



Council

Mon 21 Feb

2022

7.00 pm (or as soon as the Executive Committee meeting immediately preceding Council has finished)

Council Chamber,
Redditch Town Hall

REDDITCH BOROUGH COUNCIL

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**If you have any queries on this Agenda please contact
Jess Bayley-Hill**

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GUIDANCE ON FACE-TO-FACE MEETINGS

Due to the current Covid-19 pandemic Redditch Borough Council will be applying social distancing arrangements for holding face-to-face meetings.

Please note that this is a public meeting and is open to the public to attend

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

GUIDANCE FOR ELECTED MEMBERS ATTENDING MEETINGS IN PERSON

In advance of the Council meeting, Members are strongly encouraged to take a lateral flow test on the day of the meeting, which can be obtained from the NHS website. Should the test be positive for Covid-19 then the Member must not attend the Council meeting, should provide their apologies to the Democratic Services team and must self-isolate in accordance with national rules.

Members and officers must wear face masks during the Council meeting, unless exempt. Face masks should only be removed temporarily if the Councillor or officer is speaking or if s/he requires a sip of water and should be reapplied as soon as possible. As Councillors may remove their masks from time to time during the meeting, seating will be placed two metres apart, in line with social distancing measures to protect meeting participants.

Hand sanitiser will be provided for Members to use throughout the meeting.

The meeting venue will be fully ventilated and Members and officers are strongly encouraged to wear appropriate clothing in order to remain comfortable during proceedings.

PUBLIC ATTENDANCE

Members of the public can access the meeting in person if they wish to do so. However, due to social distancing requirements to ensure the safety of participants during the Covid-19 pandemic, there will be limited capacity and members of the public will be allowed access on a first come, first served basis. Members of the public in attendance are strongly encouraged to wear face masks, to use the hand sanitiser that will be provided and will be required to sit in a socially distanced manner at the meetings. It should be noted that members of the public who choose to attend in person do so at their own risk.

In line with Government guidelines, any member of the public who has received a positive result in a Covid-19 test on the day of a meeting must not attend in person and must self-isolate in accordance with the national rules.

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.



Council

Monday, 21st February, 2022

7.00 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:

Gareth Prosser
(Mayor)
Ann Isherwood
(Deputy Mayor)
Salman Akbar
Imran Altaf
Karen Ashley
Tom Baker-Price
Joanne Beecham
Juliet Brunner
Michael Chalk
Debbie Chance
Brandon Clayton
Luke Court
Matthew Dormer
Aled Evans
Peter Fleming

Alex Fogg
Andrew Fry
Julian Grubb
Lucy Harrison
Wanda King
Anthony Lovell
Emma Marshall
Gemma Monaco
Nyear Nazir
Timothy Pearman
Mike Rouse
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 - 6)**
- 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 of the Executive Committee meeting held on 8th February 2022

6.1 Sustainable Warmth Funding (Pages 13 - 20)

The background paper for this item will be published in a separate Background Papers Pack for the meeting.

Recommendations from the Executive Committee meeting held on 21st February 2022

6.2 Pay Policy Statement 2022/23 (Pages 21 - 32)

The Executive Committee will consider a report and make recommendations in respect of the Pay Policy Statement 2022/23 at a meeting immediately preceding the Council meeting.

6.3 2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25 (including Capital Programme) (Pages 33 - 68)

The Executive Committee will consider a report and make recommendations in respect of the 2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25 at a meeting immediately preceding the Council meeting.

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.

6.4 Council Tax Resolutions 2022/23 (To Follow)

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. Regulatory Committees

Recommendations from the Audit, Governance and Standards Committee meeting held on 27th January 2022

7.1 Appointment of External Auditors (Pages 71 - 74)

8. Urgent Business - Record of Decisions

To note any decisions taken in accordance with the Council's Urgency Procedure Rules (Part 9, Paragraph 5 and/or Part 10, Paragraph 15 of the Constitution), as specified.

(None to date).

9. 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.)



Council

Monday, 31 January 2022

MINUTES

Present:

Councillor Gareth Prosser (Mayor), Councillor Ann Isherwood (Deputy Mayor) and Councillors Salman Akbar, Imran Altaf, Karen Ashley, Tom Baker-Price, Joanne Beecham, Juliet Brunner, Michael Chalk, Debbie Chance, Brandon Clayton, Luke Court, Matthew Dormer, Aled Evans, Peter Fleming, Alex Fogg, Andrew Fry, Julian Grubb, Lucy Harrison, Anthony Lovell, Emma Marshall, Timothy Pearman, Mike Rouse, David Thain, Craig Warhurst and Jennifer Wheeler

Officers:

Kevin Dicks, Claire Felton and James Howse

Principal Democratic Services Officer:

Jess Bayley-Hill

47. WELCOME

The Mayor welcomed all those present to the meeting and outlined the mitigating measures that were in place in relation to Covid-19.

48. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Wanda King and Gemma Monaco.

49. DECLARATIONS OF INTEREST

There were no declarations of interest.

50. MINUTES

RESOLVED that

the minutes of the meeting of Council held on Monday 15th November 2021 be approved as a true and correct record and signed by the Mayor.

.....
Chair

Council

Monday, 31 January 2022

51. ANNOUNCEMENTS

The following announcements were made at the meeting:

a) The Mayor's Announcements

The Mayor advised that he had switched on the Christmas lights in Headless Cross on 29th November 2021. The Mayor had also attended the Holocaust Memorial Day service in Redditch on 29th January 2022.

b) The Leader's Announcements

The Leader congratulated the Deputy Leader, Councillor Gemma Monaco, and her husband following the birth of their baby daughter in January 2022. Council was informed that both mother and baby were doing well.

Members were advised that Redditch Borough Council was committed to continuing library provision in Redditch. The Leader's preferred location for the main library in the town would be Redditch Town Hall but the Council needed to work with partner authorities to identify solutions.

c) The Chief Executive's Announcements

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

52. QUESTIONS ON NOTICE (PROCEDURE RULE 9)

Council was informed that there were no Questions on Notice for consideration on this occasion.

53. MOTIONS ON NOTICE (PROCEDURE RULE 11)

The Mayor confirmed that no Motions on Notice had been received for consideration at the meeting.

54. EXECUTIVE COMMITTEE

The Mayor explained that Council was scheduled to consider recommendations from three separate meetings of the Executive Committee held on 7th December 2021, 15th December 2021 and 11th January 2022. These recommendations were considered in chronological order.

The following reports were discussed in particular detail at the meeting:

Financial Outturn 2020/21 – Housing Revenue Account (HRA)

The Portfolio Holder for Housing and Procurement explained that the Covid-19 pandemic had impacted on the Housing Service, in particular causing delays to work undertaken by the Repairs and Maintenance (R&M) team. However, the restructure of the Housing team had been very successful and had also resulted in some financial savings. The Council would be working with local contractors to help address the backlog in R&M works. The new Housing IT system would also help to streamline the service. Officers were thanked for their hard work in managing the service at a difficult time, particularly the Deputy Chief Executive, the Head of Community and Housing Services and the Head of Environmental and Housing Property Services

During consideration of this item questions were raised about the impact that the new Housing ICT system would have on the Council's budget and the stage that had been reached in terms of the introduction of this system at the Council. Members were advised that the system would enhance the quality of Housing Services delivered at the Council. A more detailed response would be provided after the meeting.

New Cemetery Provision

The Portfolio Holder for Environmental Services presented the New Cemetery Provision report and in so doing commented that investigation of this subject had been through various stages over a number of years. The latest report on this subject had been pre-scrutinised in detail by the Overview and Scrutiny Committee and had also been considered at a meeting of the Executive Committee. The Executive Committee had ultimately determined that there should continue to be burial provision available in the Borough and that Ipsley Meadow would be the preferred site for a new cemetery. Council was required to consider whether to allocate additional funding to the project, which would be used to take action to progress with the new burial site.

After the presentation of the report, the following issues were discussed in detail:

- The decisions that had already been taken on the subject of new cemetery provision by the Executive Committee, which could not be altered by Council.
- The different views that a number of Members had articulated on the subject of the new cemetery provision following publication of the report.
- The discussions that had been held in previous years regarding burial provision in the Borough, dating back to 2009, and the reasons why it had taken time to test the suitability of various different potential sites.

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- The length of time in which new cemetery provision remained available in the Borough using existing cemeteries. Council was informed that there was approximately two years' provision of new burial plots remaining available at existing cemeteries in the Borough.
- The consultation that had been undertaken with the public in respect of identifying sites in the Borough that could be used for a new cemetery.
- The opportunities that had been provided for the public to speak on the content of the report at meetings of the Overview and Scrutiny and Executive Committee in December 2021.

Council Tax Empty Homes Discounts and Premiums

The Portfolio Holder for Finance and Enabling presented the Council Tax Empty Homes Discounts and Premiums report for Members' consideration. Council was informed that the aim of the proposals detailed in the report was to discourage property owners from leaving properties vacant. There was significant demand for housing in the Borough and therefore any action that could be taken to ensure that empty homes were made available for residential purposes was to be welcomed.

Following the presentation of the report, Members commented that it was unlikely that the Council would receive a significant amount in revenue as a result of these proposals. However, Members agreed that the proposed action was morally appropriate. There was legislation introduced in 2013 which enabled the Council to take the action proposed.

Independent Remuneration Panel 2022/23

The Leader presented a report that had been prepared by the Independent Remuneration Panel (IRP). The IRP, which comprised a panel of independent representatives of the local community, had made recommendations on the subject of Members' allowances. The Panel was thanked for their hard work in reviewing Members' allowances.

The Executive Committee had proposed that the basic allowance received by Members should increase to £4,732, as suggested by the Panel. However, because Members had chosen not to increase Members' allowances for a number of years, this would represent a 6.648 per cent increase to the basic allowance in Redditch, rather than the 1.75 per cent increase recorded in the IRP report. The Executive Committee had also supported the IRP's proposals in respect of; continuing to pay Members' travel allowances in line with the HMRC mileage allowance, Members' subsistence and carers' allowances remaining unchanged and travel and subsistence allowances for Parish Councillors being paid at the same rate as

Borough Councillors where applicable. However, the Executive Committee had not supported the IRP's proposals in respect of the payment of Special Responsibility Allowances (SRAs).

During consideration of this item an amendment was proposed to the recommendations. This amendment was proposed by Councillor Andrew Fry and seconded by Councillor Debbie Chance. The amendment proposed that the basic allowance for Councillors should increase by 1.75 per cent and that Redditch Members should not continue to be eligible to claim multiple SRAs.

Consideration was given to the proposed amendment. Reference was made to the need for Members to highlight suggestions directly with the IRP about the allowances that would be paid to Members in the following year. In light of this, the amendment was withdrawn without a vote being taken.

HRA Rent Setting 2022/23

The Portfolio Holder for Housing and Procurement presented the HRA Rent Setting 2022/23 report for Council's consideration. Members were informed that the proposed increase to rents for Council properties, at 4.1 per cent, was lower than the level of inflation. An increase in rents was occurring at a time when the financial costs involved in procuring materials was increasing and would help the Council to manage those costs.

Fees and Charges 2022/23

The Portfolio Holder for Finance and Enabling presented the Fees and Charges 2022/23 report and in so doing explained that the majority of fees and charges would be increased by 5 per cent, in line with inflation. However, there were some exceptions to this, including the fee for the Garden Waste Collection service, which would not increase as it was felt that this would not be commercially viable, and Lifeline, Shopmobility and Dial a Ride, which would also not increase due to the vulnerability of the service users.

During consideration of this item, Members noted that the Fees and Charges 2022/23 report had been pre-scrutinised at a meeting of the Budget Scrutiny Working Group. The group had challenged some elements of the report and questioned officers about the content but had been broadly supportive of the proposals.

Reference was made to the proposed increase to the fee that the Council would be charging for the Bulky Waste Collection service. Concerns were raised that the increase to this fee could result in more people choosing to dispose of their bulky waste by fly tipping. However, it was also noted that the fee for Bulky Waste Collections would be increasing by 50 pence and it was suggested that this was

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unlikely to impact on a person's choice about whether to use the service.

Council Tax Base 2022/23

The Portfolio Holder for Finance and Enabling explained that the Council Tax base was used as the basis for calculating Council Tax. The base was assessed in relation to Council Tax Band D equivalent properties and in order to increase the base the Council needed to ensure more Band D properties were developed in the Borough.

RESOLVED that

the minutes of the meetings of the Executive Committee held on 7th December 2021, 15th December 2021 and 11th January 2022 be received and all recommendations adopted.

55. URGENT BUSINESS - RECORD OF DECISIONS

Members were informed that no urgent decisions had been taken since the previous meeting of Council.

56. URGENT BUSINESS - GENERAL (IF ANY)

Council was advised that there was no urgent business for consideration on this occasion.

The Meeting commenced at 7.00 pm
and closed at 8.20 pm



Executive Committee

Tuesday, 8th February,
2022

MINUTES

Present:

Councillor Matthew Dormer (Chair), and Councillors Joanne Beecham, Aled Evans, Peter Fleming, Anthony Lovell, Nyear Nazir and Mike Rouse

Also Present:

Councillor Ann Isherwood

Officers:

Matthew Bough, Kevin Dicks, Claire Felton, Sue Hanley and James Howse

Principal Democratic Services Officer:

Jess Bayley-Hill

68. APOLOGIES

Apologies for absence were received on behalf of Councillors Gemma Monaco and Craig Warhurst.

69. DECLARATIONS OF INTEREST

There were no declarations of interest.

70. LEADER'S ANNOUNCEMENTS

The Leader announced that at a meeting of the Overview and Scrutiny Committee held on Thursday 3rd February 2022, Members had pre-scrutinised the Sustainable Warmth Funding report at Minute Item No. 72 on the Executive Committee's agenda. At the end of the debate, the Committee endorsed the recommendations in the report. An extract from the minutes of that meeting had been published for the Executive Committee's consideration in a supplementary pack for the meeting. Members were urged to refer to the minute extract from the Overview and Scrutiny Committee as part of the debate on that item.

The Executive Committee was also informed that the Budget Scrutiny Working Group had met the previous evening to pre-scrutinise the draft 2022/23 Budget and Medium Term Financial

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Executive Committee

Tuesday, 8th February, 2022

Plan 2022/23 to 2024/25, at Minute Item No. 73 on the agenda. The group did not make any recommendations on the subject so there were no recommendations from the group for the Executive Committee's consideration at the meeting.

71. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday 11th January 2022 be approved as a true and correct record and signed by the Chair.

72. SUSTAINABLE WARMTH FUNDING

The Housing Development and Enabling Manager presented a report on the subject of Sustainable Warmth Funding.

In opening the presentation of the report, Officers explained that the document contained a few typographical errors. An incorrect meeting date had been recorded. The report also stated that the deadline to accept the allocation would be 28th February 2021 when in fact the deadline would be 28th February 2022. Clarification was also provided that the maximum Home Upgrade Grants (HUGs) that could be claimed varied in accordance with the level of Energy Performance Certificate (EPC) rating, from £10,000 up to £25,000.

The Council had received a Sustainable Warmth Funding allocation of £357,500. The funding could be used to invest in homes with EPC ratings D to G, with poor energy efficiency. The funding consisted of HUGs, for properties not connected to the mains gas and Local Authority Delivery (LAD) grants, for properties that were connected to the mains gas. In order for households to be eligible to benefit from this grant funding, they needed to have a household income below £30,000 or to be social housing tenants.

The Council was aiming to recruit a new member of staff to project manage the distribution of the funding as the authority lacked capacity to do this within existing resources.

The Midlands Energy Hub was co-ordinating the Sustainable Warmth Funding scheme in the Midlands. Act On Energy had been recruited by the Hub to promote the scheme and ensure that the correct funding was provided to the most appropriate households.

Following the presentation of the report, the Portfolio Holder for Climate Change proposed the recommendations and in doing so welcomed the funding and explained that it would help to assist vulnerable households struggling with fuel poverty. Members were advised that the Overview and Scrutiny Committee had pre-

Executive Committee

Tuesday, 8th February, 2022

scrutinised the report at a meeting held on Thursday 3rd February 2022 and the Committee was thanked for supporting the proposals detailed in the report.

During consideration of this item, it was noted that the wording of the second recommendation should be amended to state “following consultation” rather than “in consultation”. Officers confirmed that this amendment would be reflected in the version of the report that would be published in the agenda for the Council meeting on Monday 21st February 2022.

RECOMMENDED that

- 1) **the Capital and Revenue Budgets (Housing and General Fund) be increased to receive Redditch Borough Council’s Sustainable Warmth scheme allocation of £357,500; and**
- 2) **delegated authority be granted to the Head of Community and Housing Services and Head of Environmental and Housing Property Services following consultation with Portfolio Holders for Housing and Climate Change to administer the funding received in line with the grant conditions.**

73. DRAFT 2022/23 BUDGET AND MEDIUM TERM FINANCIAL PLAN - REPORT AND UPDATE

The Executive Director of Resources presented the draft 2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25 for Members’ consideration. The content of the report focused on many areas that had been discussed at recent meetings of the Executive Committee and had been scrutinised in detail at a meeting of the Budget Scrutiny Working Group held on Monday 7th February 2022.

The budget was being developed in a challenging financial context for the Council. This was also occurring at a time of unprecedented levels of uncertainty regarding local government finances moving forward. A new structure had been adopted for the report, designed to improve clarity and transparency, in line with the agreed Member engagement policy for the budget setting process.

The report detailed the anticipated levels of Council balances over the following three years. The anticipated level of balances in 2022/23 and 2023/24 had improved slightly, compared to forecasts made in February 2021. However, there remained a need for significant work to be undertaken as without action, balances would

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fall below the minimum level of £1.5 million considered necessary for the authority to remain sustainable.

There were a number of key factors that had been taken into account when determining the draft content of the budget. Officers had considered the impact that Covid had had on income to date and had attempted to anticipate the likely impact on demand for services moving forward. In addition, there were other pressures, such as inflation, which would potentially impact on costs of service delivery as well as on staffing costs, through increases to wages. Information had also been included in the report about proposed areas of savings that could be achieved as well as the potential to increase income in certain areas.

Following the presentation of the report, the Portfolio Holder for Finance and Enabling welcomed the figures detailed in the report. He commended the Budget Scrutiny Working Group for their hard work in scrutinising the budget and commented that this helped to ensure that there was transparency and a detailed understanding of the budget amongst many Members. Concerns were raised that no members of the public were present to observe the Executive Committee's discussions about the budget, however, there would be further opportunities to observe when the final budget was considered later in the month.

Members were asked to note that action would need to start in respect of preparing the 2023/24 budget as soon as the 2022/23 budget had been approved by Council. Given the financial challenges for the Council, it was likely that difficult decisions would need to be made. In order to do this, Members needed to review the value added by Council expenditure in relation to both service delivery and other areas that impacted on the community, such as the implications for residents' health and wellbeing. Any ideas that either Officers or Members brought forward in respect of the budget would need to be underpinned by detailed business cases.

In concluding the debate in respect of this matter, the Leader commented that the Executive Committee was considering the content of the draft 2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25. The final report would be considered at the following meeting of the Executive Committee directly before Council, on Monday 21st February 2022. In this context, Members agreed that, subject to any amendments in the final report, they would be minded to approve the recommendations detailed in the report.

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Tuesday, 8th February, 2022

RESOLVED that

the report be noted and it be noted that, subject to any amendments detailed in the final 2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25, the proposals detailed in the report be endorsed.

74. OVERVIEW AND SCRUTINY COMMITTEE

The Leader confirmed that no recommendations had been made at the meeting of the Overview and Scrutiny Committee held on Thursday 6th January 2022.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Thursday 6th January 2022 be noted.

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

There were no referrals from the Overview and Scrutiny Committee or Executive Advisory Panels for consideration on this occasion.

76. ADVISORY PANELS - UPDATE REPORT

The following updates were provided in respect of the work of the Executive Advisory Panels and other groups:

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

Councillor Lovell explained that a meeting of the Climate Change Cross Party Working Group had taken place in January 2022. During the meeting, Members had discussed the new heating system at Redditch Town Hall and the potential for solar panels to be installed at the Enfield Industrial Estate. Members had also been advised that electric charging points for vehicles would be going out to tender shortly.

At the following meeting of the group, Members were due to consider the Council's vehicle fleet and the options available in terms of decarbonisation.

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

Councillor Dormer advised that a meeting of the Constitutional Review Working Party was scheduled to take place on Thursday 3rd March 2022.

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

Councillor Nazir confirmed that there was no update from the Corporate Parenting Board on this occasion.

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

The Executive Committee was advised that a meeting of the Member Support Steering Group was due to take place on Tuesday 15th February 2022.

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

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

The Meeting commenced at 6.30 pm
and closed at 6.54 pm

Executive Committee 8th February 2022**SUSTAINABLE WARMTH FUNDING**

| | |
|--|--|
| Relevant Portfolio Holder | Councillors Craig Warhurst/ Anthony Lovell |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Judith Willis, Guy Revans |
| Report Author | Name: Kath Manning Job Title: Climate Change Officer Contact email: kath.manning@bromsgroveandredditch.gov.uk Contact Tel: Ext 3044 |
| Wards Affected | No specific ward relevance. |
| Ward Councillor(s) consulted | n/a |
| Relevant Strategic Purpose(s) | <ul style="list-style-type: none"> - Finding somewhere to live - Living independent, active & healthy lives - Aspirations, work & financial independence - Communities which are safe, well maintained & green |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |

1. RECOMMENDATIONS

The Executive Committee **RECOMMEND** that:

- 1) **The Capital and Revenue Budgets (Housing and General Fund) are increased to receive Redditch Borough Council's Sustainable Warmth scheme allocation of £357,500.**
- 2) **Delegated authority is granted to the Head of Community & Housing Services and Head of Environmental and Housing Property Services following consultation with Portfolio Holders for Housing and Climate Change to administer the funding received in line with the grant conditions.**

Executive Committee 8th February 2022

2. BACKGROUND

- 2.1. The Sustainable Warmth Competition originating from the Secretary of State for Business, Energy and Industrial Strategy (“**BEIS**”) awarded funding to the Midlands Energy Hub (“**MEH**”) administered by Nottingham City Council, after MEH successfully submitted a proposal for West Midlands local housing authorities to deliver this funding.

The Sustainable Warmth funding will support energy efficiency measures and low carbon heating, with an aim of upgrading homes with poor energy efficiency (Energy Performance Certificate (EPC) rating D, E, F or G) to a target energy efficiency rating of EPC C, or EPC D where this is not possible.

Sustainable Warmth Funding has two components:

- Home Upgrade Grant (HUG) Phase 1 for properties not connected to mains gas
- Local Authority Delivery (LAD) Phase 3 for properties connected to mains gas

Redditch Borough Council has been allocated funding based on the proportion of housing in the borough likely to have a poor Energy Performance rating, the proportions of properties connected to mains gas and capacity to deliver.

The deadline to accept the allocation is 28th February 2022.

- 2.2. Key information regarding BEIS scheme criteria:

- Eligibility is based on fuel poverty risk – having a low income and living in a home with poor energy efficiency.
- Measures must be targeted at properties with the worst energy efficiency – Energy Performance Certificate (EPC) E, F and G. Up to 30% EPC D properties can also be included.
- Households must be either
 - private owners or renters with an income of less than £30k or with other factors which are a proxy for low income such as receipt of means tested benefits, food and fuel vouchers
 - social housing tenants.
- Sustainable Warmth funding focusses on owner occupier and private rental properties. Social housing stock is capped at 10% of the total number of HUG 1 homes and 10% of the total number of homes for LAD 3 to enabling mixed tenure area-based schemes.

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- Maximum average grant per property is £10,000 for LAD3 and £10,000 for EPC D up to £25,000 for EPC G for HUG. For privately rented or social housing properties, the grant can only be up to two thirds of the cost of measures and of the above amounts. Any owner occupier properties are required by BEIS to be fully funded using the grant monies.
 - Funding must be delivered to Publicly Available Specification (PAS) 2035 (PAS 2035:2019 Specification for the energy retrofit of domestic buildings) using Trustmark accredited contractors. This includes use of Retrofit Assessors, Coordinators and Designers to ensure that measures are appropriate to the whole property and the longer term and delivered to an agreed standard.
 - Any installations proposed should follow the recommendations of the Retrofit Co-ordinator. This means maximising the proportion of insulation and clean heat measures installed (measures including solid wall, cavity wall and loft insulation, and heat pumps) and limiting the proportion of other measures (measures such as Solar PV/thermal, windows and doors).
 - The period of this Grant is from the date of allocation until 31st March 2023 unless extended by MEH with permission from BEIS and HM Treasury as required.
- 2.3. The deadline for delivery of LAD 2 has been extended to July 31st 2022 and therefore will overlap with Sustainable Warmth funding.

3. FINANCIAL IMPLICATIONS

- 3.1. Redditch Borough Council's allocation is as follows (with the maximum amount for Social Housing shown in brackets)

| | Capital | Administrative Allocation (Admin and Ancillary) |
|--|--------------------|---|
| Home Upgrade Grant (HUG) Phase 1 | £65,000 (£6,500) | £6,500 (£650) |
| Local Authority Delivery (LAD)Phase 3 | £260,000 (£26,000) | £26,000 (£2600) |

- 3.2. Where the Grant includes capital funding, accounting standards permit, in certain circumstances, the capitalisation of costs incurred when

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delivering the capital assets for the fund (for example, administrative and ancillary). The Council will keep such costs incurred in delivery to below 10% of the HUG 1 total Grant and 10% of the LAD 3 total Grant independently provided by the Secretary of State. In all other cases capital funding must not be spent on revenue.

- 3.3. The Administrative Allocation may be used for administration and ancillary work including, but not limited to:
- Project management, reporting and governance costs;
 - Pre-installation EPCs to target households, verify eligibility and evidence improvements to the property;
 - Building works to prepare for installation;
 - Retrofit co-ordinator training costs; and
 - Resident targeting, low-income verification and sign-up including lead generation and communication activities.
- 3.4. The Grant shall be paid in the following way:
- 10% of the total Grant Amount shall be paid to the Council within 30 days following the receipt by MEH of the signed copy of the grant letter. This is intended to be used to support any required survey works and can be used as capitalisation;
 - 10% shall be released within 30 days of approval by MEH of the Council's Development Plan and meeting of any pre-conditions;
 - Additional 20% quarterly payments will be released within 30 days of the 1st April, 1st July, 1st Oct and 1st Jan following receipt by MEH of ongoing timeline monthly reporting and maintaining 80% of their delivery profile provided in the Development Plan.
- 3.5. The amount of the Grant shall not be increased in the event of any overspend by the Council.
- 3.6. Any unspent Grant monies shall be returned to MEH within 25 calendar days of the end of the Grant Period unless otherwise agreed between the parties.
- 3.7. A full breakdown of funding need and allocation between Housing and General Fund will be ascertained as part of the Development Plan.
- 3.8. There is sufficient funding in the RBC Housing Capital Budget 2022-23 to provide match funding for RBC social housing properties.

4. LEGAL IMPLICATIONS

- 4.1 The general power of competence in s1 of the Localism Act 2011 empowers the council to undertake such a project.

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- 4.2 The Grant is part of a capital funding scheme distribution by way of Section 31 of the Local Government Act 2003. The Grant must therefore be used in line with Section 11 of the Local Government Act 2003 and any regulations or subsidiary legislation made under that Section.
- 4.3 An existing OJEU compliant framework contract between Redditch Borough Council and Surefire Management Services will be used to procure delivery of the works.
- 4.4 A legal review of the Grant Conditions will be undertaken prior to acceptance.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purposes

- 5.1 The funding aligns as follows:
- **Finding somewhere to live:** improving housing stock
 - **Living independent, active & healthy lives:** healthier home environments
 - **Aspirations, work & financial independence:** addressing fuel poverty
 - **Communities which are safe, well maintained & green:** reducing carbon emissions

Climate Change Implications

- 5.2 This funding is specifically to reduce energy consumption with an emphasis on decarbonisation, so is key for addressing Climate Change.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1. Allocation of the funding will be based on criteria set by BEIS and will not be based on personal characteristics other than related to income.
- 6.2. Equality and Diversity considerations particularly in relation to accessibility will be included in all aspects of the project, with the Policy Team consulted as necessary.

Executive Committee 8th February 2022**Operational Implications**

- 6.4. The Council must submit a Development Plan for their project to MEH
- to MEH by 28th February 2022.
 - The Development Plan must be submitted in accordance with the Midlands Energy Hub's Guidance for Local Authorities and BEIS schemes guidance:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/993972/sustainable-warmth-competition-guidance.pdf
- 6.5 MEH have appointed local energy advice agency Act on Energy to deliver the 'customer journey' and all referrals will be directed to them.
- 6.6 As part of the Development Plan, the Council will be responsible for carrying out or arranging for the reasonable ongoing due diligence, controlling, monitoring, reporting, as well as managing any specific cases of suspected or identified fraud.
- 6.7 Capacity for this within the Council is extremely limited, so the intention is to use the administration funding to secure external support e.g. from Worcestershire County Council, otherwise the project would unlikely to be able to go ahead.
- 6.8 To ensure sufficient technical expertise, appropriately qualified and experienced Retrofit Assessors, Coordinators and Designers will be procured, either using the existing SMS framework contract or using the MEH Dynamic Purchasing System (DPS).

7. RISK MANAGEMENT

| Risk | Effect | Mitigation |
|--------------------------------|---|---|
| No funding | Benefits not realised. | <ul style="list-style-type: none"> • Accept funding |
| Timescales - deadlines not met | Funding not accessed or needs to be returned. | <ul style="list-style-type: none"> • Secure adequate capacity. • Regular monitoring of spend. • Close communication with Midlands Energy Hub regarding potential delays and any need for reallocation. • Finance and legal to review Grant Conditions regarding any risks related to returning funding. |

REDDITCH BOROUGH COUNCIL**Executive Committee 8th February 2022**

| | | |
|--|--|---|
| Covid19 | Transmission and resultant harm, impact on timescales. | <ul style="list-style-type: none"> • Covid-secure practices. • Health and Safety involvement in project planning. |
| Insufficient experience of low carbon technologies | Measures underperform | <ul style="list-style-type: none"> • Procure suitably qualified and experienced retrofit assessors, coordinators and designers |

8. APPENDICES and BACKGROUND PAPERS

Background papers:

- MEH Green Homes Grants Sustainable Warmth – Grant Letter Redditch

9. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|---------------------------------|---|-------------|
| Portfolio Holder | <ul style="list-style-type: none"> • Cllr Craig Warhurst Portfolio Holder for Housing and Procurement • Cllr Anthony Lovell Portfolio Holder for Climate Change | 25/1/2022 |
| Lead Director / Head of Service | <ul style="list-style-type: none"> • Judith Willis Head of Community & Housing Services • Guy Revans Head of Environmental and Housing Property Services | 20/1/2022 |
| Financial Services | <ul style="list-style-type: none"> • James Howse Executive Director of Resources • Chris Forrester Head of Finance and Customer Services | 25/1/2022 |

Executive Committee 8th February 2022

| | | |
|------------------------|--|---------------|
| Legal Services | <ul style="list-style-type: none">• Clare Flanagan Principal Solicitor | 20/1/2022 |
| Policy Team | n/a | |
| Climate Change Officer | Kath Manning Climate Change Officer | Report author |

**Executive
2022**

21 February

Pay Policy Statement

| | |
|--|---|
| Relevant Portfolio Holder | Councillor Rouse |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Deb Poole, Head of Transformation and Organisational Development |
| Report Author | Job Title: B Talbot Contact email:becky.talbot@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 |
| Wards Affected | Na |
| Ward Councillor(s) consulted | Na |
| Relevant Strategic Purpose(s) | An Effective and Sustainable Council |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |

1. RECOMMENDATIONS**The Executive Committee RECOMMEND that:-**

- 1) Recommendation 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.

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 and is subject to any national pay award for 2021/22 being agreed

4. LEGAL IMPLICATIONS**5. STRATEGIC PURPOSES - IMPLICATIONS****Relevant Strategic Purpose**

- 5.1 An Effective and Sustainable 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 Statement

**Executive
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9. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|---------------------------------|---------------------------|-------------|
| Portfolio Holder | Councillor Rouse | 02/02/2022 |
| Lead Director / Head of Service | Deb Poole | 02/02/2022 |
| Financial Services | James Howse | 02/02/2022 |

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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 2021/22 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 2021 (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 Property Services | 61% | 81,754 | 85,091 | 3 | 50% |
| Head of Community and Housing 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 Property 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 2021 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

21st February 2022

THE COUNCIL'S 2022/23 BUDGET AND MEDIUM TERM FINANCIAL PLAN FOR 2022/23 TO 2024/25

| | |
|--|--|
| Relevant Portfolio Holder | Councillor Mike Rouse |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Chris Forrester |
| Report Author | Name: Chris Forrester Job Title: Head of Service email: chris.forrester@bromsgroveandredditch.gov.uk |
| Wards Affected | N/A |
| 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. | |

1. RECOMMENDATIONS**1.1 The Executive Committee RECOMMEND that Full Council approve: -****1) the overall net general fund revenue budgets (as set out in Section 4.9) of:**

2022/23: £10.520m
2023/24: £10.289m
2024/25: £10.428m

2) the unavoidable costs as attached at Appendix 1:

2022/23: £0.427m
2023/24: £0.140m
2024/25: £0.134m

3) the Revenue Bids as attached at Appendix 2:

2022/23: £0.191m
2023/24: £0.150m
2024/25: £0.128m

4) the Identified Savings as attached at Appendix 3:

2022/23: £0.305m
2023/24: £0.327m
2024/25: £0.327m

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- 5) an increase of the Council Tax per Band D equivalent of £5 for 2022/23.
- 6) the transfer from General Fund Balances of £0.282m for 2022/23.
- 7) the planned reallocation of £0.238m from Earmarked reserves to General Fund Balances as set out at Appendix 5.
- 8) the General Fund capital programme as at Appendix 4 of:
- | | |
|----------|---------|
| 2022/23: | £4.257m |
| 2023/24: | £2.407m |
| 2024/25: | £1.930m |
- 9) the Housing Revenue Account Budget at Appendix 6 of:
- | | |
|----------|----------|
| 2022/23: | £25.390m |
| 2023/24: | £25.074m |
| 2024/25: | £25.545m |
- 10) the Housing Revenue Account Capital Programme at Appendix 7 of:
- | | |
|----------|----------|
| 2022/23: | £14.180m |
| 2023/24: | £12.580m |
| 2024/25: | £12.580m |

1.2 And that the Executive Committee ask the Council to note

- 1) the 2020/21 Capital Outturn as reported at Appendix 9.
- 2) The Chief Financial Officer (CFO) Opinion on Estimates and Reserve Levels as reported in Appendix 8.

2. **BACKGROUND**

Purpose

- 2.1 The purpose of this report is to set the Council's (General Fund) Revenue and Capital Budget for 2022/23, as well as the Medium-Term Financial Plan (MTFP) for the period 2022/23 to 2024/25. Also, to set the Housing Revenue Account Budget (Capital and Revenue) for 2022/23.
- 2.2 The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made.

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2.3 The Strategic 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

2.4 This report includes recommendations to Council to enable a balanced budget to be set for 2022/23 and the proposed Council Tax for 2022/23. The recommendations will then be presented to Council on 21st February 2022 together with the resolutions once we have received all the precepting bodies Council Tax calculations.

Financial Context

2.5 The Council faces a challenging financial context having:

- i) previously received a statutory recommendation from its external auditors under section 24 of the Local Audit and Accountability Act 2014 in relation to its financial position (noting that due to the positive steps taken by the Council this recommendation has not been re-issued by the external auditor in the past year);
- ii) identified (but still needs to deliver) significant savings over the medium term;
- iii) reserve balances (General and HRA) only marginally above minimum levels; and
- iv) high levels of planning uncertainty with regards to the levels of available funding in coming years

2.6 The Council therefore needs to continue to carefully consider how it prioritises resources and balances budgets in a sustainable and affordable way, as part of this (and future) budget round(s).

2.7 Members and officers have therefore 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.

2.8 The Budget Scrutiny working group as established by the Overview and Scrutiny Committee has met on a regular basis to review budget related issues (including reports on underlying risks, pressures and uncertainties as well as income matters and fees and charges opportunities).

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Unprecedented Levels of Uncertainty

- 2.9 It should be noted that the future of the system of local government finance remains uncertain. The government has committed to re-assess the baseline need for spend in each local authority (through its 'Fair Funding review'). This has been pushed back (again) to 2023/24 at the earliest - but is still expected to happen. This review will have a significant impact on the government's calculation of the Settlement Funding Assessment for (and therefore the amount of funding available to) this council - and remains therefore a significant risk.
- 2.10 It also remains uncertain as to what the Government's plans are with regards to the system of business rates - including the share of business rates retained locally.
- 2.11 A one-year provisional Local Government Finance Settlement was announced on 16th December 2021 and has been incorporated into this report. It remains unclear as to when Government will announce more funding certainty through a multi-year financial settlement for Local Government.
- 2.12 Furthermore, the short, medium and long term impact of the Covid- 19 pandemic and UK's exit from the European Union (on residents, the economy and the state of national and local government finance) remains uncertain.
- 2.13 Taken together therefore (the outcome of the fair funding review, the future of business rates and the local government financial settlement, COVID-19, Brexit and the state of the local and national economy) represents a challenging context within which to set the budget and MTFP - one characterised by an unprecedented level of uncertainty.

3. FINANCIAL IMPLICATIONS

- 3.1 In order to clearly explain the basis of the Budget proposals this report (which sets out all financial implications) will be structured as follows:

4) General Fund Revenue**i. The Prior Year MTFP 2021/22 – 2023/24**

This section which will summarise the previous Council approved MTFP as a reminder of the previously approved starting point.

ii. Updated Forecast Outturn Position for 2021/22

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This section will update the starting revenue position for 21/22 and therefore update the opening balances for 22/23.

iii. The 22/23 Budget and (updated) MTFP for the period 22/23 – 24/25

This section will set out the updated Budget and MTFP forecast for approval.

iv. The Updated MTFP and General Fund Forecasts

This section will summarise the impact of the updated 22/23 Budget and MTFP forecast on the Council's General Fund balance position over the medium term.

v. Reconciling the current updated MTFP to the Feb 2021 Approved MTFP

This section will analyse and explain the movements from the previous approved Budget and MTFP to the updated 22/23 Budget and MTFP.

vi. Council Tax increase

vii. Covid General Grant

This section summarises the position on general Covid grant funding received by the Council.

viii. Reallocation of Earmarked Reserves to General Fund

This section sets out those reserves previously earmarked for specific purposes that can be release back to the General Fund Reserve.

5) Collection Fund and Precepts

6) Housing Revenue Account

7) Capital Programme

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4. GENERAL FUND REVENUE**The Prior Year MTFP 2021/22 – 2023/24 (approved February 2021)**

- 4.1 The Council's MTFP is updated annually and was previously approved for the three year period 2021/22 to 2024/25 by full Council in February 2021.
- 4.2 The following table sets out what, at that point (Feb 2021) the MTFP forecast in terms of annual budget deficits and opening and closing general fund balances.

Table 1: The Prior Year MTFP and General Fund Balance Forecasts

| General Fund | 21/22 | 22/23 | 23/24 |
|----------------------------|---------------|---------------|---------------|
| | £000's | £000's | £000's |
| Opening Balance | 1,831 | 1,875 | 1,613 |
| Annual (Deficit) / Surplus | 44 | -261 | -761 |
| Closing Balance | 1,875 | 1,613 | 852 |

- 4.3 Table 1 shows that the previously (Feb 2021) approved MTFP predicted a surplus of £44k in 2021/22. The Council was expected to move to an in-year deficit position of £0.261 million in 2022/23 and £0.761 million in 2023/24.
- 4.4 Annual deficits require the Council to utilise its General Reserve balances. As at February 2021, the MTFP, based on the annual deficits forecast above, showed that the Council's General Fund Balances would reduce from £1.831 million a 1st April 2021 to £0.852 million at 31st March 2024.

Updated Forecast Outturn Position for 2021/22

- 4.5 Since the previous MTFP in February 2021, the final outturn position for 2020/21 allowed General Fund reserves of £2.2m to be carried forward as at 1 April 2021. This actual position represented a £0.374 million increase on the value assumed when the MTFP was approved in Feb 2021.
- 4.6 The outturn position for this current year (2021/22) is forecast to break even against budget (of a £0.044m surplus as approved by Council back in February 2021) after allocation of Covid Grant (but before any transfers from Earmarked Reserves).

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The 22/23 Budget and (updated) MTFP for the period 22/23 – 24/25

- 4.7 The MTFP has been updated for the period 2022/23 to 2024/25 to model the impact of changes in assumptions, budgetary pressures, reductions in funding and savings.
- 4.8 The 22/23 Budget and updated MTFP is summarised (in terms of its annual revenue and general fund forecasts) for the period 2022/23 to 2024/25 in the table below:
- 4.9 The proposed budget is summarised in the table below

Table 2: The Updated MTFP and Annual Revenue Budgets

| | 2022-23 £000 | 2023-24 £000 | 2024-25 £000 |
|--|-------------------------|-------------------------|-------------------------|
| Departmental base budget | 10,064 | 10,051 | 10,132 |
| Incremental Progression | 144 | 275 | 361 |
| Unavoidable Pressures | 427 | 140 | 134 |
| Revenue Bids/Revenue impact of capital bids | 191 | 150 | 128 |
| Savings and Additional income | -305 | -327 | -327 |
| Changes in Specific Grant/Funding Movements | 0 | 0 | 0 |
| Net Revenue Budget Requirement | 10,520 | 10,289 | 10,428 |
| FINANCING | | | |
| Reserve release | -100 | 0 | 0 |
| Lower Tier Services Grant | -100 | 0 | 0 |
| Business Rates Net Position | -2,985 | -2,985 | -2,985 |
| Council Tax | -6,747 | -6,941 | -7,031 |
| Collection Fund Deficit (Council Tax) | -180 | 0 | |
| New Homes Bonus | -330 | 0 | |
| Investment Income | -673 | -673 | -673 |
| MRP (Principal) | 959 | 1,098 | 1,046 |
| Interest payable | 218 | 220 | 218 |
| Discount on advanced pension payment | -301 | -60 | -170 |
| Funding Total | -10,238 | -9,341 | -9,595 |
| General Balances | 2022-23 £000 | 2023-24 £000 | 2024-25 £000 |
| Estimated opening balances 22/23 (projected) | 2,292 | 2,010 | 1,061 |
| Contribution (from) / to General Balances | -282 | -949 | -833 |
| Closing Balances | 2,010 | 1,061 | 228 |

Explanatory Notes re Table 2

- 1) All Service Teams / Departments have a base budget which includes staff budgets.
- 2) Staff budgets are subject to incremental progression as staff become more experienced within graded posts.
- 3) A number of budget pressures that have been deemed “unavoidable” and are further analysed in this report.

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- 4) Budget setting includes a 'bidding process' for additional resources – set out below.
- 5) Budget setting includes the identification of savings and income – set out below.
- 6) Specific grant funding, where confirmed, is set against services as appropriate.
- 7) Financing includes an element of planned reserve usage.
- 8) The Council receives a 'Lower Tier' grant from Central Government.
- 9) The Council retains an element of its business rates receipts to fund services.
- 10) The Council retains its own element of council tax bills (it collects for all precepting authorities). The budget includes an increase of £5 (band D) - the maximum allowable without a referendum.
- 11) A element of Collection Fund surplus / deficit impacts on the Council General Fund.
- 12) New Homes Bonus has been confirmed by Central Government.
- 13) The Council earns interest on investment balances.
- 14) Minimum Revenue Provision costs reflect capital borrowing / repayment costs.
- 15) Borrowing costs based on forecast interest rates.
- 16) The Council has benefitted financially from paying some of its Pension commitments calculated at the last Actuarial Review in one lump sum (to Worcestershire Local Government Pension Fund).

- 4.10 The above table sets out how the Council's expenditure profile will be met by a combination of external funding and use of reserves over the period.
- 4.11 The table also shows that the General Reserve Balance is forecast to remain above minimum levels (currently set at £1.5m) until partway through the 23/24 financial year.

Analysis of key changes to the MTFP – Forecast General Fund Balances

- 4.12 The following table sets out how the draft MTFP (as summarised in Section 4.9) compares to the previous MTFP in terms of forecast closing general fund balances:
- 4.13 Table 3: The Updated (versus Previous) MTFP and General Fund Forecasts

| General Fund Closing Balance | 21/22 £000's | 22/23 £000's | 23/24 £000's | 24/25 £000's |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Previous | 1,875 | 1,613 | 852 | N/A |
| Updated | 2,292 | 2,010 | 1,061 | 228 |

Note: It should be noted that the analysis in Table 3 excludes the £0.238 million or Earmarked Reserves provisionally identified for release back to the General Fund Reserve at the end of the current 21/22 year within Appendix 5.

- 4.14 Table 3 above shows that the 2021/22 General Fund closing position is now forecast to be improved (£2.292 million as opposed to £1.875 million) than that forecast when the budget was approved in Feb 2021. This is due to a more favourable outturn for 2020/21 than anticipated at

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February 2021 (when the budget was set). Reasons for this include lower than anticipated borrowing costs and some Covid related savings particularly on premises costs.

- 4.15 The table demonstrates that the updated MTFP forecasts a General Fund Balance of £2.01 million at the end of 2022/23 which remains above minimum set levels of £1.5 million.
- 4.16 Table 3 also shows that the General Fund is now forecast to total £1.061 million at the end of 2023/24 (compared to £0.852 million in the previous MTFP) falling below minimum adequate levels (which have been set at £1.5 million) during that year. Savings, increased income levels, additional government resources or a favourable Fair Funding Review will therefore be necessary to ensure above minimum levels of reserves over the medium term. Further action is therefore needed as a matter of urgency.

Reconciling the current updated MTFP to the Feb 2021 Approved MTFP

- 4.17 Changes need to be made to the Council's budget and MTFP to keep them up to date and robust. In order to make these changes as transparent as possible these changes have been summarised in Table 4 below.
- 4.18 Table 4: Reconciliation of Previous and Updated MTFP - Adjustments made to the Annual Budget Forecasts

| | 22/23 | 23/24 |
|--|--------------|--------------|
| | £000s | £000s |
| Previous Forecast Deficit | 261 | 761 |
| + Corrections and Assumption changes | 135 | 225 |
| + Pressures | 427 | 140 |
| + Funding impact | -436 | 0 |
| + Resource Planning and Prioritisation (RPP) | -105 | -177 |
| = Updated Forecast Surplus / Deficit | 282 | 949 |

- 4.19 The above summary shows that the annual budget deficits (before appropriation of General Fund Balances or General Covid Grant) are now forecast at £282k for 2022/23 (previously £0.261m), and £949k for 23/24 (previously £0.761m).
- 4.20 In order to better explain what is driving these changes in budget forecasts, this summary is further explained and analysed below:

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Corrections and Assumption changes (£135k in 22/23)

- 4.21 All budgets include estimates and assumptions. Eg. Inflation and interest rates, Government grants, council tax base and collection rates. These are updated annually.
- 4.22 One of the outcomes of budgetary control, closedown and setting procedures is also the identification of inaccuracies. There are a large number of such amendments which are individually usually small. The larger factors to the overall changes here include:
- Inflation. 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 best estimate is now 2% which adds an additional pressure of circa £80k pa. Other pressures have been contained within budgets where possible.
 - MRP, interest costs and investment income budgets lines have all been reviewed and reduced compared to prior year forecasts. These changes are due to a review of the capital programme to reflect more accurately planned spend. This reduces significantly MRP and borrowing costs – but also investment income (which has also been revised to take account of the short-term focus on delivering the Towns Fund rather than alternative strategic investments). The overall net impact is therefore minimal.

Pressures

- 4.23 Expenditure (and income) budgets required to deliver previously approved strategies and plans are subject to a multitude of market forces, sector issues, demographics and other matters.
- **Unavoidable Costs (£427k in 22/23)**. 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 2021/22 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.
 - Unavoidable pressures include a £319k pressure specifically relating to Rubicon Leisure. This is the best and latest estimate (based on meetings with senior Rubicon management) of the impact of Covid-19 on footfall and therefore the financial position of Rubicon (and therefore our management fee). While this is considerably lower than

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annual additional cost estimated this time last year (of up to circa £1.2m additional), it remains a pressure that will only be covered by remaining Covid General Fund grant funding in the short term.

Resource Planning and Prioritisation (RPP):

4.24 RPP is the outcome of the steps taken to identify options to do things differently and more efficiently, to identify savings but also required areas of investment. It is the culmination of a 'check and challenge' process with regards to the Council's budgets, led by the Corporate Management Team and presented to Cabinet (and ultimately full Council). It is a critical element of the Council operating within available resources.

- **Bids (£190k in 22/23).** In addition to the unavoidable pressure's revenue bids have been identified and included at Appendix 2. Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies. Revenue 'bids' included in these budget proposals include developments relating to ICT (re maintaining core digital and cyber security related infrastructure) and supporting greater agile work. Work is also planned in relation to lower carbon emissions which requires investment. Additional capacity is also required for Business Improvement activity.
- **Identified Savings/additional income (£304k in 22/23).** A number of savings have been identified which are set out in Appendix 3. These relate to a variety of areas and relate to delivering efficiencies (eg cutting paper and print costs and reduced insurance costs), additional income (eg bulky waste and lifeline), and investigating and implementing alternative arrangements (eg cash payments alternatives).

Funding Impact (£436k in 22/23)

4.25 The main factors to the changes related to funding include:

- **Lower Tier Services Grant (£0.1m).** The finance settlement in December announced we are due to receive a Lower Tier Services Grant for £0.1million in 2022/23 not previously budgeted for. This grant is intended to compensate those local authorities whose core spending power did not increase in the finance settlement.
- **New Homes Bonus (NHB) (£0.121m).** The amount of NHB for 2022/23 has been confirmed as £0.3 million which is £121k more than anticipated in the MTFP. This is due to the Government funding an additional year of New Homes Bonus.

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- The Councils share of the **Collection Fund surplus is £182k** which was not budgeted for previously.

Council Tax Increase

- 4.26 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. These budget proposals include £5 increase for 2022/23 (Band D). The Council Tax relating to the Councils services will rise for Band D from £249.15 to £254.15. This is unchanged from the previous approved MTFP.

Covid General Grant

- 4.29 In recognition of this negative impact on the Council's resources (and particularly for councils reduced income levels achievable for car parks and Leisure), the Council was awarded £1.952 million of General Covid-19 Grant across a number of tranches received in 2020/21 and the early part of 2021/22.
- 4.30 After allocating this funds against Covid related pressures in 20/21 some £1.077m of this grant was carried forward to the current financial year (ie 21/22). It is forecast that £292k of this General Covid Grant will be carried forward at 31/3/2022 (after funding the negative impact on 21/22 Budgets). This will be available (alongside General Fund balances) to mitigate pressures on budgets – at least in the short term.
- 4.31 It must however be emphasised that this funding is not expected to be a recurring income stream to the Council. Further work must therefore be done to reduce the gap between spend and income on a sustainable and ongoing basis.

Reallocation of Earmarked Reserves to General Fund

- 4.32 A review has been undertaken of reserves previously earmarked for specific purposes. This has identified £0.238 million that can provisionally be released back to the General Fund Reserve. See Appendix 5.

5. COLLECTION FUND AND PRECEPTS

- 5.1 The anticipated collection fund surplus of £1.455m (prior year £478k), will be distributed amongst the major preceptors using the prescribed formulae. The Councils share of the surplus as a one-off sum is £182k (prior year £63k).
- 5.2 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime

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Commissioner are due to set their precepts in the week commencing 8th February. This will enable the Council to set the Council Tax on 21st February 2022. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Executive and Council on 21st February.

6. HOUSING REVENUE ACCOUNT

- 6.1 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.
- 6.2 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 11th January 2022.
- 6.3 Appendix 6 provides a summary of the Housing Revenue Account including the latest forecast for 2021/22. 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.
- 6.4 Appendix 7 provides the HRA Capital Programme.

7 CAPITAL PROGRAMME

- 7.1 The (Non HRA) Capital Programme has also been updated including proposed new bids required to deliver services to the community. These are included in the proposed Capital Programme at Appendix 4. The borrowing costs have been factored into the revenue budget for the financial plan. It should be noted that a housekeeping review of the Capital Programme has been recently undertaken in order to challenge the deliverability (and timing) of some schemes which has resulted in some rationalisation.

8. LEGAL IMPLICATIONS

- 8.1 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 21st February 2022.

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- 8.2 The Council has a legal obligation to set a balanced budget (s32 of the Local Government Finance Act 1992). The amount of the budget requirement must be sufficient to meet the Council's budget commitments and ensure a balanced budget. The 2022/23 budget requirement must leave the Council with adequate financial reserves.
- 8.3 A lawful Council Tax is required to be made on or before 11 March 2022.
- 8.4 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (CFO) to report to the Council the robustness of estimates included in the budget and the adequacy of the reserves when it is making the statutory calculations required to determine its Council Tax or precept.

9. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

- 9.1 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. Delivering against all our Strategic Purposes is therefore integrated within our MTFP.

Climate Change Implications

- 9.2 No direct implications identified.

10. OTHER IMPLICATIONS**Equalities and Diversity Implications**

- 10.1 No direct implications identified.

Operational Implications

- 10.2 The MTFP will enable services to be maintained.

11. RISK MANAGEMENT

- 11.1 The risks posed by the challenging financial context and the unprecedented levels of uncertainty (re the outcome of the fair funding review, the future of business rates and the local government financial settlement, COVID-19, Brexit and the state of the local and national economy) with regard to the budget have been set out within Section 2 as background to this report.

- 11.2 Risks prevalent in this area also include:

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- 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.
- 11.3 This budget (and the processes underpinning it including the check and challenge of the Resource Planning and Prioritisation and 'bidding' processes, revisiting all budget assumptions and the identification of income and savings) provides a framework for managing and mitigating this risk.
- 11.4 In addition, Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (CFO) to report to the Council the robustness of estimates included in the budget and the adequacy of the reserves when it is making the statutory calculations required to determine its Council Tax or precept. This is set out in full within Appendix 8.

12. APPENDICES and BACKGROUND PAPERS

- Appendix 1 - Unavoidable costs
- Appendix 2 - Revenue Bids
- Appendix 3 - Identified savings
- Appendix 4 - Proposed Capital programme
- Appendix 5 - Earmarked Reserves
- Appendix 6 - Housing Revenue Account Budget 2021/22 and MTFP to 2023/24
- Appendix 7 - Housing Revenue Account Capital Programme 2021/22 to 2023/24
- Appendix 8 - Chief Financial Officer (CFO) Opinion on the Estimate Process and Reserve Levels.
- Appendix 9 – Capital Outturn Position

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13. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|---------------------------------|--|---------------|
| Portfolio Holder | Councillor Mike Rouse | February 2022 |
| Lead Director / Head of Service | James Howse, Exec Director of Resources (S151 Officer) | February 2022 |
| Financial Services | Chris Forrester, Head of Finance and Customer Services | February 2022 |
| Legal Services | Claire Felton | February 2022 |

UNAVOIDABLE PRESSURES - RBC

| Department | Strategic Purpose | Description of Pressure | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 | Comments |
|---------------------------------------|---|--|------------------|------------------|------------------|------------------|--|
| Business Improvement | Enabling the Authority | Addition of one Business Improvement Advisor funded by HRA | 40 | 40 | 40 | 40 | 24/25 and 25/26 to be funded from savings made from Advisors & service outcomes |
| Building Control | Communities which are safe well maintained and green | New dangerous structures budget line | 1 | 1 | 1 | 1 | Subsequent years TBC subject to annual %age share calculation |
| Development Control | Communities which are safe well maintained and green | Overspend on advertising and publicity | 1 | 0 | 0 | 0 | |
| ICT | Enabling the Authority | Idox Uniform Application (Extension of contract) | 4 | 4 | 4 | 4 | Required to extend the existing contract for another 5 years. |
| ICT | Enabling the Authority | Orb Intranet Upgrade and migrate to Hybrid Cloud | 5 | 0 | 0 | 0 | Required to update our Intranet Site (The Orb) onto a supported version and enable cyber security of the software. |
| ICT | Enabling the Authority | Power Bi | 3 | 0 | 0 | 0 | This is to provide additional licenses required for the Corporate Dashboard |
| Reg Client | Communities which are safe, well maintained and green | Additional WRS Hosting Charges | 6 | 6 | 6 | 6 | Additional WRS Hosting Charges - Agreed at WRS Board Nov 21 Y:\2022-23 Financial Year\TB Workings\Reg Client\Published WRS Board Minutes 18th Nov 2021.pdf |
| Democratic Services | Enabling the Authority | Member Remuneration - recommendation from Independent Remuneration Panel | 27 | 27 | 27 | 27 | 1. The increase is twofold: Firstly to correct a budgetary error. The budget was increased in 2021/22 to cover allowances in that year but not subsequent years. This represents £14,099 of the pressure. Secondly this is, as stated, a recommendation from the IRP (plus secondary SRAs that the Council uses) which Council must pay regard to. 2. Council may decide on a different amount, if this is the case it will be fed into the budget in due course. |
| Bereavement Services | Communities which are safe, well maintained and green | Cremator Reline on both machines | 0 | 50 | 50 | 0 | Each cremator needs a full reline every five years at a cost of circa 50k |
| Environmental Services | Communities which are Safe, Well Maintained and Green | Agency budget - covid & Other Sickness affecting front line staff | 5 | 0 | 0 | 0 | |
| Leisure - Events | Living independent, active & healthy lives | Additional funding required for Morton Stanley Music festival | 15 | 10 | 5 | 0 | |
| Housing - home support private sector | Finding somewhere to live | Income no longer to be received due to service no longer offered | 2 | 2 | 2 | 2 | old service now obsolete and not offered. |
| Rubicon Client Services | Living independent, active & healthy lives | Support for Rubicon Leisure Company | 319 | 0 | 0 | 0 | |
| TOTAL | | | 427 | 140 | 135 | 80 | |

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NEW REVENUE BIDS - RBC

Appendix 2

| Department | Strategic Purpose | Description of revenue bid | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 |
|------------------------|---|---|------------------|------------------|------------------|------------------|
| ICT | Enabling the Authority | Internet & Customer Portal | 59 | 29 | 29 | 29 |
| ICT | Enabling the Authority | Members 2nd ICT Support Person | 21 | 21 | 0 | 0 |
| ICT | Enabling the Authority | Cyber Security Post | 21 | 21 | 21 | 21 |
| Property Services | Building Maintenance | Rubicon leisure , RBC funding responsibility | 78 | 78 | 78 | 78 |
| Environmental Services | Communities which are safe, well maintained and green | We are currently looking to procure the services of a consultant who could offer us the detailed advice needed to gradually change our fleet to Low Carbon emmision vehicles. | 12 | 0 | 0 | 0 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL | | | 190 | 149 | 128 | 128 |

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SAVINGS & ADDITIONAL INCOME - RBC

Appendix 3

| Department | Strategic Purpose | Description of saving | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 |
|---|---|---|------------------|------------------|------------------|------------------|
| Business Transformation | Enabling of the Authority | Addition of one Business Improvement Advisor funded by HRA | -40 | -40 | -40 | -40 |
| Corporate Administration / Central Post Opening | Enabling of the Authority | Non recruitment to vacancy post | -30 | -30 | -31 | -31 |
| Corporate Administration / Central Post Opening | Enabling of the Authority | Non recruitment to vacancy post | -3 | -3 | -3 | -3 |
| Corporate Administration / Central Post Opening | Enabling of the Authority | Non recruitment to vacancy post | -6 | -6 | -6 | -6 |
| Corporate Administration / Central Post Opening | Enabling of the Authority | Non recruitment to vacancy post | 19 | 19 | 20 | 20 |
| Grants | Enabling the Authority | Salary saving on Grants Officer post by reducing hours in RBC. | -4 | -4 | -4 | -4 |
| Environmental Services | Communities which are Safe, Well Maintained and Green | Savings on Agency salary | -15 | -15 | -15 | -15 |
| Bereavement Services | Communities which are Safe, Well Maintained and Green | Additional Income from creamtions | -18 | 0 | 0 | 0 |
| Environmental Services | Communities which are Safe, Well Maintained and Green | Savings from vacant post | -27 | -27 | -27 | -27 |
| Environmental Services | Communities which are Safe, Well Maintained and Green | Bulky waste income | -10 | -10 | -10 | -10 |
| Democratic Services | Enabling the Authority | Services restructure | -5 | -5 | -5 | -5 |
| Democratic Services | Enabling the Authority | Services restructure - shared services recharge | 3 | 3 | 3 | 3 |
| Lifeline | Living independent, active & healthy lives | Future income generation options | -20 | -20 | -20 | -20 |
| Customer Services | Enabling the Authority | Alternative cash payments | 0 | -40 | -40 | -40 |
| Financial services | Enabling of the Authority | Life insurance scheme saving | -35 | -35 | -35 | -35 |
| Corporate Administration / Central Post Opening | Enabling of the Authority | Reduction in consumables eg paper and reduction of MFDs in print contract | -14 | -14 | -14 | -14 |

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Agenda Item 6.3

| Department | Strategic Purpose | Description of saving | 2022-23 £'000 | 2023-24 £'000 | 2024-25 £'000 | 2025-26 £'000 |
|---------------------------------|----------------------------------|-----------------------|------------------|------------------|------------------|------------------|
| Business Development - Business | Run and grow successful business | Service redelivery | -100 | -100 | -100 | -100 |
| TOTAL | | | -304 | -326 | -326 | -327 |

| Description | Department | Strategic purpose | 2022/23 Total £ | 2023/24 Total £ | 2024/25 Total £ |
|---|--|---|--------------------|--------------------|--------------------|
| Cisco Network Update | Business Transformation and Organisational Development | Enabling the Authority | 53,561 | 5,463 | 0 |
| Server Replacement Est(Exact known Q2 2022) | Business Transformation and Organisational Development | Enabling the Authority | 83,250 | 2,000 | 177,500 |
| Laptop Refresh | Business Transformation and Organisational Development | Enabling the Authority | 5,000 | 25,000 | 150,000 |
| Home Repairs Assistance | Community & Housing GF Services | Living independent, active & healthy lives | 40,000 | 40,000 | 40,000 |
| Disabled Facilities Grant | Community & Housing GF Services | Living independent, active & healthy lives | 839,000 | 839,000 | 839,000 |
| HMO Grants | Community & Housing GF Services | Living independent, active & healthy lives | 25,000 | 25,000 | 25,000 |
| Energy & Efficiency Installs. | Community & Housing GF Services | Living independent, active & healthy lives | 110,000 | 0 | 0 |
| New Digital Service | Community & Housing GF Services | Living independent, active & healthy lives | 50,502 | 50,502 | 0 |
| Improved Parking Scheme (includes locality funding) | Environmental Services | Living independent, active & healthy lives | 400,000 | 0 | 0 |
| Vehicle replacement | Environmental Services | Communities which are safe, well maintained and green | 1,504,000 | 1,195,000 | 698,000 |
| purchase a new ride on Scag Tiger Cat mower to support The Strategic Routes and Core Team | Environmental Services | Communities which are safe, well maintained and green | 16,000 | 0 | 0 |
| Wheellie Bin purchase | Environmental Services | Communities which are safe, well maintained and green | 85,000 | 0 | 0 |
| Car Park Maintenance | Environmental Services | Communities which are safe, well maintained & green | 25,000 | 0 | 0 |
| Ipsley Church Lane Cemetery | Environmental Services | Communities which are safe, well maintained and green | 195,000 | 125,000 | 0 |
| Provide the Crossgate Depot site with a new and Compliant Deisel Fuel installation | Environmental Services | Communities which are safe, well maintained and green | 56,000 | 0 | 0 |
| Public Building | Finance & Customer Services | Run & Grow a successful business | 250,000 | 0 | 0 |
| GF Asbestos | Finance & Customer Services | Run and grow a successful business | 40,000 | 0 | 0 |
| Fire compartmentation works in Corporate buildings | Legal, Democratic and Property Services | Enabling the Authority | 120,000 | 100,000 | 0 |
| Widen access road to Arrow Valley Country park | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained and green | 25,000 | 0 | 0 |
| Forge Mill and Bordelsey Open Space Improvements | Planning, Regeneration & Leisure Services | Communities which are safe , well maintained and green | 18,684 | 0 | 0 |
| Arrow Valley Entrance Improvements 18/10149 Aldi/Lidle | Planning, Regeneration & Leisure Services | Communities which are safe , well maintained and green | 10,000 | 0 | 0 |
| MUGA at Greenlands Sports Pitches. 2018/169/FUL Land off Green Lane | Planning, Regeneration & Leisure Services | Living Independent, active and Healthy Lives and Communities which are safe , well maintained and green | 137,649 | 0 | 0 |
| Play Area I(£26,777.32) and POS (£6055.22) mprovements at Birchfield Road,/Headleass Cross Rec Ground. 2014/311/FUL | Planning, Regeneration & Leisure Services | Living Independent, active and Healthy Lives and Communities which are safe , well maintained and green | 32,833 | 0 | 0 |
| Play Area (£26,079.84) and POS (£5,191.82) improvements at Batchley and Brockhill Park. 2014/210/FUL | Planning, Regeneration & Leisure Services | Living Independent, active and Healthy Lives and Communities which are safe , well maintained and green | 32,379 | 0 | 0 |
| Play Area improvements at Birchfield Road,/Headless Cross Rec Ground. 17/00737/FUL | Planning, Regeneration & Leisure Services | Living Independent, active and Healthy Lives and Communities which are safe , well maintained and green | 7,575 | 0 | 0 |
| Play area (£34,583.39), Open space (£12,001.36) and Sport (£8,516) improvements at Mayfields Park. 11/019/FUL | Planning, Regeneration & Leisure Services | Living Independent, active and Healthy Lives and Communities which are safe , well maintained and green | 55,101 | 0 | 0 |
| Play Area and POS improvements at Winyates. 2016/290/FUL | Planning, Regeneration & Leisure Services | Living Independent, active and Healthy Lives and Communities which are safe , well maintained and green | 40,449 | 0 | 0 |
| Total current Capital programme | | | 4,256,982 | 2,406,965 | 1,929,500 |

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| Description | Balance b/fwd 1/4/2020 | C/fwd 31/3/2021 | Planned use for 2021/22 Budget | Estimated closing balance 2021/22 | Proposed release of reserves from RPP exercise | Planned use for 2022/23 Budget | Comment |
|---------------------------------|---------------------------|--------------------|--------------------------------------|--|---|--------------------------------------|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| GF Earmarked Reserves | | | | | | | |
| Community Development | (66) | (74) | 2 | (72) | 18 | 0 | To support the costs associated with community projects |
| Community Safety | (302) | (232) | 0 | (232) | 0 | 0 | External grant funding to be released over a number of years on Community Safety Projects ongoing |
| Corporate Services | (150) | (159) | 0 | (159) | 0 | 0 | Funding to support potential costs of future service reviews. |
| Customer Services | 0 | (93) | 0 | (93) | 0 | 0 | Funding to support potential costs of future service reviews. |
| Economic Growth Development | (330) | (330) | 200 | (130) | 0 | 0 | To fund the Economic Development opportunities across the Borough |
| Electoral Services | (44) | (49) | 0 | (49) | 25 | 0 | To support the delivery of individual electoral registration and to set aside a reserve for potential refunds to government |
| Environmental Services | 0 | (29) | 0 | (29) | 0 | 0 | To support the costs of the Environmental Services Vehicles |
| Equipment Replacement | (48) | (26) | 0 | (26) | 26 | 0 | ICT equipment reserve |
| Financial Services | (132) | (1,285) | 150 | (1,135) | 0 | 100 | Brexit reserve along with a transformational growth reserve and also funds to support the new enterprise system. The balance of the general Covid reserve received in 20-21 also within this figure. |
| Corporate Financing | (1,997) | (2,833) | 350 | (2,483) | 0 | 0 | The reserve has been created to offset the loss on Business rates collection and appeals in 2019/20. |
| Housing Benefits Implementation | (269) | (269) | 0 | (269) | 140 | 0 | Specific welfare reform grant received |
| Housing Support | (746) | (978) | 0 | (978) | 0 | 0 | Government Specific Grant - annual funding |
| Land charges | (9) | (9) | 0 | (9) | 9 | 0 | To fund potential litigation in relation to Land Charges |
| Land Drainage | (129) | (129) | 0 | (129) | 0 | 0 | To support costs associated with health and safety issues within the environment |
| Parks and Open spaces | (8) | (58) | 0 | (58) | 8 | 0 | To fund a review of the local allotments. |
| Planning | (669) | (520) | 0 | (520) | 0 | 0 | Custom build grant to provide support to the council towards expenditure lawfully incurred in relation to the provision and maintenance of a self-build register. Along with grants for One Public estates, Business Improvement district grant and Town deals grant. |
| Property | 0 | (221) | 0 | (221) | 0 | 0 | To fund the costs of repairs and maintenance costs for future years due to closure of sites due to the pandemic |
| Sports Development | (68) | (51) | 0 | (51) | 0 | 0 | Ringfenced grants for a number of sports development activities to improve Health and Wellbeing in the Borough |
| Town Centre | (2) | (7) | 0 | (7) | 0 | 0 | To support improvements in the Town Centre High Street |
| Warmer Homes | (12) | (16) | 0 | (16) | 12 | 0 | To support the costs associated with community projects (repair) |
| Totals | (4,981) | (7,368) | 702 | (6,666) | 238 | 100 | |
| HRA Capital Reserve | | | | | | | |
| Capital Reserve-HRA | (15,259) | (15,259) | 0 | 0 | 0 | | Reserve to enable the debt repayment on HRA, and future repairs and maintenance along with support for the Housing Growth Programme. |
| Totals | (15,259) | (15,259) | 0 | 0 | 0 | 0 | |

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Housing Revenue Account (HRA) 2021/22 to 2025/26

| | 2021/22 | 2021/22 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|---------------|----------------|------------------|---------------|---------------|---------------|---------------|
| | Budget | Revised budget | Forecast Outturn | Budget | Budget | Budget | Budget |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| INCOME | | | | | | | |
| Dwelling Rents | 23,494 | 23,494 | 23,219 | 24,025 | 24,420 | 24,836 | 25,258 |
| Non-Dwelling Rents | 545 | 545 | 545 | 556 | 567 | 578 | 590 |
| Tenants' Charges for Services & Facilities | 677 | 677 | 678 | 692 | 705 | 719 | 734 |
| Contributions towards Expenditure | 45 | 45 | 82 | 46 | 47 | 48 | 49 |
| Total Income | 24,760 | 24,760 | 24,524 | 25,318 | 25,740 | 26,181 | 26,631 |
| EXPENDITURE | | | | | | | |
| Repairs & Maintenance | 6,044 | 6,044 | 5,791 | 6,545 | 6,097 | 6,153 | 6,197 |
| Supervision & Management | 8,232 | 8,232 | 7,869 | 8,219 | 8,260 | 8,479 | 8,521 |
| Rent, Rates, Taxes & Other Charges | 208 | 208 | 85 | 264 | 273 | 282 | 291 |
| Provision for Bad Debts | 186 | 186 | 186 | 190 | 193 | 196 | 200 |
| Depreciation & Impairment of Fixed Assets | 5,845 | 5,845 | 5,983 | 5,993 | 6,072 | 6,256 | 6,339 |
| Interest Payable & Debt Management Costs | 4,179 | 4,179 | 4,179 | 4,179 | 4,179 | 4,179 | 4,179 |
| Total Expenditure | 24,694 | 24,694 | 24,093 | 25,390 | 25,074 | 25,545 | 25,726 |
| Net Operating Expenditure | -66 | -66 | -431 | 72 | -666 | -636 | -904 |
| Interest Receivable | -30 | -30 | -4 | -3 | -3 | -3 | -2 |
| Transfer to/(from) general reserves | 0 | 0 | | 0 | 0 | 0 | 0 |
| Transfer to/(from) Earmarked Reserves | 96 | 96 | 435 | 0 | 669 | 639 | 907 |
| (Surplus)/Deficit on Services | -0 | -0 | 0 | 69 | 0 | 0 | 0 |
| HOUSING REVENUE ACCOUNT BALANCE | | | | | | | |
| Forecast Balance as at beginning of year | 2,465 | 2,465 | 2,465 | 2,465 | 2,396 | 2,396 | 2,396 |
| Surplus/(deficit) for year | -0 | -0 | 0 | -69 | -0 | -0 | -0 |
| Forecast Balance as at end of year | 2,465 | 2,465 | 2,465 | 2,396 | 2,396 | 2,396 | 2,396 |

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HRA Capital Programme and Financing 2021/22 to 2025/26

| | Outturn 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--|--------------------|-------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Major Repairs Reserve | | | | |
| Capital - Internal Refurbishment | 675,000 | 2,000,000 | 1,000,000 | 1,000,000 |
| Capital - Fire Precautions | 650,000 | 2,000,000 | 1,000,000 | 1,000,000 |
| Capital - Boiler Replacements | 850,000 | 850,000 | 850,000 | 850,000 |
| Capital - Smoke detection upgrades | | 590,000 | 590,000 | 590,000 |
| Capital Major Void Works | 600,000 | 600,000 | 600,000 | 600,000 |
| Capital - Electrical Rewires | 600,000 | 300,000 | 300,000 | 300,000 |
| Capital - Asbestos Management | 550,000 | 290,000 | 290,000 | 290,000 |
| Capital - Energy Efficiency | | 500,000 | 500,000 | 500,000 |
| Capital - Door Entry Upgrades | 72,000 | 500,000 | 500,000 | 500,000 |
| Capital - Fire Alarm Upgrades | | 300,000 | 300,000 | 300,000 |
| Capital - High Trees Project | | 500,000 | 500,000 | 500,000 |
| Capital - Window replacement | 20,000 | 100,000 | 100,000 | 100,000 |
| Capital - Roofing replacement | 50,000 | 150,000 | 150,000 | 150,000 |
| Capital - Disrepair Cases | | 75,000 | 75,000 | 75,000 |
| Capital -Structural Repairs | 180,000 | 25,000 | 25,000 | 25,000 |
| Capital - Balcony Replacements | | 50,000 | 50,000 | 50,000 |
| Capital - Salaries | 440,000 | 350,000 | 350,000 | 350,000 |
| | 4,687,000 | 9,180,000 | 7,180,000 | 7,180,000 |
| Capital Receipts | | | | |
| Capital - Stock Condition Survey | 0 | 0 | 0 | 0 |
| Capital - New Housing System | 320,000 | 200,000 | 0 | 0 |
| Capital - Excellent Estates | 605,000 | 550,000 | 550,000 | 550,000 |
| Capital - Bin Stores | 750,000 | 150,000 | 150,000 | 150,000 |
| Capital - disabled adaptations | 100,000 | 500,000 | 500,000 | 500,000 |
| | 1,775,000 | 1,400,000 | 1,200,000 | 1,200,000 |
| Acquisitions/Development | 886,000 | 3,600,000 | 4,200,000 | 4,200,000 |
| | 7,348,000 | 14,180,000 | 12,580,000 | 12,580,000 |
| Financed by | | | | |
| Major Repairs Reserve | 4,687,000 | 9,180,000 | 7,180,000 | 7,180,000 |
| Capital Receipts | 1,775,000 | 1,400,000 | 1,200,000 | 1,200,000 |
| Capital Receipts earmarked for acquisition | 265,800 | 1,440,000 | 1,680,000 | 1,680,000 |
| HRA Capital Reserve | 620,200 | 2,160,000 | 2,520,000 | 2,520,000 |
| | 7,348,000 | 14,180,000 | 12,580,000 | 12,580,000 |

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Executive Committee

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Appendix 8: Section 25: Report of the CFO - Robustness of the Estimates

In line with Section 25 of the Local Government Act 2003, this report of the Chief Financial Officer (CFO) sets out the robustness of estimates included in the budget and the adequacy of the Council's reserves.

The Chief Financial Officer's opinion is that the estimates are robust.

Relevant budget holders are responsible for individual budgets and their preparation. All estimates are then scrutinised by Financial Services staff and the Corporate Management Team prior to submission to Members.

All budget assumptions have been reviewed and reconsidered – including those related to inflation, business rate growth and interest rates.

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.

There are however a number of risks and uncertainties as set out below.

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

- General levels of uncertainty regarding the outcome of the fair funding review, the future of business rates and the local government financial settlement, COVID-19, Brexit and the state of the local and national economy. This has been mitigated by prudent business rate growth assumptions and by close monitoring of the Covid Grant account.
- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental to ensure managers are aware of budgeted savings.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates growth. It is difficult to precisely predict this growth. It is also difficult to predict the level of appeals by ratepayers against their rating assessments. That said, prudent assumptions in this area have been applied.
- Central Government Funding – the MTFP shows income from NHB continuing in 2022/23, however the longer term future of this income stream remains unclear.

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- Costs associated with the delivery of the Council's Towns Fund programme. The Council holds some risk on this programme – including the cost of overruns. As the Accountable Body close monitoring will take place to manage effective delivery (to time and to budgeted cost).
- General inflationary pressures – particularly in relation to pay costs and utility bills. This budget therefore includes significant additional pressures for these matters.
- The impact of Covid and Leisure Services. The Council's management fee in relation to Rubicon Leisure will be impacted by Covid-19 and its ongoing impact on that area of business. This will continue to be mitigated through working closely with Rubicon Leisure to oversee its progress, operations and cost.
- The impact of Covid on the capacity of management to deliver change, efficiencies and associated savings. This continued to be a watching brief. Budget proposals include an investment in Business Improvement capacity and an 'Invest to Save' Earmarked Reserve.

Adequacy of Reserves

Budget and MFTP proposals forecast the level of General Fund balances to remain above minimum set levels of £1.5m in 2022/23 and the majority of 2023/24 (with flexibility identified to reallocate earmarked reserves as set out in the budget report) and Housing Revenue Account balances to remain over minimum set levels of £0.6m over the medium term.

The reserves position, alongside the General Covid Grant account, 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 Chief Finance Officer judges that reserves are at an appropriate level throughout the period of the MTFP. This will be subject to ongoing review.

That said, further work must be undertaken to ensure that expenditure levels are sustainable and matched by income over the medium to long term. Plans are therefore in place to continue to review budgets and identify further savings opportunities.

The Chief Financial Officer's opinion is that the estimates are robust.

Report by: James Howse, Executive Director of Resources (Chief Financial Officer / Section 151 Officer)

Executive Committee
2022

7th February

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RBC Capital Programme 2020-21 March

Appendix 9

| Description | Department | NEW Strategic Purpose | Revised Budget April - March 21 £ | Actual spend 2020-21 £ | Variance 2020- 21 £ | Previously approved slippage to 2021 | Revised & additional slippage into 21- 22 £ |
|---|---|---|---|------------------------------|---------------------------|--|---|
| Home Repairs Assistance | Community & Housing GF Services | Living independent, active & healthy lives | 87,662 | 0 | -87,662 | 0 | 87,662 |
| Small Area Improvements | Community & Housing GF Services | Communities which are safe, well maintained & green | 40,000 | 0 | -40,000 | 0 | 40,000 |
| Upgrade hardwired lifeline schemes | Community & Housing GF Services | Living independent, active & healthy lives | 13,417 | 16,431 | 3,014 | 0 | 0 |
| Disabled Facilities Grant | Community & Housing GF Services | Living independent, active & healthy lives | 400,000 | 463,980 | 63,980 | 1,156,847 | 1,092,867 |
| HMO Grants | Community & Housing GF Services | Living independent, active & healthy lives | 0 | 5,900 | 5,900 | 29,515 | 23,615 |
| Energy & Efficiency Installs | Community & Housing GF Services | Living independent, active & healthy lives | 40,000 | 36,329 | -3,671 | 50,065 | 53,736 |
| Camera Replacement Programme | Community & Housing GF Services | Living independent, active & healthy lives | 65,424 | 75,774 | 10,350 | 0 | 0 |
| New Digital Service | Community & Housing GF Services | Communities which are safe, well maintained & green | 60,000 | 34,380 | -25,620 | 26,450 | 52,070 |
| Improvement Holly trees childrens centre | Community & Housing GF Services | Living independent, active & healthy lives | 15,000 | 0 | -15,000 | 0 | 15,000 |
| Greener Homes | community & Housing GF Services | Living independent, active & healthy lives | 150,000 | 0 | -150,000 | 0 | 150,000 |
| Improved Parking Scheme | Environmental Services | Communities which are safe, well maintained & green | 61,048 | 35,566 | -25,482 | 20,000 | 45,482 |
| Green Lane Studley | Environmental Services | Communities which are safe, well maintained & green | 0 | 2,445 | 2,445 | 200,000 | 155,809 |
| Vehicle replacment | Environmental Services | Communities which are safe, well maintained & green | 866,081 | 530,276 | -335,805 | 0 | 335,805 |
| Locality Capital Projects | Environmental Services | Communities which are safe, well maintained & green | 93,660 | 135,406 | 41,746 | 0 | 0 |
| Wheelie Bin purchase | Environmental Services | Communities which are safe, well maintained & green | 123,749 | 95,586 | -28,163 | 0 | 28,163 |
| Replacing 3 fuel pumps and upgrading tank monitoring equipment | Environmental Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 25,000 | 25,000 |
| Vehicle Lift Within Workshop | Environmental Services | Communities which are safe, well maintained & green | 25,000 | 0 | -25,000 | 0 | 25,000 |
| Car Park Maintenance | Environmental Services | Communities which are safe, well maintained & green | 30,475 | 29,192 | -1,283 | 0 | 30,475 |
| Fleet Management Computer System | Environmental Services | Enabling the Authority | 0 | 0 | 0 | 16,600 | 16,600 |
| Environmental Services Computer System | Environmental Services | Enabling the Authority | 0 | 0 | 0 | 157,200 | 157,200 |
| Locality project - Garage condition surv | Environmental Services | Communities which are safe, well maintained & green | 100,000 | 0 | -100,000 | 0 | 100,000 |
| Locality project - landscape improvement | Environmental Services | Communities which are safe, well maintained & green | 23,175 | 15,666 | -7,509 | 1,825 | 9,334 |
| Gf Asbestos | Financial & Customer Services | Communities which are safe, well maintained & green | 30,000 | 22,846 | -7,154 | 10,000 | 17,154 |
| New finance system | Financial & Customer Services | Enabling the Authority | 218,108 | 373,103 | 154,995 | 0 | 0 |
| Regeneration Fund | Financial & Customer Services | Communities which are safe, well maintained & green | 2,870,606 | 3,870,606 | 1,000,000 | 2,354,670 | 1,354,670 |
| Public Building | Financial & Customer Services | Run and grow a successful business | 426,308 | 214,264 | -212,044 | 0 | 212,044 |
| Salix Project | Legal & Democratic | Enabling the Authority | 250,000 | 0 | -250,000 | 0 | 250,000 |
| Arrow Valley Country Park - Play, Open Space and Sports Improvements. | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 350,000 | 341,731 | -8,269 | 6,000 | 14,269 |
| S106 Regrading Pitches Terry'S Field | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 29,000 | 0 | -29,000 | 9,000 | 38,000 |

| | | | | | | | |
|---|---|---|------------------|------------------|-----------------|------------------|------------------|
| S106 Health and Fitness Facilities | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 29,000 | 0 | -29,000 | 0 | 29,000 |
| Play / Sports Feckenham Cricket Ground | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 2,736 | 0 | -2,736 | 0 | 2,736 |
| Improvements at Business Centres | Planning, Regeneration & Leisure Services | Run and grow a successful business | 0 | -6,386 | -6,386 | 73,614 | 73,614 |
| Improvement to Morton Stanley -Play Area for toddler and junior play | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 43,863 | 43,863 | 79,686 | 35,823 |
| Improvement to Morton Stanley Open Space | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 25,633 | 25,633 |
| Improvement to Sports Pitches infrastructure in Morton Stanley Park | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 900 | 900 | 98,535 | 97,635 |
| Improvement to original Pump Track at AVCP | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 60,606 | 60,606 |
| Improvement of 'Green Parking' at Arrow Valley South | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 17,271 | 0 | -17,271 | 0 | 17,271 |
| Hedgerow Mitigation measures by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP North | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 21,500 | 21,500 |
| Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 146,590 | 146,590 |
| Pitch or sports facilities improvements at the Abbey Stadium | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 17,419 | 0 | -17,419 | 0 | 17,419 |
| POS/Play Improvements to Forge Mill (24,528 POS and 26,700 Play) and Bordesley Abbey Visitor Centre. PI | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 51,248 | 0 | -51,248 | 0 | 51,248 |
| Removal of 5 weirs through Arrow Valley Park | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 437,000 | 437,000 |
| Morton Stanley Play, Sport and Open Space Improvements (General) | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 35,000 | 0 | -35,000 | 298,403 | 333,403 |
| Open space improvements - North Moons moat | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 0 | 0 | 0 | 3,000 | 3,000 |
| Café and Infrastructure Morton Stanley Park | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 10,000 | 0 | -10,000 | 100,000 | 110,000 |
| Redditch Town Centre public realm improvements - phase 2 | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 32,000 | 0 | -32,000 | 0 | 32,000 |
| Digital Screens | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 15,000 | 0 | -15,000 | 0 | 15,000 |
| Passing bay at main access AVCP | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 6,000 | 0 | -6,000 | 0 | 6,000 |
| Resurfacing of pathway at AVCP | Planning, Regeneration & Leisure Services | Communities which are safe, well maintained & green | 19,500 | 0 | -19,500 | 0 | 19,500 |
| | | | 6,603,887 | 6,337,859 | -266,028 | 5,407,739 | 5,864,933 |

Notes:

* The new enterprise system had an increase in budget over that presented above funded from the flexible use of capital receipts. This was approved as part of the treasury strategy and so the difference is funded from this approval.

*It should be noted that due to timing issues, some additional capital spend within the approved medium term capital programme has fallen within 20/21 as opposed to 21/22.

*£1m of Regeneration Fund Capital spend was brought forward to 2020/21 in order to meet the conditions of a grant regarding £1m of accelerated grant funding



Audit, Governance & Standards Committee

Thursday, 27th January,
2022

MINUTES

Present:

Councillor Jennifer Wheeler (Chair), and Councillors Salman Akbar, Tom Baker-Price, Luke Court, Julian Grubb, Emma Marshall, Timothy Pearman and David Thain

Also Present:

Councillor Mike Rouse – Portfolio Holder for Finance and Enabling (via Microsoft Teams)
Jackson Murray - Engagement Lead for Grant Thornton

Officers:

Andy Bromage, Claire Felton and James Howse.

Democratic Services Officers:

Jo Gresham

34. **DECISION TO OPT INTO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS MANAGED BY PSAA**

The Executive Director of Resources presented the report in respect of the Decision to opt into the National Scheme For Auditor Appointments Managed by PSAA. He reported that Members were being asked to vote on the recommendation included in the report, which was, to accept the invitation to opt into the sector-led option for the appointment of external auditors for a period of 5 years from 2023. It was confirmed that there were other options that Members could consider if they so wished. This included procurement of their own auditor rather than a PSAA appointed auditor which would require additional resource.

Chair

Audit, Governance & Standards Committee

Thursday, 27th January, 2022

It was stated to Members that some of the information included in the report was from the Local Government Association (LGA) who, it was noted, strongly supported the PSAA option. In addition to this the following was highlighted for Members' consideration:

- Quality vs price – although it was acknowledged that were the Council to procure an auditor outside of the National Scheme for Auditor Appointments it may result in lower costs however the quality of the audit would also likely to be lower, particularly as there was a limited supply of auditors who were experienced in carrying out audits at Local Authorities. Members agreed that the level of quality was hugely important and therefore accepted that this could result in higher fees, regardless of procurement route. However as clarified by the Executive Director of Resources, given the bulk buying power of the National Scheme for Auditor Appointment, a quality audit procured in this way is likely to be more cost effective.

RECOMMENDED that

the Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for a procurement period of five financial years from 1 April 2023 (that is to say from 2023/24 to 2027/28) be accepted.

The Meeting commenced at 7.00 pm
and closed at 8.17 pm

Audit, Governance and Standards Committee

27th Jan 2022

DECISION TO OPT INTO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS MANAGED BY PSAA AS THE 'APPOINTING PERSON'

| | |
|--|--|
| Relevant Portfolio Holder | Councillor Mike Rouse |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | |
| Report Author | Job Title: Executive Director of Resources Contact email:james.howse@bromsgroveandredditch.gov.uk Contact Tel: 0152764252 |
| Wards Affected | N/A |
| Ward Councillor(s) consulted | N/A |
| Relevant Strategic Purpose(s) | N/A |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |

1. RECOMMENDATIONS

The Audit, Governance and Standards Committee recommend to Council that it:

- **accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for a procurement period of five financial years from 1 April 2023 (that is to say from 2023/24 to 2027/28).**

2. BACKGROUND

- 2.1 This report sets out proposals for appointing the external auditor to the Council for the accounts for the five-year period from 2023/24.
- 2.2 The current auditor appointment arrangements cover the period up to and including the audit of the 2022/23 accounts. The Council opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018/19 to 2022/23.
- 2.3 PSAA is now undertaking a procurement for the next appointing period, covering audits for 2023/24 to 2027/28.
- 2.4 The Council has the option of arranging its own procurement and to make the appointment itself, or it has the option of running a joint procurement in conjunction with other bodies, or the Council can join and take advantage of the national collective scheme administered by

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee**

27th Jan 2022

PSAA. This report concludes that the sector-wide procurement conducted by PSAA will produce better outcomes and will be less burdensome for the Council than a procurement undertaken locally because:

- a) collective procurement **reduces costs** for the sector and for individual authorities compared to a multiplicity of smaller local procurements;
- b) if it does not use the national appointment arrangements, the Council will need to establish its **own administrative arrangements** including an auditor panel with an independent chair and independent members to oversee a local auditor procurement and ongoing management of an audit contract;
- c) it is the best opportunity to **secure audit quality** through the appointment of a qualified, registered auditor (noting that there are only nine accredited local audit firms, and a local procurement would be drawing from the same limited supply of auditor resources as PSAA's national procurement); and
- d) supporting the sector-led body offers the best way of ensuring there is a continuing and **sustainable public audit market** into the medium and long term (noting that the Local Government Association strongly supports the PSAA option).

2.5 If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at full Council. The opt-in period starts on 22 September 2021 and closes on 11 March 2022.

3. FINANCIAL IMPLICATIONS

- 3.1 There is a risk that current external audit fee levels could increase when the current contracts end under all options. It is clear that in recent years the scope of audit has increased, requiring more audit work. There are also concerns about capacity and sustainability in the local audit market.
- 3.2 Opting into a national scheme provides maximum opportunity to ensure fees are as realistic as possible, while ensuring the quality of audit is maintained, by entering into a large scale collective procurement arrangement.
- 3.3 If the national scheme is not used some additional resource may be needed to establish an auditor panel and conduct a local procurement. Until a procurement exercise is completed it is not possible to state what, if any, additional resource may be required for audit fees from 2023/24.

Audit, Governance and Standards Committee

27th Jan 2022

4. LEGAL IMPLICATIONS

- 4.1 Section 7 of the Local Audit and Accountability Act 2014 requires a relevant Council/Authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.
- 4.2 Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on the selection and appointment of a local auditor.
- 4.3 Section 12 makes provision for the failure to appoint a local auditor. The Council must immediately inform the Secretary of State, who may direct the Council to appoint the auditor named in the direction or appoint a local auditor on behalf of the Council.
- 4.4 Section 17 gives the Secretary of State the power to make regulations in relation to an 'appointing person' specified by the Secretary of State. This power has been exercised in the Local Audit (Appointing Person) Regulations 2015 (SI 192) and this gives the Secretary of State the ability to enable a sector-led body to become the appointing person. In July 2016 the Secretary of State specified PSAA as the appointing person.
- 4.5 If the Council wishes to take advantage of the national auditor appointment arrangements, it is required under the local audit regulations to make the decision at Full Council, hence the purpose of this report.

5. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

- 5.1 No direct impact.

Climate Change Implications

- 5.2 No climate change implications identified.

6. OTHER IMPLICATIONS**Equalities and Diversity Implications**

- 6.1 No equalities implications noted.

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Operational Implications

6.2 The Finance Team and Section 151 Officer have experience of working with auditors appointed under the PSAA arrangements.

7. RISK MANAGEMENT

7.1 The principal risks are that the Council fails to appoint an auditor in accordance with the requirements and timing specified in local audit legislation; or does not achieve value for money in the appointment process.

7.2 These risks are considered best mitigated by opting into the sector-led approach through PSAA.

8. APPENDICES and BACKGROUND PAPERS

8.1 None.

9. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|---------------------------------|--------------------------------------|-------------|
| Portfolio Holder | Cllr Mike Rouse | 17/1/2022 |
| Lead Director / Head of Service | James Howse, Exec Director | 17/1/2022 |
| Financial Services | James Howse, Exec Director | 17/1/2022 |
| Legal Services | Clare Flanagan – Principal Solicitor | 18/1/2022 |