



Executive Committee

Tue 5 Dec
2023
6.30 pm

Council Chamber,
Redditch Town Hall
Walter Stranz Square
Redditch
B98 8AH

REDDITCH BOROUGH COUNCIL

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If you have any queries on this Agenda please contact
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GUIDANCE ON FACE-TO-FACE MEETINGS

Please note that this is a public meeting.

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

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Meeting attendees are encouraged not to attend the meeting if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

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Members of the public are encouraged not to attend the meeting if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

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.



Executive

Tuesday, 5th December, 2023

6.30 pm

Committee Room 2 Town Hall

Agenda

Membership:

Cllrs:	Matthew Dormer (Chair)	Luke Court
	Gemma Monaco (Vice-Chair)	Lucy Harrison
	Joe Baker	Bill Hartnett
	Joanne Beecham	Craig Warhurst
	Brandon Clayton	

1. Apologies

2. Declarations of Interest

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

3. Leader's Announcements

4. Minutes (Pages 5 - 16)

5. Animal, Bird and Fish Welfare on Council Land Policy (Pages 17 - 28)

6. Homelessness Prevention Grant and Domestic Abuse Grant (Pages 29 - 36)

7. Proposal for a Public Space Protection Order (PSPO) in Redditch Town Centre (Pages 37 - 44)

Due to the length of this report, only the covering report has been included in the main agenda for this meeting. The full length report, including appendices, has been published in a separate supplementary pack for the meeting.

8. The Joint Auditor's Annual Report 2021/22 to 2022/23 (Pages 45 - 104)

9. Overview and Scrutiny Committee (Pages 105 - 118)

10. Minutes / Referrals - Overview and Scrutiny Committee, Executive Panels etc.

To receive and consider any outstanding minutes or referrals from the Overview and Scrutiny Committee, Executive Panels etc. since the last meeting of the Executive Committee, other than as detailed in the items above.

11. To consider any urgent business, details of which have been notified to the Head of Legal, Democratic and Property Services prior to the commencement of the meeting and which the Chair, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

12. Exclusion of the press and public

Should it be necessary, in the opinion of the Chief Executive, during the course of the meeting to consider excluding the public from the meeting on the grounds that exempt information is likely to be divulged, it may be necessary to move the following resolution:

“That, under S.100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matter(s) on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (to be specified) of Part 1 of Schedule 12 (A) of the said Act”.

These paragraphs are as follows:

Subject to the “public interest” test, information relating to:

- Para 3 – financial or business affairs;

and may need to be considered as ‘exempt’.

13. Finance and Performance Quarter 2 Report 2023/24 (Pages 119 - 134)

Due to the length of this report, only the covering report has been included in the main agenda for this meeting. The full length report, including appendices, has been published in a separate supplementary pack for the meeting.



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MINUTES

Present:

Councillor Matthew Dormer (Chair), Councillor Gemma Monaco (Vice-Chair) and Councillors Brandon Clayton, Luke Court, Lucy Harrison and Craig Warhurst

Also Present:

Councillors Juma Begum, Sharon Harvey, Jane Spilsbury and Monica Stringfellow

Officers:

Peter Carpenter, Nicola Cummings, Sue Hanley, Michelle Howell and Guy Revans

Principal Democratic Services Officer:

Jess Bayley-Hill

38. APOLOGIES

Apologies for absence were received on behalf of Councillors Joe Baker, Joanne Beecham and Bill Hartnett.

39. DECLARATIONS OF INTEREST

There were no declarations of interest.

40. LEADER'S ANNOUNCEMENTS

The Leader advised that at the latest meeting of the Overview and Scrutiny Committee, held on 26th October 2023, Members had considered and endorsed the proposals in the Garden Waste Collection report, which was also due to be considered at the Executive Committee meeting. The Overview and Scrutiny Committee was thanked for the time Members of the Committee took to pre-scrutinise this report.

Chair

41. GARDEN WASTE SERVICE

The acting Executive Director of Environment, Leisure and Community Services presented a report proposing the introduction of a Garden Waste Collection Service for the Council.

Members were advised that there had been a garden waste collection service in the Borough for a number of years but this had been delivered by Bromsgrove District Council on behalf of Redditch Borough Council. Originally, it had been intended that this would be a short-term temporary arrangement and the plan had been to introduce an inhouse Garden Waste Collection service at some point. However, there had been a delay in making a decision on this subject due to the uncertainty surrounding the implications of the Environment Act for local authorities and the associated financial implications, particularly as it had been suggested that Councils might need to provide a garden waste collection service free of charge. More recently, the Government had confirmed that local authorities would be permitted to continue to charge for local garden waste collection services and the Council had concluded that it would be timely to consider introducing this service in Redditch.

The garden waste collection service proposed for Redditch Borough Council would operate for 40 weeks in the year. By providing this service inhouse, it was anticipated that the Council would be able to increase the number of residents in the Borough who could register to receive the service. By contrast, under existing arrangements, there was a threshold beyond which the Council could not increase customer numbers and there were residents who had had to be turned down when requesting the service.

The Council was proposing to charge residents who opted for the service an annual fee of £60 and there would also continue to be a one off £20 set up charge. When the service started to be delivered directly by the Council, the authority would initially lose £40,000 income received through current arrangements. However, Officers calculated that the authority would need to attract approximately 600 customers, in addition to the existing number of customers, in order to break even. There would be capacity to increase the service to provide for up to 6,000 customers, which would result in an increase in income.

There were significant financial costs attached to procuring a new vehicle for the Garden Waste Collection service and this could also take time to arrange. Therefore, initially, it was anticipated that the Council would hire an extra vehicle until a new vehicle could be purchased, although it was likely that the hire vehicle would be used for other waste and recycling services so that a Council owned

vehicle could be used for Garden Waste Collections and the green credentials of the service would then be advertised on that vehicle.

The Executive Committee was advised that the Overview and Scrutiny Committee had pre-scrutinised the report at a meeting held on 26th October 2023. During this meeting, questions had been raised about the potential for the Council to provide this service to residents on low incomes. Whilst this might be difficult in the short-term to achieve, due to the initial financial implications of introducing the service, there was the potential that this matter could be explored further in the long-term. The Overview and Scrutiny Committee had also queried whether the Council had a waiting list in terms of local residents who had expressed an interest in receiving the Garden Waste Collection service in the future. Members were asked to note that there was no waiting list at present, as the Council had not wanted to raise expectations that could not be met. However, this could be implemented once a decision had been taken to introduce a Garden Waste Collection service.

Following the presentation of the report, Members discussed the proposals in detail and in doing so welcomed the potential to introduce a Garden Waste Collection Service at the Council. Members suggested that, due to the number of enquiries received by Councillors from residents on a regular basis about the potential for the Garden Waste Collection service to be extended to new customers, it was anticipated that there would be sufficient demand for the service to enable the Council to deliver the service without this being at a significant cost to the authority. It was also noted that the introduction of a Garden Waste Collection service would have a beneficial impact on recycling rates for the Borough; the Council's recycling rates did not currently compare favourably with other Councils in the county because they all operated chargeable Garden Waste Collection services which contributed to their higher recycling rates.

Reference was made to the potential to promote the Garden Waste Collection service on the vehicle used for the service. Members commented that this could help to encourage more residents to use the service.

RESOLVED that

- 1) subject to approval of recommendations 2 – 4 below, to agree the creation of a dedicated Garden Waste Collection Service for Redditch Borough Council residents;**

RECOMMENDED

- 2) an increase to the cost on Fees and Charges for Garden Waste to £60 per year, whilst maintaining the existing one-off set up fee of £20 for new customers;
- 3) inclusion of the following Capital and Revenue expenses in the Medium-Term Financial Plan:

Capital Investment	
2025/26 & Inclusion on Fleet Replacement Schedule	£210,000

Revenue Investment	
2023/24	£11,000
2024/25	£156,000
2025/26	£135,000
2026/27 Onwards	£114,000

- 4) adjusting the Medium Term Financial Plan to reflect the following financial pressures:

2023/24	-£11,897
2024/25	-£20,528

42. ANNUAL REFRESH OF COUNCIL PLAN

The Acting Chief Executive presented the refresh of the Council Plan for Members' consideration.

The Executive Committee was advised that the Council Plan detailed the Council's vision and the strategic purposes, or Council priorities, underpinning this. The strategic purposes had been informed by the data available and a review of the content of the Council Plan had been undertaken by the Leader and Portfolio Holders. It was recognised that the Council needed to work closely with other key partners in order to meet the needs of local communities and to address the strategic purposes. The Council Plan and strategic purposes would be reviewed in more detail following the local elections that were due to take place in May 2024.

When reviewing the content of the Council Plan, feedback received from residents who had completed the Council's community survey had been taken into account. There had been three key priorities highlighted by residents in completed surveys:

- Community safety

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- Parks and well maintained public spaces
- Housing

Based on this feedback and taking into account other key data, these three priorities were proposed as the focus for the Council's strategic purposes moving forward, alongside economic development.

Members welcomed the proposed amendments to the Council Plan and strategic purposes detailed in the report and highlighted that the changes, given they were informed by feedback received in completed community survey panel responses, demonstrated that the Council was listening to the public. Officers were asked to thank residents for the feedback that they had provided in completed surveys and to highlight how their responses had informed proposed changes to the Council Plan.

RECOMMENDED that

- 1) **the 2023/24 annual refresh of the strategic priorities, associated with the key deliverables and financial implications, be approved.**
- 2) **the process of establishing and agreeing meaningful outcomes for the key deliverables be approved and reported within the Financial and Organisational Quarterly Performance Reports; and**
- 3) **a full review of Council Plan and priorities for 2024 – 2027 take place in Autumn 2024 alongside the financial planning process and in accordance with the Medium-Term Financial Plan (MTFP).**

43. FINANCE RECOVERY PLAN - UPDATE

The Portfolio Holder for Finance and Enabling presented the Finance Recovery Plan for the Executive Committee's consideration.

Members were advised that the report set out the processes the Council had been following to rectify a deterioration in its financial position and processes due to the impact of the implementation of a new financial system in February 2021 during the Covid-19 pandemic. This followed on from reports to the Executive Committee in September 2022 and July 2023. The Audit Governance and Standards Committee was also receiving similar updates at all their meetings.

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Since the report to the Executive Committee, the following progress had been achieved:

- A draft Outturn Report for 2022/23 had been presented to the Executive Committee.
- The draft 2022/23 Revenue Outturn Estimates had been presented to the Department for Levelling Up, Housing and Communities (DLUHC).
- The draft 2022/23 Capital Outturn Estimates had been presented to DLUHC.
- A Quarter 1 Finance and Performance Report 2023/24 had been presented to the Executive Committee.
- Joint work had continued with the external auditors on providing evidence of control balances at the time of the transfer from the old finance system to TechOne on the 8th February 2021. The external auditors had validation routines for the 2020/21 financial year and were in the process of reviewing this data. However, the Council was still due to provide data and an agreement had now been reached with the Council's previous financial system providers, to deliver this data to the external auditors.
- The 2021/22 Housing Benefits Audit had been signed off.
- Financial Awareness Training with Managers had taken place.
- Budget Management Training for Managers (including use of TechOne) had taken place.
- Monthly Accounts Payable Training was taking place.
- The Council had recruited a Head of Management Accountancy on the 20th September 2023 and two temporary Technical Accountants.
- The Council had upgraded the TechOne finance system to the latest version in July 2023.
- The Financial Compliance Report, setting out movement in the financial recovery plan, had been reviewed by the Audit, Governance and Standards Committee in July and September 2023.

There were still significant concerns in relation to closure of the accounts, and their delivery, as there was the potential that the Government would introduce new national timetables. The Government had set statutory deadlines for the completion of the audit of accounts as follows:

- Accounts for 2015/16 through to 2019/20 needed to be signed off by 30th December 2023
- Accounts for 2020/21 and 2021/22 needed to be signed off by 31st March 2024
- Accounts for 2022/23 needed to be signed off by 30th September 2024

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The Council was still on track to clear the suspense backlog by the end of the 2023 calendar year and, with this, would finally be able to complete the 2020/21 and 2021/22 Revenue Outturn (RO) and Capital Outturn (CO) forms and all the VAT returns.

The Quarter 2 monitoring, which was due to be considered by the Executive Committee in December 2023, had for the first time been delivered on the TechOne system following the training that took place in September 2023.

The Council had been going through a Value for Money (VfM) audit. The accounts would not be verified until the full take from balances had been finalised. However, the annual VfM audit was on track to be reported to the Audit, Governance and Standards Committee in November 2023. The Council was anticipating that this would provide a positive analysis of the financial situation at the authority.

Following the presentation of the report, Members discussed the challenges that had been encountered by the Council following the introduction of the TechOne finance system and questions were raised about whether this remained the right system for the Council to use moving forward. Officers explained that the issues with the system had emerged in relation to implementation. There were other Councils in the country that used the TechOne finance system successfully, but Redditch Borough and Bromsgrove District Councils had been the first authorities to use the cash receipting module and this had been the cause of many issues. The training that had been provided to budget managers would potentially result in improvements to budget management at the Council as well as helping to upskill those members of staff.

RESOLVED that

- 1) Progress made on the financial recovery be noted including:**
 - a) Delivery of the Statutory Accounts**
 - b) Delivery of Statutory Financial Returns**
 - c) Improvements in the Control Environment**
- 2) the work still under way to move back to a best practice operation and the associated timetable for completion of this work, as contained in this report, be noted.**

44. DRAFT COUNCIL TAX SUPPORT SCHEME 2024/25

The Portfolio Holder for Finance and Enabling presented a report in respect of the draft Council Tax Support Scheme 2024/25 for Members' consideration.

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The Executive Committee was informed that the Council was required by section 13A(2) of the Local Government Finance Act 1992 (LGFA '92) to make a Council Tax Reduction Scheme specifying the reductions in Council Tax that would be provided to people who were in financial need, or to classes of people who were in general in financial need.

When a scheme had been made the Council had to, for each tax year, consider whether to revise or replace its scheme. If the Council intended to revise or replace the scheme, then there was a requirement to undertake a formal consultation before making a new scheme.

The Council introduced a new income banded scheme for working age applicants with effect from 1st April 2021. The rationale for the new scheme was to ensure that it was future proofed, and it reduced the administrative burden placed on the Council by the introduction of universal credit. The Council had amended the scheme in the years since April 2021 to adjust the level of support in-line with funding available; to amend income bands and tapers to adjust for the impact of inflation; and to aid administration.

The existing scheme included a provision for the uprating of income bands by an inflation factor decided by the Council. Changes to income bands would be made in accordance with the existing scheme and would not require consultation but would be subject to the approval of Council. These increases would be based on the increases in benefits levels that would be announced in the Chancellor's Speech on 22nd November 2023.

RESOLVED that

- 1) the current Council Tax Reduction Scheme be retained for the 2024-25 tax year, subject to the uprating of income bands as provided for within the existing scheme; and**
- 2) options for the uprating of the income bands to be modelled and presented to Executive Committee for approval and the recommendation of new income grid to Council.**

45. MEDIUM TERM FINANCIAL PLAN - TRANCHE 1 BUDGET INCLUDING FEES AND CHARGES (PRIOR TO CONSULTATION)

The Portfolio Holder for Finance and Enabling presented the Medium Term Financial Plan Tranche 1 Budget Report including fees and charges for the Executive Committee's consideration.

Members were informed that the budget setting process would be more complicated in 2023/24 compared to previous years. The Council would still be asked to consider budget proposals in two tranches and Council Tax would need to be agreed in February 2024. However, the Council's budget would be reviewed in a challenging macro-economic climate and this would impact on the settlement for local government. As the Chancellor's autumn statement was not due to take place until 22nd November 2023, the Council was not expecting to learn about the authority's financial settlement from the Government until late December 2023. The Executive Committee was asked to note that the settlement was likely to be for a two-year period.

The tranche 1 report detailed the progress that had been achieved to date and the current position of the Council's budget, prior to consultation with the public. This was intended to be the start of the Council's budget setting process and there remained opportunities to shape the budget during tranche 2 of the process.

During consideration of this item, the Portfolio Holder for Finance and Enabling thanked the Budget Scrutiny Working Group for reviewing the content of the report in detail at a meeting held on 30th October 2023. A number of suggestions had been made by Members during this meeting of the Budget Scrutiny Working Group and these would be explored further as part of tranche 2 of the budget setting process.

Reference was made to the fees and charges detailed at Appendix C to the report. Officers clarified that the proposal was for there to be a standard 7 per cent increase to the Council's fees and charges in 2024. However, Members were asked to note that one of the fees detailed within the report would be removed; this was the fee for the Lifeline analogue system, as the system no longer existed.

RESOLVED

- 1) that the inputs into the Council's Medium Term Financial Plan as at the start of October, and the associated risks and opportunities, be endorsed;**
- 2) to note that these inputs have been used, along with the 2023/24-25/26 Medium Term Financial Plan (MTFP) agreed by Council in February 2023, to project an initial "gap" to be closed;**
- 3) the initial Tranche of savings proposals be published on the 24th October and any feedback will be considered by**

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Executive in December 2023 prior to seeking approval at Council in January 2024;

- 4) **to note that tranche 2 of this process will add further information such as the Local Government Settlement to give a final financial position for the Council; and**

RECOMMENDED that

- 5) **the Play Audit recommended capital works for 2023/4 are approved and added to the Capital Programme.**

46. RECOMMENDATION FROM THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

The Portfolio Holder for Finance and Enabling explained that the Audit, Governance and Standards Committee had agreed a number of recommendations at a meeting held on 21st September 2023 which were designed to improve the audit process for Local Government accounts. The Executive Committee was advised that the Portfolio Holder for Finance and Enabling was due to attend a Local Government Association (LGA) conference alongside other Councils' Portfolio Holders for Finance and he confirmed that he would ensure that this matter was raised at that conference.

Members thanked the Audit, Governance and Standards Committee for the recommendations and confirmed that these would be approved.

RESOLVED that

in relation to the proposed plans by the Department for Levelling Up, Housing and Communities (DLUHC) to tackle the backlog in local government audits by setting statutory deadlines for historic accounts to be cleared:

- 1) **the Executive Committee ensure that the possibility of legislation being passed to speed up the local authority audit process be noted on the Council's Corporate Risk Register; and**
- 2) **the Portfolio Holder for Finance and Enabling be asked to lobby the Government through the Local Government Association (LGA) to provide a timeframe for when this legislation is to come into effect.**

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47. OVERVIEW AND SCRUTINY COMMITTEE

The Leader confirmed that there were no outstanding recommendations from the Overview and Scrutiny Committee requiring consideration on this occasion.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on 7th September 2023 be noted.

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

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

49. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday 11th September 2023 be approved as a true and correct record and signed by the Chair.

The Meeting commenced at 6.30 pm
and closed at 7.10 pm

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REDDITCH BOROUGH COUNCIL**Executive Committee
2023**5TH Dec

**Report title: Animal, Bird and Fish welfare at events on
Council Land**

Relevant Portfolio Holder	Councillor Joanne Beecham/
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford
Report Author	Job Title: Ishrat Karimi Fini Contact email: ishrat.karimifini@bromsgroveandredditch.gov.uk Contact Tel: 01527 881204
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Communities which are safe, well maintained and green Improved Health and Wellbeing
Key Decision / Non-Key Decision:	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 RESOLVE that:-

- 1) The Animal, Bird and Fish Welfare on Council Land Policy, be approved. See attached Appendix 1.

2. BACKGROUND

- 2.1 Following on from a motion at full council on 25 September 2023, this report presents the Animal, Bird and Fish Welfare at Events on Council Land Policy.

3. OPERATIONAL ISSUES

- 3.1 The Council's Leisure and Culture Services manages the hire of Redditch Borough Council's land and premises for individuals and organisations to run events.
- 3.2 Officers were tasked with producing a policy that oversees how Redditch Borough manages hirers who involve animals, birds or fish whilst using Redditch Borough Council land for events. The purpose of the policy is to ensure that no animal, fish, or bird involved in an event

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held on Redditch Borough Council's land is subjected to any kind of undue suffering and that animals, fish or birds are not used as prizes. The policy makes it clear that the council promotes acceptable usage of animals, birds or fish for educational or charitable purposes at events held on Redditch Borough Council land.

- 3.3 If approved there will be awareness raising in relation to this policy. The policy will take effect from the day after any resolution to approve the policy by Executive Committee

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications contained in this report however in addition to the current Animal Welfare Act 2006 and Performing Animal Regulations Act 1925, this Policy provides measures that exceed the standards and guidelines required on council owned land and buildings.

6. OTHER - IMPLICATIONS**Relevant Strategic Purpose**

- 6.1 This policy would contribute to the safety and wellbeing of animals and fish. In addition, members of the public will be prohibited from receiving pets in an unprepared manner. This refers to the council's strategic priorities by communities which are safe, well maintained, and green and improved health and wellbeing.

Climate Change Implications

- 6.2 The proposed policy does not have any climate change implications.

Equalities and Diversity Implications

- 6.3 There are no direct customer, equality or diversity implications contained within this report.

7. RISK MANAGEMENT

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7.1 There are no direct risks contained within this report.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1: Proposed Policy, Animal, Bird and Fish welfare at events on Council Land

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Joanne Beecham	Please give the date they signed off the report here.
Lead Director / Head of Service	Ruth Bamford	24/10/23
Financial Services	Peter Carpenter	11/10/23
Legal Services	Claire Green	11.10.23.
Policy Team (if equalities implications apply)	N/A	If applicable, please give the date they signed off the report here.
Climate Change Team (if climate change implications apply)	N/A	If applicable, please give the date they signed off the report here.

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REDDITCH BOROUGH COUNCIL

Animal, Bird and Fish welfare at events on Council Land

Date: 27 October 2023

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Animal, bird and fish welfare at events on council land POLICY

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- 2.0 Wider context and this policy's specific purpose**
- 3.0 Statement of Policy**
- 4.0 Acceptable usage of animals at events**
- 5.0 Policy application and monitoring**
- 6.0 Raising awareness of the policy**
- 7.0 Review**
- 8.0 Breach of Policy**
- 9.0 Dispute resolution**
- 10.0 Access issues**

Executive Committee - Appendix 1**Animal, Bird and Fish welfare at events on Council Land****1.0 Introduction**

In conjunction with Redditch Borough Council's strategic purpose "Communities which are safe, well maintained and green" the Council's Leisure Service manages the hire of Redditch Borough Council's land and premises for individuals and organisations to run events.

The purpose of the policy is to ensure that no animal, bird, or fish involved in an event held on Redditch Borough Council's land is subjected to any kind of undue suffering and that Redditch Borough Council promotes acceptable usage of animals, birds or fish for educational or charitable purposes at events held on Redditch Borough Council land.

2.0 Wider context

This policy sits within a wider context national and international context. Authority sits with our partner Worcestershire Regulatory Services (WRS) and amongst others DEFRA, and the Health and Safety Executive to manage the implementation of all policy and procedure in connection with the Animal Welfare Act 2006. In addition, WRS governs procedures in accordance with the Performing Animals (Regulation) Act 1925. Within that act it is made clear that there are restrictions on the exhibition and training of performing animals. (1) No person shall exhibit or train any performing animal unless he is registered in accordance with this Act. For example, if a dog is to perform during a play at a theatre venue that venue is obliged to contact the relevant authority (and in this case WRS) to seek the appropriate permissions and license to carry out that activity.

This specific policy sits outside of that wider context and represents that Redditch Borough Council seeks to do over and above that legislation work. Redditch Borough Council notes that it is in no position to remove the right of any individual or group to carry out activities with animals, birds or fish that sit appropriately within the legal framework briefly outlined outside of Redditch Borough Council's land. This policy only places control measures in place for events held on Redditch Borough Council's land and in our premises.

Redditch Borough Council wishes to promote positive practice and specifically good quality animal husbandry. Redditch Borough Council will support this approach by presenting at its events, educational opportunities for residents (and in particular; children and young people) to have animal, bird and fish educational experiences. More detail about this work is outlined in Section 4 below. Further information about the legal frameworks outlined above can be found by contacting Worcestershire Regulatory Services and the Health and Safety Executive, DEFRA.

Executive Committee - Appendix 1**3.0 Statement of Policy****The Council does not allow:**

1. Circuses, fairs, or events who hire with or without charge Redditch Borough Council's own land or use Redditch Borough Council's own premises as a venue to use performing animals, birds or fish.
2. Circuses, fairs, or events that hire, with or without charge, Redditch Borough Council's land or use Redditch Borough Council's premises as a venue to use animals, birds or fish as prizes. (for example goldfish at fairs).

The Council does allow: -

1. Events who hire with or without charge Redditch Borough Council's land who work with animals, birds and fish in such a way that provides educational and/or charitable activity that promotes positive animal welfare as part of its contribution to a civil society here in Redditch.
2. Event organisers who hire with or without charge Redditch Borough Council's own land who are affiliated with a relevant national governing body associated with the species concerned. (Examples include National Schools Equestrian Association, International Sheep Dog Trails, Dogs Unite, Amphibian and Reptile Conservation Trust: Note this list is not exhaustive). So long as the activities promote positive animal welfare and are inline with regulatory requirements (Example: The Kennel Club Show Regulations)

4.0 Acceptable usage of animals at events

Redditch Borough Council does wish to promote and support high standards of quality in animal, bird and fish education and husbandry. Redditch Borough Council does support and indeed carry out such activities that promote to its resident's high quality animal husbandry and handling. Redditch Borough Council requires all contractors and exhibitors who do work (for example) at Redditch Borough Council's events to adhere to minimum operating standards associated with the relevant regulation of their activity and hold a Licence Performing Animals registration (England, Scotland and Wales), Public Liability Insurance and an appropriate risk assessment. Redditch Borough Council is aware in the background that such contractors and exhibitors are subject to scrutiny and regulation under the supervision of bodies such as DEFRA and the Animal Health and Veterinary Laboratories Agency.

5.0 Policy Application and Monitoring

The normal operating procedure for the hiring of Redditch Borough Council's land and premises for event purposes requires our customers (hirers) to accept a terms

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and conditions form and sign a contract committing themselves to those terms and conditions before making any payment to Redditch Borough Council and carrying out their activity on Redditch Borough Council's land or premises. Without a signed agreement being in the possession of Redditch Borough Council 28 days prior to a proposed event, permission to hire will not be granted.

The current terms and conditions for the hire of Redditch Borough Council's land or premises already stipulate the following at 6.22

The Hirer will not allow at the Event any exhibition, performance or entertainment in which animals, birds or fish are, or might be involved as prizes or for sale.

This clause will be retained, and an additional clause will be integrated that applies the performing animals' element of this policy. That clause will say the following:

6.23 The Hirer will not allow at the Event any exhibition, performance or entertainment in which animals are made to perform.

This process will be monitored on an ongoing basis. No prospective hirer will carry out an activity on Redditch Borough Council land without prior permission and having signed up to Redditch Borough Council's terms and conditions.

Officers at Redditch Borough Council will spot check and inspect for appropriate implementation of Redditch Borough Council's policy and ensure hirers are aware of their obligations at the following stages in the process, as appropriate:

- Initial telephone or online contact between hirer and Redditch Borough Council's events team.
- Terms and conditions of hire clearly communicated with prospective hirer in writing.
- Hirer signs up to terms and conditions and contract of hire of premises.
- Deposit held by Redditch Borough Council in event of breach of contract.
- Conditions of hire stipulated on day of hire.

6.0 Raising awareness of the policy

To promote awareness of this policy, information will be placed on Redditch Borough Council website to make clear to hirers their obligations under their contract and Redditch Borough Council's terms and conditions.

All prospective hirers must liaise with officers at online and telephone, contract exchange, and onsite planning stage whereby the policy is confirmed in writing and face to face. There is a cross departmental process in place to raise awareness of this policy through the communications team, and in partnership with relevant agencies (e.g. WRS, Local forums, Redditch LSP, Redditch Community Safety Partnership).

Executive Committee - Appendix 1**7.0 Review**

This policy will be reviewed at twelve months after adoption. This review will be with the Portfolio Holder for Leisure.

8.0 Breach of policy

Redditch Borough Council will retain the financial deposit by hirers in the event of a breach of contract.

The hirer will be instructed to remove the offending element immediately. Redditch Borough Council retains the right to close the event and instruct the organiser to leave; should the terms of the agreement be breached, and no satisfactory resolution can be sought. Redditch Borough Council will report any illegal activity to the relevant authorities.

Post events, any relevant membership organisation (e.g. the Showmen's Guild of Great Britain) that the hirer is affiliated and where further advice would be obtained to establish governing of such activities, and within a number of organisations (not exhausted) will be copied into all correspondence in order to ensure that the concern is widely understood.

9.0 Dispute resolution

If a dispute arises between Redditch Borough Council and hirer in connection to this Policy and the clauses within Redditch Borough Council's terms and conditions of hire, the parties shall each use reasonable endeavours to resolve such dispute by means of prompt discussions with a Manager in Leisure Services.

If a dispute is not resolved within 14 days of referral, then either party may, in the first instance, refer it to the Head of Leisure Services who shall meet for discussions within 14 days or longer as the parties may agree.

10. Access Issues

Redditch Borough Council is fully aware of language barriers being an issue for some of our hirers. Redditch Borough Council therefore puts measures in place.

All queries in relation to this policy are to be directed to :

**Parks and Events service Manager
Redditch Borough and Bromsgrove District Councils
Redditch Town Hall
Walter Stranz Square
Redditch**

Executive Committee - Appendix 1

**Worcestershire
B98 8AH**

01527 64252 Ext 1204

events@redditchbc.gov.uk

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EXECUTIVE**5th December 2023****Homelessness Prevention Grant and Domestic Abuse Grant Allocation for 2024/25**

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis, Head of Communities and Housing Services
Report Author	Job Title: Amanda Delahunty Contact email:a.delahunty@bromsgroveandredditch.gov.uk Contact Tel: 01527 881269
Wards Affected	All
Ward Councillor(s) consulted	Not Applicable
Relevant Strategic Purpose(s)	<ul style="list-style-type: none"> • Finding somewhere to live • Aspiration, work and financial independence • Living independent, active and healthy lives • Communities which are safe, well maintained and green.
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Executive RESOLVE as follows:-

- 1.1 That the initiatives in 3.4 be approved to receive allocation of funding 2024/25.
- 1.2 That delegated authority be granted to the Head of Community and Housing Services following consultation with the Portfolio Holder for Housing and Procurement and the Portfolio Holder for Community Services and Regulatory Services to use any unallocated Grant during the year or make further adjustments as necessary to ensure full utilisation of the Grants for 2024/25 in support of existing or new schemes.

2. BACKGROUND

- 2.1 This report seeks Members' approval to award the DLUHC Homelessness Prevention Grant and Domestic Abuse Grant to specific

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schemes that meet the DLUHC grant requirements and as recommended by the Strategic Housing Manager in consultation with the Housing Solutions Manager and the Voids and Allocations and Lettings Manager. Additionally, it seeks to delegate authority to the Head of Community and Housing Services, in consultation with the Portfolio Holder for Housing and Procurement and the Portfolio Holder for Community Services and Regulatory Services to allocate any underspend of grant during 2024/25 on schemes to prevent homelessness and assist those who actually become homeless and for those who are homeless or threatened with homelessness due to being victims of domestic abuse.

- 2.2 The purpose of the ringfenced Homelessness Prevention Grant fund is to give local authorities control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness. The Government expects local authorities to use it to deliver the following priorities:
- To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness
 - Reduce family temporary accommodation numbers through maximising family homelessness prevention
 - Eliminate the use of unsuitable bed and breakfast accommodation for families for longer than the statutory six week limit.
- 2.3 The council received a number of applications for this funding and this criteria was used to support the award of this grant.
- 2.4 Domestic Abuse New Burdens Grant funding has been allocated to ensure that councils can comply with the requirements to provide safe and supported accommodation for those fleeing domestic abuse. The grant will contribute to a specialist County co-ordinator post and a specialist County Research and Intelligence Officer post and will also be used to support existing services that meet the needs of this cohort.

Financial Implications

- 3.1 The Council has been awarded £330,067 Homelessness Prevention Grant 2024/25 which is ring fenced by the Department for Levelling Up, Housing and Communities (DLUHC) for the prevention of homelessness. The Temporary Accommodation Management Fund (TAMF) previously received through the DWP has been amalgamated into this grant.

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- 3.2 The amount the Council would have ordinarily expected from the former Temporary Accommodation Management Fund is £66,380.
- 3.3 The Council expects the funding for Homelessness Prevention in 2024/25, as follows:

Homelessness Prevention Grant	2024/25
Homelessness Prevention Grant	£330,067
Underspend from 2023/24	87,000
Total Grant Available	417,067

Domestic Abuse Grant	2024/25
Domestic Abuse Grant	£35,222
Underspend from 2023/24	£16,839
Total Grant Available	£52,061

Service / Operational Implications

- 3.4 Proposed Allocation of Homelessness Prevention Grant.

Initiatives	£ (up to £417,067)
Redditch Nightstop - Outreach Worker to support 21 to 35 year olds and prevent homelessness or work towards planned moves into suitable and sustainable accommodation.	26,566
Redditch Nightstop Core Funding	13,000
Redditch Nightstop Safe Accommodation and Support	15,000
Rough Sleeper Outreach Service	45,599
GreenSquare Accord – 18 units of supported accommodation for Ex Offenders or those likely to offend	16,852

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Newstarts - Furniture Project to provide furniture for homeless households.	10,000
Homelessness Prevention - Spend to Save budget for use by Housing Options Officers	17,060
Temporary Accommodation Management – as 3.1 above	66,380
St Basils Smallwood Almshouses - Progression Coach to offer additional support that can operate outside of normal office hours to fit around a young persons education, training and employment.	24,476
St Basils Young Persons Pathway Worker	24,572
St Basils Crash Pad emergency accommodation	43,472
Citizens Advice Debt Advice and Affordability Assessments	51,119
County Partnership Manager	9,500
Single and Childless Couples Homeless Prevention Service	33,460
Batchley Support Group	20,000
Total	£417,056
Underspend	£ 11

Proposed allocation of Domestic Abuse Grant

Initiatives	£ (up to £52,061)
Domestic Abuse Co-ordinator	4,400
Domestic Abuse Research and Intelligence Officer	4,700
Redditch Nightstop – Safe accommodation & Outreach Worker to support 21 to 35 year olds and prevent homelessness or work towards planned moves into suitable and sustainable accommodation.	13,282.00
St Basils Progression Worker	12,238.00

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New Starts	5,000
St Basils YPPW	12,286
Total	£51,906
Underspend	£ 155

- 3.5 These are voluntary organisations and without this funding it is unlikely this support would be offered or available which in turn would lead to increase direct revenue costs for the council. Their prevention role is crucial in helping people remain in their existing accommodation wherever possible. This is even more relevant due to affordability issues in the private rented sector and mortgages for first time buyers being more difficult to access due to the increase in interest rates, in addition there has been less churn in social housing, so few properties are becoming available and social housing options are very limited.
- 3.6 One bid was not supported from BEAM for a Private Sector access and crowd funding scheme. The funding for 2023-24 has not led to the securing of any private rented properties largely due to the market being difficult to access for anyone on low incomes, with LHA rates having been frozen since 2020 and landlords increasing rents significantly when re-letting due to the cost of living crisis and having to meet increased mortgage repayments. Other landlords are seeing an opportunity to set higher rents simply due to the lack of supply accommodation in the District and the increased demand often with 15-20 households attending block viewings where they can cherry pick their tenants.
- 3.7 The bid from CCP for a Rough Sleeper Outreach Service is still under consideration and whilst the funding has been earmarked for this service and discussions are continuing with CCP, it may be that a different way of delivering the service will be explored, for example, the development of an in house Rough Sleeper Outreach team.
- 3.8 The Citizens Advice bid for a Debt Adviser and the provision of affordability assessment for the Housing Solutions Team has been increased to a full time post due to the demand for this service.
- 3.9 Delegated authority be granted to the Head of Community and Housing Services following consultation with the Portfolio Holder for Housing to use any unallocated Grant during the year or make further adjustments

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to current initiatives as necessary to ensure full utilisation of the Grant for 2024/25.

4. LEGAL IMPLICATIONS

- 4.1 The Council has statutory duty under the Housing Act 1996 (as amended) to assist those who are threatened with homelessness or experiencing actual homelessness and has placed additional duties on the Council regarding preventing and relieving homelessness
- 4.2 The Homelessness Prevention Grant has been ring fenced to homelessness prevention and tackling homelessness by the Department of Levelling Up, Housing and Communities.
- 4.3 The Domestic Abuse New Burdens Grant has been provided to ensure that councils comply with the requirements of the Domestic Abuse Act 2021.

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

- 5.1 Homelessness Prevention Grant and Domestic Abuse Grant allows the Council to support a range of holistic services to help prevent or tackle homelessness and rough sleeping in the District. The combination of practical support such as furniture compliment those services that provide outreach support to help clients access accommodation, sustain tenancies, manage budgets, engage in positive activities and access employment. The breadth of services available support all of the strategic purposes provide opportunities for:
- Finding somewhere to live
 - Aspiration, work and financial independence
 - Living independent, active and healthy lives
 - Communities with are safe, well maintained and green

Climate Change Implications

- 5.2 The recycling of furniture supports the Council's green thread as it minimises waste and provides reuse and recycling of household items wherever possible.

6. OTHER IMPLICATIONS

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Equalities and Diversity Implications

- 6.1 The Homelessness Grant and Homelessness Prevention Grant and Domestic Abuse Grant will benefit customers by offering household's more options to prevent their homelessness, support them to remain in their own homes or help the Council to manage and support households in Temporary Accommodation.
- 6.2 The grant will also benefit the larger community as opportunities to prevent homelessness will be maximised.
- 6.3 Domestic Abuse New Burdens Grant will ensure that there are resources to support the provision of a range of services available to meet the needs of those victims/survivors of domestic abuse who become homeless and need support to set up a new home and recover from their experience. The majority of those experiencing homelessness as a result of domestic abuse are women.

Operational Implications

- 6.4 The management and administration of grant forms a significant part of the Strategic Housing Team's day to day operations.

7. RISK MANAGEMENT

- 7.1 If the recommended schemes are not approved there is a risk that more households who are threatened with homelessness, or who are in housing need, will have limited alternative options. There is also therefore the risk that they may have to make a homeless approach and this could consequently lead to the following negative outcomes:

- Increased B&B costs with 80% having to be picked up by the local authority.
- Increased rough sleeping in the Borough
- Impacts on physical and mental health, educational achievement, ability to work and similar through increased homelessness

- 7.3 All recipients of Grant will enter into a grant agreement and have regular monitoring with officers on the delivery of the service.

8. APPENDICES and BACKGROUND PAPERS

None.

EXECUTIVE**5th December 2023****9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Councillor Craig Warhurst	20 th November 2023
Lead Director / Head of Service	Judith Willis Head of Communities and Housing Service	20 th November 2023
Financial Services	Peter Carpenter, Interim Deputy Section 151 Officer	20 th November 2023
Legal Services	Claire Felton Head of Legal, Democratic and Property Services	20 th November 2023
Policy Team (if equalities implications apply)	Not applicable	
Climate Change Officer (if climate change implications apply)	Matt Eccles, Climate Change Manager	20 th November 2023

**EXECUTIVE
2023****5th December****PUBLIC SPACE PROTECTION ORDER IN REDDITCH TOWN CENTRE**

Relevant Portfolio Holder	Councillor Lucy Harrison
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis, Head of Community & Housing Services
Report Author	Job Title: Bev Houghton, Community Safety Manager Contact email: bev.houghton@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 ext. 3194
Wards Affected	Abbey Ward Batchley and Brockhill Central Lodge Park
Ward Councillors consulted	Yes
Relevant Strategic Purpose(s)	Communities which are safe, well maintained and green
Key Decision / 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 RESOLVE that:-****A Public Space Protection Order to restrict Antisocial Behaviour related to Alcohol and Misuse of Psychoactive Substances, as outlined in Appendix 1, is implemented.****2. BACKGROUND**

- 2.1 Following increases in reported crime and ASB in Redditch town centre last year and complaints from local businesses and residents about the behaviour of a small number of individuals in public spaces, the Safer Redditch community safety group established a town centre operational group. This operational group was made up of local partners such as the West Mercia Police Safer Neighbourhood Team (SNT), the Business Improvement District (BID) Manager, Heart of Worcestershire (HOW) College, Kingfisher Centre and Redditch Borough Council (RBC) services such as Community Safety, CCTV, Environmental Services and Planning.
- 2.2 The operational group implemented a number of actions to address the issues in the town centre including increased police patrols,

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landscaping & cleansing and targeted enforcement against individuals and landlords. To compliment this on-going action to improve the town centre, the local SNT requested that the Council consider implementing a Public Space Protection Order (PSPO) to provide additional powers to tackle ASB in the area.

2.3 A PSPO would allow the Police and other officers with appropriate authorisation to intervene early and take action quickly against people causing trouble and behaving badly in public areas of the town centre. Following consultation with the District Inspector, the SNT, community safety partners and local stakeholders, the key issues to be addressed by a Town Centre PSPO were identified as:-

- Alcohol-related ASB in open spaces
- Possession and use of Psychoactive Substances e.g. Nitrous Oxide
- Public Urination, Defecation and other Offensive, Indecent or Threatening Behaviour
- Abusive, Obscene and Threatening Language

An area of restriction was proposed which incorporated the locations where the main ASB and nuisance issues were taking place. This is predominately within Abbey Ward, however the proposed PSPO area briefly crosses into Lodge Park Ward at Other Road, then enters Central Ward at Ipsley Street leading to Station Way, across the lower part of Plymouth Road leading into Bromsgrove Road and then across to Edward Street; and then finally into Batchley and Brockhill Ward at Elm Road and a short section of Hewell Road.

2.4 Under Sections 59-75 of the ASB, Crime and Policing Act 2014 local councils are responsible for making PSPOs, provided certain conditions are met and a series of statutory processes are followed. The Order can last for a maximum period of three years and must relate to a specified location within the Authority's area of operation. A full copy of the proposed PSPO, restricted area and a list of Frequently Asked Questions (FAQs) are attached at **Appendix 1**

2.5 This report details the processes followed to date in respect of the proposal to implement a PSPO in Redditch Town Centre.

3. OPERATIONAL ISSUES

3.1 The Community Safety Manager provides co-ordination, support and management of the corporate delivery of the Council's statutory duties and responsibilities under the Crime and Disorder Act 1998 (as amended). On receipt of the request for a PSPO from West Mercia

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Police and other local partners, briefings were provided outlining the requirements and considerations for implementing any order. A partnership briefing paper is attached at **Appendix 2**. Following discussions with partners and local stakeholders via the Town Centre Operational Group, it was agreed that an application for a PSPO was appropriate and the formal process was initiated.

- 3.2 Data and evidence of need – In order to make a PSPO, Members have to be satisfied that certain legal conditions have been met. These conditions are that the activities carried out in a public place in the Authority's area:-
- a) have or are likely to have a detrimental effect on the quality of life of those in the locality
 - b) are or are likely to be of a persistent and continuing nature
 - c) are or likely to be unreasonable and
 - d) justify the restrictions imposed.
- 3.3 A data report into ASB incidents and public order offences in the town centre over a three year period was commissioned in order to establish whether the above conditions had been met. The report was produced by West Mercia Police's Partnership Analyst Team and is attached at **Appendix 3**.
- 3.4 Within the report 12 months of combined public order crime and ASB data was analysed and a clear area of concern was identified around the town centre, a hot spot map was produced which aligned almost exactly with the proposed PSPO area.
- 3.5 In summary, the crime and ASB data report provides evidence that the area of the town centre identified for the proposed PSPO is an area of significant concern for public order crime and ASB. The types of offences and incidents taking place in the proposed restricted area would be addressed by the conditions of the PSPO. The proposed order would provide police officers and other authorised officers with additional tools and powers to intervene early and remove perpetrators of ASB before situations escalate.
- 3.6 Statutory Consultation – In 2018 delegated authority was given to the Head of Community and Housing Services to initiate a consultation process to accompany any proposal for a PSPO put to Council for a decision. A delegated officer decision was taken on 14th July and a PSPO consultation process was developed.

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3.7 PSPO statutory guidance is not prescriptive in what constitutes appropriate consultation; however it is specified that the local authority must consult with the following:

- Police and Crime Commissioner (PCC)
- Chief Officer of Police for the area
- Any community representatives the Council feels appropriate
- Owner or occupier of land within the restricted area, such as local businesses

3.8 Consultation surveys were sent to all of the above and a list of consultees is included at **Appendix 4**, alongside a full report of the consultation findings. In summary, there were a total of 124 responses to the online and paper survey. 108 were in support of the PSPO and 15 were against. There were also two statutory responses from the Office of West Mercia PCC and a Chief Officer of West Mercia Police.

4. FINANCIAL IMPLICATIONS

4.1 Costs associated with the implementation of the PSPO will be met from existing Community Safety budgets. Costs are largely associated with advertising and promoting the PSPO, for example statutory publication of any Order made and appropriate signage around the perimeter and within the restricted area. An example of a proposed PSPO sign is attached at **Appendix 5**.

5. LEGAL IMPLICATIONS

5.1 The ASB, Crime and Policing Act 2014 sections 59-75 allows the Borough Council to issue a PSPO as long as certain conditions are met and statutory processes have been followed.

5.2 The Crime & Disorder Act 1998 and subsequent amendments places a duty on the Borough Council to work in partnership with other agencies to reduce crime, disorder, ASB and fear of crime. It also places a duty on the Council to exercise its various functions with due regard to the likely effect of those functions on crime, disorder, ASB and re-offending and do all that it reasonably can to prevent crime, disorder ASB and re-offending in its area.

5.3 Use of the power to implement a PSPO must be compliant with the Human Rights Act 1998 and the Equality Act 2010 (specifically, the Public Sector Equality Duty pursuant to section 149) along with all other relevant legislation.

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6. OTHER - IMPLICATIONS**Communities which are safe, well maintained and green**

- 6.1 PSPOs are intended to deal with a particular nuisance or problem in a specific public area that is detrimental to the local community's quality of life. The Order can impose restrictions, requirements or conditions on the use of that area which apply to everyone. The aim of a PSPO is to help ensure that the law-abiding majority can use and enjoy public spaces, safe from antisocial behaviour, nuisance and harassment.

Climate Change Implications

- 6.2 Not applicable

Equalities and Diversity Implications

- 6.3 An Equality Impact Assessment has been undertaken in relation to the proposed PSPO and it does not identify any groups covered by the Equalities Act that would be adversely affected by the introduction of the PSPO. However, it was identified that some of those who might be affected by the restrictions may also have mental health concerns that impact on their behaviour such as those street drinking or those who are homeless.
- 6.4 The wording of the PSPO restrictions and actions taken on breach aim to balance the needs of the individual, principally substance misuse and/or mental health concerns, with the need to tackle antisocial behaviour, respond effectively to complaints from the public and take action against illegal activities.
- 6.5 The PSPO has the potential to have a positive impact on advancing equality of opportunity between different groups by improving the safety of public spaces for people with protected characteristics who can often be directly targeted by perpetrators of ASB and crime and may avoid public spaces for this reason. A copy of the Equality Impact Assessment is available on request.

7. RISK MANAGEMENT

- 7.1 If the statutory process to introduce a PSPO is not followed correctly this could lead to challenge, which would mean the Council could face legal costs and reputational damage. Officers have followed the process as laid out in the ASB, Crime & Policing Act 2014 Statutory

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Guidance for Frontline Professionals (last revised March 2023) to ensure that all requirements for implementation have been met.

- 7.2 There is a risk that expectations will be raised by the Order, which agencies may not be able to meet. Discussions have been held and will be ongoing with the Police SNT who will be the primary agency for enforcement of the Order. The impact and effectiveness of the PSPO will be monitored via the Town Centre Operational Group and Safer Redditch, where any issues or adjustments will be discussed as part of a multi-agency problem solving approach.
- 7.3 There is a risk that the Order could displace ASB perpetrators to more residential locations outside of the proposed restricted area. This issue has been considered by the operational group and discussions have been held with support agencies and local charities to identify alternative, more appropriate spaces that people affected by the order can be directed toward. The proposed restricted area follows the footprint of previous Designated Public Places Orders (DPPO) and PSPOs and historically there have been no reported increases of ASB in residential areas as a result of an Order being in place.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Wording of proposed PSPO, map of restricted area and list of FAQs.

Appendix 2 – Partnership Briefing Paper on PSPOs

Appendix 3 – Data Report on ASB & Public Order Offences in Redditch Town Centre

Appendix 4 – PSPO Consultation Results

Appendix 5 – Example copy of a PSPO Sign

Background Papers

ASB Provisions Report to Executive Committee – 11th September 2018

Statutory Guidance for ASB, Crime & Policing Act 2014 (revised March 2023)

Delegated Officer Decision – 14th July 2023

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REDDITCH BOROUGH COUNCIL

Executive/Council

5th December 2023INTERIM AUDITORS ANNUAL REPORT 2021/22 AND 2022/23

Relevant Portfolio Holder	Councillor – Luke Court Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	-
Relevant Head of Service	Pete Carpenter – Interim Director of Finance
Report Author Peter Carpenter	Job Title: Interim Director of Finance Contact email: peter.carpenter@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
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. SUMMARY OF PROPOSALS

- 1.1 The Council has received the Interim Auditor's Annual Report from our External Auditors Grant Thornton for 2021/22 and 2022/23. This was received by Audit, Governance and Standards Committee on the 23rd November 2023. The report sets out progress since the 2020/21 Report and contains an updated Statutory Recommendation with the **key reason** being the non-delivery of the 2020/21 and subsequent financial statements. This report sets out the reason for the updated Statutory Recommendation, the progress the Council has made since last year's report, and the process the Council now has to follow to rectify that position.

2. RECOMMENDATIONS

Audit Governance and Standards Committee at their meeting on the 23rd November Recommended that Council:

- 1 Accept the Section 24 Statutory Recommendation and that Council review the recommendation, endorse the actions included in the management responses which form the rectification process required as per legislation.

3. Background**Introduction**

- 3.1 The Council received a Section 24 Statutory Recommendation, 6 Key Recommendations and 13 Improvement Recommendations in the 2020/21 Interim Auditor's Annual Report. During the last year, Members have been updated on progress on delivering to the requirements of the Statutory

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Recommendation and associated financial issues through the Financial Compliance Reports that are reviewed at every Audit Governance and Standards Committee and the Financial Recovery Reports that go to Executive. In addition, a Task Group was convened in Bromsgrove to identify the underlying issues for the delivery of the Section 24 Statutory Recommendation in February 2023. This Task Group's Report was reviewed and its recommendations accepted by the Redditch Audit, Governance and Standards Committee.

- 3.2 As set out in those reports the Section 24 Statutory Recommendation is due to the issues the Council encountered in the implementation of a new financial system in February 2021 and its knock-on effect in terms of staff retention, delivery of the 2020/21 and subsequent Accounts, delivery of 2021/22 in year monitoring, delivery of Government Returns being key items.
- 3.3 As set out in the Interim Auditor's Annual Report 2021/22 and 2022/23 (attached as Appendix A):
- The Section 24 Recommendation around the delivery of the 2020/21 accounts is still in place and has been extended to the subsequent accounting periods now outstanding.
 - Of the 6 Key Recommendations in the 2020/21 report, only one serious weakness remains in relation to opening balances linked to the budget which will be resolved with the delivery of the Accounts, the remainder of those significant weaknesses have been resolved or linked to Improvement Recommendations (of which there are 10 in the report).
 - There is one new Key Recommendation linked to Organisational Capability and Capacity. The Council is mitigating this in the main through the rollout of the Workforce Strategy.
 - Of the 13 2020/21 Improvement Recommendations, 9 have been fully or partially addressed and 4 are yet to be addressed. Again, ongoing improvements are linked to the 10 new Improvement Recommendations set out in the External Auditors report.
- 3.4 The External Auditors have noted the significant progress the Council has made in all areas apart from the delivery of the Accounts. As such the existing S24 Statutory Recommendation remains outstanding in relation to the 2020/21 Accounts and they have concluded that it is appropriate for them to use their powers to make written recommendations under section 24 of the Act, with the key reason being the non-delivery of the 2020/21 and subsequent Statutory Accounts. Further details are set out in the attached report.
- 3.5 Schedule 7 of the Local Audit and Accountability Act 2014 requires the following actions:
- The Council must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on

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which it was sent to the Council. This will take place at the Council meeting being scheduled for the on the 5th December 2023.

- At that public meeting the Council must decide
 - whether the recommendations are to be accepted; and
 - what, if any, action to take in response to these recommendations.
- Schedule 7 specifies the meeting publication requirements that the Council must comply with.

3.6 Audit, Governance and Standards Committee at their meeting on the 23rd November reviewed the report in the presence of the External Auditors and accepted the recommendations and the proposed management actions.

3.7 The External Auditors Report sets out that Management state that the proposed resolution of the opening balances (Period 0) as at the 8th February have been provided on the 13th November. Once these are reviewed and agreed by the External Auditors the draft 2020/21 Accounts can be provided.

3.8 Page 4 of the External Audit Report sets out the main issues and the Council's Management Responses to each of those issues.

4. **IMPLICATIONS**

Financial Implications

4.1 Financial implications are set out in section 3 above.

Legal Implications

4.2 This is set out in section 3.5 above.

Service / Operational Implications

4.3 Non-Delivery of the 2020/21 and subsequent Accounts is a fundamental deficiency and this is part of the Corporate Risk Register and impacts all service areas directly and indirectly.

Customer / Equalities and Diversity Implications

4.4 There are none of these within this report.

5. **RISK MANAGEMENT**

5.1 Non-Delivery of the 2020/21 and subsequent Accounts is a fundamental deficiency and this is part of the Corporate Risk Register.

6. **APPENDICES**

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Appendix A – Redditch Borough Council Section 24 Statutory Recommendation – Grant Thornton.

6. **BACKGROUND PAPERS**

S24 Report to Audit, Governance and Standard Committee – November 2022
2020/21 Draft External Auditors Annual Report – Audit, Governance and Standards Committee – November 2022
Financial Compliance Reports to every Audit Committee in 2023

7. **KEY**

None

Interim Auditor's Annual Report on Redditch Borough Council

2021/22 and 2022/23

November 2023

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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the local authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the local authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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23 November 2023

Dear Sirs/Madams

[Recommendations made under section 24 schedule 7 of the Local Audit and Accountability Act 2014](#)

Our responsibilities

As well as our responsibilities to give an opinion on the financial statements and assess the arrangements for securing economy, efficiency and effectiveness in the Council's use of resources, we have additional powers and duties under the Local Audit and Accountability Act 2014. These include powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We have concluded that it is appropriate for us to use our powers to make written recommendations under section 24 of the Act, due to inadequate arrangements relating to issues with financial systems which further impact on key statutory returns and related financial governance and concerns around the authority's arrangements to secure financial sustainability. The continued non-delivery of the 2020/21 financial statements is a key reason for our updated S24 Recommendation. Further details are set out in the attached report.

What does the Council need to do next?

Schedule 7 of the Local Audit and Accountability Act 2014 requires the following actions:

The Council must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the Council.

At that public meeting the Council must decide

- whether the recommendations are to be accepted; and
- what, if any, action to take in response to these recommendations.

Schedule 7 specifies the meeting publication requirements that the Council must comply with.

Jackson Murray

Key Audit Partner
Grant Thornton UK LLP

Chartered Accountants

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Executive summary



Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the local authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the local authority's arrangements under specified criteria. 2020/21, reported on the 31st October 2022, was the first year that we reported our findings in this way. The NAO have issued guidance to auditors which states that a commentary covering more than one financial year can be issued where it is more efficient and effective to do so. We have decided to report a combined commentary on the local authority's arrangements for 2021/22 and 2022/23 for timely reporting. As part of our work, we considered whether there were any risks of significant weakness in the local authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

We have included a summary on the Council's progress against the key and statutory recommendations raised in 2020/21 to our report for 2021/22 and 2022/23. This is for the purposes of clarity to ensure that it is clear which recommendations remain outstanding and which can be closed. This summary is on pages 11 to 14. Redditch Borough Council (RBC) also has a totally shared management team with Bromsgrove District Council (BDC). BDC may also be referred to in this report.

Criteria	2021/22 Auditor Judgment	2022/23 Auditor Judgment
Financial sustainability	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1) and four improvement recommendations	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1) and four improvement recommendations
Governance	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1), one key recommendation and four improvement recommendations	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1), one key recommendation and four improvement recommendations
Improving economy, efficiency and effectiveness	No significant weakness in arrangements identified but two improvement recommendations	No significant weakness in arrangements identified but two improvement recommendations raised

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and key recommendations made.

Executive summary



Financial sustainability

Redditch Borough Council (RBC)'s financial arrangements are significantly impacted by a flawed ledger implementation which occurred in February 2021. This has had pervasive consequences on all aspects of organisational operations and the Council's ability to fully prove its financial sustainability. As reported in our 2020/21 Auditor's Annual Report in October 2022 and our updates to Audit, Governance & Standards in May 2023 and September 2023, the Council is still not able to produce full draft financial statements for 2020/21. The statutory recommendation in this area remains open and we have updated the statutory recommendation to reflect changes over the last 12 months (see statutory recommendation 1).

Notwithstanding the financial ledger implementation issues and the impact on producing the accounts, the Council has been able to produce a financial monitoring report for M11 of 2021/22 and quarterly monitoring and a draft outturn report for 2022/23. The M11 monitoring report showed the Council to be reporting an estimated £136k underspend on the General Fund Revenue Budget which is reasonably comfortable financial performance. The draft 2022/23 outturn is forecasting a £685k overspend which is set to be serviced by reserves. The majority of this overspend is linked to the nationally agreed pay award which was significantly over the 2% planned for. It is important to note that all financial information produced since February 2021 is not supported by audited financial statements, and as such could be subject to further change. This means that budget outturns could be incorrect as the budgeting process each year is based on this unvalidated information. This has the potential to change the financial position significantly and may mean inappropriate decisions are being taken.

The Council appears to be in a strong position for the medium term. Our review of the majority of savings that make up the medium term package demonstrate that the plans are based on robust assumptions. We were able to validate the majority of the Council's savings plans with third party evidence which is demonstrative of strong assumptions underpinning the plan. It is important to note, however, that these savings appear to only secure the Council's financial sustainability for the medium term. When the medium term period elapses, the Council will need to identify new and recurrent savings for the post-2026/27 period. The Council currently report a healthy level of reserves (£2.7m estimated as at 31 March 2023, which is above the 5% net revenue expenditure benchmark). The Council must note that any non-delivery of savings would increase its reliance on reserves, though based on our review of the savings plans, this is unlikely to materialise to an unsustainable degree in the medium term.

Though the Council's MTFP appears to be predicated on fairly strong ground, it is important to note that we are basing this assessment on information that is not currently supported by audited statements of accounts for the past three years – which creates a significant gap in assurance. This continues to be a weakness, identified initially in October 2022, and we address this issue in statutory recommendation 1. We raise an improvement recommendation on savings identification, development and reporting to encourage greater transparency in savings management.

The Council has reported significant underspends against its capital budgets relating to slippage, re-phasing and delays in capital projects. We have raised an improvement recommendation in this area (see improvement recommendation 2) to strengthen the Council's capital budget setting process.

The Housing Revenue Account (HRA) appears to be in a reasonably healthy position. It has been able to produce operational surpluses for the past few years and has not relied on reserves to balance the books.

The budget setting process at RBC has undergone significant changes since our reporting in October 2022. There has been a focus on greater Member engagement and regular updates on emerging budget concerns have been publicly reported on a regular basis. The 2023/24 budget process also changed significantly with the introduction of the 'two tranche' approach. While there has been improvement, we raise two improvement recommendations relating to budget setting (see improvement recommendations 3 and 4).

Similarly, the budgetary control arrangements have notably improved. During 2021/22, there was no in-year financial monitoring reporting. In 2022/23, the Council returned to in-year reporting which is extremely positive to note. Whilst there has been progress, it is important to note that the assurance in the budget monitoring arrangements continues to be severely impacted by the flawed implementation of the ledger system in February 2021.



2021/22

We are unable to complete our financial statements audit as the Council is unable to produce accounts.

2022/23

We are unable to complete our financial statements audit as the Council is unable to produce accounts.



Executive summary



Governance

We have found a significant weakness in the Council's governance arrangements relating specifically to the failure to produce full financial statements for 2020/21, 2021/22 and 2022/23 (see statutory recommendation 1). The Council is significantly behind its statutory requirement to produce financial statements. This does not allow accountability and transparency for the taxpayers of Redditch. In our view, this is an unacceptable failure to comply with statutory duties. The Council has continued to report this position to Members through Audit, Governance and Standards Committee and Executive.

Outside of the financial ledger issues, the Council's governance arrangements have undergone significant improvement since our 2020/21 reporting. Since October 2019, there had been no formal risk reporting arrangements at the Council. This remained throughout 2021/22 and was reinforced by 'No assurance' opinions from internal audit regarding risk management. It was impossible for Members to have assurance that risks were properly being identified and appropriately managed. During 2022/23, the Council was able to introduce a Risk Strategy and Risk Management Framework and introduce formal risk reporting via the Audit, Governance and Standards Committee. Due to the significance of the deficiencies in 2021/22, we have found there to be a significant weakness in the Council's arrangements for risk management in that year. This was reported in our 2020/21 Auditors Annual Report in October 2022. As this is a combined 2021/22 and 2022/23 report, we must also comment on the arrangements for 2022/23. Due to the improvement in the position from 2021/22 to 2022/23, we do not find there to be a significant weakness in the Council's arrangements for 2022/23 in relation to risk management but raise improvement recommendations (see improvement recommendation 5). This demonstrates a marked improvement in the arrangements from 2021/22 to 2022/23, noting that there remains work to do.

The Council had appropriate internal audit arrangements during 2021/22 and 2022/23. The service was effective and assessed the adequacy of internal controls, reporting regularly to Audit, Governance & Standards Committee. We raise one improvement recommendation relating to external assessment for compliance with PSIAS (see improvement recommendation 6). Internal audit provide the Council's arrangements for the prevention and detection of fraud. These are generally appropriate though an improvement recommendation has been raised relating to whistleblowing arrangements (see improvement recommendation 8).

There is also room for improvement with regard to Audit, Governance & Standards Committee arrangements (see improvement recommendation 7).

We have found a new significant weakness and key recommendation for 2022/23 relating to the Council's organisational capacity and capability. The average age of staff at the Council is 49 and approximately 10% of Council staff are interim/temporary arrangements. Two of the three statutory officer roles are currently being fulfilled by interims. High turnover of staff has led to a loss of corporate knowledge and history, and this impacted the finance team significantly along with the continuing development of the finance system implementation. The finance team currently has several staff who are interim or on long-term sick leave, and there are also vacancies.

In September 2023, we reported to Audit, Governance & Standards Committee the challenges we were experiencing in terms of obtaining sufficient, appropriate evidence to support our audit work in respect to the ledger implementation, as well as the receipt of other evidence that would allow us to undertake an audit of the 2020/21 financial statements. We decided to redirect our audit team to other work as insufficient working papers had been provided and those that had been provided were not of the expected quality. We attribute some of the difficulties experienced here to a lack of capacity in the finance team.

The combination of the turnover and capacity constraints coupled with the formidable task of rectifying the issues with the ledger implementation has lead us to conclude that there is a significant weakness in the Council's arrangements with regard to organisational capacity and capability (see key recommendation 1). The Council now have a Workforce Strategy in place which is a positive step in the right direction. Effort must now be directed toward embedding the strategy and action plan. This issue was similarly acknowledged by the LGA in the peer review. We also acknowledge that this is extremely challenging in the current local government environment and the difficulties surrounding workforce recruitment and retention. These challenges appear to be having a particularly acute impact at the Council and Bromsgrove District Council (BDC), with whom all staff are shared.

Executive summary



Improving economy, efficiency and effectiveness

During 2021/22, the Council did not publish performance reports, which was a significant weakness in arrangements. The Council has returned to in-year reporting for 2022/23 and 2023/24 which is combined with financial reporting, though there is significant room for improvement in the quality of the reports (see improvement recommendation 9). The Council clearly have a lot of meaningful data but it is currently not presented in the most accessible format to be able to properly interrogate the information. There are currently limited benchmarks or targets against which to measure performance and there is therefore no standard expectation. The data shows what is happening but does not assess whether this performance is 'good' or 'bad' and therefore does not drive behaviour and actions. The Council should put effort toward determining what quality of service it would like to deliver, put arrangements in to review that regularly and then report against that position. The current performance reports demonstrate a good foundation to build on but there is room for improvement.

The Council has Contract Procedure Rules though these have not been updated since November 2017. We raise an improvement recommendation urging the Council to review the Contract Procedure Rules annually (see improvement recommendation 10). The procurement function has undergone significant change in the last year and a half and improved significantly as is demonstrated by the journey from the 'Limited assurance' internal audit report from June 2022. There is, however, room for improvement. At present, the procurement team does not report on waivers to committee level. We recommend that the Council report on waivers (in terms of numbers and values of waivers raised) to the Audit, Governance & Standards Committee at least quarterly. This can ensure that senior leadership, Members and the public are aware of the level of waiver use (see improvement recommendation 10).

The Council has notably strong partnership arrangements in place. The Council works closely with its statutory partners, commissioned providers, private businesses, community and the voluntary sector to perform its responsibilities. Partnership working is a specific area of focus for both Councils, led by the Interim Chief Executive. The Council brings together organisations from all sectors as community leaders and key members of their local strategic partnerships (LSPs), the Redditch Partnership, as well as the emerging local 'Collaboratives'.

Since our report, the Council has made significant progress in their management of projects/programmes. A Project Management Framework has been created and Project Management Office (PMO) established to support project delivery. Formal reporting of all projects is undertaken on a monthly basis and feeds into the Finance and Performance Reports.

Use of auditor's powers

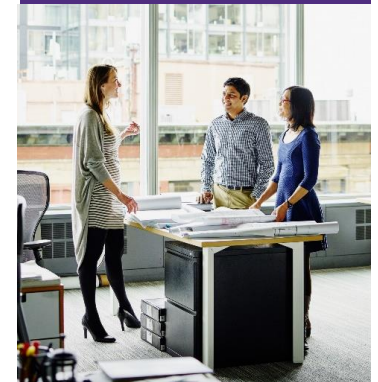
We bring the following matters to your attention:

	2021/22	2022/23
<p>Statutory recommendations</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly</p>	We have raised one statutory recommendation.	We have raised one statutory recommendation.
<p>Public Interest Report</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.</p>	We did not issue a public interest report.	We did not issue a public interest report.
<p>Application to the Court</p> <p>Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.</p>	We did not make an application to the Court.	We did not make an application to the Court.
<p>Advisory notice</p> <p>Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:</p> <ul style="list-style-type: none"> is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure, is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or is about to enter an item of account, the entry of which is unlawful. 	We did not issue an advisory notice.	We did not issue an advisory notice.
<p>Judicial review</p> <p>Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.</p>	We did not apply for judicial review.	We did not apply for judicial review.

Recommendation made under section 24 schedule 7 of the Local Audit and Accountability Act 2014

Area	Recommendation (SR1)
Financial systems and governance	<p>The Council still cannot produce full draft 2020/21 accounts. Incomplete versions of the financial statements for 2020/21 were presented to Audit, Governance and Standards Committee in December 2022, however, these had material balancing figures to be resolved. We understand that these issues were subsequently resolved, however, draft financial statements have yet to be certified by the Section 151 Officer who has stated that he will not certify the financial statements until external audit assurance has been obtained on the opening balance transfer from the old to the new ledger relating to the longstanding issues stemming from the flawed ledger system implementation from February 2021. Although we are aware of this approach, we consider this to be unsatisfactory progress since our issuing of the statutory recommendation that we raised in October 2022. The failure to produce 2020/21 accounts has had the subsequent impact of a failure to produce draft accounts for 2021/22 and 2022/23 which are the audit years which are the subject of this report. The Council is significantly behind its statutory requirement to produce financial statements. This does not allow accountability and transparency for the taxpayers of Redditch. In our view this is an unacceptable failure to comply with statutory duties. The Council has continued to report this position to Members through Audit, Governance and Standards Committee and Executive.</p> <p>We have attempted to undertake work on the opening ledger balances, however, progress to obtain information from the Council and its ledger software provider has been slow and the Council only provided transactional data for period 0 (2020/21) on the 13th November 2023 from the old system.</p> <p>Furthermore, the entire medium-term plan, including the projections surrounding the medium-term gap (the cumulative budget deficit forecast up to 31st March 2026), the forecast reserves balance and all budget monitoring information is using data that cannot be supported by audited financial statements since 2020/21. This has the compounding impact of placing a limited level of assurance on the starting figures in the medium term financial plan. The lack of assurance in the figures included in the budget monitoring reports is further demonstrated by:</p> <ul style="list-style-type: none"> • The Council's reluctance to produce a whole-year 2021/22 outturn report (only an M11 report has been produced) • The correction to the 2020/21 outturn (which was originally presented in January 2022 and then corrected and presented again in January 2023) <p>Recommendation</p> <p>The Council must produce 'true and fair' draft accounts for 2020/21, 2021/22 and 2022/23 which are signed off by its Section 151 officer. In addition, the accounts must be supported by high quality working papers. Working papers must be subject to internal quality control checks prior to being provided to external audit to avoid further delays and cost.</p> <p>To achieve this, the Council needed to prioritise gaining access to period 0 balances for 2020/21 which are essential to gaining assurance over the ledger transfer. This was only delivered on the 13th November and is therefore still subject to review. Once the Section 151 Officer is satisfied that the ledger transfer was appropriate, he must certify draft accounts for 2020/21 and publish these on the Council's website. The public inspection period must also be started. The Council must then focus on the production of 2021/22 and 2022/23 draft financial statements and their publication.</p>

The range of recommendations that external auditors can make is explained in Appendix C.



Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Statutory	<p>The Council cannot yet produce its 2020/21 draft statement of accounts with long-standing issues with its new ledger system in relation to cash receipting requiring resolution. The Council must ensure that arrangements allow for the successful implementation of cash receipting within its ERP system to allow key elements of financial governance and compliance to be undertaken routinely and in a timely manner. In order to achieve this the Council should:</p> <ul style="list-style-type: none"> ensure the Council has access to the necessary knowledge and expertise to resolve the remaining key issues with the ERP system in a timely manner to provide management with sufficient assurance over the completeness and veracity of the data included within the system; undertake appropriate testing of the fixes and ensure that appropriate sign-off of these is received prior to running them on live system data; and ensure budget holders and other relevant officers possess the skills and knowledge to appropriately use the ERP system as intended, including relevant training and updates to key documentation and process manuals. <p>Once system issues are properly resolved, the Council must:</p> <ul style="list-style-type: none"> undertake key control activities such as bank and control account reconciliations on a monthly basis and ensure that these are kept up to date; produce the 2020/21 and 2021/22 draft financial statements, along with high quality supporting working papers; conclude the 2020/21 and 2021/22 RO and CO submissions, and other key Government returns including Whole of Government Accounts; and ensure timely reporting of budget outturns and report publicly on in-year financial monitoring, including updates on the capital programme and savings scheme achievement. 	<p>In October 2022, we issued a statutory recommendation relating to Redditch Borough Council and Bromsgrove District Council's flawed finance system implementation (which occurred in February 2021). The implementation had resulted in the Councils being unable to produce 2020/21 accounts for external audit.</p> <p>We acknowledge that progress has been made since this date. We received an early draft version of the 2020/21 accounts in December 2022 and have been able to perform some procedures relating to data migration and testing. There remains to be significant work required, this is documented in our report to Audit, Governance & Standards from May 2023.</p> <p>We presented a further update on progress to Audit, Governance & Standards in September 2023 and highlighted that we were still experiencing significant difficulties in obtaining sufficient appropriate evidence to support the work on the data transfer to enable us to begin the 2020/21 audit of the financial statements in earnest.</p> <p>The Council has made significant progress in a number of areas (e.g. cash receipting, providing data take on for all periods excluding period 0, return to financial monitoring). Period 0 data was finally received on the 13th November 2023. This progress has been documented in this report.</p>	<p>Though there has been improvement, the Council is still not able to produce full 2020/21 accounts. This has had the subsequent impact of a failure to produce accounts for 2021/22 and 2022/23. For this reason, the statutory recommendation remains open until the Council is able to produce comprehensive 2020/21, 2021/22 and 2022/23 accounts.</p> <p>The statutory recommendation remains outstanding.</p>

Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Key	The Council needs to ensure that the Medium-Term Financial Plan presented to Members is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.	The Council has made progress in its medium-term financial planning and budget setting arrangements. This is documented on pages 17 to 24.	<p>The Council's medium term position is now predicated on much stronger assumptions than our prior year reporting. The significant weakness no longer applies and this key recommendation is resolved. There continues to be uncertainty in the financial information supporting the medium term plan, though this is addressed in statutory recommendation 1.</p> <p>The significant weakness in the medium term position remains due to the issues surrounding the ledger implementation. This is addressed in statutory recommendation 1. We have raised improvement recommendations relating to savings identification, management and monitoring and the budget setting process (see improvement recommendation 1, 3 and 4).</p>
Key	The Council needs to ensure that key reports and appropriate supporting documentation are provided to Members in a timely way and in an accordance with relevant Codes of Practice.	The Council did not report its Capital Strategy or Treasury Management Strategy to Executive or Full Council in 2021/22. This is a requirement of the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code. The Council presented the 2022/23 Capital Strategy and Treasury Management Strategy to Full Council in June 2022. The Council presented the 2023/24 Treasury Management Strategy and Capital Strategy to the Executive on 7 February 2023 and Draft Treasury Outturn for 2022/23 to Executive on 25 July 2023 and Full Council on 25 September 2023.	<p>As arrangements were not in place during 2021/22, the significant weakness remains for that year and corresponding key recommendation. As the Council addressed the recommendation for 2022/23, the significant weakness is removed and key recommendation resolved for 2022/23.</p> <p>No further action.</p>

Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Key	The Council needs to improve management of key projects, such as the financial ledger implementation, to ensure that expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure lessons are learned for future key projects.	Since our 2020/21 report, the Council has made significant progress in management of projects/programmes. This is documented on page 40. In summary, a Project Management Framework has been created and Project Management Office (PMO) established to support project delivery. Formal reporting of all projects is undertaken on a monthly basis and feeds into the Finance and Performance Reports.	<p>Although the finance ledger system issue remains, we have addressed this in our statutory recommendation which remains on the Council. We, however, lift the significant weakness relating to poor project management to recognise the progress the Council has made in this area in 2022/23.</p> <p>The significant weakness has been removed for 2022/23 and key recommendation resolved. No further action.</p>
Key	The Council should review and implement effective governance arrangements in respect of risk monitoring to allow Members to make informed decisions. In order to achieve this the Council should make risk management reporting a standing item on the Audit, Governance & Standards Committee agenda, with Members considering the Corporate Risk Register and Risk Management arrangements in an appropriate forum.	The Council has made visible improvements to risk management arrangements since our 2020/21 report. This is documented in detail on pages 30 to 31. To summarise, the Council did not have sufficient risk management arrangements during 2021/22. From our review of Audit, Governance & Standards Committee meetings and risk management reports, it is clear to see the progress the Council has made with regard to the Corporate Risk Register and the engagement with risk management at the organisation. The improvement in the quality of the reports from April 2021 to July 2023 is worth noting.	<p>Due to the significance of the deficiencies in 2021/22, we have found there to be a significant weakness in the Council's arrangements for risk management in that year. Due to the improvement in the position from 2021/22 to 2022/23, we do not find there to be a significant weakness in the Council's arrangements for 2022/23 but raise an improvement recommendation (see improvement recommendation 6).</p> <p>The significant weakness has been removed for 2022/23 and key recommendation resolved. An improvement recommendation has been raised (see improvement recommendation 6).</p>

Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Key	The Council should review and implement effective governance arrangements in respect of performance monitoring to allow Members to make informed decisions. In order to achieve this the Council should reinstate public reporting on performance, linking this to the Council Plan and the related strategic objectives, allowing Members to scrutinise performance. This should be done at least twice per year.	The Council's performance management arrangements are covered in detail on pages 40 to 41. As documented in our report for 2020/21, there was no performance reporting for 2021/22. The significant weakness for 2021/22 therefore remains. In 2022/23, the Council returned to in-year reporting though the reports are in need of significant work to be of an appropriate standard.	<p>We lift the significant weakness for 2022/23 due to the return to in-year reporting but we would like to emphasise that the quality of the Council's performance reports is low and in need of significant improvement. We raise an improvement recommendation (see improvement recommendation 9).</p> <p>The significant weakness is lifted and key recommendation resolved. However, see improvement recommendation 9.</p>
Key	The Council should ensure timely and relevant financial monitoring reporting is undertaken and presented to the appropriate public forum.	The Council's budgetary control arrangements are covered in detail on pages 17 to 20. In summary, there was no in-year financial monitoring reporting for the whole of 2021/22. The Council has made progress and managed to re-introduce in-year budget monitoring reporting in 2022/23. While there has been improvement, it is important to note that the budget monitoring arrangements are severely impacted by the flawed implementation of the ledger system in February 2021.	<p>Due to the fact that the Council did not have budget monitoring arrangements in place for 2021/22, our significant weakness remains for that year. However, as we are providing a dual report and are also covering 2022/23 and as the Council has returned to in-year budget monitoring, we have removed the significant weakness in arrangements for 2022/23. Nevertheless, we include in our statutory recommendation that the reliability and accuracy of the budget monitoring reports hinges on the successful rectification of the ledger implementation.</p> <p>The significant weakness is lifted and key recommendation resolved. However, see improvement recommendation 3.</p>

Key recommendations



Key Recommendation 1 Organisational capability and capacity

The Council should direct effort toward embedding and stepping up the Workforce Strategy objectives. In line with the recommendations of the LGA Peer Review (March 2023), the Council should ensure that there is commitment at all levels of the organisation to enact succession planning, creative recruitment and development of the workforce. The Council should also ensure that existing staff are utilised in the most effective way possible to ensure delivery of key Council programmes (such as the finance recovery programme) and the strategic priorities.

Audit year

2022/23

Why/impact

At present, approximately 10% of the Council's workforce is temporary/interim arrangements. Furthermore, two out of three of the statutory officers are interim. This impacts on the organisation's ability to deliver business as usual as well as strategic extraordinary projects such as the finance recovery programme. (Note, without interim staff there would be no finance recovery programme in its present format.) Moreover, it impacts the bottom line as temporary staff are a greater cost to the organisation than substantive arrangements. Redditch Borough Council is an authority with a significant improvement journey ahead and the organisational capacity issues could hinder the Council's ability to develop and improve.

Management Comments

The Council are implementing its Workforce Strategy which was launched in June. £150k has been made available to ensure that there is appropriate HR resources to implement the initial action points of the plan. This plan includes the requirement of services ensuring that they properly plan their resources for the short, medium and long term resilience of the Council in delivering its services to stakeholders. As an example of this the finance team that is in the process of being rebuilt now has three officers undertaking CIPFA training in order to develop accountants and capacity in-house. However, given present employment conditions across the Country, part of this workforce plan needs to take account of the requirement to use temporary resource.

The two Statutory Officers who are presently interim are having formalised arrangements being put in place for the next year to ensure stability and continuity pending the restarting and completion of both recruitment processes. Both officers have extensive local authority experience, including organisational intelligence, member and staff support which significantly mitigates the risk.

The Council, as part of the Tranche Two of the 2023/4 budget, are reviewing the overall establishment to ensure it reflects its and the HRA's needs and links properly to the workforce strategy.

The range of recommendations that external auditors can make is explained in Appendix C.



Securing economy, efficiency and effectiveness in the local authority's use of resources

All local authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The local authority's responsibilities are set out in Appendix A.

Local authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the local authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the local authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the local authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the local authority makes decisions based on appropriate information.

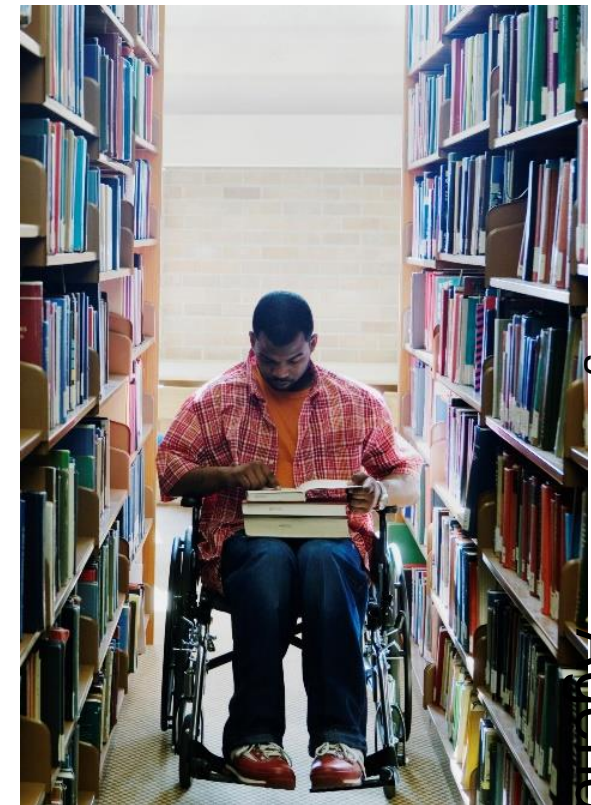


Improving economy, efficiency and effectiveness

Arrangements for improving the way the local authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the local authority's arrangements in each of these three areas, is set out on pages 17 to 45. Further detail on how we approached our work is included in Appendix B.



Financial sustainability



We considered how the local authority:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Budget setting

A local authority's budget provides the financial basis for the allocation of resources, the delivery of services and the management of the organisation over the period of one financial year. Authorities are required by statute to set and agree an income and expenditure prior to the beginning of the financial year to which the budget relates.

The Council sets a three-year medium term plan every year with the Council Tax resolution being approved by Full Council in the February prior to the start of the financial year. The MTFP is updated annually.

The 2021/22 budget was approved by Full Council in February 2021.

For the 2022/23 budget, the Council incorporated an extraordinary element to the process in response to expressed appetite on the behalf of members to understand more about the underlying issues within the budget and MTFP, and to allow greater involvement of Members in advance of the formal report being received by Full Council in February each year. Officers therefore created a Member engagement plan for the 2022/23 Budget and MTFP report. The plan involved presenting reconciliations between the original approved budgets and any further updates. Officers also highlighted additional engagement opportunities through the Budget Scrutiny Working Group and workshops open to all Members. The Council also aimed to engage Members earlier on in the process and provide reasonable opportunity for suggestions to be considered. This demonstrates a positive step forward from our 2020/21 reporting where we noted that the Council had limited evidence of internal involvement in the budget setting process.

In 2021/22, the Executive was presented with an update on the preparation of the MTFP for 2022/23 to 2024/25 in December 2021. In this meeting, the Executive Director of Resources provided an update on emerging budget concerns and expressed the opportunity for further Member engagement. There was a distinct emphasis on the fragility of the Council's financial position and the increasing focus on rebuilding the General Fund reserves balance. This also represents a strengthening of arrangements.

The draft budget for 2022/23 was noted by the Executive in February 2022, having been pre-scrutinised by the Budget Scrutiny Working Group. The final budget was approved by Full Council later in the month.

The Council made further changes to the budget setting process for 2023/24.

In October 2022, the Executive was advised that the budget setting process for 2023/24 and the accompanying MTFP 2023/24 to 2025/26 would run in two 'tranches.' Due to the difficulties facing the Council (and the local government sector as a whole), officers considered it prudent to split the budget setting process into two. The initial tranche would seek to close as much of the deficit as possible using information known as at the end of September 2022 and seek approval for those savings to be implemented at Council in January 2023. The second tranche would be considered after the Christmas break which would be approved in February 2023. This would take into account the Local Government Settlement, the final detail for which was not due to be known until early January 2023.

Financial sustainability

In December 2022, the Executive received a further update on changes to the MTFP following announcements from the Chancellor in November 2022 and again in January 2023 following confirmation of the Local Government Settlement in December 2022. The initial Tranche 1 savings were presented for Council approval in January 2023. Tranche 2 was reviewed by the Executive in early February and approved by Full Council in February 2023.

There has clearly been a concerted effort to develop the budget setting process at Redditch Borough Council from 2020/21 to 2023/24. There is a notable increase in the level of engagement of senior officers from our reporting for 2020/21.

The Council included in the budget report a table demonstrating the changes in the financial projections and budget gap for 2021/22 based on the original estimation of the budget gap from February 2020. The Council included explanations of the reasons for changes.

The report also demonstrates the impact on the medium-term financial plan. The budget report contains estimates and assumptions such as inflation, interest rates, government grants, council tax base and collection rates which are updated annually. This serves as evidence of the Council considering trends and the impact on the final outturn and, in this case, the forecast budget gap.

There is evidence that the budget setting process is linked with the annual business planning process as the report directly links the MTFP to the Council's Strategic Purposes.

The Purposes that drive financial considerations are noted to be:

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

There is evidence of internal engagement in the 2021/22, 2022/23 and 2023/24 budget setting process. The Budget Scrutiny Working Group met regularly in the 12 months preceding the February budget approval to review costs, fees and charges and the capital programme. These meetings often resulted in recommendations to the Executive. There is significant officer engagement in the budget setting process and Member to officer engagement in the devising of the savings proposals or income generation opportunities. In response to the LGA Peer Review from March 2023, the Council noted that the budget setting process has 'improved significantly from a democratic perspective.'

There continues to be limited evidence of external engagement in the budget setting process. There is no mention of external consultations feeding into the 2021/22, 2022/23 or 2023/24 budgets (see improvement recommendation 4).

There also continues to be limited evidence of trend analysis and extrapolation, sensitivity analysis or alternative proposals and scenarios being considered in the budget setting process.

While this is not a significant weakness, the Council could enhance the budget setting process by including scenario modelling and presenting to Members to support their decision-making process (see improvement recommendation 3).

Budgetary control

In our report for 2020/21, we found a significant weakness in the Council's arrangements surrounding budgetary control. This was relating to the fact that budget monitoring reporting essentially ceased with the flawed implementation of the new ledger system in February 2021. There was therefore no in-year reporting for the whole of 2021/22.

The Council has made progress since our key recommendation and managed to re-introduce in-year budget monitoring reporting in 2022/23. In 2021/22, there were two reports presented to the Executive relating to the outturn of 2020/21. In 2022/23, the Council presented the Financial Monitoring Report for M11 2021/22 and began in-year reporting for 2022/23 with the presentation of the period 1 2022/23 in July 2022.

With regard to budgetary control for the 2022/23 financial year, the Executive received budget monitoring reports for period 1 in July 2022, Quarter 1 in September 2022, Quarter 2 in December 2022 and Quarter 3 in March 2023.

However, it is important to note that in January 2023 the Executive also received a second report relating to the financial outturn for 2020/21.

Financial sustainability

Members were originally presented with the 2020/21 outturn in January 2022, a whole year earlier. Officers were presenting this report again as the original report contained inaccurate information regarding the outturn position and the latest report served as a correction.

In 2023/24, the Council has presented monitoring reports for Quarter 4 of 2022/23, the draft outturn position for 2022/23 and quarter 1 of 2023/24.

The Council has put significant effort toward ensuring processes and systems are in place to ensure budgetary control. There has been progress toward communicating relevant management information to Members. It is, however, important to note that this communication has not always been accurate or timely.

There is evidence of engagement with budget holders to review performance and identify actions to resolve variances. Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed.

There is evidence of reporting to Executive in-year and at outturn. The reports include appropriate treasury management activity, including borrowing and investment activity. For example, the Quarter 3 Monitoring Report for 2020/21 showed no short term borrowing and investments of £11m.

The reports include summaries providing clear understandings of drivers of cost pressures and action being taken. There are also explanations for variances to budget and outturn and actions being taken to mitigate the variances. The reports include relevant non-financial information, for example, capacity constraints within the finance team is mentioned in the budget monitoring reports to provide explanations for delays to timely reporting. There is clear effort in the reports to provide sufficient information for key decisions to be made.

While there has been progress, it is important to note that the budget monitoring arrangements are severely impacted by the flawed implementation of the ledger system in February 2021. For example, the Council is not comfortable producing a final outturn position for 2021/22 (which is why an M11 position was reported) due to the lack of assurance in the figures for the 2021/22 position. We also do not have assurance in the accuracy or reliability of the information reported in the budget monitoring and outturn reports for the same reason as the data is being driven by a system that has had unaudited accounts for 2020/21, 2021/22 and 2022/23. Officers and Members could therefore be making decisions that are misled due to the lack of assurance in the financial information reported. The consequence of this is a lack of assurance in the medium-term plan and medium-term position.

The accuracy concerns are further evidenced by the fact that the 2020/21 outturn was reported twice, one year apart, due to inaccuracies in the initial reporting.

Internal audit reports have also continued to highlight risk in certain financial areas such as budget monitoring and reconciliations. 'Limited' assurance opinions were reported in 2022/23 against debtors and the main ledger reflecting ongoing risks.

We also cannot place assurance on a budget monitoring audit performed by internal audit as they opted not to perform a review in 2021/22 and 2022/23 as they recognised that an audit would be of limited value as the risks and required actions were already known.

The fact that the Council has returned to in-year reporting demonstrates significant progress since our determination of a significant weakness in arrangements for 2021/22. Due to the fact that the Council did not have budget monitoring arrangements in place for 2021/22, our significant weakness remains for that year. This is further corroborated by a 'Limited' assurance internal audit into budget monitoring published in June 2022.

However, as we are providing a dual report and are also covering 2022/23 and as the Council has returned to in-year budget monitoring, we have removed the significant weakness in arrangements for 2022/23. Nevertheless, we include in our statutory recommendation (see statutory recommendation 1) that the reliability and accuracy of the budget monitoring reports hinges on the successful rectification of the ledger implementation.

The Council was able to provide evidence of increased efforts to ensure that non-finance colleagues are involved in the budget monitoring process. We viewed a copy of a training pack that was rolled out to budget managers to demonstrate effective budget management. This is an improvement from the 2020/21 reporting where we found limited evidence of this.

Financial sustainability

Discussions with officers show that the finance recovery programme is definitely of importance to the whole organisation which demonstrates an improvement from our reporting for 2020/21 where we noted limited engagement from officers with the financial position.

2021/22 planning and performance

The 2021/22 budget was set against the backdrop of COVID-19 and the resulting financial pressures that had a fundamental impact on local economies, nationwide uncertainty surrounding the financial impact of Brexit negotiations, the prospect of a potential new funding formula (that was eventually delayed) and general uncertainty on the future funding arrangements with central government.

Toward the end of 2020/21 and start of 2021/22, to add to these challenges, Redditch also experienced a flawed implementation of their new finance ledger system in February 2021. This ledger system implementation has resulted in the Council being unable to produce accounts for 2021/22 and 2022/23. This was addressed in our statutory recommendation which was issued to the Council in October 2022, relating to the 2020/21 financial year.

In February 2021, the Council set an original General Fund revenue budget of £10.467m. As per the budget report for 2021/22 presented in February 2021, the Council forecast identified savings and additional income of £1.163m for 2021/22.

Due to the flawed ledger implementation and the failure to produce audited statements of accounts, the Council has not produced a 2021/22 final outturn report.

The Council has produced an M11 estimated outturn of a £136k underspend on the General Fund revenue budget.

The Council did not report on savings progress during 2021/22. This is addressed in our improvement recommendation 1. In reviewing the budgets for 2022/23, it was evident that £595k of savings were not delivered for 2021/22 (51% of planned savings). These were, however, delivered in 2022/23 via staff savings as is evident in the Quarter 2 2022/23 Finance and Performance Report.

The General Fund unearmarked reserves were reported as £1.889m at 31 March 2021. The Council was able to contribute £0.18m to reserves, ending the year with £2.069m in its General Fund as per the 2023/24 budget report.

2022/23 planning and performance

In 2022/23, the Council was still feeling the impacts of COVID-19 although the funding from government to meet these additional costs ceased. We note that there were additional pressures in budget costs, inflation levels not seen in over 20 years, interest rates at pre banking crash levels, Brexit and due to supply chain issues and it is clear that councils were facing a difficult national backdrop against which to make decisions to ensure future financial sustainability.

During 2022/23, the Council were issued with the statutory recommendation previously mentioned.

In February 2022, the Council set an original General Fund revenue budget of £10.520m (a small increase on the previous year). The Council aimed to deliver savings of £0.305m.

As per the January 2023 financial monitoring report (which is the latest available report due to the ledger issues), the Council is expecting to fully deliver these savings.

As per the 2022/23 provisional outturn report presented to the Executive in September 2023, the Council is projecting a revenue budget overspend of £685k (7% of the original budget).

The overspend is primarily being driven by the larger than forecast pay award and increased fuel and fleet maintenance costs affecting a number of directorates across the Council. As per the 2021/22 outturn, the Council will not produce a final 2022/23 outturn position until the ledger implementation issues are fully resolved.

The Council provide the caveat in the 2022/23 outturn report that due to the issues relating to the flawed ledger implementation, and in particular issues with entries in suspense and miscoding, the report is subject to change. The budget monitoring and outturn reports are all potentially subject to change and will continue to be until the Council is able to finalise its accounts for 2020/21, 2021/22 and 2022/23.

The Council was able to contribute £0.617m to General Fund reserves during 2022/23, due to a re-allocation of earmarked reserves, bringing the reported balance to £2.686m as at 31 March 2023.

Financial sustainability

2023/24 performance

The Local Government Finance Settlement 2023/24 was challenging but more generous than most authorities were expecting. The Spending Review total for local government increased by £1.6 billion in 2022/23 and in 2023/24 the Review stated that this would be the same 'cash' level as 2022/23. Though the impact of COVID-19 on Council finances has reduced significantly, the current predicted high inflation rates and cost of living crisis has increased pressure on Council budgets. Inflation, in particular, is presenting as a considerable cost pressure in 2023/24 budgets, impacting Council costs.

For Redditch, the settlement resulted in additional income in the form of a New Homes Bonus (£19k), Services Grant (£86k) and Funding Guarantee (£493k).

The Council pursued a more strategic approach to 2023/24 budget setting, this is covered in pages 18 to 20. The Council set a £10.7m net General Fund revenue budget in February 2023.

The Council is currently forecasting an overspend of £557k on the General Fund revenue budget. The Executive recommended to Full Council in September 2023 to approve the allocation of the full overspend amount from the Utilities Reserve to mitigate the position. The Utilities Reserve is an earmarked reserve that the Council set up in February 2023 to manage forecast utilities cost increases.

The overspend position is again being driven by a greater than forecast pay award projection.

As the Council have set up an earmarked reserve, the General Fund reserves will not be needed to fund the 2023/24 overspend position as they are able to repurpose the earmarked reserve and use this to service the overspend. The 2022/23 outturn report shows that the Council is forecasting to use £0.111m of General Fund reserves in 2023/24 and this is not forecast to change in light of the 2023/24 financial monitoring reports.

The medium term position

The Council has acknowledged in the Medium-Term Financial Plan (MTFP) that the outlook beyond 2023/24 remains uncertain. In an atmosphere of political and international uncertainty, economic challenges such as inflation, increased interest rates, lack of clarity on future finance settlements and the long-term impact of greater service demand, authorities are tasked with the difficult task of demonstrating a resilient and sustainable position from which to weather shocks.

The Council is forecasting a £6m cumulative budget gap for the medium term. The Council is planning to meet this budget gap through a combination of savings and reserves usage, see Table 1.

	2023/24	2024/25	2025/26
Total Expenditure	13,335	13,301	13,569
Total Income	(11,465)	(11,355)	(11,381)
Budget Gap	1,870	1,946	2,188
Savings	1,559	1,879	2,251
Reserves	311	67	- 63

Source: Budget Report for 2023/24
Table 1: The medium term budget gap

As is demonstrated by Table 1, if the Council does not deliver 100% of its savings plan, this increases the reliance on the reserves balance to bridge the gap. The Council's General Fund reserves balance as at 31 March 2023 is forecast to be £2.686m. It is generally accepted that councils seek to maintain a General Fund reserves balance that is at minimum 5% of net expenditure (excluding housing benefits and HRA). 5% of net revenue expenditure for Redditch for 2023/24 would be £1.25m. The Council is therefore well above the minimum recommended level of General Fund reserves which is positive to note.

The Council has decided to plan to build a level of General Fund reserves which are 5% of gross expenditure less housing benefits in order to provide some further resilience. This would mean General Fund reserves should be at a level of at least £2.25m. As is demonstrated in Table 2, the Council is forecasting to maintain this threshold throughout the medium term period, though it is important to note that this is predicated on full and timely delivery of savings plans.

Financial sustainability

	Reserves (as at 31 March)	Contributions to/usage from reserves in year	
	£'m	£'m	
2019/20	1,599	0.29	Actual
2020/21	1,889	0.18	Estimate
2021/22	2,069	0.617	Estimate
2022/23	2,686	-0.111	Estimate
2023/24	2,575	-0.067	Forecast
2024/25	2,508	0.063	Forecast
2025/26	2,571		Forecast

Table 2: Unearmarked General Fund Reserves Balance
Source: Budget Report for 2023/24

Local authorities across the country are dealing with issues of over-reliance on reserves to meet budget gaps, with no headroom or contingencies to mitigate the risks of not delivering wholly on savings plans. As mentioned in the 2023/24 budget report, the reserves are all the Council has to fund transformative initiatives, redundancies and any service overspends.

In order to test the stage of development of the savings included in the MTFP, we reviewed the supporting documentation for three selected savings, namely:

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Pension Savings	801	801	801
Town Hall	0	0	400
Capacity Grid	300	300	0

Table 3: Savings Proposals in 2023/24 Budget
Source: Budget Report for 2023/24

Pension contributions are reviewed on a three-yearly basis by the County Council's actuaries. The Council's pension contributions are made up of two elements, the Council's employer contribution in service accounts and a central contribution which sits in the Chief Executive's budgets. We asked the Council to provide supporting documentation to validate the assumptions used to derive the forecast savings included in the plan and we could see that this was supported by strong assumptions including third party verification from the actuary showing that the saving was actually forecast to materialise to more than had been input into the MTFP in February 2023. The Council was also able to provide downloads of the ledger which demonstrated the change in the existing budget to the revised budget which showed the cost decrease and therefore the forecast saving. This saving makes up approximately a third of the cumulative medium term gap so to see that is supported by credible assumptions adds robustness to the medium term position.

The Council also include a saving for the Town Hall repurpose which amounts to £400k in 2025/26. The Council were able to provide third party documentation to support this saving. We reviewed confirmation from the tenants/prospective tenants of certain areas within the Town Hall surrounding lease costs (i.e. RBC income). This also demonstrates that this saving is supported by credible assumptions.

Financial sustainability

The third saving relates to uncollected Council Tax/Business Rates. The Council should have been writing off this debt on a periodic basis but lacked the resource to do so. In 2022/23, the Council made the decision to engage Capacity Grid by Liberata to collect the debt. As the debt is not accounted for in the budget, the debt collected by Liberata will appear as additional income which reduces the savings requirement during the medium term. We were able to view projections produced by Liberata and therefore able to see that the saving is based on information produced by a third party. As well as a saving, collection of this uncollected debt will result in a decrease in the debt on the balance sheet when it materialises.

The review of these three savings demonstrates that a significant proportion of the Council's medium term savings plan is based on robust assumptions supported by third party documentation. For example, £1.1m of the Council's £1.5m savings plan for 2023/24 is predicated on robust assumptions.

The real risk surrounds the post 2025/26 environment. The pensions saving makes up the largest proportion of the Council's medium term savings plan and the fund is due to be reassessed in three years. The reassessment will have a definitive impact on whether the Council will be able to make similar size savings after 2025/26.

The review of savings therefore demonstrates a level of strength in the Council's current medium term plan. We can see significant progress in the budget setting process in terms of increased engagement and progress in terms of presentation of the medium term plan.

However, we still note issues with transparency surrounding savings identification and development. This was noted in our prior year report. The Council had no savings monitoring arrangements in place during 2021/22. In 2022/23, the Council reported savings updates to the Audit, Governance & Standards Committee though there is limited evidence of meaningful engagement with the savings progress from Members.

We raise an improvement recommendation (see improvement recommendation 1) urging the Council to ensure that savings delivery is monitored independently of basic budget monitoring at a corporate level, variances are adequately managed and challenged and the quality impact of proposed savings is assessed and monitored during and after implementation to assess whether any quality risks have occurred. Savings should also be supported with a clear delivery plan.

The importance of clarity surrounding savings is greater emphasised by the fact that the Council is relying heavily on savings to close its medium term budget gap. Any lack of delivery on savings increases the Council's reliance on its reserves balance as is demonstrated in Table 1. The Council, however, is in a strong position as the largest of its savings is based on robust assumptions. If the Council were only to deliver the pensions saving and Town Hall saving, it would still be financially sustainable in the medium term period – this is a much more promising position than many other authorities are in.

Though the Council's MTFP appears to be predicated on fairly strong ground, it is important to note that we are basing this assessment on information that is not currently supported by audited statements of accounts for the past three years – which creates a significant gap in assurance. The entire medium term plan, including the projections surrounding the medium-term gap, the forecast reserves balance and all budget monitoring information is using data that cannot be supported by audited financial statements from 2020/21. The issue highlighted in Statutory Recommendation 1 has the compounding impact of placing a limited level of assurance on the figures in the medium-term financial plan. The lack of assurance in the figures included in the budget monitoring reports is further demonstrated by:

- the Council's reluctance to produce a whole-year 2021/22 outturn report (only an M11 report has been produced); and
- the correction to the 2020/21 outturn (which was originally presented in January 2022 and then corrected and presented again in January 2023).

It is for this reason that we find a significant weakness in the Council's medium term position and have included this in the statutory recommendation raised (see statutory recommendation 1). We cannot place assurance on the Council's stated level of reserves which links to the budgetary information included in the MTFP meaning we cannot determine that a significant weakness in arrangements does not exist in regards to the medium term plan. Once the Council has resolved statutory recommendation 1, the weakness in the medium term position will gain the validity of audited statements of accounts, therefore providing the medium term plan with much necessary backing and assurance.

Financial sustainability

Capital

At 2021/22 budget setting, the Council budgeted to spend £4.269m on capital expenditure for the year. As noted in the M11 outturn report, there was a significant underspend on the 2020/21 capital programme leading to a request of £3.8m slippage of schemes from 2020/21 to 2021/22. Further schemes were agreed resulting in a total capital budget for 2021/22 of £9.9m. At M11 of 2021/22, the Council reported £1.3m expenditure against this budget, giving rise to an £8.6m underspend (which is 86% of the budget).

The 2022/23 budget showed the intention to spend £4.257m on capital. The provisional outturn report shows capital expenditure of £2.137m (which is approximately a 50% underspend).

The reports provide significant explanations for the variances which are reasonable (slippage, re-phasing etc.) but there appears to be weaknesses in the Council's capital budget setting process given the level of slippage. The Council have noted that a significant part of its capital expenditure is related to the fleet which the Council are taking stop gap measures of refurbishment rather than purchasing pending the Government's environment paper being produced and the focus required on Towns Fund projects to ensure compliance with Government requirements. There was also significant slippage due to COVID-19 which is starting to be caught up in 2023/24.

Although there is monitoring of the capital programme alongside the revenue budget monitoring, indications are that focus should be on setting realistic capital budgets that allow for sufficient lead time before expenditure is likely to be incurred. Inability to set a realistic capital budget undermines the Council's perceived capability to manage its capital budget and deliver its growth plans.

The difficulty in management of the capital programme will become increasingly challenging given the current high level of inflation. We have raised an improvement recommendation (see improvement recommendation 2) in this area. We acknowledge that capital programmes are complex and affected by procurement, public consultation, funding and financing considerations, and potentially planning permissions. The Council must consider the realism in its original budget and consider the prior year outturn when setting the successive year's budget.

The Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) is a statutory account containing solely the costs arising from the management and maintenance of the Council's housing stock, funded by income from tenant rents and service charges, leaseholder service charges, commercial property rents and other housing-related activities. It is a ring-fenced account and therefore entirely separate from the Council's General Fund.

The Council is responsible for providing a cost effective, efficient Housing Landlord service whilst meeting its obligation to deliver value for money for its tenants alongside a sustainable Housing Revenue Account.

For the four financial years up to and including 2019/20, there was a national requirement to reduce rents by 1% per annum and this has put pressure on many council's Housing Revenue Accounts. From 2020/21, rents were able to be increased by CPI plus 1%. In January 2021, the Council voted to raise the actual average rent to September 2020 CPI (0.5%) plus 1% resulting in a rent increase of 1.5%.

As previously noted, the Council has not produced a final 2021/22 outturn report. With regard to the HRA, the forecast M11 report shows HRA net revenue expenditure to be £240k better than expected, although capital expenditure was noted to be £5.3m less than budget. The Council was forecasting a £66k surplus on the HRA revenue outturn but finished the year with a £306k surplus due to income generation, though this is an estimate due to the ledger implementation issues. The capital programme underspent significantly. The capital budget was planned to be £12.6m but outturn was forecast to be £7.3m (which is £5.3m less than budgeted). The Council has attributed this to various delays in expenditure and slippage.

In January 2022, the Council voted to increase the actual average rent for 2022/23 by 4.1%.

At February 2022 budget setting, the Council forecast a surplus position for the HRA for the next three years which will be returned to earmarked reserves to enable the HRA to fulfil its forecast acquisitions and developments.

The 2022/23 provisional outturn report showed a surplus of £34k on the revenue budget for the HRA and anticipated capital spend to be £7.8m against a £14.2m budget (45% underspend).

Financial sustainability

The capital programmes in the General Fund and HRA are subject to many of the same issues (delays outside the Council's control, slippage, supply chain issues). We re-iterate our recommendation on the capital programme in the General Fund revenue budget so that the Council can maintain credibility in its capital budget setting process.

The HRA looks to be in a reasonably healthy position. It has been able to produce operational surpluses for the past few years and has not relied on reserves to balance the books. The HRA Business Plan presented in February 2023 looks to ensure that HRA reserves are maintained at appropriate levels and plans for the HRA to continue to generate surpluses over the 30-year period.

Conclusion

The Council's M11 forecast for 2021/22 noted an estimated underspend position on the General Fund Revenue Budget. The draft 2022/23 outturn reported noted an estimated overspend driven by a higher than expected pay award.

The medium term position appears to be reasonably comfortable as the majority of the savings driving the medium term plan are predicted on robust assumptions that can be supported by third party evidence.

It is, however, important to note that all financial information being used to assess the Council's financial sustainability are based on figures that are not supported by audited financial statements since 2019/20. It is for this reason that we find a significant weakness in the Council's medium term position and have included this in the statutory recommendation raised (see statutory recommendation 1). We cannot place assurance on the Council's stated level of reserves which links to the budgetary information included in the MTFP meaning we cannot determine that a significant weakness in arrangements does not exist in regards to the medium term plan. Once the Council has resolved statutory recommendation 1, the weakness in the medium term position will gain the validity of audited statements of accounts, therefore providing the medium term plan with much necessary backing and assurance.

We raise four improvement recommendations relating to savings, capital management and the budget setting process.

Improvement recommendations



Financial sustainability

Improvement Recommendation 1

Savings

The Council should ensure that:

- stakeholders are consulted during the development of savings plans (depending on the nature of the saving, stakeholders could include local residents, service users or local businesses);
- savings delivery is monitored independently of basic budget monitoring at a corporate level;
- variances from plans are adequately challenged and mitigated;
- the quality impact of proposed savings is assessed and monitored during and after implementation to assess whether any quality risks have occurred.

Audit year

2021/22 and 2022/23

Why/impact

At present, there is no evidence of external stakeholder consultation for savings included in the medium term financial plan although there has been a feedback form in the Savings Proposal Document.

At present, there is no way to tell that the savings agreed at budget setting are the same savings delivered at outturn. Members and residents therefore do not have assurance that the Council has managed to achieve the saving in the area highlighted at budget setting. There is currently no project management arrangements supporting the savings programme and no independent monitoring of savings outside of budget monitoring arrangements. Without the appropriate supporting architecture, the Council risks mismanaging the savings programme and therefore risks potentially failing to deliver the savings.

Management Comments

The Council runs a two Tranche budget process. Given the expected lateness of the Provisional Local Government Settlement, there are no service based savings in Tranche 1 of the 2024/25 budget process. Consultation will be taking place with Stakeholders in late January/early February once the final budget position is known.

Wider savings monitoring will be undertaken by the Audit, Governance and Standards Committee on a quarterly basis, rather than half yearly, to ensure plans are being delivered as agreed.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Financial sustainability

Improvement Recommendation 2

Capital

The Council should review and evaluate how it sets its capital budget. Consideration of this will enable it to set more realistic budgets going forward.

Audit year

2021/22 and 2022/23

Why/impact

The Council has a track record of significant under-delivery of its annual capital budgets. Although there is monitoring of the capital programme alongside the revenue budget monitoring, indications are that focus should be turned to setting realistic capital budgets that allow for sufficient lead time before expenditure is likely to be incurred. Inability to set a realistic capital budget undermines the authority's perceived capability to manage its capital budget and deliver its growth plans. The Council must consider the realism in its original budget and consider the prior year outturn when setting the successive year's budget.

Management Comments

The Council is setting up an internal support network to ensure the delivery of the Towns Fund budgets which amount to £16m over the next 2 years (the vast majority of the Capital Programme).

Wider Capital Programme budgets will be reviewed for deliverability as Tranche 2 of the Budget and where possible will link to strategic priorities.

A Governance Group, linked to the new Programme Management arrangements, will monitor and challenge internal delivery.

Quarterly monitoring will give wider narrative on capital programme delivery than is presently the case to aid understanding. It is important to note that there has also been slippage in capital schemes due to the impact of C-19 on materials/contractors during the period referenced in this report. Another significant factor is the awaited Government paper (Environment Act) that impacts the refuse fleet.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Financial sustainability

Improvement Recommendation 3

The Council should include trend analysis and extrapolation, risk and sensitivity analysis and evidence of alternative proposals and scenarios considered and the corresponding impact in the budget setting process.

Audit year

2021/22 and 2022/23

Why/impact

There also continues to be limited evidence of trend analysis and extrapolation, sensitivity analysis or alternative proposals and scenarios being considered in the budget setting process. While this is not a significant weakness, the Council could enhance the budget setting process by including scenario modelling and presenting to Members to support their decision-making process.

Management Comments

The Council has purchased the LG Futures Benchmarking tool to identify areas where service costs are higher/significantly higher than their "Audit" Families. This data is being used as the starting point for savings analysis required to balance the budget in Tranche 2 following the Local Government Financial Settlement. Part of the ongoing work will be, linked to performance data, alternative delivery methods.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Financial sustainability

Improvement Recommendation 4

The Council should include greater evidence of external consultation in the budget setting process.

Audit year

2021/22 and 2022/23

Why/impact

There continues to be limited evidence of external engagement in the budget setting process. There is no mention of external consultations feeding into the 2021/22, 2022/23 or 2023/24 budgets.

Management Comments

The Council runs a two Tranche budget process. Given the expected lateness of the Provisional Local Government Settlement, there are no service based savings in Tranche 1 of the budget. Consultation will be taking place with Stakeholders in late January/early February for the 2024/25 budget and MTFP once the final budget position is known.

A feedback form was included in the 2023/4 “savings proposal” document. This is the first time in recent years that feedback has been sought.

The range of recommendations that external auditors can make is explained in Appendix C

Governance



We considered how the local authority:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Risk management

The Council has made significant progress in risk management arrangements since our 2020/21 report. In this report, we had documented insufficient arrangements in terms of a lack of formal update reports or presentation of risk registers to Members until July 2022. We found a significant weakness in the Council's arrangements surrounding risk management for 2020/21.

In our 2020/21 report, we noted limited progress since the review performed by Zurich Municipal which had been commissioned in response to a 'Limited Assurance' internal audit opinion into risk management arrangements from 2018/19. A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore a no assurance opinion was issued.

The lack of appropriate arrangements for risk management is evident in the Audit, Governance & Standards Committee meeting minutes and papers during 2021/22. Our review showed that Members were typically only receiving verbal updates on the Corporate Risk Register (CRR) with very little information on how risks were being managed. It was impossible for Members to have assurance that risks were properly being identified and appropriately managed. For example, at the October 2021 meeting, a verbal update was provided in respect of the CRR but there was no mention of the actual risks on the CRR or any evidence of engagement with the risks from the minutes. At this point, work was ongoing with Zurich Municipal.

In March 2022 a further follow up review was carried out by internal audit which concluded 'no assurance' regarding the Council's risk management arrangements. This means that no assurance could be given on the system of internal control as significant weaknesses in the design and/or operation of the key controls could result in failure to achieve the organisation's objectives in the area of review. The basis of this opinion was due to the failure to produce an action plan. Internal audit acknowledged that a risk management system was in place and that there were areas of good practice but that this was not uniform across the Council and effective risk management needed to be embedded and driven by senior leadership.

A Risk Strategy outlining the approach to Risk Management was taken to CMT in March 2022. The new 'Risk Management Report' format was presented to Audit, Governance & Standards Committee members at the April 2022 meeting. Officers announced that a plan had been agreed with CMT and implementation had already commenced. A Risk Officer Group had been established and a meeting had taken place in April 2022. There was an acknowledgement that some of the momentum in terms of risks had been lost over 2021/22 and this was partially ascribed to capacity constraints in the finance team. However, there was hope that a more embedded risk management approach would be taken forward at the organisation.

The Council's new formal 'Risk Management Framework' was presented to the July 2022 Audit, Governance & Standards Committee. This framework outlines how the organisation identifies strategic risks, understands them, records them within the risk management system.

Governance

Risks are assessed using a 3x3 impact matrix and then the scores determine whether a risk is 'Red', 'Amber' or 'Green' (RAG). Members also approved the definition of how risks move from being 'departmental' or 'corporate' in nature. To escalate the risk 'must have significant impact on Councils finances, be cross-departmental in nature and/or result in serious reputational damage.'

From our review of Audit, Governance & Standards Committee meetings and risk management reports, it is clear to see the progress the Council has made with regard to the Corporate Risk Register and the engagement with risk management at the organisation. The improvement in the quality of the reports from April 2021 to July 2023 is worth noting. There is also demonstrable improvement in the level of Member and officer engagement with the Corporate Risk Registers. For example, at the October 2022 Audit, Governance & Standards Committee meeting, Members queried why the CRR did not include a name of a risk owner and target resolution date for each risk. The Interim Director of Finance explained that this was included in the working version but would be included in the versions provided to Members at subsequent meetings. This exchange demonstrates meaningful engagement with the risk register and its presentation.

This improvement has also been recognised by internal audit. In April 2023, internal audit issued a 'moderate assurance' opinion which indicates that the system of control is generally sound, however, some of the expected controls are not in place and/or not operating effectively.

The latest publicly available Corporate Risk Register showed 12 risks. This is an appropriate number to allow for meaningful engagement with each risk. Councils must be cautious on reporting too many risks and therefore disincentivising substantive scrutiny of each risk.

The register also included RAG ratings, a description of each risk and the mitigating factors in place to manage each risk. This is a significant improvement from the April 2021 where the Council was providing purely verbal updates of the risk register with no meaningful descriptions or any mention of mitigating factors.

Due to the significance of the deficiencies in 2021/22, we have found there to be a significant weakness in the Council's arrangements for risk management in that year. As this is a combined 2021/22 and 2022/23 report, we must also comment on the arrangements for 2022/23. Due to the improvement in the position from 2021/22 to 2022/23, we do not find there to be a significant weakness in the Council's arrangements for 2022/23 but raise as improvement recommendation (see improvement recommendation 5).

Internal audit

The internal audit service at Redditch Borough Council is provided by Worcestershire Internal Audit Shared Service (WAIASS). This is hosted by Worcester City Council and provides internal audit to a number of local authorities in Worcestershire. The service was effective during 2021/22 and 2022/23 and reported regularly to Audit, Governance & Standards Committee on the effectiveness of internal controls.

The Internal Audit Plan for 2021/22 was presented to the July 2021 Audit, Governance & Standards Committee. Operational progress against the plan is closely monitored by the Head of the Internal Shared Service and is reported to the Shared Service's Client Officer Group which comprises of the Section 151 officers from the client organisations, and to the Audit, Governance & Standards Committee on a quarterly basis.

Regular reporting to Audit, Governance & Standards Committee provides sufficient assurance for Members to be able to assess whether internal controls are effective.

The Internal Audit Annual Opinion for 2021/22 was presented in July 2022 alongside the 2022/23 Internal Audit Plan. Internal audit does not give an allocated assurance opinion but provides a commentary.

For 2021/22, internal audit concluded that '*the internal control arrangements during 2021/22 managed the principal risks in a number of areas, but not all, and can be reasonably relied upon to ensure that the Council's corporate objectives have been met in the main.*' 72% of audits undertaken for 2021/22 received an assurance allocation of 'moderate' or above. Internal audit delivered a sufficient amount of its annual plan, delivering 89% of planned audits.

The Internal Audit Opinion for 2022/23 concluded that 35% of the audits undertaken which received an assurance allocated returned a 'moderate' assurance or above but there remain several assurances to be confirmed. Indications are that the remaining will fall into these categories. This is a significant drop from 2021/22 but it is due to a few reviews waiting final sign off or still ongoing rather than indicative of weaknesses in the control environment. Internal audit delivered a sufficient amount of its annual plan, again delivering 89% of planned audits.

Internal audit are required to be externally assessed at least once every five years to ensure compliance with Public Sector Internal Audit Standards (PSIAS). The Worcestershire Internal Audit Shared Service (WAIASS) was last externally assessed six years ago.

Governance

It was due to be assessed in 2022 but was deferred due to potential changes to the shared services arrangements with the County Council. The partnership therefore decided to pause the external assessment until there was greater certainty surrounding the arrangements. The partnership have set a date in January 2024 for an external assessment. We include an improvement recommendation emphasising the importance of undergoing the external assessment (see improvement recommendation 6).

Internal audit provide the Council's arrangements for the prevention and detection of fraud. Undertaking independent investigations into allegations of fraud and irregularity forms part of the key aims and objectives of internal audit's annual plans. Through the internal audit service, the Council is part of the National Fraud Initiative (NFI) which is a data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud.

The Council have a whistleblowing policy in place but this was last updated in 2010. We raise an improvement recommendation (see improvement recommendation 8) to recommend that this is regularly reviewed and updated as appropriate.

Audit committee effectiveness

The purpose of the Audit, Governance & Standards Committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements at the Council. The Committee's role in ensuring that there is sufficient assurance over governance, risk and control gives greater confidence to those charged with governance that those arrangements are effective.

We recognise that since the May 2023 elections the make-up of the Committee has changed. We make these comments irrespective of specific make-up and rather of the Audit, Governance & Standards Committee in theory.

There are no statutory requirements that determine the composition of audit committees. The Audit, Governance & Standards Committee at Redditch Borough is comprised of nine members. CIPFA's recommendation in *Audit Committees: Practical Guidance for Local Authorities and Police (2022)* is authorities should strive to have no more than eight members, the Council is not far off this suggestion with nine members so this is deemed sufficient. CIPFA recognises that committees of this size should allow sufficient breadth of experience but is small enough to allow the training and development of a dedicated group.

CIPFA guidance emphasises the importance of the separation of executive roles and the membership of the audit committee. Where an authority has a cabinet system of governance, as at Redditch Borough Council, including a member of the cabinet on the committee is discouraged. We have compared the membership of the Audit, Governance & Standards Committee with the members of the Executive to ensure a clear separation. We can confirm that no members of the Executive are also members of the Audit, Governance & Standards Committee, in line with the guidance.

There are currently no independent members on Redditch Borough Council's Audit Committee. CIPFA guidance and the Redmond Review (2020) recommend the committee includes two co-opted independent members. We recommend that the Council considers the merits of appointing appropriately qualified independent members to the Audit, Governance & Standards Committee (see improvement recommendation 7), noting that there has been discussion of this at Audit, Governance & Standards Committee and the challenges of the availability of suitably qualified individuals and questions over remuneration.

The injection of an external view can often bring a new approach to committee discussions and provides an element of continuity outside the political cycle (though this would be more salient at an authority that had annual changes/elections).

To discharge its responsibilities effectively, CIPFA guidance recommends the committee meet at least four times a year. Redditch Borough Council reiterate this by including in the Constitution that the Committee will meet at least four times a year. Redditch Borough Council's Audit, Governance & Standards Committee met four times in 2021/22 and seven times in 2022/23.

It is important for Audit, Governance & Standards Committee members to maintain an a-political approach. During our review, we noted that it was customary for audit committee members to be asked if whipping arrangements were in place for Audit, Governance & Standards Committee meetings. This is considered to be unusual for audit committees as members are encouraged to view the audit committee as a non-political, non-scrutiny committee that is concerned with the operations of the authority. It is important that a political culture is not fostered at Audit, Governance & Standards Committee meetings (see improvement recommendation 7).

Organisational capacity and capability

There is evidence of a lack of capacity in the organisation having a detrimental impact on operational delivery. In the February 2022 budget, the Section 245 Statement noted the impact of COVID-19 on the capacity of the management team to deliver change, efficiencies and associated savings as a key risk.

Governance

Turnover of staff at the Council remained high during 2021/22 and 2022/23. As commented in internal audit's annual report for 2022/23, this has created challenges within services, including finance. The loss of staff and experience has impacted the finance team significantly along with the continuing development of the finance system implementation. The finance team currently has several staff who are interim or on long-term sick leave, in addition, there are also vacancies. There is evidence that the lack of capacity in finance is resulting in increased costs for the Council at present. In the M11 2021/22 outturn report, the Financial and Customer Services directorate forecast £108k overspend. One of the contributing factors to this overspend position was the vacancies forcing the need to employ temporary staff - including the resources working on the continued implementation of the finance system which will be assessed for possible capitalisation. This is causing a forecast overspend of £152k for the finance portion for 21/22.

Similarly, in February 2022, the Council noted a lack of capacity to manage the distribution of funding relating to Sustainable Warmth Funding. The Council had received £357k of Sustainable Warmth Funding allocation to invest in homes with poor energy efficiency. The Council was aiming to recruit a new member of staff to project manage the distribution of the funding as the Council lacked capacity to do this within existing resources. Internal audit commented in their Annual Report that 2022/23 was a demanding year due to staff turnover and difficulties encountered recruiting to vacant posts.

In September 2023, we reported to Audit, Governance & Standards Committee the challenges we were continuing to experience in terms of obtaining sufficient appropriate evidence to support our audit.

We decided to redirect our audit team to other work as insufficient working papers had been provided and those that had been provided were not of the expected quality. We attribute some of the difficulties experienced here to a lack of capacity in the finance team.

There is also high turnover of senior staff. Two of the three statutory officer roles are currently being fulfilled by interim arrangements. In January 2021, Full Council appointed a new Section 151 officer (Chief Finance Officer). After 18 months in post, that officer left the Council and a new Interim Section 151 officer was appointed in June 2022 for a period of 12 months. In June 2023, the Council voted to extend the Interim Officer's appointment for a further six months until 22 December 2023.

In September 2023, following the retirement of the Chief Executive (Head of Paid Service), the Council appointed the Deputy Chief Executive to the Interim Chief Executive position in an acting up arrangement until the new Chief Executive was recruited and in post.

To backfill the Deputy Chief Executive role, there is an internally appointed Interim Deputy Chief Executive currently in post.

The prevalence of interim and acting up arrangements has resulted in capacity challenges. The Council are aware of this. In the 2023/24 budget, loss of key personnel was identified as one of the core risks in the MTFP. The average age of staff at the Council is 49 and approximately 10% of Council staff are interim/temporary arrangements.

There is evidence of the Council putting effort toward this with the development of the Workforce Strategy. It is, however, important to note that the Council is operating in an extremely difficult environment. There is an acute recruitment issue across Gloucestershire/Worcestershire and succession planning is a necessity for key roles.

Staff retention and recruitment remained an area of concern for local government in the West Midlands, including for Redditch Borough Council. The Council have recognised the need to review how best to attract and retain skilled and qualified staff moving forward.

Redditch Borough Council is also a Council that has serious and pervasive weaknesses in its financial accounts processes due to the flawed ledger implementation. This has also led to a failure to meet statutory reporting deadlines and a failure to produce accounts and therefore close external audit opinions. The combination of the turnover and capacity constraints coupled with the formidable task of rectifying the issues with the ledger implementation has led us to conclude that there is a significant weakness in the Council's arrangements with regard to organisational capacity and capability.

We are concerned that the Council will find improvement extremely difficult given the high turnover of individuals at all levels of the organisation and over-reliance on specific individuals resulting in low retention. The fact that two of the statutory officers are interim arrangements also leaves a gap at the top of the organisation. Without effective long-term leadership, the improvement to the statutory reporting position is likely to be extremely difficult. High turnover and lack of capability and capacity in the finance team is only exacerbating this issue.

We have therefore identified a significant weakness in arrangements with regard to organisational capacity and capability (see key recommendation). The Council now have a Workforce Strategy in place which is a positive step in the right direction. Effort must now be directed toward embedding the strategy and action plan.

Governance

This was similarly acknowledged by the LGA in the peer review. We also acknowledge that this is extremely challenging in the current local government environment and the difficulties surrounding workforce recruitment and retention. These challenges appear to be having a particularly acute impact at Redditch Borough Council and Bromsgrove District Council.

Leadership and decision-making

Redditch Borough Council is a district council that operates with a Leader/Executive system. The Council's governance arrangements are explained in the Annual Governance Statement (AGS) and the Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that it is efficient, transparent and accountable to local residents. The Council has not updated its Constitution since 2016. We recommend annual updates to the Constitution (see improvement recommendation 10).

There is evidence of senior officers demonstrating transparency and openness in decision-making and no evidence of inappropriate tone from the top. Throughout our interview process for this report, we noted that officers were engaged and extremely helpful in terms of providing evidence and documentation. This was noted in the LGA peer review where it noted that 'the organisational culture is one where the staff feel supported and empowered to bring forward improvements. They are happy and want to help the council to respond to the needs of the different communities.'

Conclusion

We have found a significant weakness in the Council's governance arrangements giving rise to a statutory recommendation (see statutory recommendation 1). This is relating specifically to the failure to produce full financial statements for 2020/21, 2021/22 and 2022/23. The Council is significantly behind its statutory requirement to produce financial statements. This does not allow accountability and transparency for the taxpayers of Redditch. In our view, this is an unacceptable failure to comply with statutory duties.

We have also found a new significant weakness giving rise to a key recommendation relating to organisational capacity and capability (see key recommendation 1). There is evidence of a lack of capacity in the organisation having a detrimental impact on operational delivery. The average age of staff at the Council is 49 and approximately 10% of Council staff are interim/temporary arrangements. Two of the three statutory officer roles are currently being fulfilled by interims. We are concerned that the Council will find improvement extremely difficult given the high turnover of individuals at all levels of the organisation and over-reliance on specific individuals resulting in low retention. Without effective long-term leadership, the improvement to the statutory reporting position is likely to be extremely difficult. High turnover and lack of capability and capacity in the finance team is only exacerbating this issue.

Outside of the financial ledger issues, the Council's governance arrangements have undergone significant improvement since our 2020/21 reporting. We have seen improvement in risk management arrangements with the return to in-year reporting, though we raise an improvement recommendation (see improvement recommendation 5).

The Council has an effective internal audit service in place (though see improvement recommendation 6). There is also room for improvement in audit committee arrangements (see improvement recommendation 7) and counter fraud (see improvement recommendation 8).

Improvement recommendations



Governance

Improvement Recommendation 5

Risk management

- a) The Council should clearly define its risk appetite in the Risk Management Framework;
- b) We recommend that for each risk reported to Audit, Governance & Standards or Executive, for each risk reported:
 - relevant key controls and sources of assurance are set out
 - they are RAG-rated, including impact and likelihood
 - they are mapped to corporate objectives
 - they are allocated to a named senior officer
 - direction of travel for each key risk.
- c) Internal audit have highlighted important weaknesses in the Council's risk management framework in their latest report from April 2023. We include in our recommendation that the Council direct effort toward working with internal audit to resolve their recommendations.

Audit year

2021/22 and 2022/23

Why/impact

At present, the Council's Risk Management Framework does not define the Council's risk appetite. Greater definition can enhance the quality of the framework. The Council's Corporate Risk Register (CRR) is not clearly accessible to Members. Greater clarity would enhance Members' ability to gain assurance that risk at the organisation is being appropriately managed.

Management Comments

The high risk Recommendation actions of the Internal Audit Update Report have been actioned apart from understanding Risk appetites of the Councils. Following the Strategic Priority setting sessions have taken place at both Councils, Risk Appetite sessions will be run for the Executive to link then risk appetites in the delivery of those priorities. These sessions will be externally facilitated and will be delivered before the end of the financial year. The Corporate and Departmental Risk Register is reported to and available in Audit Governance and Standards Committee papers. The background documentation is available on the 4Risk system. A specific location will be sourced for the wider Member community to access the Risk Register.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Governance

Improvement Recommendation 6

The internal audit service should be externally assessed to ensure the it is compliant with PSIAS.

Audit year

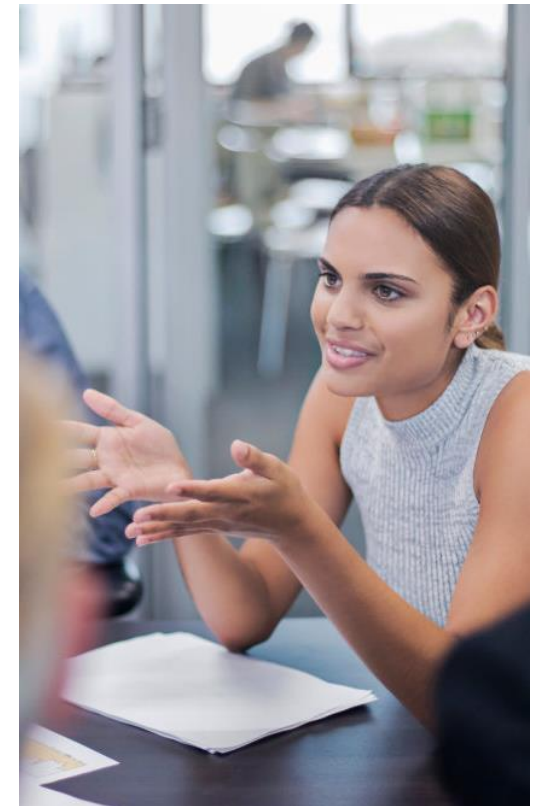
2021/22 and 2022/23

Why/impact

Internal audit are required to be externally assessed at least once every five years to ensure compliance with Public Sector Internal Audit Standards (PSIAS). The Worcestershire Internal Audit Shared Service (WAISS) was last externally assessed six years ago. It was due to be assessed in 2022 but was deferred due potential changes to the shared services arrangements with the County Council. The partnership therefore decided to pause the external assessment until there was greater certainty surrounding the arrangements. The partnership have set a date in January 2024 for an external assessment. When this is complete, the improvement recommendation can be resolved.

Management Comments

This assessment is due to take place in January 2024 and the results will be fed back via the Internal Audit reports.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

Improvement Recommendation 7 Audit Committee

- The Council should consider the merits of appointing two appropriately qualified independent members to the Audit, Governance & Standards Committee.
- Members must ensure that the Audit, Governance & Standards Committee maintains its apolitical nature.

Audit year

2021/22 and 2022/23

Why/impact

There are currently no independent members on Redditch Borough Council's Audit, Governance & Standards Committee. CIPFA guidance and the Redmond Review (2020) recommend the committee includes two-coopted independent members. We recommend that the Council considers the merits of appointing appropriately qualified independent members to the Audit, Governance & Standards Committee. The injection of an external view can often bring a new approach to committee discussions and provides an element of continuity outside the political cycle (though this would be more salient at an authority that had annual changes/elections). It is important for audit committee members to maintain an apolitical approach. During our review, we noted that it was customary for Audit, Governance & Standards Committee members to be asked if whipping arrangements were in place for Audit, Governance & Standards Committee meetings. This is considered to be unusual for audit committees as members are encouraged to view the audit committee as a non-political non-scrutiny committee that is concerned with the operations of the authority. It is important that a political culture is not fostered at audit committee meetings.

Management Comments

The Council did have an independent Audit Committee Member but this has not been recently. The last attempt, unsuccessfully, to source independent members at the start of 2022. One of the issues raised at that time was the question on the levels of remuneration. This recommendation will need to be reviewed by the appropriate committee and then Council to establish and agree appropriate levels of remuneration prior to the next recruitment process. We understand the point that is being made on the apolitical nature of the committee in relation to whipping arrangements and will take advice on the appropriate way.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

Improvement Recommendation 8

Counter fraud

The Council should update its whistleblowing policy every one to three years.

Audit year

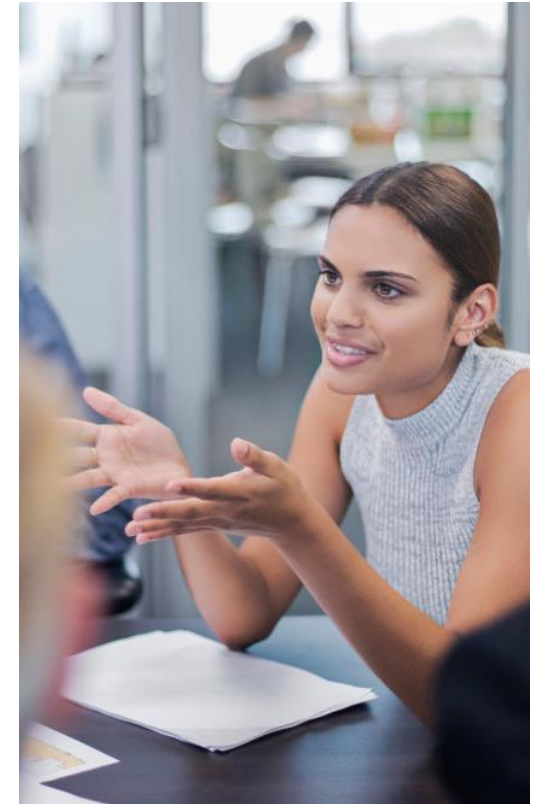
2021/22 and 2022/23

Why/impact

The Council have a whistleblowing policy in place though this was last updated in November 2010. This means the policy is unlikely to be consistent with legislative changes regarding whistleblowing arrangements since 2010. The Council is encouraged to review its whistleblowing policy to ensure it reflects the letter and spirit of the law.

Management Comments

The Whistleblowing policy will be updated before the end of the financial year.



The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the local authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

Performance

The Council Plan 2020/24 was built around five long term strategic purposes underpinned by a set of key priorities. The strategic purposes are:

- Run and Grow a Successful Business
- Finding Somewhere To Live
- Aspiration, Work and Financial Independence
- Living Independent, Active and Healthy Lives
- Communities which are Safe, Well Maintained and Green

The priorities set out in the Council Plan 2020/24 are:

- Economic Development and Regeneration
- Skills
- Improved Health and Wellbeing
- Housing Growth
- Community Safety and Anti-Social Behaviour
- Financial Stability
- Sustainability
- High Quality Services

In June 2022, the Executive agreed the Council Plan Addendum 2022/23. The aim of the Council Plan Addendum was to incorporate the impacts of COVID-19 into the old Council Plan 2020-24 and write it such that it would work alongside the Council Plan.

The Council Plan Addendum priorities are the same except 'Green Thread' has been added. The Council Plan Addendum is designed to provide an intermediary position ahead of a full review of the Council's long-term priorities in 2024.

As documented in our report for 2020/21, there was no performance reporting for 2021/22. The significant weakness for 2021/22 therefore remains.

In 2022/23, the first 'Finance and Performance Report' for Quarter 1 was presented to September 2022 Executive. Appendix E of the report presented the Strategic Priorities and Performance Measures. The report was rudimentary in nature, containing no information on how performance indicators were derived and not including any comparator data for Members to be able to assess whether the Council's performance was better, worse or in line with similar authorities, a defined target or previous years' performance.

The second performance report for 2022/23 went to December 2022 Executive. The report improved marginally in terms of clarity of presentation but there continued to be significant holes in terms of detail which hinders Members' ability to have assurance that the Council is performing in line with expectation. The Quarter 3 report was presented in March 2023 and Quarter 4 report in June 2023. The Council was able to present a Quarter 1 performance report for 2023/24 to September 2023 Executive.

In March 2023, the LGA performed a peer review of Bromsgrove and Redditch and concluded that there was "a disconnect between what the Council wants to deliver and achieve and the activities the organisation is pursuing.

Improving economy, efficiency and effectiveness

A lack of specific clarity about the desired outcomes from the delivery of the priorities means that priorities are open to interpretation. Clearer communication to staff on the priorities and the expected outcomes backed up with a robust performance management framework to track progress should help to ensure that organisational effort is invested in the right places.'

In response to the review, the Council has put improved performance and project management arrangements in place and introduced the need for clearly agreed project plans. Project management of key projects is now included in the quarterly monitoring reports.

Ultimately, the Council has returned to in-year performance reporting. This is a significant improvement from the 2021/22 position where no performance reporting had taken place since 2018. There is still, however, significant room for improvement in the quality of the performance reports.

We lift the significant weakness for 2022/23 due to the return to in-year reporting but we would like to emphasise that the quality of the Council's performance reports is low and needs significant improvement. We raise an improvement recommendation (see improvement recommendation 9). The Council clearly have a lot of meaningful data but it is currently not presented in the most accessible format to be able to properly interrogate the information. There are currently limited benchmarks or targets against which to measure performance. There is therefore no standard expectation. The data shows what is happening but does not assess whether this performance is 'good' or 'bad' and therefore does not drive behaviour and actions.

The Council should put effort toward determining what quality of service it would like to deliver, put arrangements in to review that regularly and then report against that position. The current performance reports demonstrate a good foundation to build on but there is room for improvement.

Procurement

Robust and compliant procurement is key in the delivery of public services as organisations need to meet statutory obligations and deliver value for money for taxpayers.

Part 5 of the Council's Constitution details the Officer Scheme of Delegations. The Council's Constitution clarifies that key decisions with significant financial implications for the authority are Executive level decisions with a combined financial spend (either as a single item or for the length of the contract) of £50,000 or more. This was raised in July 2023 to £200,000 to bring the Council in line with other similar authorities.

The Council has Contract Procedure Rules though these have not been updated since November 2017. We raise an improvement recommendation urging the Council to review the Contract Procedure Rules annually (see improvement recommendation 10).

In June 2022, internal audit issued a 'limited' assurance opinion surrounding the procurement service at Redditch Borough Council. The review found multiple areas within the procurement rules which were not being complied with and there was limited communication with the procurement service for support and advice – although it was acknowledged that there had been a lot of effort on the side of the procurement team to communicate with the service areas through training and other means.

The subsequent follow up reports tracking implementation of the recommendations raised showed good progress from procurement and by June 2023 all recommendations had been implemented.

In spring 2024, the new Procurement Bill is expected to be introduced. The Bill aims to deliver better value for UK public procurement by driving value for money decision-making and innovation.

In July 2023, the Executive at the Council was provided with assurance by Officers that the Council had already put measures in place to meet the majority of the requirements of the new legislation. Some of the measures already in place include 'The No Compliance No Order' procurement regime which was implemented on the TechOne system on 1 April 2023. This requires a purchase order to be linked to a contract in order to be raised therefore mitigating the risk that the Council is spending money with suppliers without having appropriate contracts in place. Other measures include requiring all suppliers to be approved by procurement and payments teams, all monthly spending above £500 to be published on the Council's website and public reporting of the Contracts Register. The Procurement team are also available for monthly meetings with Heads of Service to ensure monitoring of what services are procuring so they can check compliance with the 'No Compliance No Order' regime. Procurement training is also already provided to teams on request and there is a dedicated Procurement team page on the Council's website.

The Council also maintain a Procurement Pipeline based on the contracts register which provides a forward look of potential contract opportunities and highlights when existing contracts are due to expire. The pipeline enables proper planning of procurement processes to ensure the Council is maximising on contract opportunities.

Improving economy, efficiency and effectiveness

The Council received feedback from local businesses in 2023 that the Council's high procurement requirements acted as a barrier for them to bid for work directly. The Council recognised this and acknowledged that it would investigate ways to encourage bids within a risk-managed framework.

This is particularly important given one of the goals of the new Procurement Bill is to open up Council procurements to new entrants such as small businesses and social enterprises so that they could compete for and win more public contracts.

The procurement function has undergone significant change in the last year and a half and improved significantly as is demonstrated by the journey from the internal audit report from June 2022.

There is, however, room for improvement. At present, the procurement team does not report on waivers to committee level. We recommend that the Council report on waivers (in terms of numbers of waivers raised and value of waivers raised) to the Audit, Governance & Standards Committee at least quarterly. This can ensure that senior leadership, Members and the public are aware of the level of waiver use (see improvement recommendation 10).

The Contracts Register is managed on the Proactis system and mirrored on the TechOne system where spend on contracts is visible. Both systems provide alerts to procurement and contract managers when contracts are nearing expiry, typically three to six months before, and the procurement team contact the department to see if they are planning to do. The Council therefore have a reasonable level of assurance that the Contracts Register is kept up to date as it is automatically flagged by the system.

Partnerships

Partnership working is central to the delivery of many local authority services. The Council maintains strong partnership arrangements with key stakeholders and has continued to do so during 2021/22 and 2022/23.

The Council works closely with its statutory partners, commissioned providers, private businesses, community and the voluntary sector to perform its responsibilities.

The most obvious partnership-type arrangement in place at Redditch is the shared services arrangement with Bromsgrove District Council. This has been in place for a number of years and continues to serve both authorities well. This was commented on in the LGA Peer Review from March 2023 which noted that the shared service arrangement was 'working well across both councils. It is commendable that whilst each council retains political and democratic sovereignty, people see themselves as working for one organisation and are committed to serving the residents of both Councils.' At the request of the Member Support Steering Group, a lot of training is taking place jointly in 2023/24 with Bromsgrove District Council. The aim is to achieve efficiency savings and provides opportunities for Members to network with Councillors from another authority. However, where Members did not feel joint training was appropriate, separate sessions are being held (e.g. the Council's Overview and Scrutiny training session is being delivered to Redditch Members only). This indicates there is a positive contribution to engagement and collaboration across both authorities in the shared services structure.

In the Council Plan 2020-24, the Council acknowledges that it cannot deliver all of its priorities on its own, considerable support and input from partner organisations is needed if priorities are to be successfully delivered.

The Council categorises its role in delivery of its priorities as either:

- Lead – to be the lead organisation in the delivery of the activity/project that delivers the priority
- Participant – to be involved with partner agencies who will be leading the activity/project that delivers the priority
- Influence – to work collaboratively with partner agencies to persuade them to take a particular course of action

This delineation is helpful for demarcating the Council's responsibilities in particular projects/activities and therefore clearly defining the limitations of their accountability.

Partnership working is a specific area of focus for both Councils, led by the Chief Executive. Both councils bring together organisations from all sectors as community leaders and key members of their local strategic partnerships (LSPs), the Bromsgrove Partnership and the Redditch Partnership, as well as the emerging local 'Collaboratives'.

The LSPs each act as a single body that brings together organisations from the public, private and voluntary and community sectors to improve the quality of life for people in their area. Each provides a forum capable of collaborative leadership and co-ordination to enable the sharing of information, resources, and effort to better understand and meet the needs and aspirations of local communities. The LSPs enable local organisations to come together and address issues that are important to people living, working, and visiting in the areas.

Improving economy, efficiency and effectiveness

Benefits realisation

In our report for 2020/21, we found a significant weakness in the Council's arrangements for managing major projects and ensuring the intended benefits from major projects are realised. Since our report, the Council has made significant progress in their management of projects/programmes.

In October 2022, the Council produced a Project Management Framework. The Framework creates the expectation for each project to have a sponsor, project manager, business case, risk assessment and project reporting. The move came as part of the Council's efforts to organise appropriate governance arrangements in order to address the financial challenges and ensure all projects are securing value for money through appropriate management and organisation.

In early 2023, an Audit Task Group was established at Bromsgrove District Council (BDC) to investigate the reasons behind the issuing of our Statutory Recommendation in October 2022. The Task Group provided recommendations on lessons learnt to Redditch Borough Council. At its Executive meeting in June 2023, Redditch approved to implement the recommendations of the Bromsgrove Audit Task Group.

One of the recommendations was that a permanent Project Management Office (PMO) be set up to support the full range of projects at the Council. The Executive resolved that formal reporting of all projects is undertaken on a monthly basis by officers and the information fed into the Quarterly Finance and Performance Reports for Members.

The Executive also resolved that a programme office be established to provide oversight and validation of the delivery of projects across the organisation. The roles of a programme manager and programme officer were established to provide support for the delivery of oversight for ICT and Organisational Change projects across the organisation and a compliance structure was put in place to ensure delivery of projects and management of multiple interdependencies across projects.

The creation of the Programme Management Office is certainly a step in the right direction due to the fact that the LGA was sceptical of the Council's ability to deliver on its key ambitions (economy, regeneration and skills) considering its lack of capacity in programme and project management. The creation of the Project Management Framework and the Programme Management Office is a clear demonstration of the Council's efforts to invest in this area and address the deficiencies highlighted by the LGA.

Although the finance ledger system issue remains, we have addressed this in our statutory recommendation which remains on the Council. We, however, lift the significant weakness relating to poor project management to recognise the progress the Council has made in this area.

Conclusion

No significant weakness in arrangements identified. The Council's performance management processes have improved though there is room for improvement (see improvement recommendation 9). Procurement has also improved though an improvement recommendation has been raised (see improvement recommendation 10).

Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement Recommendation 9 Performance

The Council must put effort toward improving the presentation and accessibility of the performance monitoring reports and maintaining timely reporting.

The Council should:

- define a suite of key performance indicators against which to measure performance aligned to the strategic objectives;
- explain how those indicators are derived (e.g. statutory obligation)
- for each KPI, outline a performance target which meets the service quality the Council wishes to deliver;
- for each KPI, state performance against this target, how the performance has changed over time and consider benchmarking against NNs as appropriate.

Audit year

2021/22 and 2022/23

Why/impact

The Council clearly have a lot of meaningful data but it is currently not presented in the most accessible format to be able to properly interrogate the information. There are currently limited benchmarks or targets against which to measure performance. The data shows what is happening but does not assess whether this performance is 'good' or 'bad.' The Council should put effort toward determining what quality of service it would like to deliver, put arrangements in to review that regularly and then report against that position. The current performance reports demonstrate a good foundation to build on but there is room for improvement.

Management Comments

Following the Strategic Priority sessions, performance monitoring information will be revised to ensure it relates to the measurement of these priorities. Delivery of indicators is already being developed with the use of Power BI templates, however those tools are only as good as the information being used which will also have its collection processes redefined.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement Recommendation 10

Procurement

- a) The Council should update its Contract Procedure Rules annually.
- b) The Council should report on the number and value of waivers to Audit, Governance & Standards quarterly.

Audit year

2021/22 and 2022/23

Why/impact

The Council has Contract Procedure Rules though these have not been updated since November 2017. At present, the procurement team does not report on waivers to committee level. This can ensure that senior leadership are aware of the level of waiver use.

Management Comments

The procurement and contract rules will be updated by the end of the financial year in order to take account of the changes to procurement rules which need to be implemented on the 1st April 2024.



The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
<p>1 The Council cannot yet produce its 2020/21 draft statement of accounts with long-standing issues with its new ledger system in relation to cash receipting requiring resolution. The Council must ensure that arrangements allow for the successful implementation of cash receipting within its ERP system to allow key elements of financial governance and compliance to be undertaken routinely and in a timely manner. In order to achieve this the Council should:</p> <p>ensure the Council has access to the necessary knowledge and expertise to resolve the remaining key issues with the ERP system in a timely manner to provide management with sufficient assurance over the completeness and veracity of the data included within the system;</p> <p>undertake appropriate testing of the fixes and ensure that appropriate sign-off of these is received prior to running them on live system data; and</p> <p>ensure budget holders and other relevant officers possess the skills and knowledge to appropriately use the ERP system as intended, including relevant training and updates to key documentation and process manuals. Once system issues are properly resolved, the Council must:</p> <p>undertake key control activities such as bank and control account reconciliations on a monthly basis and ensure that these are kept up to date;</p> <p>produce the 2020/21 and 2021/22 draft financial statements, along with high quality supporting working papers;</p> <p>conclude the 2020/21 and 2021/22 RO and CO submissions, and other key Government returns including Whole of Government Accounts; and</p> <p>ensure timely reporting of budget outturns and report publicly on in-year financial monitoring, including updates on the capital programme and savings scheme achievement.</p>	Statutory	Oct 2022	<p>The following Progress has been made:</p> <ul style="list-style-type: none"> • Cash Receipting system issues were corrected by TechOne in November 2022. • Backlog in reconciliations due to the cash receipting timetables to be completed and the Council being up to date by end of the 2023 calendar year • Bromsgrove Audit Task Group ran a review of why the Council was issued with a S24 Statement in February 2023 and came up with a number of recommendations which were accepted by Redditch Borough Council Audit Committee and Executive. • The Council were able to upgrade its TechOne System from the version it was on at Go Live to the latest version 23A (which was a5 version upgrade) in July 2023. • Internal Back Office protocols documented and circulated. • Data take on balances for all periods except Period 0 provided to external auditors for review. Council working with previous IT supplier to provide Period 0. Accounts will be provided (as per Audit Committee and Executive minutes) once Auditors have approved Data Take on Balances. • All key financial returns except RO's/CO's 20/21 and 21/22 (draft 22/23 provided) and WGA now have been provided • Updated finance training provided to Services including the roll out of a new Budget Manager module for inputting forecasts directly on TechOne in September 2023. This will be used for the first time in Q2 monitoring 2023/4 financial year. • Audit Committee reviews progress on movement of key financial issues at every meeting (this updated reporting requirement started in January 2023). The same report goes to executive twice a year. • 2022/23 Initial Outturn report delivered in September 2023. 	Partially	Statutory recommendation remains open

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
1 The Council needs to ensure that the Medium-Term Financial Plan presented to Members is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.	Key	Oct 22	<ul style="list-style-type: none"> New Two Phase process followed for the 2023/4 MTFP. Initial proposals were reviewed by Budget Working Group and comments fed into Executive in October. Proposals were contained in an appendix which set out the savings proposals. Included in the Savings Proposals Document was a feedback form. Proposals were then agreed by Executive in December before being approved by Council in January. Phase 2 of the process had a far more limited time for review but still went through the Budget Working Group Review process with comments fed through to Executive and then approval in February. Robustness statement set out the Risks of the budget, including the present financial crisis the Country is working through. Overall budget moved to a sustainable position over the three year lifecycle. Previous years unallocated savings budgets dealt with in Q1 and Q2 2023/4 Finance and Performance Monitoring reports. Same process is being run for the 2024/25 MTFP Process. 	Partially	MTFP is robust though issues remain surrounding validity of information. These are addressed in Statutory Recommendation 1
2 The Council needs to ensure that key reports and appropriate supporting documentation are provided to Members in a timely way and in an accordance with relevant Codes of Practice.	Key	Oct 22	<ul style="list-style-type: none"> 2022/3 Treasury Management Strategy, half year review and outturn reports delivered to Executive 2023/4 Treasury Management Strategy delivered (just getting to the half year point) to Executive 	Yes	No

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
<p>3 The Council needs to improve management of key projects, such as the financial ledger implementation, to ensure that expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure lessons are learned for future key projects.</p>	Key	Oct 22	<ul style="list-style-type: none"> • Projects Report was approved by Executive in July 2023 which approved the formation of a Programme office. The recommendations of that report were that: <ul style="list-style-type: none"> • Formal reporting of all projects is undertaken on a monthly basis by Officers and this information feeds into the Quarterly Finance and Performance Reports for Members. • 2) That a compliance structure is put in place to ensure delivery of projects and management of the multiple interdependencies across projects. This includes: <ul style="list-style-type: none"> • a. A council programme office be established to provide oversight and • validation of the delivery of projects across the organisation. • b. The roles of a programme manager and a programme officer be • established to provide support for the delivery of this oversight, • especially for ICT and Organisational Change projects across the • organisation. • In addition, Bromsgrove Audit Task Group ran a review of why the Council was issued with a S24 Statement in February 2023 and came up with a number of recommendations which were accepted Audit Committee and Executive at Redditch. These recommendations have fed into the above report. • Internally there has been a Back Office Working Group which has met since July 2022 which reviews cross back-office pressures linked to the implementation of projects to prioritise Council needs. The 4th Tier cross Council working Group, which has been meeting since August 2022, and has representation of all Council departments also forward scans to identify cross cutting projects that require resourcing. 	Yes	Improvement recommendation raised

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
<p>4 The Council should review and implement effective governance arrangements in respect of performance monitoring to allow Members to make informed decisions. In order to achieve this the Council should reinstate public reporting on performance, linking this to the Council Plan and the related strategic objectives, allowing Members to scrutinise performance. This should be done at least twice per year.</p>	Key	Oct 22	<ul style="list-style-type: none"> Quarterly combined Finance and Performance monitoring Reports for Executive were relaunched in Q1 2022/23 Financial year. Q1, Q2 and Q3 have all been to Executive (and initially Challenged by the Finance and Budget Working Group). The Q4 and Financial outturn reports were separate reports due to timing of Outturn information. The Same process is being followed in the 2023/4 Financial year. 	Yes	Improvement recommendation raised
<p>5 The Council should review and implement effective governance arrangements in respect of risk monitoring to allow Members to make informed decisions. In order to achieve this the Council should make risk management reporting a standing item on the Audit, Governance & Standards Committee agenda, with Members considering the Corporate Risk Register and Risk Management arrangements in an appropriate forum.</p>	Key	Oct 22	<ul style="list-style-type: none"> Risk Monitoring Arrangements were updated following adverse Internal Audit Reports. A revised Officer Group was set up in April 2022 and meets on a Quarterly Basis. Information from those meetings feeds into an Overall Quarterly Risk Report to CMT and then this Report being reported to Audit Committee. Up to June 2023, for the first year, the report was also reported to Executive. As part of this process the definitions of Corporate and Departmental Risks were redefined and a common way of reporting risks used by the whole Council. Assurance rating of Risk Management has now improved to Moderate Assurance 	Yes	Improvement recommendation raised

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?	
6	The Council should ensure timely and relevant financial monitoring reporting is undertaken and presented to the appropriate public forum.	Key	Oct 22	<p>Quarterly combined Finance and Performance monitoring Reports for Executive were relaunched in Q1 2022/23 Financial year. Q1, Q2 and Q3 have all been to Executive (and initially Challenged by the Finance and Budget Working Group). The Q4 and Financial outturn reports were separate reports due to timing of Outturn information.</p> <p>In 2021/22 only a P11 Finance Report was produced. Performance monitoring was available online.</p> <p>The Same process is being followed in the 2023/4 Financial year.</p>	Yes	No
1	The Medium-Term Financial Plan / Budget setting report should be linked to specific actions which are set out in the Council Plan to make it clearer how investments in services will help to achieve the eight key priorities as set out in the Council Plan.	Improvement	Oct 22	<p>Council Priorities were reviewed in August and September 2023 and will form a report to Executive in October 2023. Present 2 Stage MTFP Process, implemented for the 2023/4 MTFP. sets out these links.</p> <p>2022/3 Plan linked to the existing Priorities.</p>	Yes	No
2	The Council needs to improve capital budgeting and ensure that the capital programme is delivered as planned.	Improvement	Oct 22	<p>Capital monitoring integrated with the Quarterly Monitoring Process. Separate Governance Group (Officer led) feeds into Towns Board meetings for the significant spending required to be delivered (from Government Grant) over the next 2 years. Large Projects included in the process set out in Key Recommendation 3 on Project Management, of which the Governance Group is one strand.</p>	No	Improvement recommendation raised
3	The Council should develop a workforce plan / strategy and ensure that this aligns to its financial plans.	Improvement	Oct 22	<p>The new Council workforce Strategy Action Plan was launched in the summer of 2023.</p>	Yes, although capacity constraints remain	Key recommendation raised

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?	
4	Financial plans presented to Members should include better explanation around the key risks and assumptions as well as sensitivity analysis and modelling different scenarios.	Improvement	Oct 22	This is covered in the 2 Tranche MTFP Process as explained in Key Recommendation 1.	No	Improvement recommendation raised
5	The Council should work with Internal Audit to ensure that proactive fraud prevention work is included in the audit plan, and the work and outcomes are reported to the Audit, Governance & Standards Committee.	Improvement	Oct 22	This is an ongoing item. The Council, through the Internal Audit Service, is part of the National Fraud Initiative scheme and provides yearly data. Matches are then followed up. 15 days of Audit time are allocated to this task. A further 5 days are allocated in 2023/4 to Corporate Anti-Fraud and Corruption work.	No	Improvement recommendation raised
6	The Council needs to ensure that internal and external stakeholders, including service users, are engaged and consulted in the budget setting processes, and that this is documented and reported.	Improvement	Oct 22	This is covered in the 2 Tranche MTFP Process as explained in Key Recommendation 1. There was a consultation feedback form as part of the 2023/4 savings proposals document although a more proactive stakeholder Engagement will happen in the 2024/5 Process. Staff were updated via the Chief Executives Briefings where the S151 Officer gave regular Updates. Unions were also updated at the appropriate times at the regular Union Meetings.	Partially	Improvement recommendation raised
7	The Council needs to develop quarterly financial monitoring reports so that performance information is included in order to better explain variances and the financial impact of service decisions.	Improvement	Oct 22	Joint Finance and Performance Reports have been delivered to Members since Q1 of the 2022/23 Financial Year.	Yes	No
8	The Council needs to ensure that budget holders are actively involved in budget monitoring and are aware that it is a key part of their role.	Improvement	Oct 22	For Q2 of the 2023/4 financial year budget managers will move to using TechOne to deliver their quarterly forecasts. To facilitate finance Awareness Training and also specific TechOne training has been provided to budget managers to enable this to work. In 2022/23 Forecasts were delivered via spreadsheets and consolidated into the Quarterly reports that went to Members.	Partially	Improvement recommendation raised

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?	
9	The Council need to put in place arrangements to provide independent assurance over the accuracy on in-year financial reporting and performance information.	Improvement	Oct 22	Audit Committee Review the in year savings proposals twice a year, assessing deliverability in year and risk. There are 10 days allocated in 2023/4 for an audit on Corporate Data Quality and Usage.	Yes	Accuracy issue addressed in statutory recommendation
10	The Council needs to significantly enhance the use of benchmarking costs and performance against other similar bodies.	Improvement	Oct 22	The Council are using LG Futures Benchmarking data (RA 2023) to inform decisions on the 2024/5 MTFP Process. The Council has measured its own Corporate Performance through an LGA Peer Review that took place in March 2023.	Partially	Improvement recommendation raised
11	The Council needs to ensure that the recommendations made by the LGA Corporate Peer Challenge in January 2018 and February 2020 are addressed and that it then further improves by learning from exemplar councils across the country.	Improvement	Oct 22	The Council has produced its response to the Peer Review that took place in March 2023 (which took on points from the previous Peer Reviews) in a Report to Executive on the 13th June. This contained actions plans around: The Council Plan, Governance and Engagement, Workforce Strategy, Agile Working and Finance Recovery. The Peer Team are returning for a light touch review at the end of the calendar year.	Yes	No
12	The Council should ensure that it has an up-to-date procurement strategy and that this, and any other key policies and strategies, are routinely reviewed and updated.	Improvement	Oct 22	Significant training has been undertaken with Service users in order to ensure they understand procurement compliance requirements. "No Compliance No Order" was implemented in April 2023 on the TechOne systems, meaning that payments will only now be made if they are linked to a requisition.	No	Improvement recommendations raised
13	The Council needs to engage and consult with key stakeholders, where appropriate, to determine local priorities for resources or opportunities for savings.	Improvement	Oct 22	Although a brief Stakeholder questionnaire was included in the 2023/4 Savings Proposals document, more will be done in the 2024/5 MTFP Process.	Yes	No

Opinion on the financial statements for 2021/22 and 2022/23



As noted in our statutory recommendation, the Council has been unable to produce draft financial statements for 2020/21, 2021/22 and 2022/23 and therefore our audit work is outstanding. The Council is now significantly behind its statutory financial reporting responsibilities.



Appendices

Appendix A – Responsibilities of the local authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

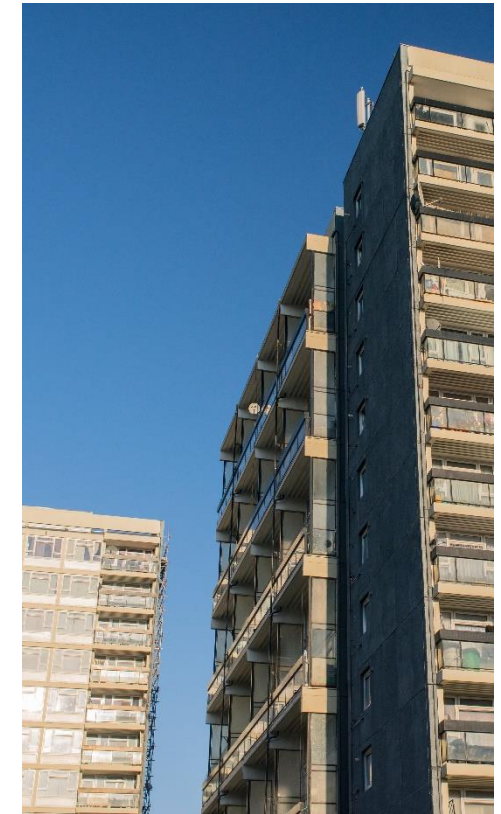
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the local authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the local authority will no longer be provided.

The local authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the local authority's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Year of audit	Risk of significant weakness	Procedures undertaken	Findings	Outcome
2021/22 and / or 2022/23	Financial sustainability was not identified as a potential significant weakness.	See pages 5 to 29 for more detail.	We have found a significant weakness in the Council's arrangements to secure financial sustainability.	Appropriate arrangements not in place, one statutory recommendation raised and five improvement recommendations raised.
2021/22 and / or 2022/23	Governance was identified as a potential significant weakness due to the previous statutory recommendation.	See pages 5 to 39 for more detail.	We have found a significant weakness in the Council's governance arrangements relating to the flawed ledger implementation.	Appropriate arrangements not in place, one statutory recommendation raised, one key recommendation and five improvement recommendation
2021/22 and / or 2022/23	Improving economy, efficiency and effectiveness was not identified as a significant weakness.	See pages 40 to 45 for more detail.	No significant weakness in arrangements identified but two improvement recommendations raised	Appropriate arrangements in place two improvement recommendations raised.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the local authority’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the local authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	Yes	9 to 10
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the local authority. We have defined these recommendations as ‘key recommendations’.	Yes	15
Improvement	These recommendations, if implemented should improve the arrangements in place at the local authority, but are not a result of identifying significant weaknesses in the local authority’s arrangements.	Yes	25 to 29, 35 to 39 and 44 to 45





Overview and Scrutiny Committee

Thursday, 26th October,
2023

MINUTES

Present:

Councillor Sid Khan (Chair), Councillor Sharon Harvey (Vice-Chair) and Councillors Imran Altaf, Chris Holz, Joanna Kane, Emma Marshall, Jane Spilsbury and Monica Stringfellow

Also Present:

Councillor Brandon Clayton – Portfolio Holder for Environmental Services
Councillor Lucy Harrison – Portfolio Holder for Community and Regulatory Services

Officers:

Guy Revans, Judith Willis, Matthew Austin and Bev Houghton

Democratic Services Officers:

M Sliwinski

33. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received from Councillor Ashley.

34. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of party whip.

35. PUBLIC SPEAKING

There were no public speakers on this occasion.

36. PRE-DECISION SCRUTINY - GARDEN WASTE SERVICE

[With the Chair's agreement item 5 on the published agenda – Pre-Decision – Garden Waste Service – was considered as item 4 at the meeting]

Chair

Overview and Scrutiny Committee

Thursday, 26th October, 2023

The Portfolio Holder for Environmental Services addressed the Committee to introduce this item and in doing so stated that the provision of Garden Waste Service to residents was a matter the Portfolio Holder had been passionate about, and campaigned, for over a decade and he was pleased that a dedicated Garden Waste Collection Service was finally going to be provided to Redditch residents, subject to approval of the report recommendations by the Executive Committee and Full Council.

The Environmental Services Manager introduced the report and noted that in 2017, Redditch Borough Council commissioned Bromsgrove District Council to use spare capacity within their garden waste service to support Redditch residents by providing a limited service utilising a single vehicle and crew every other week for 20 scheduled collections per year (February – November). This was to gauge the level of interest for the service among Redditch residents.

It was added that in 2021 the Government outlined plans for potential changes to legislation around Garden Waste including the possibility of making collection of garden waste a statutory service for local authorities. Last week it was announced, however, that the Government was not planning to change legislation on Garden Waste. This meant that the Council would retain discretion over whether to provide the service and whether, and how much, it charged for it.

The proposals were set out as being to purchase one additional refuse vehicle and to recruit three full-time staff to provide a dedicated Redditch Borough Council Garden Waste Collection Service. As the lead in time for purchases of new Refuse Collection Vehicles (RCV's) were approximately 18 months at the moment, it was proposed that if the Council were to expand the current service, an RCV was hired to support the service from February 2024 until the delivery of the dedicated vehicle. This would necessitate the hire of the refuse vehicle for the 40 weeks of the year that the current garden waste service operated.

The current arrangements cost £49,000 for the provision of the vehicle and staff from Bromsgrove District Council's service, but generated £88,500 in income, leaving a net benefit to Redditch Borough Council of £39,500 with minimal direct risk. It was estimated that the service with the new arrangements, if agreed, would require 1-2 years to build its customer base to a break-even point (approximately 1,300 additional customers at current pricing levels). This service, however, then had the potential to grow and deliver more significant income for the Council in the longer term.

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It was noted that based on the current customer base of 1,800 customers, there was a risk of losing up to £100,000 of revenue in year one as a result of the increased costs and lost income from the service-level agreement (SLA) arrangements. However, a dedicated crew and vehicle would have the capacity to generate higher income over time, as well as support environmental benefits through increased recycling rates for Redditch. There would also be carbon reduction benefits in composting garden waste than if it were collected within the residual waste bin (grey), although this would be offset by an increase in emissions arising from an additional Refuse Vehicle operating every other week in comparison with the current service.

Following the presentation by the Officer, a discussion took place with the following areas considered by Members:

- Potential number of collections – It was highlighted that at Bromsgrove on average 29,000 households had their garden waste collected, but the initial capacity of the single crew to be initially deployed at Redditch would be 6,000.
- Waiting list for garden collection services – It was noted that the Council no longer kept a waiting list of residents who requested a garden waste service. It was noted that, if approved, a communication campaign would be undertaken to encourage residents to use the service. It was expected that this would be undertaken through social media, local newspapers advertisements, and possibly banners displayed on existing fleet vehicles promoting the service.
- Proposed charges and comparison with other authorities – The Council's proposed fee for Garden Waste as in the recommendation was £60 per year plus a one-off set up fee of £20 for new customers. It was noted that nationally annual charges ranged from £35 to £90.
- It was noted that in the winter period when the staff working on garden waste, they would be encouraged to either book leave during the period or support staff across the rest of the fleet.
- Officers reported that forecasts of financial performance and customer take-up of the service were arrived at through conversations with other authorities on their levels of take-up as well as looking at the Council's take up when the garden waste service was first launched. It was noted that 1800 capacity of the then system was reached within the first year.
- Support for residents who cannot afford the service – Officers reported that the set up of an administrative system to support specific offering concessionary service would be

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difficult to implement due to data protection requirements. It was reported that most authorities did not offer a concessionary garden waste service and that residents could also dispose of the waste by accessing the tip sites in the Borough. However, once the service started delivering profit the viability of this option would be investigated.

Furthermore, residents were encouraged to tell the Council if unable to afford the service when the public consultation on this is launched as it would enable the Council to estimate the demand for a subsidised service.

- Implementing a dedicated RBC Garden Waste Service would impact on the current SLA with Bromsgrove District Council and require the current arrangements to be cancelled. However, there would be no penalties (including financial) for the Council for withdrawing the SLA.
- Refuse Vehicle Rental Costs and Costs of the New Refuse Vehicle – It was reported that a rental of a refuse vehicle from February 2024 would cost an estimated £1000 to £1100 per week. The new refuse vehicle would cost £210,000 in the 2025/26 capital budget as per recommendation three.
- Transition of the Council's Refuse Vehicles from diesel to HVO (Hydrotreated Vegetable Oil) - It was noted that the Council's existing diesel refuse vehicles were EURO 6 vehicles which meant they were compatible to run on HVO with relatively minor adjustments. This would also be the case with the new refuse vehicle. It was reported that consideration was given to electric and hydrogen-powered refuse collection vehicles but these were significantly more expensive at around £400,000 (electric) and over £800,000 (hydrogen-powered) respectively.

The recommendations contained in the report submitted were endorsed by the Committee as follows:

RECOMMENDED that

- 1) The Executive Committee resolve that subject to approval of recommendations 2 – 4 below, to agree the creation of a dedicated Garden Waste Collection Service for Redditch Borough Council;**

And the Executive Committee to Recommend to the Council:

- 2) An increase to the cost on Fees and Charges for Garden Waste to £60 per year, whilst maintaining the existing one-off set up fee of £20 for new customers;**

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3) Inclusion of the following Capital and Revenue expenses in the Medium Term Financial Plan:

Capital Investment	
2025/26 & Inclusion on Fleet Replacement Schedule	£210,000

Revenue Investment	
2023/24	£11,000
2024/25	£156,000
2025/26	£135,000
2026/27 Onwards	£114,000

4) Adjust the Medium Term Financial Plan to reflect the following financial pressures:

2023/24	-£11,897
2024/25	-£20,528

37. DOMESTIC ABUSE - COUNCIL SUPPORT PROVIDED TO THIRD SECTOR ORGANISATIONS

Members received a paper that set out the support currently provided by the Council (through its grants and schemes) and regional and national bodies including the Department of Levelling Up, Housing and Communities (DLUHC), the West Mercia Police and Crime Commissioner, and the North Worcestershire Community Safety Partnership (NWCSP) to third sector organisations providing domestic abuse prevention services or supported victims of domestic abuse.

It was noted that the paper set out the list of grants provided by one of the above agencies to the third sector organisations, the project details, the grant amount associated with the service, and the geographical area covered by the service as some of the services covered the Redditch area specifically and other services on the list had a wider geographical reach, for example covering the whole of Worcestershire county or the West Mercia police area.

The Portfolio Holder for Community and Housing Services was invited to address the Committee and in doing so thanked the

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Overview and Scrutiny for deciding to scrutinise this topic. She noted that all Members had a role to play in raising awareness of the prevalence of domestic abuse in society, and to work towards reducing its incidence by raising awareness of the issue in local communities and assist and signpost residents towards the support services that were available.

The Portfolio Holder commented that the report provided reassurance that Redditch Borough Council was doing much, in conjunction with partners, to provide support to third sector organisations offering domestic abuse support services. It was vital that all council services had an awareness of recognising signs of domestic abuse issues, and the Portfolio Holder encouraged all Members to undertake the training on recognising signs of domestic abuse.

After the report presentation, the following areas were discussed and considered by Members:

- Scale of domestic abuse in Redditch – It was noted that domestic abuse was a ‘hidden crime’ with many unreported incidents. It was estimated that victims of domestic abuse would experience 45-50 incidents before coming forward to report the issue to support agencies. Officers estimated that there were hundreds of families impacted by domestic abuse in Redditch Borough.
- Identifying incidences of domestic abuse from data – Officers reported that domestic abuse was not classed as a crime type in itself. To analyse domestic abuse incidence, reported crime data shared by the police was interrogated by offence type within which some offences would have a marker recorded to indicate that the offence was classed as a domestic abuse case. For example, an incidence of assault with injury could have a domestic abuse marker included. It was noted that this would be recorded by the police officer investigating the crime who would put the marker against that crime. It was noted that for violence with injury offence, domestic abuse was the second highest marker, only behind the alcohol-related marker. For the reason above, however, it was difficult to break down crime data in terms of the number of domestic abuse crimes as a given crime could have multiple markers included.
- Officers highlighted that domestic abuse reporting had increased which could indicate that more victims felt confident enough to come forward and seek support. While the community safety partnership agencies were undertaking a lot of work directly supporting the victims and families,

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there was likely more that could be done in terms of recording outcomes, for example records of the type of domestic abuse support provided in each case.

- The Community Safety Manager reported that the Community Safety Team had direct contact with domestic abuse victims and survivors when undertaking work to make their homes safer, and this involved community safety project officers going into a property, undertaking a crime risk assessment and recommending improvements to the safety of the house such as window locks etc. Such sanctuary assessments, for example, provided anecdotal feedback from families supported, but collating quantitative data on outcomes presented a challenge because of the long-term impact associated with domestic abuse.
- Domestic abuse and associated support services – It was explained that domestic abuse was often the underpinning factor for a lot of other issues. For example, incidents of domestic abuse could lead to homelessness and mental health concerns, substance misuse. Equally some of the above factors could lead to domestic abuse. As a result, it was difficult to delineate support in one area from another, for example, in the case of somebody who received a grant through homelessness support, for example, because they were fleeing from a domestic abuse situation. Due to these interlinks, it was felt appropriate that the paper included organisations providing support on issues that could be related to domestic abuse.
- Third Sector Support Services specific to Redditch and county-wide commissioned services – It was noted that some organisations receiving grants listed in the report covered a wider geographical area than Redditch Borough, for example there were some services listed in the report that were commissioned across Worcestershire County or the West Mercia Police area. It was explained that when funding was provided from national government and from public health the services would be usually commissioned across the County. The Community Safety Manager explained that through the Joint Commissioning Group for Domestic Abuse and Substance Misuse the Council could monitor and look at detail of what the county-wide commissioned services delivered within Redditch Borough itself.
- Members were encouraged to take part in the Domestic Abuse Needs Assessment Survey that was currently out for consultation, on the Worcestershire County Council's website. Through this survey, Members had the opportunity to provide their views on how they see county-wide domestic abuse services should be delivered in the Borough.

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- It was noted that tackling domestic abuse was one of the priorities for law enforcement agencies because of its significant negative effects on society. It was estimated that in 2017, for example, tackling domestic abuse accounted for £66 million spend by law enforcement agencies. This figure had likely increased significantly since then.
- It was reported that there West Mercia Police and Crime Commissioner had made a major funding commitment to domestic abuse services, in particular organisations working on prevention route. As such, when local organisations were supported in applying for funding by the Council, they were encouraged to evidence how they would contribute to preventing domestic abuse in the first place.
- It was noted that extra consideration was given to people trying to flee traumatic experiences. There was a direct link between the Council's Community Safety Team and other Council departments such as Housing in particular. In the case of sanctuary assessments, it would be the initial contact by housing officers who would identify if somebody was able to stay in their home and if it needed to be made safer. The Community Safety Team would then go into the identified properties to undertake the sanctuary assessment itself.
- The local Partnership organisation providing cross-agency framework for community safety (which included tackling domestic abuse) was the North Worcestershire Community Safety Partnership (NWCSP), there were forums within this such as Worcestershire Forum Against Domestic Abuse and Sexual Violence.
- The Multi-Agency Risk Assessment Conference (MARAC) provided a comprehensive framework for making assessments of the cases and link the provision of appropriate services for victims and their children.

RESOLVED that

the report be noted.

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

Members considered the Executive Committee Work Programme (Forward Plan) and it was requested that the following items from that Work Programme be added to the Overview and Scrutiny Work Programme for pre-decision scrutiny:

- Independent Remuneration Panel Recommendations

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- Pay Policy 2024/25

It was requested that the following items be added for pre-scrutiny by the Budget Scrutiny Working Group:

- Council Tax – Discretionary Council Tax Reduction Policy
- Council Tax – Empty Homes Discounts and Premiums

It was queried by Members, in relation to the Executive Committee item on Council Tax Base and Business Rates Yield 2024-25, whether the Council had scope in relation to setting the business rates yield. Officers present undertook to contact the necessary Officers who would provide an answer before the Committee made a decision on whether it would add this item to its work programme.

RESOLVED that the Overview and Scrutiny Work Programme be updated with items from the Executive Committee's Work Programme as detailed in the preamble above.

39. OVERVIEW AND SCRUTINY WORK PROGRAMME

It was requested that the consideration of the overview item on Social Housing Repairs be moved to 19th February 2023 meeting of Overview and Scrutiny Committee.

It was reported that the item currently on the work programme relating to the Matchborough and Winyates Regeneration Proposals would be withdrawn from the Executive Work Programme. Members asked for the item to be kept on the Overview and Scrutiny work programme until confirmation of the details with regards to this item had been received.

RESOLVED that subject to changes detailed in the preamble above the Overview and Scrutiny Committee's Work Programme be noted.

40. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - UPDATE REPORTS

Updates on the Task Groups and Working groups were provided as follows:

- a) Budget Scrutiny Working Group – Chair, Councillor Kane

Councillor Kane reported that the next meeting of the Working Group was due to take place on Monday 30th October.

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- b) Performance Scrutiny Working Group – Chair, Councillor Holz

Councillor Holz reported that no meetings of the Group had taken place to date and the next scheduled meeting was due on 4th December 2023. Members of the Group would be contacted shortly about agenda items that could be considered at that meeting.

- c) Fly Tipping and Bulky Waste Task Group – Chair, Councillor Khan

Councillor Khan reported that the Task Group held its first meeting on 24th October with further meeting dates agreed. The actions from the first meeting included the ask for Officers to gather up-to-date statistics on fly tipping incidence in the Borough and compare this with neighbouring authorities. Another action was for Members of the Task Group to formulate questions which could be used in a resident survey on the subject of fly tipping. The third action was for Officers to provide case studies for the next meeting of authorities that had household recycling pop-up centres, for example Birmingham.

RESOLVED that the Task Groups, Short Sharp Reviews and Working Groups Update be noted.

41. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS

The Council's Representative on the external scrutiny bodies, Councillor Marshall, updated the Committee on recent meetings of the following external scrutiny bodies.

- a) West Midlands Combined Authority (WMCA) Overview and Scrutiny Committee

Councillor Marshall reported that she attended a question-and-answer session with the Mayor of the West Midlands, Andy Street. A written update on this would be provided to the Committee at the next meeting.

With regards to WMCA bodies, it was reported that councillors from non-constituent councils were not being remunerated for attending meetings. The workload of a non-constituent members was, however, comparable to that of constituent authority members who, in contrast, were in receipt of annual allowance. It was deemed that given comparable workload for constituent and non-constituent representative councillors, the issue should be raised with the Council's Monitoring Officer in the first instance for advice. It was

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clarified that if any remuneration was to be agreed for non-constituent councillors on the WMCA, the payment would come from the WMCA itself.

A question was raised in relation to the benefits of Redditch Borough Council's representation as a non-constituent member of the WMCA, and the benefits of sending elected member representation to meetings of WMCA's scrutiny bodies. It was noted that by being a non-constituent member, the Council had an opportunity to bid for some of the funding that was available through WMCA, for example the Homes England funding. There were also issues decided at regional level that had an impact on Redditch, for example in relation to skills training and funding for young people.

Members asked that it be checked which grants provided by WMCA were available to access by its non-constituent authorities such as Redditch Borough.

- b) West Midlands Combined Authority (WMCA) Transport Delivery Overview and Scrutiny Committee

Members were referred to the information contained in the written update report provided in the agenda pack.

- c) Worcestershire Health Overview and Scrutiny Committee (HOSC)

Councillor Marshall reported that the following issues were raised at the last HOSC meeting on 11th October 2023:

Hillcrest Mental Health Ward - It was noted that the Ward was recently given a 'poor' rating by the Care Quality Commission (CQC). There were actions being implemented to improve the situation. However, it was noted that Hill Crest would not be likely to be used as the facility where patients from Redditch would be placed and the unit would be used for psychological rehabilitation. It was reported that the Herefordshire and Worcestershire Health and Care NHS Trust (HWHCT) recently updated the Athelon ward and it was likely that the mental health facility would move there from the current Hill Crest facility. This would reduce the need for HWHCT to outsource beds to Wrexham and would see improvement in the offer to patients. However, it was noted that the bed capacity would be 14 at Athelon ward which still represented a reduction in mental health beds capacity. It was added that specialist treatment might still require patients to be referred to a facility further afield.

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Children's Hearing Services (Paediatric Audiology) – It was explained that the Trust had identified issues around the accuracy of some children's hearing tests, specifically auditory brainstem response (ABR) tests, which the Trust provided across the County. ABRs were mainly carried out when a baby failed a newborn hearing screen and on average 4 ABRs were conducted each week. The Trust had reviewed 462 tests taken since 1 April 2018. To date, 7 cases of moderate harm and 16 cases of greater harm had been identified, such as language and development delay or providing appropriate intervention such as a cochlear implant. It was explained, however, that as this affected the cohort of children under 5 years old most children were likely able to catch up in educational development even in case of an error in testing. Every family had been given a full explanation and apology and those affected were directed to seek further advice if required. Members of the Committee expressed significant concern at this issue and asked to be kept updated by the Council's HOSC representative.

RESOLVED that

the External Scrutiny Bodies updates be noted.

42. EXCLUSION OF THE PRESS AND PUBLIC

The Committee agreed that exclusion of the press and public was not required for item 11 – Minutes of the Overview and Scrutiny Committee meeting of 7th September 2023 – as it was agreed that discussion would only concern the accuracy, not the content, of the public and restricted versions of the minutes. Subsequently, when item 11 was under consideration, no discussion took place on any of the content of the restricted minutes record of the meeting of 7th September 2023.

43. MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE MEETING OF 7TH SEPTEMBER 2023

The minutes of the meeting of the Overview and Scrutiny Committee on 7th September 2023 were considered including the minutes record of the exempt session of that meeting (Minute Item No. 32 – The Town Hall Refurbishment – Final Decision). No information regarding the exempt minutes was disclosed or discussed during consideration of this agenda item.

RESOLVED that

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the minutes of the Overview and Scrutiny Meeting held on Thursday 7th September 2023 be approved as a true and correct record and signed by the Chair.

The Meeting commenced at 6.30 pm
and closed at 8.12 pm

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**Executive
2023**

5 December

Quarter 2 2023-24 – Financial and Performance Report

Relevant Portfolio Holder	Councillor Court
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell Deborah Poole
Report Authors	Head of Finance and Customer Services michelle.howell@bromsgroveandredditch.gov.uk Head of Business Transformation, Organisational Development and Digital Strategy d.poole@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. 1. RECOMMENDATIONS**The Executive is asked to RESOLVE that:**

- The current overspend position in relation to Revenue and Capital Budgets for the period April to September and the full year overspend position of £39k after applying £557k from the Utilities Reserve as approved at Quarter 1 be noted.
- The present status of the Asset Strategy.
- There is one additional contract added to the procurements over £200k due to be delivered during 2023/4 from the Quarter 1 list.
- The Q2 Performance data for the Period April to September 2023 be noted.

That Executive is asked to Recommend to Council

- Changes to the Capital Programme in relation to ICT are actioned, bringing forward Cyber Security linked Tape Drive replacements from 2024/5 into 2023/4.

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2. BACKGROUND

- 2.1 This report presents at Quarter 2 (April – September) 2023/24
- the Council's forecast outturn revenue monitoring position for 2023/24 based on data to the end of Quarter 2.
 - the Council's quarterly Asset Strategy update at Quarter 2.
 - Procurement pipeline projects (over £200k).
 - The organisations performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the council is delivering its services to customers.

3. DETAILED PERFORMANCE**Financial Performance**

- 3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 2, the projected revenue outturn position for the 2023/24 financial year and explains key variances against budget.
- 3.2 The £11.1m full year revenue budget included in the table below is the budget that was approved by Council in February 2023.

	2023/24 Approved Budget	2023/24 Forecast Outturn	2023/24 Forecast Variance to Budget
Business Transformation and Organisational Development	1,767,562	1,748,748	(18,814)
Community and Housing GF Services	1,576,893	1,991,955	415,062
Corporate Budgets	344,037	344,037	-
Corporate Services	(1,558,136)	(1,637,151)	(79,015)
Environmental Services	2,615,992	2,741,394	125,402
Financial and Customer Services	1,777,749	1,993,962	216,213
Legal, Democratic and Property Services	2,071,581	2,111,634	40,053
Planning, Regeneration and Leisure Services	1,282,538	1,181,594	(100,944)
Regulatory Client	451,038	449,435	(1,603)
Rubicon Client	764,746	764,746	-
Net Budget	11,094,000	11,690,354	596,354
Corporate Financing	(11,094,000)	(11,094,000)	-
Overall Total	-	596,354	596,354
Utilities Reserve		(557,000)	(557,000)
Overall Total	-	39,354	39,354

Budget Variances

- 3.3 During August and September 2023, budget managers were invited to budget monitoring training which focused on how to predict their financial position for the 2023/24 financial year, as well as how to input

that forecast into the TechOne financial system. This is the first time that budget managers have been asked to directly input their forecast financial positions into the system since the implementation of TechOne, and budget managers have been supported by the Finance Team throughout this process. This is the start of a journey for budget managers, but one that we hope in time will form part of regular financial monitoring reported to Members. A detailed review of the financial position input to TechOne has been undertaken by the Finance management team with some adjustments to assumptions reflected. This has included updating forecasts where they have been inadvertently omitted, updating signage, reviewing the forecast position per nominal code and verifying the salary costs including pay award included in the financial position.

3.4 Overall, the Council is currently forecasting a revenue overspend for 2023/24 in the region of £596k, before the application of £557k from the Utilities Reserve as approved at Quarter 1. This forecast overspend is predominantly due to:

- the implications of the 2023/24 pay award - £1,925 level per pay point plus on costs has been offered by the Employers and was agreed on 1st November 2023. This will be paid in the December payroll and backdated to 1st April 2023.
- temporary and interim staff requirements - whilst there are a number of vacancies within teams across the Council, some posts are being covered by temporary staff and this has therefore resulted in some cost pressures.
- the impact of homelessness and the cost of temporary accommodation costs. A review of grants available to offset the cost pressures is taking place.

This overspend is offset in part by:

- a forecast underspend against the utilities budget provision due to utilities inflation running at 70%. In the 2023/24 budget we assumed a 100% increase in budget and also set up a reserve for the same amount.
- anticipated additional income across various services.

3.5 This position will continue to be reviewed particularly given the impact of the increasing costs linked to inflation, and further updates will be provided to Members throughout 2023/24.

3.6 This in-year budget forecast reflects the best information available at the present time, however it is important to note that there are a

number of key factors that may impact upon the financial position which are not yet reflected fully within the forecast, including:

- The present cost of living crisis and the impact that this may have upon demand for council services throughout the winter period, including the impact of homelessness and the cost of bed and breakfast temporary accommodation costs.
- Inflationary increases – general inflation is coming down but is still running at 6.8% and will impact upon transport costs, utilities and contracts in particular.

3.7 The full year effect of a £596k overspend will be mitigated in part by the application of £557k from the Utilities Reserve as approved at Quarter 1. **This leaves a £39k overspend position.** The ongoing 2023/24 pay increases position has been reflected as a budget pressure in the 2024/25 MTFP process.

3.8 As previously reported, it is important to note that the Council is yet to close its accounts for the 2020/21, 2021/22 and 2022/23 financial years. This could therefore result in adjustments to the actual expenditure/income and forecast outturn positions as reported in the table above. Further updates will be provided to Members throughout the financial year (this work is being led by the Audit Standards and Governance Committee).

Additional Funding Requirements

3.9 There are no revenue based additional funding requests in Q2.

Capital Monitoring

3.10 A capital programme of £10.6m was approved in the Budget for 2023/24 in March 2023. Many of these schemes are already in partial delivery in the 2022/23 financial year. By approving this list, the Council also agreed sums not spent in 2022/23 (and 2021/22 by default if schemes originated earlier than 2022/23 as sums have been carried forward through to the 2021/22 MTFP Report) to be carried forward into 2023/4. The table also splits amounts by funding Source, Council or third party.

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Financial Year	Total Budget £000	Council Funded £000	External Funded £000
2021/22	5,671	2,243	3,428
2022/23	5,431	2,033	3,398
2023/24	12,651	2,015	10,636
2024/25	16,185	5,255	10,930
2025/26	4,863	1,915	2,948

3.11 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2023/24:

- The three Towns Fund schemes – Innovation Centre, Public Square, and Public Realm which are funded via £15.2m of Government Funding, an application will need to be made to Birmingham and Black County LEP once Innovation Centre plans are more detailed for a further funding of £1.9m, and the Council is funding £0.4m of works.
 - We have passed the deep dive review on our application with limited action points, including updating our Subsidy Policy and ensuring Towns Board Member Register of Interest Forms are up to date. This was confirmed at the start of August and has been reported to the August Towns Board meeting. We now have the Completion Statement.
 - Innovation Centre – Present estimated costs £10.1m (no change from last quarter)
 - £8m from the Towns Fund
 - Additional requirement of £2.1m – Greater Birmingham and Solihull LEP funding being sought through detailed business case. Initial application has been made by NWedR.
 - Police will vacate the site in October 2023.
 - Very tight timescales for delivery – must be delivered by 31st March 2026.
 - Public Realm – £3.4m
 - £3,0m from Towns Fund, Section 106 - £0.176m, Council funding £0.224m
 - Specification was delivered to the County Council by the end of March for them include in their Capital Programme.
 - New Town Square - £4.2m
 - Scheme expected to be to budget, with Library moving from present location to the Town Hall.

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- The County Council approved the move of the Library in July 2023.
 - There are very tight timescales for delivery – despite the points raised earlier, we must still deliver the projects by 31st March 2026. Confirmation is required from DLUHC that if their funds are not fully drawn down by 31st March 2026, that if following the right process, they will be available in 26/7 and it will **not** be the Councils responsibility for fund any shortfall.
- The refurbishment of the Town Hall for £6.2m. This is being funded via Capital Receipts and debt funding (paid for by additional income being generated). This is now at RIBA Stage 3 and an Officer Decision Notice for the Approved Contractor Seddon Construction Limited was issued on the 26th October.
 - UK Shared Prosperity Schemes totalling £2.5m (although it should be noted that these grant funded schemes are a mix of capital and revenue).
- 3.12 The spend at Quarter 2 is £1.267m (£0.583m Q1) against the overall 2023/24 capital budget totalling £12.651m is detailed in Appendix B. It should be noted that as per the budget decision carry forwards of £3.292m will be added to this figure to take account of slippage from 2022/23.
- 3.13 The following changes are requested for approval (allowing for slippage as set out in 3.11 above:
- ICT have a capital bid for £177,500 at each council in 2024-25 for Server Replacement. We would like to bring £50k of that money forward to this year if possible, as our Tape Backup server/library is beginning to fail quite often and this is the most important part of the Cyber Security attack response, as well as providing day to day backups of our data.

RBC Capital Bid										
Department	Strategic Purpose	Description	Funding Source	Bid/Saving	Reference as	2022-23	2023-24	2024-25	2025-	2022-
ICT	Enabling the Authority	Cisco Network U	Borrowing	Y	ICT09	53,561	5,463	0	47,339	0
ICT	Enabling the Authority	Server	Borrowing	Y	ICT11	83,250	2,000	177,500	18,500	0
ICT	Enabling the Authority	Replacement	Borrowing	Y	ICT13	5,000	25,000	150,000	5,000	0
		Laptop Refresh								
TOTAL						141,811	32,463	327,500	70,839	0

- 3.14 Capital Programmes (21/22 and 22/23) are set out in **Appendix A**.

Earmarked Reserves and their application

- 3.15 The position as reported to Council in February 2023 as per the 2023/24 – 2025/26 Medium Term Financial Plan is shown in **Appendix B**.
- 3.16 As was noted in paragraph 3.7 above, £557k of the Utilities Reserve was approved by Council to mitigate the impact of the increased costs arising from the 2023/24 pay award. However, this still leaves £39k to be funded from the general fund to bring the overall position back to break even.

Asset Strategy Update

- 3.17 The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 set out the minimum level of energy efficiency required to let non-domestic properties in England and Wales.
- 3.18 The Property Services Team continue to undertake various works across our property portfolio to contribute to improvements in the energy rating and performance of our buildings. Works are necessary at various sites to meet Part 3 of the Regulations, which contains the minimum level of energy efficiency provisions, which is currently set at an energy performance certificate (EPC) rating of at least band E. The Authority recognises the significant increases in energy costs and must act, as Landlord, to install energy efficiency improvements above the current requirement to make energy savings.
- 3.19 Recent works have been undertaken at various sites within the Public Building property portfolio. These include the full LED lighting upgrades at Greenlands Business Centre and Crossgates House. As part of recent refurbishment works at Arrow Valley Visitor Centre, all lighting was upgraded to LED fittings and the connection of Solar PV panels for electric supply were reinstated. There is also a bid for Grant moneys to upgrade the Solar PV installations at this site.
- 3.20 The minimum level of energy efficiency provisions will mean that, subject to certain requirements and exemptions, from 1 April 2023, as Landlord, we must not continue letting a non-domestic property which is already let if that property has an EPC rating of band F or G. Where a landlord wishes to continue letting property which is currently sub-

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standard, they will first need to ensure that energy efficiency improvements are made which raise the rating to a minimum of E.

- 3.21 When an EPC is lodged on the EPC register it is then valid for a ten-year period. A new EPC is not required each time there is a change of tenancy, provided it is no more than ten years old. As Landlord, we have the option to have an EPC renewed, which is beneficial where we have undertaken or implemented significant energy saving measures.
- 3.22 The rolling programme of Condition Surveys and Energy Improvement Audits of the Council property portfolio is in progress and is in progress and will continue over the next 2 years. The findings of these surveys are providing essential data to enable us to fully evaluate the extent of works and investment required.
- 3.23 As previously identified, Winyates Craft Centre have poor energy performance within the units. While individually the units fall below the 50m² requirement for EPC surveys, data that we have indicates that all these units fall within the Grade G category rating for energy performance. This site forms part of the consultation for the redevelopment of Winyates Centre, therefore little work has currently been undertaken to improve these ratings due to the required indicative 115k spend that was identified in the condition survey for this site. The 115k relates to spend required over the next 5-year period to bring these premises up to a decent standard, with a further 22.3k in years 5-15. The level of investment required to bring these up to a lettable standard far outweighs the rental income RBC will receive over this interim / future period.
- 3.24 Work continues on the asset register to identify properties that no longer meet the objectives identified in the Asset Management Strategy.
- 3.25 Planning permission has been granted on Far Moor Lane and as a result the costs are now being validated with a view to determining the actual abnormal and the consequential capital receipt that will be achieved on this site as a result. This will need to be completed within 20 weeks of the JR period expiring.
- 3.26 Negotiations continue with interested parties on Upper Norgrove and Easemore House.
- 3.27 Work continues to determine the most effective use of community centres across the Borough.

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- 3.28 Work has already commenced on the Town Hall hub with NHS Children and Adult Mental Health Service and Talking Therapies already occupying part of the ground and first floors – officially opened on 20th October 2023. More services are to join the hub with contractors due onsite late 2023 to start the build for the new Library, DWP Job Centre and our own Council services. These services will occupy the lower ground, ground, first and second floors with the project due for completion in December 2024
- 3.29 Reinforced autoclaved aerated concrete (RAAC)
The Property Services team are conducting a desktop study to rule out the presence of RAAC within RBC / BDC properties. Using construction drawings where available and historic knowledge of the buildings we are working through the portfolio; to date, no areas of concern have been identified. The process should be completed shortly and finding will be presented at the next CMT meeting. If any issues are identified, these will be flagged, and the senior management team notified immediately.
- 3.30 If the team suspect the presence of RAAC planks we will seek guidance from a competent structural engineer to assess it and develop a management plan.
- 3.31 Reinforced autoclaved aerated concrete (RAAC) is a lightweight material that was used mostly in flat roofing, but also in floors and walls, between the 1950s and 1990s and it is believed that prominent use was within school construction in these periods.
- 3.32 It is less durable than traditional concrete and there have been problems as a result, which could have significant safety consequences, that is, its liable to collapse.
- 3.33 It is a cheaper alternative to standard concrete, is quicker to produce and easier to install, but has a typical lifespan of 30 years. It is an aerated product and has a ‘bubbly appearance’, and when exposed to moisture or polluted air over a prolonged period, the strength of the materials can be compromised. The aeration allows the moisture to penetrate the material, which in turn rusts the steel and compromises the integrity of the reinforcing bars. Concern also relates to the internal reinforcement steel, as it does not span the full length of the panels / planks, insufficient to withstand the weight and any additional load.
- 3.34 Because of this, RAAC is often coated with another material, such as bitumen on roofing panels. But this material can also degrade, further compromising the strength and performance of the RAAC.

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- 3.35 The Health and Safety Executive states RAAC is now beyond its lifespan and may "collapse with little or no notice".

Procurement

- 3.36 The Q1 Finance and Performance Report set out the initial set of procurements to be delivered by the Council over the next year. Following this initial report:
- On a quarterly basis a "Approval to Spend Report" will be provided to Executive which sets out the Council's Procurement Pipeline for approval to be included on the forward plan and an analysis of spending over the past 4 years.
 - This report will also identify spending with suppliers over the £200k limit to ensure this spending is converted to properly contracted expenditure.
 - That the Council investigate and put in place processes that allow local businesses to access Council procurements more easily, following the passage of the Procurement Bill.
 - The "Approval to Spend Report" report also provides a list of all procurement between £50k and £200k, which Executive can request further detail and subject to additional scrutiny where they see fit.
 - That items from the initial pipeline report at the appropriate Key Decision level are added to the forward plan.
- 3.37 The table in **Appendix C** sets out the latest list of procurements (Capital and Revenue) over £200k which are delegated for approval to Executive or Officers over the next year with new ones highlighted. It is proposed that these new items are added to the forward plan. There are 16 contracts listed.
- 3.38 A list of all procurement between £50k and £200k are set out in **Appendix D**. Executive can request further detail and subject to additional scrutiny where they see fit. There are 11 contracts listed here.
- 3.39 As the Council runs a shared service, a number of procurements that impact on Redditch will be procured through Bromsgrove. For reference these are also included in **Appendix E**.

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Housing Revenue Account

3.40 The table below details the financial position for the Housing Revenue Account (HRA) for the period April - September 2023. The major variances are due to the following:

- Repairs & Maintenance - vacancies pending restructure of service areas.
- Supervision & Management - the variance is predominantly due to vacant posts.

REVENUE 2023/24 PROVISIONAL OUTTURN Q2							
		2023/24 Full Year Budget £'000	2022/24 Budget Apr - Sept £'000	2022/24 Actual Apr - Sept £'000	2023/24 Variance Apr - Sept £'000	2023/24 Projected Outturn £'000	2023/24 Projected Variance £'000
INCOME							
Dwelling Rents	DR	-25,658	-13,363	-12,714	650	-25,633	25
Non-Dwelling Rents	NDR	-572	-298	-439	-141	-573	-0
Tenants' Charges for Services & Facilities	CSF	-618	-309	-320	-10	-618	0
Contributions towards Expenditure	CTE	-53	-27	-75	-48	-93	-40
Total Income		-26,902	-13,997	-13,547	450	-26,917	-15
EXPENDITURE							
		6,528	3,264	4,016	752	6,425	-103
Repairs & Maintenance	R&M						
Supervision & Management	S&M	8,690	4,345	1,713	-2,632	8,424	-266
Rent, Rates, Taxes & Other Charges	RRT	259	130	119	-11	571	312
Provision for Bad Debts	BDP	538	269	0	-269	538	0
Depreciation & Impairment of Fixed Assets	DEP	6,259	3,129	0	-3,129	6,259	0
Interest Payable & Debt Management Costs	INT	4,179	2,090	-135	-2,224	4,179	0
Total Expenditure		26,453	13,227	5,713	-7,513	26,396	-57
Net cost of Services		-449	-771	-7,834	-7,063	-522	-73
Net Operating Expenditure		-449	-771	-7,834	-7,063	-522	-73
Interest Receivable	IR	-234	0	0	0	-234	-0
Revenue Contribution to Capital Outlay	RCCO	0	0	0	0	0	0
Planned use of Balances	UB	682	0	0	0	756	73
Transfer to Earmarked Reserves	TER	0	0	0	0	0	0
(Surplus)/Deficit on Services		-0	-771	-7,834	-7,063	-0	-0

In capital terms

We are presently forecasting a £174k underspend on the £11.275m programme.

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HRA Capital Provisional Outturn 2023-24 Q2								
Project	Project	Project Description	2023/24 Full Year Budget £	2023/24 Budget to Date Apr - Sept £	2023/24 Actuals + Comm Apr - Sept £	2023/24 Variance Apr - Sept £	2023/24 Projected Outturn £	2023/24 Projected Variance £
100050 - Housing 1-4-1 p	100050	- Housing 1-4-1 p	3,000,000	1,500,000	1,225,886.52	-274,113	1,500,000.00	-1,500,000
100053 - Asbestos	100053	- Asbestos Genera	100,000	50,000	81,120.11	31,120	100,000.00	0
100054 - Structural Repa	100054	- Structural Repa	75,000	37,500	96,399.16	58,899	150,000.00	75,000
100055 - Electrical Upgr	100055	- Electrical Upgr	100,000	50,000	69,078.90	19,079	100,000.00	0
100056 - Boiler Replacem	100056	- Boiler Replacem	850,000	425,000	749,342.93	324,343	850,000.00	0
100058 - Window Replacem	100058	- Window Replacem	-	-	540,804.79	540,805	750,000.00	750,000
100059 - Disabled Adapta	100059	- Disabled Adapta	500,000	250,000	423,516.82	173,517	600,000.00	100,000
100060 - Environmental E	100060	- Environmental E	250,000	125,000	114,032.07	-10,968	150,000.00	-100,000
100061 - FRA Works	100061	- FRA Works	-	-	40,226.38	40,226	40,000.00	40,000
100062 - Stock Condition	100062	- Stock Condition	150,000	75,000	125,000.00	-	125,000.00	-25,000
100063 - Housing Managem	100063	- Housing Managem	-	-	137,805.96	137,806	336,000.00	336,000
100066 - Design and Supe	100066	- Design and Supe	500,000	250,000	-	-250,000	600,000.00	100,000
100067 - Door Entry/CCTV	100067	- Door Entry/CCTV	100,000	50,000	535,908.08	485,908	300,000.00	200,000
100068 - HRA Hard Wire S	100068	- HRA Hard Wire S	300,000	150,000	150,440.49	440	300,000.00	0
100074 - Balcony Replace	100074	- Balcony Replace	100,000	50,000	541.00	-49,459	100,000.00	0
100083 - HRA Compartment	100083	- HRA Compartment	1,000,000	500,000	1,269,542.90	769,543	1,500,000.00	500,000
100084 - Major Voids wor	100084	- Major Voids wor	500,000	250,000	689,667.56	439,668	750,000.00	250,000
100085 - Fencing Renewal	100085	- Fencing Renewal	-	-	-	0	-	0
100098 - HRA-Energy Effi	100098	- HRA-Energy Effi	750,000	375,000	440,346.60	65,347	750,000.00	0
100115 - HRA Stock Remod	100115	- HRA Stock Remod	100,000	50,000	48,981.24	-	100,000.00	0
100116 - HRA Estates Gar	100116	- HRA Estates Gar	150,000	75,000	-	-	150,000.00	0
110001 - INTERNAL REFURB	110001	- INTERNAL REFURB	2,500,000	1,250,000	763,681.24	-486,319	1,500,000.00	-1,000,000
110003 - HIGH TREES PROJ	110003	- HIGH TREES PROJ	350,000	175,000	406,307.97	231,308	400,000.00	50,000
110004 - DISREPAIR CASES	110004	- DISREPAIR CASES	50,000	25,000	17,475.03	-7,525	100,000.00	50,000
110005 - External Improvements	110005	External Improvements	300,000	150,000	312,757.89	162,758	300,000.00	0
110006 - Community Safety	110006	- Community Safety	-	-	67,368.15	-67,368	-	0
			11,725,000	5,862,500	8,171,495.49	2,335,014.25	11,551,000.00	- 174,000.00

Performance Report

3.41 The first section of this report shows the organisations performance against the strategic priorities outlined in the Council Plan Addendum. Additional comments and updates have been provided for the success measures to explain progress/activity. The final section of the report includes some operational measures to demonstrate how the council is delivering its services to customers.

3.42 The process of performance reporting will develop iteratively, however this document is a snapshot in time and very much a temperature check of the organisation, the layout comprises:

- Strategic Priorities – success measures
- Operational Measures – by service area
- Financial Data (separate report on this occasion)
- Corporate Projects (by exception)

3.43 The Council has an approved Council Plan in place that was completed before the Covid-19 outbreak., the Council then developed the Council Plan Addendum to take the potential shift in priorities bought about by the pandemic into consideration. The current key priorities are:

1. Economic Development and Regeneration

2. Housing Growth
3. Work and Financial Independence
4. Improved Health and Wellbeing
5. Community Safety and Anti-Social Behaviour
6. Green Thread
7. Financial Stability
8. Organisational Sustainability
9. High Quality Services

3.44 **Appendix F** sets out the Strategic Priorities and Performance Measures in detail. For the 9 priorities there is data contained in the Appendix on:

- The Performance Measure being used.
- An update on how it is being used.
- Where relevant, contextual information.

3.45 In addition, **Appendix F** also sets out Operational Service Measures.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications are contained in the body of the report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising as a result of this report.

6. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

6.1 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 district and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes

Climate Change Implications

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

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7. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 7.1 There are no direct equalities implications arising as a result of this report.

Operational Implications

- 7.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

8. RISK MANAGEMENT

- 8.1 The financial monitoring is included in the corporate risk register for the authority.

9. APPENDICES and BACKGROUND PAPERS

Appendix A – Capital Programme

Appendix B – Reserves Position

Appendix C – Procurement Pipeline (over £200K)

Appendix D – Procurements between £50k and £150k

Appendix E – Procurements undertaken by Bromsgrove on behalf of Redditch

Appendix F - Strategic and Operational Performance Measures

10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Luke Court,	
Lead Director / Head of Service	Peter Carpenter, Interim Director of Finance	
Financial Services	Michelle Howell, Head of Finance and Customer Services	

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Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

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