

## **Executive Committee**

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Tuesday, 16th February,  
2021

### **MINUTES**

#### **Present:**

Councillor Matthew Dormer (Chair), and Councillors Greg Chance, Brandon Clayton, Bill Hartnett, Anthony Lovell, Nyear Nazir and David Thain

#### **Officers:**

Kevin Dicks, Clare Flanagan, Chris Forrester and Sue Hanley

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

Jess Bayley

#### **73. APOLOGIES**

An apology for absence was received on behalf of Councillor Mike Rouse.

#### **74. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **75. LEADER'S ANNOUNCEMENTS**

The Leader advised that the Overview and Scrutiny Committee had pre-scrutinised the Medium Term Financial Plan 2021/22 to 2023/24 at a meeting held on 11<sup>th</sup> February 2021. However, the Committee had made no recommendations on the subject for the consideration of the Executive Committee.

Members were reminded that a meeting of the Executive Committee was due to take place on Monday 22<sup>nd</sup> February 2021 immediately before Council. This would provide Members with an opportunity to consider the Council Tax resolutions.

#### **76. MINUTES**

##### **RESOLVED that**

**the minutes of the meeting of the Executive Committee held on Tuesday, 19<sup>th</sup> January 2021 be approved as a true and correct record and signed by the Chair.**

Chair

**77. PAY POLICY STATEMENT 2021/22**

The Head of Financial and Customer Services presented the Pay Policy Statement 2021/22. The Committee was advised that the report had to be prepared each year and outlined the different pay scales of staff employed by the authority, from the Chief Executive to the lowest paid staff.

**RECOMMENDED that**

**the Pay Policy be approved.**

**78. MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2024/25  
(INCLUDING THE CAPITAL PROGRAMME AND HOUSING  
REVENUE ACCOUNT)**

The Head of Financial and Customer Services presented the Medium Term Financial Plan 2021/22 to 2023/24. During the presentation of this report the following matters were highlighted for Members' consideration:

- The preparation of the budget had been really challenging as it had taken place during a global pandemic and at a time of significant uncertainty regarding local authority finances.
- The Council could increase Council Tax by 2.99 per cent or £5. Redditch Borough Council had opted to increase Council Tax by £5 as this would result in a slightly higher return for the authority.
- There had been a gap in the budget for the 2021/22 financial year which had needed to be addressed when balancing the budget.
- The proposed budget would result in a return of £44,000 to balances in 2021/22. However, there remained a gap in place for 2022/23 and 2023/24 which would need to be addressed moving forward.
- The Council had received a significant amount of grant funding from the Government to help manage the impact of the Covid-19 pandemic on the authority's financial position. A large proportion of this grant funding would be allocated to supporting Rubicon Leisure Limited.
- Over £700,00 of earmarked reserves had been used to help balance the budget in 2021/22. Members were advised that these funds could not be reused in future years.
- The Council had received financial contributions from the New Homes Bonus (NHB), which had been unexpected, though this was only available for one year.
- A significant contribution to balancing the budget had also been made through the Lower Tier Services Grant, though

there was uncertainty about the position of this grant moving forward.

- The budget had been balanced without falling below the minimum balances threshold for the Council. However, there was a risk that, if a similar approach was adopted to balancing the following year's budget, the Council could fall below those minimum levels.
- A significant bid for capital funding had been included for Disabled Facilities Grants, though these were not funded by the Council.
- There was also a relatively large bid for capital funding for electric vehicle charging points, though some of these costs would be offset with grant funding.
- The position of the Housing Revenue Account (HRA) had improved considerably when compared to recent years and Officers were anticipating a return of £96,000 to balances in 2021/22.
- The improving position of the HRA was partly as a result of the increase that the Council was now permitted to make to rents for Council properties.
- Efficiency savings had also been achieved by the Housing Department which had had a beneficial impact on the HRA. There had been a reduction in the turnaround time for void properties and this, together with investment in new Council houses, was resulting in an increase in rent collection for the authority.
- There had been savings in Repairs and Maintenance in 2020/21, as there had been a focus on priority work only during the Covid-19 pandemic. However, Officers recognised that any delayed work would still need to be delivered and therefore those savings had not been built into the budget moving forward.
- The Covid-19 pandemic had impacted on local businesses and the Council had distributed a significant number of business grants to companies that had been affected.
- Brexit was starting to impact on businesses in the Borough, particularly those companies involved in overseas trade. A lot of information was provided on the Council's website to help businesses that were affected. It remained unclear what impact this would have on business rate collection levels in the future.

Following the presentation, Members discussed the report in detail. There was general consensus that the Financial Services team should be thanked for their hard work in preparing the budget, particularly at a time of significant upheaval due to the Covid-19 pandemic. Tributes were also paid to staff working in the Housing Department for their hard work that had helped to improve the position of the HRA compared to previous years.

Reference was made to the Overview and Scrutiny process and Members noted that both the Budget Scrutiny Working Group and the Overview and Scrutiny Committee had pre-scrutinised the report. It was acknowledged that scrutiny Members had raised some useful points, particularly in respect of the need for clarification on the purpose of some proposed savings and income.

The Committee also noted that the Council remained subject to a Section 24 Notice and questions were raised about the potential for this to be lifted. Officers confirmed that the external auditors were still reviewing the Council's accounts for the 2019/20 financial year and there was some uncertainty about whether the Section 24 Notice would be reissued.

Members commented that at the previous meeting of the Executive Committee reference had been made to the potential for Members to lobby the Government regarding the need for greater certainty about the financial position of local authorities, particularly district Councils, moving forward. The Leader confirmed that this issue had been raised at a central level and that the District Councils Network (DCN) was lobbying the Government on behalf of district Councils about this matter.

The Committee discussed the position with regard to collection of business rates during the Covid-19 pandemic and clarification was requested about how this was operating. Officers explained that the Council could claim 75 pence in the pound of business rates. The authority could also spread bad debt provisions over a longer period of time than usual and this took into account that the Government would step in to cover losses.

During consideration of this matter Members requested the following additional information for consideration in relation to the budget prior to the Council meeting scheduled to take place on 22<sup>nd</sup> February 2021:

- Further information about the earmarked reserves that had been used to balance the budget for 2021/22.
- Additional information about the Covid-19 grant funding that had been received by the Council from the Government to help manage the impact of the pandemic. Specifically, Members requested further information about the amount of grant funding that had been received and how this had been spent.
- Information about the grant funding that had been distributed to local businesses by the Council, to include the total amount distributed, the number of companies that had applied for

funding, the number of businesses that received funding and the eligibility criteria.

- Further information about the amount of grant funding that the Government had provided to the Council to distribute amongst local businesses.

**RECOMMENDED that**

**1) the Unavoidable costs be approved:**

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

**2) the Revenue Bids be approved:**

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

**3) the Identified Savings be approved:**

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

**4) the General Fund Capital Programme bids be approved:**

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

**5) the General Fund capital programme be approved:**

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

**6) the net general fund revenue budget be approved:**

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

- 7) the Housing Revenue Account Budget be approved:

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

- 8) the Housing Revenue Account Capital Programme be approved:

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

- 9) the increase of the Council Tax per Band D at £5 for 2021/22 be approved; and

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

**79. OVERVIEW AND SCRUTINY COMMITTEE**

Members considered the minutes of the meeting of the Overview and Scrutiny Committee held on Monday, 18<sup>th</sup> January 2021 and noted that there were no outstanding recommendations requiring consideration.

**RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on Monday, 18<sup>th</sup> January 2021 be noted.**

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

The Chair advised that there were no referrals from either the Overview and Scrutiny Committee or Executive Advisory Panels on this occasion.

**81. ADVISORY PANELS - UPDATE REPORT**

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

- a) Climate Change Cross Party Working Group – Chair, Councillor Anthony Lovell

Councillor Lovell advised that a lot of work was being undertaken to tackle climate change. Officers were investigating the potential to introduce a lower carbon fleet.

Unfortunately, lower carbon vehicles tended to be more expensive than standard vehicles, though could have a positive impact on emissions.

Officers were also reviewing the potential to introduce electric vehicle charging points throughout the Borough. In addition, assessments were being undertaken of all Council buildings in respect of decarbonisation measures that could be taken.

Members were asked to note that the Council needed to take into account the potential for the Council to set a lead with building in a green friendly manner through the Council house building process. There would potentially be options to install solar panels and to explore other actions that could be taken to help reduce energy fees.

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

Councillor Dormer explained that a meeting of the Constitutional Review Working Party was scheduled to take place on 29<sup>th</sup> June 2021.

c) Corporate Parenting Board – Council Representative, Councillor Nyear Nazir

Councillor Nazir confirmed that she had given her apologies for the last meeting of the Corporate Parenting Board. It was agreed that an update should be provided in respect of the outcomes of this meeting once the minutes had been published.

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

The Committee was advised that a meeting of the Member Support Steering Group was due to take place on 2<sup>nd</sup> March 2021.

e) Planning Advisory Panel - Chair, Councillor Matthew Dormer

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

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### Executive Committee – Additional Information

At the Executive Committee meeting held on 16<sup>th</sup> February 2021 Members requested additional information in relation to the Medium Term Financial Plan 2021/22 to 2023/24. The questions that were asked have been listed below, together with the response that has been provided by Officers.

Question 1: Please could you provide Further information about the earmarked reserves that have been used to balance the budget for 2021/22?

Answer:

Reserves release breakdown as follows:

Community grants = £1.8k

Economic Growth Development = £200k

Transformational Growth = £50k

Pensions Reserve = £100k

Business Rates Retention Scheme Reserve = £350k

Question 2: Please provide additional information about the Covid-19 grant funding that has been received by the Council from the Government to help manage the impact of the pandemic. Specifically, Members requested further information about the amount of grant funding that had been received and how this had been spent.

Answer:

The Council has received 5 tranches of non-ringfenced general covid-19 grant totalling £1,952,370. There has been expenditure so far of £771,491, which has been spent on general COVID-19 supplies such as new laptops for Council officers, sanitisation stations and equipment and additional support for Rubicon Leisure Limited.

The Council has also received one quarter of ringfenced sales, fees and charges grant to try and help offset the authority's income losses of £157,725. Officers have put a claim in for the second quarter but are still awaiting confirmation of the amount and when this will be paid.

Question 3: Please provide information about the grant funding that had been distributed to local businesses by the Council, to include the total amount distributed, the number of companies that had applied for funding, the number of businesses that received funding and the eligibility criteria.

Question 4: Please provide further information about the amount of grant funding that the Government had provided to the Council to distribute amongst local businesses.

Answer:

A total of £898,000 in Closed Business Lockdown Payments have been released for payment.

In November, the Local Restriction Support Grant schemes were announced, customers are able to apply for these grants on-line and we will use their application to assess entitlement for LRSG for every period from 1<sup>st</sup> November.

In January when the new lockdown was announced the Government stated a further grant, the Closed Business Lockdown Payment, would be paid for the January lockdown. This would be in addition to the LRSG.

Our software suppliers delivered a solution for the payment of CBLP on 25<sup>th</sup>/26<sup>th</sup> January. This solution required that we:

- a) Load the CBLP grant onto the business rates account of the customer
- b) Prompt customers to complete an application for grant.
- c) The grant would then be automatically released to the customer, or held for pre-payment checks, dependant on our parameter choices.

The standard solution was not satisfactory because

- i) There was a danger that customers would not complete both the LRSG and CBLP application and would miss out on grants.
- ii) The customers who had already received payments in November would be required to make a further application
- iii) If pre-payment vetting was not in place there was a danger that customers ineligible for grants would receive the CBLP which we would later discover when assessing the LRSG that they were not eligible for
- iv) The Government provided assurances in relation to the April grants that they would meet the costs of grants paid in error, provided that appropriate steps were taken, no such assurance has been made for CBLP therefore there is a financial risk to the authority if pre-payment assurance is not in place.
- v) Claiming CBLP would only be available where the grant was loaded against the account, if we had not loaded the grant no payment would be available driving demand into the system

We have created a process whereby, when a customer claims LRSG and that claim has been assessed and paid, we are then able to

- a) extract the property reference for which they have claimed
- b) load the CBLP payment into the business rates system
- c) link this payment back to their LRSG claim and pay using the payment details held against their LRSG application.

This process was tested after the release by Civica of their software on 25<sup>th</sup>/26<sup>th</sup> January and we were ready to process payments between 8<sup>th</sup> and 12<sup>th</sup> of February, unfortunately we lost remote access to the systems due to an update to VM horizon and this removed one and half days testing and delayed the 1<sup>st</sup> Payment run.

This payment run has been paid today and £898k of CBLP has been released to customers today. We have restricted approximately 15 payments where the NNDR liability and the Grant applicant are not matching. This is mainly due to

customers using their own name on the LRSG application and the business rates account being in a limited companies name. We will run some manual checks on these payments and release them on Friday.

In all future weeks we will pay LRSG claims on Tuesdays and Fridays, we will extract details of these payments and CBLP will be paid the following week.

For information we have received 826 applications for LRSG/ARG and are working on the application in the range 450 to 500 – these were applications received on 18<sup>th</sup> and 19<sup>th</sup> January. – we have had an issue with resources on the assessment of RBC grant applications as one of the officers assigned to this task was hospitalised for a number of days due to unexplained dizzy spells, we are moving additional resources to assessment from next week.

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