Changes in Specific Grant/Funding Movements (£198k)

- 3.13 An assessment of the council's pension liabilities has seen an increase to the pensions added years payments for this financial year.

3.14 **Reserves (£702k)**

This figure relates to a number of reserves that can be released this financial year as they have been confirmed they are no longer required.

Lower Tier Services Grant (£400k)

- 3.15 The finance settlement in December announced we are due to receive a new grant called the Lower Tier Services Grant in 2021/22. This grant is intended to compensate those local authorities whose core spending power did not increase because in the finance settlement. In Redditch Borough Councils case this was due to the expected reduction in New Homes Bonus. Core Spending Power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government finance settlement.

MRP, interest costs and investment income (net) £53k

- 3.16 This change is due to a re-profiling of the capital programme to reflect more accurately planned spend which has moved expenditure into future years. There was also a reduction in budgeted spend at outturn for 2019/20 which has moved MRP and borrowing costs into future years. The investment income has also been revised to take account of the actual spend this financial year, 2020/21.

Council Tax (£100k)

- 3.17 As part of the Financial Settlement the Council can increase Council Tax by up to 2% or £5 whichever is higher without the need for a referendum. This is less than the previous assumption of 2.99% and therefore there is a projected loss of income for 2021/22 – 2023/24. The current

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projections include £5 increase for 2021/22 and the demand on the collection fund to meet the Council's own needs will be £6.517m. The Council Tax relating to the Council's services will rise from £244.15 to £249.15.

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

New Homes Bonus (NHB) (£103k)

- 3.19 The amount of NHB for 2021/22 has been confirmed as £344k, which is £103k more than anticipated in the MTFP. This is due to the Government funding an additional year of New Homes Bonus. However, the financial settlement stated this would be for one year only and would not attract future legacy payments.

Council Tax Deficit (£63k)

- 3.20 This is the estimated deficit based on the latest 2020/21 collection fund information.

NNDR Income – no change

- 3.21 The Council is currently participating in a pan-Worcestershire Business Rates Pool (WBRP) pilot for the 75% Business Rate Retention for the 2020-21 financial year. This one year arrangement is at no detriment to our financial position in comparison to if we had not entered the pool. As part of the Finance Settlement approval was granted for the Council to be a member of a Worcestershire Pool for 2021-22 that also includes the Fire Authority. Again there is no detriment to the Council in joining this pool and whilst the position for the Council has been projected at a baseline from the current position for future years it is expected that additional growth may be generated which will be reported in the quarterly financial reports. The position in relation to further appeals and resultant uncertainty due to the impact on performance of the Pool remain a concern; this is being managed by the S151 Officer in conjunction with the other treasurers within the Pool.

Future Years

- 3.22 As expected a one-year provisional local government settlement was announced on 17 December 2020 following the October announcement of a one-year Spending Review. The Government will seek to find a new

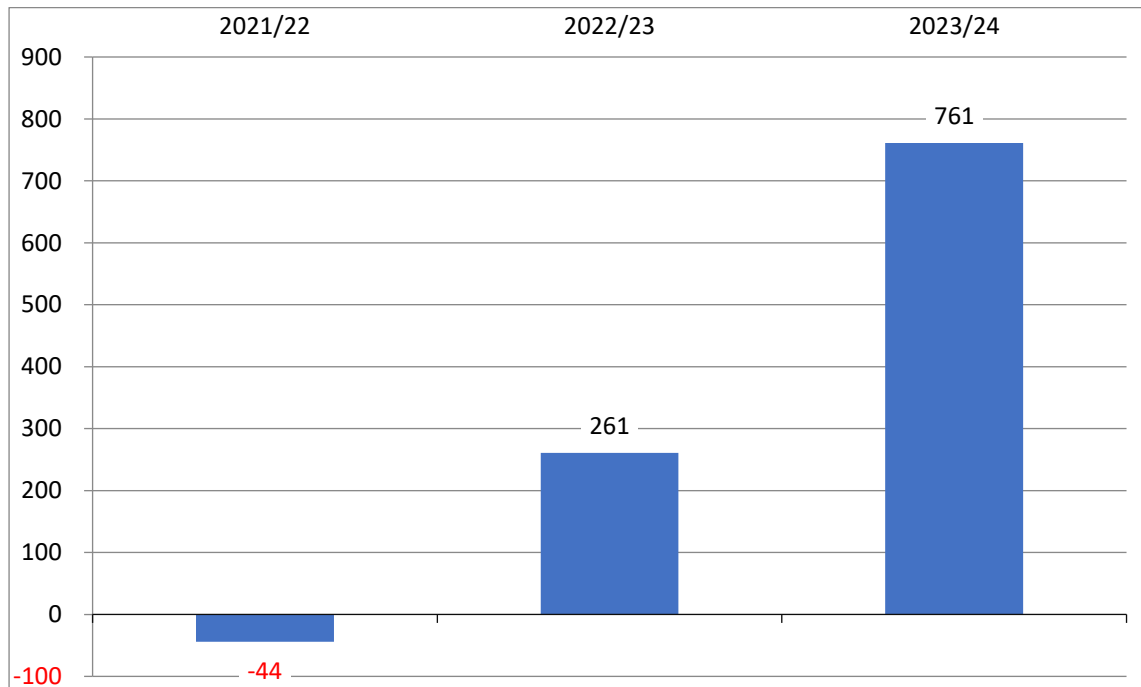
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consensus for broader reforms for local government when the post-COVID future is clearer. We can hopefully expect multi-year settlements from 2022-23 but the Government will need to consider the economic circumstances.

In response to the Covid-19 pandemic, the Council received £1.456m Covid-19 Emergency funding and a further 5th tranche of this grant will be paid in 2021/22 of £496k. Officers are working through how to ensure this is allocated in the coming months and into the new financial year to ensure the Council has a robust action plan of recovery.

3.23 The medium-term financial gap to 2023/24 is as follows:



3.24 Whilst it is important to see the steep improvement in the budget projections for 2021/22 there remain significant savings to be made over the Financial Planning period. There is a need to consider how these savings can be made and it is proposed that officers consider the following areas to present options available to reduce costs and grow income to Members in the Autumn. The areas to consider include:

- Improving income through commercial activities and income from regeneration investments
- Increase in income and reduction in spend on Environmental Services

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General Fund

3.25 The proposed budget is summarised in the table below:

	2021-22 £000	2022-23 £000	2023-24 £000
Departmental base budget	9,907	10,142	10,358
Incremental Progression/HRA recharge	-98	-57	-355
Unavoidable Pressures	1,393	58	65
Revenue Bids/Revenue impact of capital bids	230	244	224
Savings and Additional income	-1,163	-524	-545
Changes in Specific Grant/Funding Movements	198	200	304
Net Revenue Budget Requirement	10,467	10,064	10,051
<u>FINANCING</u>			
Reserve release	-702	-100	0
Lower Tier Services Grant	-400	0	0
Business Rates Net Position	-2,940	-2,985	-2,985
Council Tax	-6,517	-6,746	-6,941
Collection Fund Deficit (Council Tax)	63	0	0
New Homes Bonus	-334	-209	0
Investment Income	-812	-912	-1,012
MRP (Principal)	955	1,035	1,288
Interest payable	355	415	420
Discount on advanced pension payment	-179	-301	-60
Funding Total	-10,511	-9,802	-9,290
<u>General Balances</u>	2021-22 £000	2022-23 £000	2023-24 £000
Estimated opening balances 21/22 (projected)	1,831	1,875	1,613
Contribution (from) / to General Balances	44	-261	-761
Closing Balances	1,875	1,613	852

Collection Fund

3.26 The anticipated collection fund deficit is £478k, which will be distributed amongst the major preceptors using the prescribed formulae. The Councils share of the deficit payable as a one-off sum is £63k.

Precepts

3.27 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 8th

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February. This will enable the Council to set the Council Tax on 22nd February 2021. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Executive and Council on 22nd February.

Capital Programme

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

4. Housing Revenue Account

- 4.1 The Housing Revenue Account is a ring-fenced account holding transactions relating to Council dwellings. It is a separate account within the General Fund but receives income from Council rents.
- 4.2 For the four financial years up to and including 2019/20 there has been a national requirement to reduce rents by 1% per annum and this has put severe pressure on the housing revenue account. From 2020/21 rents were able to increase by the consumer price index plus 1%. The rent increase for 2021/22 was approved by the Executive on 12th January 2021. Over the next three years the rent increases will start putting the housing revenue account into a positive position.
- 4.3 Appendix 7 provides a summary of the housing revenue account including the latest forecast for 2020/21. It is estimated we will be in a surplus position for the next three years and therefore returning to earmarked reserves which will enable the HRA to fulfil its forecasted acquisitions and developments.
- 4.4 Appendix 8 provides the HRA Capital Programme and Appendix 9 the reserves and capital receipts position taking account of the capital programme and revenue use of reserves.

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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 resolutions and presented to Executive and Council on 22nd February 2021.
- .

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our MTFP and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

- 5.2 The green thread runs through the Council plan. The MTFP has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. OTHER IMPLICATIONS

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.

Operational Implications

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

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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 provides a framework to mitigate the above risks.

Covid-19

Throughout 2020/21 the Council has received several Government grants to manage the impact that the pandemic has had on the Borough. These grants were to offset the additional costs and income shortfalls over the last year due to the impact of Covid-19. The Council has also distributed significant sums in the form of the local business support grants, funded by central Government. These have been provided to give financial support to businesses severely impacted by the loss of trade due to the national lockdowns we have faced.

It is certain that we will face a continuation of restrictions going into 2021/22. The Council will endeavour to continue to support local businesses although it is difficult to assess when the economy of the Borough will be back to pre-pandemic levels. With uncertainties in the level of business rate support and relief that will be given to business over the next 12 months it is important that the Council ensures sufficient funding is in place to provide appropriate financial support.

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Brexit

There are a number of areas in which the Brexit deal may affect local government finances however there is no clarity as to what the associated costs will be. Whilst the Brexit deal mitigates a number of the challenges that may have been faced by the changes in legislation, the current economic crisis continues to obscure the situation and therefore the impact of the Country leaving the EU remains very uncertain. The impact of Brexit is included in the Council's Corporate Risk Register and whilst the uncertainties remain the Council will support businesses and its communities to meet future challenges.

Other Risks:

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

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

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

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

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

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

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The main risks in the 2021/22 budget relate to:

- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental risk registers to ensure managers are aware of any variances to budget.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates income. It is difficult to predict the likely income with accuracy. It will be affected by many variables beyond the Council's control, for example, the level of appeals by ratepayers against their rating assessments. The funding mechanism gives a degree of in year protection against volatility, but this only defers the impact of variances to future years.
- Central Government Funding – the MTFP shows income from NHB reducing to zero in 2023/24. The provisional local government finance settlement announced New Homes Bonus Year 11 allocations and legacy payments from Years 8 to 9 giving a total payable to Redditch Borough Council of £334k in 2021/22. It is expected that a final New Homes Bonus payment will be made the following year in relation to legacy payments for Year 9 and then will cease and this is reflected in the MTFP. There is currently no information about a replacement scheme.
- Potential overspends within the HRA Budgets. This will be managed by monthly financial monitoring meetings with the housing and finance teams.

Adequacy of Reserves

- 3.4 The Financial Framework proposed a level of balances at £1.5m for General Fund activity and £600k in the Housing Revenue Account over the next 3 years. Since the pandemic, the Council has largely been able to mitigate losses through Government funding however the medium- and long-term effect on council tax and business rates is still unknown and it would be prudent to set aside any windfall revenue into reserves to cover any future shortfalls.

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

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

8. APPENDICES and BACKGROUND PAPERS

- Appendix 1 - Unavoidable costs
- Appendix 2 - Revenue Bids
- Appendix 3 - Identified savings
- Appendix 4 - Capital bids
- Appendix 5 - Proposed Capital programme
- Appendix 6 - Housing Revenue Account Budget 2021/22 and medium-term financial plan to 2023/24
- Appendix 7 - Housing Revenue Account Capital Programme 2021/22 to 2023/24
- Appendix 8 – HRA reserves and capital receipts position

Executive Committee

16th February 2021

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	David Thain, Portfolio Holder for Finance and Enabling	Various
Lead Director / Head of Service	Chris Forrester, Head of Finance and Customer Services	Various
Financial Services	Chris Forrester, Head of Finance and Customer Services	Various
Legal Services	Claire Felton	Various
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

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UNAVOIDABLE PRESSURES - RBC

Appendix 1

Department	Strategic Purpose	Description of Pressure	2021-22 £'000	2022-23 £'000	2023-24 £'000
Environmental Services	Communities which are safe, well maintained and green	Footpath maintenance budget	25	25	25
Environmental Services	Communities which are safe, well maintained and green	Sreet lighting budget	3	3	3
Environmental Services	Communities which are safe, well maintained and green	Funding of Joint Role as part of Joint Herefordshire and Worcestershire Waste Strategy to influence and implement changes to services arising from proposed Environment Bill.	8	8	8
Democratic Services	Enabling the Authority	Members Allowances	27	0	0
Democratic Services	Enabling the Authority	Members National insurance	5	5	5
Shopmobility	Living independent, active & healthy lives	Loss of income at shopmobility due to Covid - Offset by grant received	26	0	0
Dial-A-Ride	Living independent, active & healthy lives	Loss of income at Dial-A-Ride due to Covid - Offset by grant received	29	0	0
Rubicon Client Services	Living independent, active & healthy lives	Support for Rubicon Leisure Company	1,259	0	0
Regulatory Services - Redditch	Communities which are safe, well maintained & green	Worcestershire Regulatory Services (WRS) Salary Pressures	11	17	24
TOTAL			1,393	58	65

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NEW REVENUE BIDS - RBC

Appendix 2

Department	Strategic Purpose	Description of revenue bid	2021-22 £'000	2022-23 £'000	2023-24 £'000
Democratic Services	Enabling the Authority	Members ICT Training	2	2	2
Planning & Regeneration	Communities which are safe, well maintained & green	Redditch Local Plan	150	180	182
ICT	Enabling the Authority	Member Support Officer	22	23	0
ICT	Enabling the Authority	Corporate GIS	32	23	23
Leisure Services	Communities which are safe, well maintained & green	Town Centre Permanent Lighting - Funded from S106 monies	9	1	2
Leisure Services	Communities which are safe, well maintained & green	Town Centre Christmas lights	15	15	15
TOTAL			230	244	224

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SAVINGS & ADDITIONAL INCOME - RBC

Appendix 3

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000
Building Control	Communities which are safe well maintained and green	Shared service recharge changes	-2	0	0
CCTV/Lifeline	Living independent, active & healthy lives	Various amendments overall budgets - reduction of general supplies budgets	-16	-16	-16
Community & Housing GF	Run and grow successful business / Communities which are safe, well maintained & green	Lottery - New Income budget	-5	-5	-5
Corporate Services	Enabling the Authority	Loss of sales, fees and charges income from MHCLG	-39	0	0
Corporate Services	Enabling the Authority	Management review savings	0	-125	-125
Corporate Services	Enabling the Authority	Future Operating Model / Alternative Services Delivery	0	-75	-75
Development Management	Communities which are safe well maintained and green	Mileage savings	-1	-1	-1
Development Management	Communities which are safe well maintained and green	Various amendments overall budgets - reduction of general supplies budgets	-1	-1	-1
Elections	Enabling the Authority	Individual Electoral registrations (IER) Budget savings	-24	-24	-24
Environmental	Communities which are safe, well maintained & green	Hedgecutting Vehicle Hire Savings	-20	-20	-20
Environmental	Communities which are safe, well maintained & green	Land Drainage Furniture & Equipment budgets savings	-1	-1	-1
Environmental	Communities which are safe, well maintained & green	Land Drainage Other Fees budgets savings	-1	-1	-1
Environmental	Communities which are safe, well maintained & green	Stores Vehicle Hire budget savings	-1	-1	-1
Environmental	Communities which are safe, well maintained & green	Waste Collection Vehicle Hire budget savings	-14	-14	-14
Environmental	Communities which are safe, well maintained & green	Hedge Cutting agency staff saving	-20	-20	-20
Equalities	Enabling the Authority	Salary Savings	-8	-8	0
Human Resources	Enabling the Authority	Salary Savings	-30	-30	-30
Human Resources	Enabling the Authority	Mileage budgets savings	-1	-1	-1
Human Resources	Enabling the Authority	Professional fees budgets savings	-2	-2	-2
ICT	Enabling the Authority	ICT Savings	-15	-15	-15
Leisure Services	Communities which are safe, well maintained & green	Town Centre Permanent Lighting - To be funded from S106 monies	-9	-1	-2
Parks and open spaces	Living independent, active & healthy lives	Salary Savings	-4	-4	-4
Parks and open spaces	Living independent, active & healthy lives	Play areas and playing fields general supplies budgets savings	-1	-1	-1

Department	Strategic Purpose	Description of saving	2021-22 £'000	2022-23 £'000	2023-24 £'000
Parks and open spaces	Living independent, active & healthy lives	Parks grounds maintenance budgets savings	-14	-14	-14
Parks and open spaces	Living independent, active & healthy lives	Allotments additional income	-4	-4	-4
Parks and open spaces	Living independent, active & healthy lives	parks and open spaces general supplies budgets savings	-11	-11	-11
Parks and open spaces	Communities which are safe well maintained and green	Income Generation	-123	-123	-123
Policy	Enabling the Authority	Salary Savings	-4	-4	0
Rubicon Client	Living independent, active & healthy lives	Funding to support Rubicon Leisure Services from General Covid grant	-785	0	0
Sports development	Living independent, active & healthy lives	External funding received to fund part a post in the team	-5	0	0
Sports development	Living independent, active & healthy lives	Mileage	-1	-1	-1
Starting Well	Enabling the Authority	Last year of new contract support service recharge	0	0	-32
TOTAL			-1,163	-524	-545

CAPITAL BIDS - RBC

Appendix 4

Department	Strategic Purpose	Description	Funding Source i.e. Grant, Borrowing, Reserve, S106	Capital Implications			Revenue implications		
				2021-22 £'000	2022-23 £'000	2023-24 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Environmental Services	Communities which are safe, well maintained and green	New Rolling Road Brake Tester	Borrowing	40	0	0	0	0	0
Leisure services	Communities which are safe, well maintained and green	Widen Access Road to 5m Arrow Valley Country Park	Borrowing	0	25	0	0	0	0
Strategic Housing	Help me Find Somewhere to Live	RBC Housing Assistance -HMO Lifetime Loan	Borrowing	25	25	25	0	0	0
Strategic Housing	Help Me Live My Life Independently	RBC Housing Repair Assistance Lifetime Loan	Borrowing	0	0	40	0	0	0
Strategic Housing	Help Me Live My Life Independently	RBC Disabled Facilities Grant	Govt Grant	839	839	839	0	0	0
Strategic Housing	Living independent, active & healthy lives	Energy Efficiency Installation (Redditch Energy Efficiency Fund)	Borrowing	0	110	0	0	0	0
Strategic Housing	Communities which are safe, well-maintained and green	RBC 7kW electric vehicle charge-points	Borrowing £100k / grant £60k	160	0	0	0	0	0
TOTAL				1,064	999	904	0	0	0

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Description	Department	Strategic purpose	Detailed funding	2021/22 Total £'000	2022/23 Total £'000	2023/24 Total £'000
Home Repairs Assistance	Community & Housing GF Services	Living independent, active & healthy lives	Long Term Debtors	40	40	40
Disabled Facilities Grant	Community & Housing GF Services	Living independent, active & healthy lives	DFG grant	839	839	839
HMO Grants	Community & Housing GF Services	Living independent, active & healthy lives	Borrowing	25	25	25
Energy & Efficiency Installs.	Community & Housing GF Services	Living independent, active & healthy lives	Borrowing	0	110	0
New Digital Service	Community & Housing GF Services	Living independent, active & healthy lives	Borrowing	50	50	50
7kw electric vehicle charge points	Community & Housing GF Services	Communities which are safe, well maintained and green	Borrowing / £60k grant	160	0	0
Improved Parking Scheme (includes locality funding)	Environmental Services	Living independent, active & healthy lives	Borrowing	400	400	0
Vehicle replacement	Environmental Services	Communities which are safe, well maintained and green	Borrowing	315	2,258	1,195
New Rolling Road Brake Tester	Environmental Services	Communities which are safe, well maintained and green	Borrowing	40	0	0
Wheelie Bin purchase	Environmental Services	Communities which are safe, well maintained and green	Borrowing	85	85	0
Car Park Maintenance	Environmental Services	Communities which are safe, well maintained & green	Borrowing	25	25	0
Public Building	Finance & Customer Services	Run & Grow a successful business	Borrowing	250	250	0
GF Asbestos	Finance & Customer Services	Run and grow a successful business	Borrowing	40	40	0
Regeneration Fund	Finance & Customer Services	Enabling the Authority	Borrowing	2,000	2,000	2,000
Widen access road to Arrow Valley Country park	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	Borrowing	0	25	0
Total current Capital programme				4,269	6,147	4,149

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Housing Revenue Account (HRA) 2020/21 to 2024/25

	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24
	Budget	Revised budget	Forecast Outturn	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000
<u>INCOME</u>						
Dwelling Rents	23,083	23,083	22,925	23,494	23,953	24,391
Non-Dwelling Rents	537	537	537	545	556	567
Tenants' Charges for Services & Facilities	667	667	598	677	691	704
Contributions towards Expenditure	44	44	54	45	46	46
Total Income	24,331	24,331	24,114	24,760	25,246	25,709
<u>EXPENDITURE</u>						
Repairs & Maintenance	6,038	6,038	5,768	6,044	6,103	6,187
Supervision & Management	8,249	8,249	7,969	8,232	8,267	8,482
Rent, Rates, Taxes & Other Charges	294	294	215	208	214	219
Provision for Bad Debts	182	182	182	186	189	193
Depreciation & Impairment of Fixed Assets	5,715	5,715	5,715	5,845	5,941	6,131
Interest Payable & Debt Management Costs	4,179	4,179	4,179	4,179	4,179	4,179
Total Expenditure	24,657	24,657	24,028	24,694	24,893	25,391
Net Operating Expenditure	326	326	-86	-66	-353	-317
Interest Receivable	-118	-118	-118	-30	-27	-24
Transfer to/(from) general reserves	0	0	204	0	0	0
Transfer to/(from) Earmarked Reserves	-208	-208	0	96	379	341
(Surplus)/Deficit on Services	0	0	0	-0	-0	-0
<u>HOUSING REVENUE ACCOUNT BALANCE</u>						
Forecast Balance as at beginning of year	743	743	743	947	947	947
Surplus/(deficit) for year	0	0	204	0	0	0
Forecast Balance as at end of year	743	743	947	947	947	947

HRA Capital Programme and Financing

	Outturn 2020/21	2021/22	2022/23	2023/24
	£	£	£	£
Major Repairs Reserve				
Capital - Gas CH	416,000	416,000	416,000	416,000
Capital - Electric Heating	42,000	42,000	42,000	42,000
Capital - Kitchen Renewals	180,000	180,000	180,000	180,000
Capital - Bathroom Renewals	105,000	105,000	105,000	105,000
Capital - Windows	100,000	100,000	100,000	100,000
Capital - Electrics	888,000	888,000	888,000	888,000
Capital - Electrics - Catch up works	624,000	624,000	286,000	0
Capital - Door Renewals	20,000	20,000	20,000	20,000
Capital - Door Access Systems	72,000	72,000	72,000	72,000
Capital - Roofs	270,000	270,000	270,000	270,000
Capital - Balcony Replacements	150,000	150,000	150,000	150,000
Capital - Fencing Replacements	90,000	90,000	90,000	90,000
Capital - Asbestos Removal	400,000	400,000	400,000	400,000
Capital - structural	30,000	30,000	30,000	30,000
Capital - Water Supply	50,000	50,000	50,000	50,000
Capital - Hard Wire Installation	378,000	378,000	378,000	378,000
Capital - Damp & Mould	38,400	38,400	38,400	38,400
Capital - Fire Safety	81,600	81,600	81,600	81,600
Capital - works on buy backs	270,000	270,000	270,000	270,000
Capital - Compartmentation Works	1,800,000	1,800,000	1,800,000	1,800,000
Capital Design	300,000	300,000	300,000	300,000
	6,305,000	6,305,000	5,967,000	5,681,000
Capital Receipts				
Capital - Stock Condition Survey	0	0	0	0
Capital - New Housing System	469,000	106,000	0	0
Capital - Excellent Estates	350,000	350,000	350,000	350,000
Capital - Bin Stores	200,000	200,000	200,000	200,000
Capital - disabled adaptations	700,000	700,000	700,000	700,000
	1,719,000	1,356,000	1,250,000	1,250,000
Acquisitions	2,700,000	4,950,000	4,950,000	4,950,000
	10,724,000	12,611,000	12,167,000	11,881,000
Financed by				
Major Repairs Reserve	6,305,000	6,305,000	5,967,000	5,681,000
Capital Receipts	1,719,000	1,356,000	1,250,000	1,250,000
Capital Receipts earmarked for acquisition	810,000	1,485,000	1,485,000	1,485,000
HRA Capital Reserve	1,890,000	3,465,000	3,465,000	3,465,000
	10,724,000	12,611,000	12,167,000	11,881,000

HRA Reserves Position 2020/21 to 2024/25

	2020/21	2021/22	2022/23	2023/24
	£	£	£	£
Major Repairs Reserve				
Balance 1st April	9,542,031	8,951,724	8,491,968	8,465,972
Contributions in year	5,714,693	5,845,244	5,941,004	6,028,730
Applied in year	-6,305,000	-6,305,000	-5,967,000	-5,681,000
Balance 31st March	8,951,724	8,491,968	8,465,972	8,813,702
Capital Receipts				
Balance 1st April	2,446,403	1,859,254	2,154,024	2,597,199
Contributions in year	1,131,851	1,650,770	1,693,175	1,736,438
Applied in year	-1,719,000	-1,356,000	-1,250,000	-1,250,000
Balance 31st March	1,859,254	2,154,024	2,597,199	3,083,637
Capital Receipts earmarked for acquisition				
Balance 1st April	4,381,681	4,539,650	4,405,280	4,305,605
Contributions in year	967,969	1,350,630	1,385,325	1,420,722
Applied in year	-810,000	-1,485,000	-1,485,000	-1,485,000
Balance 31st March	4,539,650	4,405,280	4,305,605	4,241,327
HRA Capital Reserve				
Balance 1st April	15,258,727	13,368,727	9,999,727	6,913,727
Applied in year for revenue - net zero	0	96,000	379,000	341,000
Applied in year for capital	-1,890,000	-3,465,000	-3,465,000	-3,465,000
Balance 31st March	13,368,727	9,999,727	6,913,727	3,789,727
	9,246,878	8,721,846	8,478,970	8,639,837
	2,152,829	2,006,639	2,375,612	2,840,418
	4,460,666	4,472,465	4,355,443	4,273,466
	14,313,727	11,684,227	8,456,727	5,351,727
Average Balances in year	30,174,099	26,885,177	23,666,751	21,105,448

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