



Council

Mon 25 Sep
2023
7.00 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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Notes:

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Council

Monday, 25th September, 2023

7.00 pm

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

Agenda

Membership:

Cllrs:

Salman Akbar
(Mayor)
Karen Ashley
(Deputy Mayor)
Imran Altaf
Joe Baker
Juliet Barker Smith
Joanne Beecham
Juma Begum
Brandon Clayton
Luke Court
Matthew Dormer
James Fardoe
Peter Fleming
Alex Fogg
Andrew Fry
Lucy Harrison

Bill Hartnett
Sharon Harvey
Chris Holz
Joanna Kane
Sid Khan
Anthony Lovell
Emma Marshall
Kerrie Miles
Gemma Monaco
Timothy Pearman
Jane Spilsbury
Monica Stringfellow
Craig Warhurst
Ian Woodall

- 1. Welcome**
- 2. Apologies for Absence**
- 3. Declarations of Interest**

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

- 4. Minutes** (Pages 7 - 20)

- 5. Announcements**

To consider Announcements under Procedure Rule 10:

- Mayor's Announcements
- The Leader's Announcements
- Chief Executive's Announcements.

- 6. Questions on Notice** (Procedure Rule 9) (Pages 21 - 22)

Council

Monday, 25th September, 2023

7. Motions on Notice (Procedure Rule 11) (Pages 23 - 24)

8. Constitution Review (Pages 25 - 44)

9. Committee Membership

To consider changes to the Labour Group's membership of the Audit, Governance and Standards Committee.

10. Outside Body Appointments - To Follow

11. Executive Committee

Minutes of the Executive Committee meeting held on 25th July 2023 (Pages 45 – 62)

11 .1 Worcestershire Housing Strategy 2040 (Pages 63 - 68)

Due to the length of this report, only the covering report has been included in the main agenda for this meeting. The full report can be found in a supplementary pack for this meeting.

11 .2 Approvals to Spend (Pages 69 - 82)

Due to the length of this report, only the covering report has been included in the main agenda for this meeting. The full report can be found in a supplementary pack for this meeting.

11 .3 Draft Treasury Management Outturn Report 2022/23 (Pages 83 - 98)

Minutes of the Executive Committee Meeting held on 12th September 2023 (Pages 99 – 124)

NOTE: Minute Items No. 34 and 35 – Disposal of a Long Lease Interest at 18 – 19 Woodfield Close, Abbeydale, Redditch and Housing Development Proposal – Loxley Close, Church Hill - in the minutes of the Executive Committee meeting held on 12th September 2023 have only been made available to Members and relevant Officers. Should Members wish to discuss these minutes in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information).)

11 .4 Future of Brick Arched Former Railway Bridge, Green Lane, Studley
(Pages 125 - 136)

11 .5 Disposal of Long Leasehold Interest at Woodfield Close, Abbeydale, Redditch (Pages 137 - 146)

NOTE: Appendix 3 to this report has only been made available to Members and relevant Officers. Should Members wish to discuss the Appendix in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information).)

11 .6 Housing development proposal - Loxley Close, Church Hill (Pages 147 - 158)

NOTE: Appendices 2 and 3 to this report have only been made available to Members and relevant Officers. Should Members wish to discuss these Appendices in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information).)

11 .7 Town Hall Refurbishment - Final Decision (Pages 159 - 170)

NOTE: Appendices E - G to this report have only been made available to Members and relevant Officers. Should Members wish to discuss these appendices in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraph 3 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information).)

Due to the length of this report, only the covering report has been included in the main agenda for this meeting. The full report can be found in a supplementary pack for this meeting.

11 .8 Finance and Performance Monitoring Report - Quarter 1 2023/24
(Pages 171 - 182)

NOTE: Appendices D - G to this report have only been made available to Members and relevant Officers. Should Members wish to discuss these appendices in any detail, a decision will be required to exclude the public and press from the meeting on the grounds that exempt information is likely to be divulged, as defined in paragraphs 3 and 4 of Schedule 12 (a) of Section 100 1 of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

(Paragraph 3: Subject to the “public interest” test, information relating to the financial or business affairs of any particular person (including the authority holding that information)

Paragraph 4: information relating to consultations and negotiations, or contemplated consultations and negotiations, in relation to Labour relations matters arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.)

Due to the length of this report, only the covering report has been included in the main agenda for this meeting. The full report can be found in a supplementary pack for this meeting.

12. Urgent Business - Record of Decisions (Pages 183 - 184)

There has been one urgent decision taken since the last Council meeting in respect of the appointment of an Acting Chief Executive and Head of Paid Service, following the retirement of the previous Chief Executive.

(Urgent Decision attached)

13. Urgent Business - general (if any)

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

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



Council

Monday, 26th June, 2023

MINUTES

Present:

Councillor Salman Akbar, Karen Ashley, Imran Altaf, Joe Baker, Juliet Barker Smith, Joanne Beecham, Juma Begum, Brandon Clayton, Matthew Dormer, James Fardoe, Peter Fleming, Andrew Fry, Lucy Harrison, Bill Hartnett, Sharon Harvey, Chris Holz, Joanna Kane, Sid Khan, Anthony Lovell, Emma Marshall, Kerrie Miles, Gemma Monaco, Timothy Pearman, Jane Spilsbury, Monica Stringfellow, Craig Warhurst and Ian Woodall

Also Present:

Mufti Abdul Kadeer Khairabadi Bandyalvi (the Mayor's Chaplain)

Officers:

Peter Carpenter, Kevin Dicks, Claire Green and Sue Hanley

Principal Democratic Services Officer:

Jess Bayley-Hill

14. WELCOME

The Mayor welcomed all those present to the meeting.

15. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Luke Court and Alex Fogg.

16. DECLARATIONS OF INTEREST

Councillors Joe Baker, Bill Hartnett and Emma Marshall declared other disclosable interests in Minute Item No 20 – Motions on Notice - in respect of the Motion that had been submitted for consideration on the subject of the recent Redditch Pride event. In declaring their interest, Councillors Baker, Hartnett and Marshall advised that they sat on the Redditch LGB&TQ Support Services

Chair

Council

Monday, 26th June, 2023

Committee which organised the Pride event. They left the room during consideration of this item and took no part in the debate nor vote thereon.

17. MINUTES

RESOLVED that

the minutes of the meeting of the Council held on Monday 22nd May 2023 be approved as a true and correct record and signed by the Mayor.

18. ANNOUNCEMENTS

The following announcements were provided at the meeting:

a) The Mayor's Announcements

The Mayor advised that he had appointed Mufti Abdul Kadeer Khairabadi Bandyalvi as his Chaplain for the 2023/24 municipal year. In addition, the Mayor confirmed that his scout for the year would be Mr Manuel Kajdanski

Members were advised that the Mayor's charity for the year would be Redditch Self Defence Association.

A list of the Mayor's engagements scheduled to take place in June and July 2023 were tabled for Members' consideration (Appendix 1).

b) The Leader's Announcements

The Leader opened this item by congratulating Ms Madison Atkins, from Redditch, for winning the Haringey Boxing Cup. Congratulations were also extended to Mr Joshua Tongue, again from Redditch, for his recent appointment to the England Test Cricket Team to play in The Ashes.

Members were informed that the Leader had recently attended a meeting of the West Midlands Combined Authority's (WMCA's) Board as well as a meeting of the Redditch Business Leaders' Group.

During consideration of this item, the Leader noted that this would be the last meeting that Mr Kevin Dicks would be attending as Chief Executive of Redditch Borough Council. On behalf of the Council, the Leader thanked Mr Dicks for his hard work and service to the Borough over many years and wished him all the best for the future.

Members subsequently outlined their gratitude to Mr Dicks for his service as Chief Executive over many years. It was noted that Mr Dicks had been hard working and had acted with integrity throughout his tenure as Chief Executive. There had been many changes during the time that he had served as Chief Executive, including the introduction of shared services, and Members thanked Mr Dicks for his support during this time.

c) The Chief Executive's Announcements

The Chief Executive thanked Members for their comments and support during his time working for Redditch Borough Council. Council was advised that the Chief Executive had always tried to do the best for the Borough and the people served by the Council and he was proud of the work that had been delivered by the authority, often in challenging circumstances. Particular thanks were extended by the Chief Executive to the Deputy Chief Executive for her support and hard work whilst he had managed the Council.

19. QUESTIONS ON NOTICE (PROCEDURE RULE 9)

The Mayor confirmed that there were no Questions on Notice for consideration on this occasion.

20. MOTIONS ON NOTICE (PROCEDURE RULE 11)

The Mayor advised that two Motions on Notice had been received for consideration at the meeting.

Outdoor Market

Councillor Joe Baker submitted the following Motion on Notice for Council's consideration:

Council

Monday, 26th June, 2023

“That Council ask Executive to consider the reintroduction of the Outdoor Market, following the Labour group plans which received a large amount of support from the public.”

The Motion was proposed by Councillor Baker and seconded by Councillor Ian Woodall.

In proposing the Motion, Councillor Baker commented that the Labour group had campaigned for the return of an outdoor market in the recent local elections. It was envisaged that this would involve good quality products being sold at an outdoor market held on a weekly basis in the town. The market stalls that would be used by market traders would be flat packed and stored in a safe location when not in use. A weekly outdoor market could also potentially offer more affordable products for sale than some of the themed markets that had taken place in Redditch in recent years. Local businesses had indicated some interest in operating their own market stalls in an outdoor market and it was suggested that this could therefore help to support the local economy. Members were asked to note that it would be helpful to employ a market manager to manage the outdoor market to ensure that it operated successfully moving forward.

In seconding the Motion, Councillor Woodall noted that the Federation of Small Businesses had recently highlighted that local shopping had increased since the Covid-19 pandemic. Increasingly, people liked to buy produce, including food, that was locally sourced, particularly people from the millennial generation and younger people who were keen to reduce their carbon footprint. It was suggested that an outdoor market would support these shopping preferences.

Members subsequently discussed the Motion in detail and in doing so commented on the following matters:

- The heritage of Redditch and the history of a market in the town.
- The successful outdoor markets that operated in neighbouring locations, including Bromsgrove and Stratford-on-Avon and the potential for these arrangements to be replicated in Redditch.
- The reliance of a successful outdoor market on sufficient footfall.

Council

Monday, 26th June, 2023

- The previous experiences with an outdoor market in Redditch, including management of the outdoor market by an external organisation.
- The changing shopping habits amongst people both locally and nationally and the implications for the successful operation of weekly outdoor markets.
- The work of the Redditch Business Improvement District (BID) to attract themed markets and events to the town, including artisan markets and Digbeth Dining events, and the visitors that had attended these markets.
- The potential for people to develop entrepreneurial skills by operating a market stall.
- The extent to which themed markets as opposed to weekly markets would attract local stall holders to an outdoor market in Redditch.
- An online survey conducted by the Redditch Standard in respect of an outdoor market and the outcomes of this consultation exercise.
- The possible location of an outdoor market in Redditch town centre.
- The benefits of having events and attractions outside the Kingfisher Shopping Centre to help encourage people to visit the town.
- The market stalls that would be used for a weekly market and the associated maintenance costs for these stalls.
- The other events that were held in the town centre, including the carnival and street theatre and the potential for these to continue to take place alongside an outdoor market.

At the end of the debate the vote on the Motion was lost.

Pride Event

Councillor Joanna Kane submitted the following Motion on Notice for Council's consideration:

- "That this Council agrees that Redditch's first community PRIDE event on June 3 was a resounding success; and:
- That in recognition of their organisational skills and promotion of the town, a formal letter of thanks should be sent to Redditch LGB&TQ Support Services for making it an historic event; and

Council

Monday, 26th June, 2023

- That this Council commits to building on this success by encouraging a wide range of cultural events for the future."

The Motion was proposed by Councillor Kane and seconded by Councillor Juliet Barker Smith.

In proposing the Motion, Councillor Kane commented that 3rd June 2023 had been a historic day for Redditch as this had been the date when the first Pride event had taken place in the Borough. The Pride event had been family friendly and inclusive and had been attended by in excess of one thousand people. There had been lots of community engagement and the event had attracted visitors from outside the Borough. The Pride event had been organised by the Redditch LGB&TQ Support Services group, which had established a Committee to co-ordinate arrangements. As the event had been such a success, Councillor Kane proposed that the Council should send a formal letter thanking the Redditch LGB&TQ Support Services group for their hard work. In addition, Councillor Kane expressed the hope that this event would be followed by other successful cultural events in the Borough celebrating the diversity of the local community.

In seconding the Motion, Councillor Barker Smith commented that she welcomed the cross-party support for the Motion. Redditch Pride had been the first pride event ever to be held in the Borough and had been a big success. The Pride event had demonstrated that people were keen to participate in local events and there was therefore the potential to hold further cultural events in the future.

Members subsequently discussed the Motion in detail and in doing so agreed that Redditch Pride had been a very successful event. There was general consensus that the Redditch LGB&TQ Support Services group had worked very hard to organise the event and deserved recognition for this. The involvement of people from different backgrounds in organising the event was also welcomed by Members. Reference was made to LGBTQI+ history and Members commented on progress that had been made in society in recent decades in terms of challenging homophobic and transphobic prejudice and how the Pride event helped to demonstrate this situation. Members also noted that the Pride event had been invaluable for people from the local LGBTQI+ population, particularly young people who might be learning about their own sexuality and would appreciate guidance and support.

Council

Monday, 26th June, 2023

During consideration of this Motion, Members noted that Redditch had a very diverse population and it was suggested that the Council also needed to promote and encourage further cultural activities in the community. As examples, Members referred to events held in recent years which had celebrated independence for Jamaica and Pakistan respectively. Members also commented that cultural events could have a beneficial impact on the local economy and it was noted that many of those who had participated in the Pride event had also visited pubs and restaurants whilst they were in the town.

On being put to the vote the Motion was carried.

RESOLVED

- **That this Council agrees that Redditch's first community PRIDE event on June 3 was a resounding success; and:**
- **That in recognition of their organisational skills and promotion of the town, a formal letter of thanks should be sent to Redditch LGB&TQ Support Services for making it an historic event; and**
- **That this Council commits to building on this success by encouraging a wide range of cultural events for the future.**

(Prior to consideration of the second Motion on Notice, Councillors Joe Baker, Bill Hartnett and Emma Marshall declared other disclosable interests in respect of the subject of the Motion, relating to the recent Redditch Pride event, as they were members of the Redditch LGB&TQ Support Services Committee which organised the Pride event. They left the room during consideration of this Motion and took no part in the debate nor vote thereon.)

21. INDEPENDENT PERSONS - STANDARDS REGIME

Council considered a report concerning the appointment of independent persons for the Council's standards regime.

RESOLVED that

- 1) **for the purposes of the appointment of independent persons under section 28(7) of the Localism Act 2011, the Council join the group of Worcestershire local authorities who operate a joint pool of independent persons;**

Council

Monday, 26th June, 2023

- 2) authority be delegated to the Monitoring Officer to appoint the named individual independent persons currently serving in the joint pool, and to make any future appointments to the role of independent person;
- 3) Mr Mel Nock the Independent Person appointed by Bromsgrove District Council continue to act as Independent Person for Redditch Borough Council on a temporary basis until the end of October 2023; and
- 4) authority be delegated to the Monitoring Officer to make any consequential changes to the Constitution.

22. OFFICER APPOINTMENT - INTERIM SECTION 151 OFFICER

Members considered a report in respect of the extension of the appointment of the Interim Section 151 Officer for a further six months.

During consideration of this item, questions were raised as to why the Council had not yet appointed a permanent Section 151 Officer and concerns were raised about the financial implications of this situation. The Chief Executive advised that external advice had been provided that it would not be appropriate to recruit to this position during the pre-election period. In addition, the Chief Executive had subsequently announced his intention to retire and the Council had been advised that a permanent Section 151 Officer should not be recruited until a new Chief Executive had been employed. West Midlands Employers had been appointed to conduct the recruitment process for both posts on behalf of the Council and the positions were due to be advertised imminently. Members were advised that the recruitment process would take time as applications would need to be shortlisted, interviews would need to be held and the successful candidates would potentially need to serve out their notice periods at other organisations. In the meantime, whilst there would be some additional financial costs attached, as detailed in the report, the extension of the interim appointment for the Section 151 Officer post would ensure there was some continuity at the Council.

RESOLVED that

the appointment of the Interim Chief Finance Officer and Section 151 officer approved by Council for twelve months on 27th June 2022 be extended for up to a further six months until 26th December 2023.

(Prior to consideration of this item, the Interim Section 151 Officer left the meeting. He therefore was not present during the debate in respect of this item nor the vote thereon.)

23. EXECUTIVE COMMITTEE

Members considered recommendations that had been agreed at meetings of the Executive Committee held on 21st March and 13th June 2023.

Air Quality Enhanced Monitoring Options Report

Consideration was given to the grant funding that Worcestershire Regulatory Services (WRS) had secured to support air quality monitoring and Members thanked officers for their hard work in respect of this matter. Members noted that it was important to ensure that air quality was monitored to benefit local residents.

Housing Policies

The Portfolio Holder for Housing and Procurement presented the Housing Policies for Members' consideration. Members were advised that the policies provided tenants with clarity regarding the respective responsibilities of tenants and the Council as their landlord. The policies would help the Council to manage anti-social behaviour (ASB), repairs and maintenance of Council properties, including compliance with safe home standards and to provide support to tenants who were aiming to downsize. Officers were thanked for their hard work in developing these policies.

During consideration of this item, Councillor Joe Baker proposed an amendment to the wording of the second recommendation in respect of the Housing Policies. The amended wording was as follows:

“Delegated authority be given to the Head of Community and Housing Services and/or Head of Environmental and Housing Property, following consultation with the Portfolio Holder for

Council

Monday, 26th June, 2023

Housing, *tenants and the Overview and Scrutiny Committee*, to agree any revisions to the Housing Policies following the consultation and in line with any legislative or government guidance updates.”

The amendment was proposed by Councillor Baker and seconded by Councillor Sharon Harvey.

In proposing the amendment, Councillor Baker commented that he had concerns about how the housing policies that related to recharging tenants would impact on those residents. Given the financial implications for tenants, Councillor Baker suggested that it would be appropriate for them to be consulted on any future revisions to the policies. In addition, Councillor Baker suggested that the Overview and Scrutiny Committee’s role in scrutinising the policies would be helpful on an ongoing basis as a way to ensure that the detail in the policies was thoroughly considered.

In seconding the amendment, Councillor Harvey suggested that Members needed assurance that any future revisions to the policies would be subject to appropriate scrutiny.

Members subsequently discussed the amendment in detail and in doing so commented on the following points:

- The role of the Overview and Scrutiny Committee in reviewing the content of the Housing Policies and the existing power of the Committee to ask to scrutinise Council policies.
- The consultation referenced in the recommendation and the statutory requirements in respect of consulting with Council tenants.
- The need for transparency in terms of arrangements for consultation with tenants and the Overview and Scrutiny Committee.

On being put to the vote the amendment was lost.

Executive Committee Minutes – 21st March 2023

Members requested clarification about the reasons why the proposed increases to charges for the Dial a Ride service had been resolved by the Executive Committee rather than referred to Council. Officers explained that there were some charges that

could be determined by the Executive Committee and it was agreed that clarification in respect of these charges would be provided in writing after the meeting.

Compulsory Purchase of a Long-Term Empty Property

Members considered a report on the subject of the compulsory purchase of a long-term empty property.

RESOLVED that

the minutes of the meetings of the Executive Committee held on Tuesday, 21st March and Tuesday 13th June 2023 be approved and all recommendations adopted.

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to any individual, which was likely to reveal the identity of any individual and which related to the financial and business affairs of any particular person (including the authority holding that information)).

24. OUTSIDE BODY APPOINTMENTS - WEST MERCIA POLICE AND CRIME PANEL

Nominations were received for Councillor Joanne Beecham to be appointed as the Council's lead representative on the West Mercia Police and Crime Panel in the 2023/24 municipal year and for Councillor Karen Ashley to be her substitute.

During consideration of this item, Officers confirmed that due to the political balance requirements for the panel, the lead representative and substitute would need to be members of the administration.

RESOLVED that

- 1) Councillor Joanne Beecham be appointed as the Council's lead representative on the West Mercia Police and Crime Panel in the 2023/24 municipal year; and**

Council

Monday, 26th June, 2023

- 2) **Councillor Karen Ashley be appointed as the Council's substitute member on the West Mercia Police and Crime Panel in the 2023/24 municipal year.**

25. URGENT BUSINESS - RECORD OF DECISIONS

The Mayor advised that one urgent decision had been taken since the previous Council meeting, in respect of the appointment of a new Managing Director for Rubicon Leisure Limited.

26. URGENT BUSINESS - GENERAL (IF ANY)

There was no urgent business for consideration on this occasion.

The Meeting commenced at 7.02 pm
and closed at 8.54 pm

Appendix 1 Council – 26th June 2023**MAYORAL ENGAGEMENTS FROM JUNE 2023**

Date	Time	Organisation	Event	Attendance
June				
10.06.23	3pm	1st Redditch Scout group	Award Ceremony	Cllr Akbar
19.06.23	10.00am	37 th Signals/RBC	Armed Forces Day – Raising the Flag	Cllr. Akbar Cllr Ashley
22.06.23	12pm	Age Concern	Community Event	Cllr Akbar
23.06.23	6.30pm	Wychavon D. C	Pleased to meet you – evening	Cllr Akbar
24.06.23	1pm		Feckenham Wake	Cllr Akbar
25.06.23	10:30am	Solihull	Civic Service	Cllr Akbar
25.06.23	2pm	RBC	Green Fair	Cllr. Akbar Cllr Ashley
25.06.23	4pm	Worcester City Council	Civic Service	Cllr Akbar
27.06.23	4pm	Worcester County Council	Afternoon Tea	Cllr Akbar
July				
01.07.23	10am	Armed Forces Veteran Club	Breakfast	Cllr Akbar
02.07.23	13.30pm	The Mercian Reg.	Annual Pilgrimage to CRICH	Cllr. Ashley

08.07.23	11am	Astwood Bank Carnival Committee	Carnival – judging Floats	Cllr Akbar
22.07.23	11am	Alcester Council	Civic Service	Cllr Ashley

**Redditch Borough Council
25th September 2023**

Questions on Notice

1. From Councillor Jane Spilsbury to the Leader:

“Can the leader confirm the timeline and the details of the communication strategy for public consultation on the regeneration of Matchborough centre?”

2. From Councillor Joe Baker to the Leader:

“What is the Leader’s opinion on the recent national reports that Redditch is one of the worst places to live, as was reported in the press?”

3. From Ms Margot Bish to the Leader:

“Why is the council still considering moving the library when, if there is any uncertainty in successful completion on time, the sensible course of action is to apply to government with a better, cheaper plan, a new time scale, and an accurate costing before beginning work?”

4. From Councillor Juliet Barker Smith to the Leader

“Would the Leader agree that when councillors are speaking to residents, it would be more appropriate and respectful to refer to the police, council officers and contractors as "our team" rather than their own, personal team, (e.g. when speaking about the police, "I'll get "my team" to sort this problem out.)”

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Redditch Borough Council

25th September 2023

Motions on Notice

1. Community Events in the Summer.

Proposed by Councillor Sharon Harvey, seconded by Councillor Joe Baker.

“That the Council records a vote of thanks to all the community groups and organisations who have organised public events throughout the summer.”

2. Live Animals as Prizes

Proposed by Councillor Andrew Fry, seconded by Councillor Monica Stringfellow

“Redditch Borough Council will not allow any live animals to be given as prizes on land we own or community centres we have an interest in. The RSPCA have voiced their concerns over many years and many Councils have taken similar action as they are aware the fish are neglected.”

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Council
2023

25th September

Recommendations from the Constitutional Review Working Party

Relevant Portfolio Holder	Councillor Luke Court
Portfolio Holder Consulted	
Relevant Head of Service	Claire Felton, Head of Legal, Democratic and Property Services
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

Council is asked to RESOLVE that:-

the Policy Framework be updated, as detailed in Appendix 1 to the report, to remove reference to policies that no longer exist or which are considered in an alternative forum and to add reference to the HRA 30-year Business Plan and the Housing Asset Management Strategy.

2. BACKGROUND

- 2.1 A meeting of the Constitutional Review Working Party took place on Thursday 13th July 2023.
- 2.2 During this meeting, a range of issues were discussed by Members of the group and changes were recommended to the content of the Council's Policy Framework, which is included in the Articles at Part 2 of the Council's constitution.
- 2.3 The report provides further information about the background to this recommendation and Council is asked to consider whether to approve the changes proposed to the content of the Policy Framework.

Council
2023

25th September

3. OPERATIONAL ISSUES

Policy Framework

- 3.1 Redditch Borough Council has a Leader and Cabinet model of decision making. Within this structure of decision making, there are some decisions that must be taken by full Council, some decisions that must be taken by the Executive Committee, some decisions where there are shared responsibilities and some “local choice” functions, whereby the authority determines whether the decision is taken by the Executive Committee or Council.
- 3.2 The Council is required to have a policy framework, comprising a list of important policies and strategies. Only full Council can make decisions about policies and strategies included in the Policy Framework.
- 3.3 A list of items currently included in the Council’s Policy Framework can be found at Paragraph 4 in the Articles of the constitution (see also Appendix 3).
- 3.4 The content of the Policy Framework can be reviewed by the Council from time to time to ensure that it remains suitable for the authority. When reviewing the content of the Policy Framework, Members should take into account the legal requirements in respect of responsibilities for functions, as detailed in the Responsibilities for Functions at Part 3 of the Council’s constitution.
- 3.5 Items that form part of the Policy Framework can only be determined by Council, although will be debated at a prior meeting of the Executive Committee. This is a lengthier decision-making process than that in place for items that can be determined by the Executive Committee alone, items which have been delegated to officers, or items which have been delegated to other Committees. This can cause delays to implementation. It is therefore important for Members to ensure that the most appropriate items, including those items where there is a legal requirement to do so, are included in the Policy Framework.
- 3.6 Where items are removed from the Policy Framework, they still form the basis of reports to the Executive Committee unless delegated authority is granted to officers to determine particular matters.
- 3.7 The items that are debated at both Executive Committee and Council meetings are advertised in advance on the Executive Committee’s Work Programme, which is published on the Council’s website. The Overview and Scrutiny Committee can select items from the work

Council
2023

25th September

programme to pre-scrutinise and this will continue, regardless of any changes to the Policy Framework.

- 3.8 The Constitutional Review Working Party reviewed the content of the Council's current Policy Framework at a meeting held on 23rd January 2023. In considering the content of the Policy Framework, Members were advised that a number of items no longer existed whilst other items in the framework were or could more appropriately be considered via alternative routes.
- 3.9 At that meeting, a number of changes were recommended to the Policy Framework and these proposed changes were considered at the Council meeting held on 27th February 2023.
- 3.10 However, there were some items in the Policy Framework that the Constitutional Review Working Party agreed to consider in further detail at their next meeting. This included the following items in the current Policy Framework:
- Emergency Plan
 - Enforcement Policy
 - Sustainable Community Strategy
- 3.11 In addition, at the Council meeting held on 27th February 2023, Members requested that the Single Equalities Scheme item should also be reviewed further by the Constitutional Review Working Party.
- 3.12 The Constitutional Review Working Party subsequently held a meeting on 13th July 2023 at which these items in the Policy Framework were discussed in detail.
- 3.13 The following updates were considered in relation to each of these items in turn:
- 3.14 Emergency Plan
- 3.14.1 The Emergency Plan and associated and related documents include the Business Continuity plans, Cyber Security response framework and Rest Centre plans.
- 3.14.2 Having received advice and guidance on these plans from Emergency Planning and Civil Contingencies officers, the Council considers these to be internal strategic and operational plans and, whilst there is a requirement for the authority to hold these, (and ensure they are current via regular updates), to accord with the Council's duties under the Civil Contingencies Act as Category One

Council
2023

25th September

Responders, this would not require Council endorsement for the response plans.

Council
2023

25th September

3.15 Enforcement Policy

- 3.15.1 There are a number of different Enforcement Policies for Council services, so it is not accurate to refer to an “Enforcement Policy.”
- 3.15.2 Worcestershire Regulatory Services (WRS) has a single policy that covers all partnership activities for all six district Councils ensuring a relatively uniform approach. This is reviewed and renewed at joint WRS Board meetings approximately every three years to ensure new members are familiar with the content. Redditch Borough Council’s appointees to the Board this year are Councillors Lucy Harrison and Joanna Kane. The WRS policy sits alongside any general policy that partners operate for retained criminal regulation. Although strictly speaking it is not necessary for aspects not caught by the regulator’s code, it is generally regarded as good practice to have a policy on all aspects of enforcement.
- 3.15.3 Planning Enforcement Reports are reported to Planning Committee. The Planning Enforcement Concordat is due to be updated and will be reported through to the Executive Committee in due course.

3.16 Sustainable Community Strategy

- 3.16.1 The duty for local authorities to have a Sustainable Community Strategy (SCS) was repealed as part of the Deregulation Act 2015. However, in Worcestershire there was a single SCS 2011-2021 which contained a chapter for each District.
- 3.16.2 As a result of an overview and scrutiny review completed in 2010, the Overview and Scrutiny Committee receives an annual update on the work of the Redditch Partnership, including in relation to the SCS, which ensures ongoing transparency in the process.

3.17 Single Equalities Scheme

- 3.17.1 The Council has an Equalities Strategy, not a Single Equalities Scheme. Equalities policies often need to be updated relatively frequently in a fast-changing environment.
- 3.18 Based on the updates provided on these items, the Constitutional Review Working Party agreed to recommend that the Emergency Plan, Enforcement Policy and Sustainable Community Strategy should be removed from the Council’s Policy Framework.

Council
2023

25th September

- 3.19 In respect of equalities, the Constitutional Review Working Party agreed that this subject should be included in the Policy Framework but referred to using the accurate title “Equalities Strategy”.
Proposed Additions to the Policy Framework
- 3.20 During the Constitutional Review Working Party meeting held on 13th July 2023, Members also considered proposals to incorporate additional items into the Council’s Policy Framework.
- 3.21 The suggestion was made that the Housing Revenue Account (HRA) 30 Year Business Plan and the Housing Asset Management Strategy should both be added to the Policy Framework. This suggestion was made due to the importance of both of these documents to the Council’s Housing Service and the HRA.
- 3.22 Based on the information provided in the updates in respect of these matters, the Constitutional Review Working Party agreed to recommend that these two items should be added to the Policy Framework.

4. FINANCIAL IMPLICATIONS

- 4.1 No specific financial implications have been identified.

5. LEGAL IMPLICATIONS

- 5.1 Review and revision of the Constitution is governed by Article 15 of the Constitution.
- 5.2 The Local Government Act 2000, in particular Section 13 (Functions which are the responsibility of an executive) details the matters which are the responsibility of the Executive.
- 5.3 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) gives effect to section 13 of the Local Government Act 2000 by specifying in Schedule 1 to the regulations which functions are not to be the responsibility of the Executive. In other words, the Executive Committee cannot by law make the decision on those matters.
- 5.4 The areas that the Executive cannot determine, so instead are the preserve of full Council, fall under the following headings:
- Functions relating to town and country planning and development control (planning policies)

Council
2023

25th September

- Functions relation to Licensing and Registration (many of which are delegated in Redditch to the relevant regulatory Committees)
- Functions relating to health and safety at work
- Functions relating to elections (many of which are delegated to the Electoral Matters Committee)
- Functions relating to the name and status of areas and individuals
- Power to make, amend, re-enact or enforce byelaws
- Power to promote or oppose local or personal Bills
- Functions relating to pensions
- Miscellaneous functions

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 It is important to review the Council's Policy Framework from time to time to ensure that the content enables the authority to continue to be 'An Effective and Sustainable Council'.

Climate Change Implications

- 6.2 No specific climate change implications have been identified.

Equalities and Diversity Implications

- 6.3 The Constitutional Review Working Party concluded that equalities should be included in the Policy Framework due to the importance of equalities and diversity matters to the Council and the communities it serves.

7. RISK MANAGEMENT

- 7.1 Where the Council does not regularly review and update the Policy Framework the content becomes out of date. This can hold up the efficiency of the decision making process.

8. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 1 – Extract from the Articles – Suggested Changes to the Policy Framework (clean version)

Appendix 2 - Extract from the Articles – Suggested Changes to the Policy Framework (in track changes)

Council
2023

25th September

Appendix 3 – Extract from the Articles – Current Policy Framework

Background Papers:

Redditch Borough Council's constitution

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Luke Court	
Lead Director / Head of Service	Pete Carpenter, Interim Section 151 Officer	
Financial Services	Pete Carpenter, Interim Section 151 Officer	
Legal Services	Claire Felton, Head of Legal Democratic and Property Services	
Policy Team (if equalities implications apply)	Deb Poole, Head of Business Transformation, Organisational Development and Digital Strategy	

**APPENDIX 1: EXTRACT FROM THE ARTICLES OF
CONSTITUTION – UPDATED POLICY FRAMEWORK****ARTICLE 4 – THE FULL COUNCIL****4.1 Meanings**

"Policy Framework"

The policy framework means the following plans and strategies:-

- Climate Change Strategy
- Contract Procedure Rules;
- Council Plan;
- Development Plan;
- Equalities Strategy;
- Housing Asset Management Strategy; and
- HRA 30-year Business Plan

"Budget"

The budget includes the allocation of financial resources to different services and projects, the medium-term financial plan, proposed contingency funds, setting the Council tax, decisions relating to the control of the Council's borrowing requirements, the control of its capital expenditure and the setting of virement limits.

4.2 Functions of the full Council

Only the Council will exercise the following functions:

- a. adopting and changing the Constitution;
- b. approving or adopting the Budget and the Policy Framework and any application to the Secretary of State in respect of any Housing Land Transfer;
- c. subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 8 of this Constitution, making decisions about any matter in the discharge of an Executive function which could have been (but was not) covered by the Budget and Policy Framework or where the decision maker is minded to make it in a manner which would be contrary to the Policy Framework or contrary to/or not wholly in accordance with the Budget;

- d. appointing or removing from office:-
 - (i) the Leader;
 - (ii) the Mayor or Deputy Mayor;
- e. confirming the appointment of the Chief Executive, Monitoring Officer and Section 151 Officer;
- f. agreeing and/or amending the terms of reference for the Council's committees, sub-committees, etc., deciding on their composition and, subject to Article 8.3, making appointments to them;
- g. the appointment and revocation of appointments of representatives to outside bodies unless the appointment is an Executive function or has been delegated by the Council;
- h. adopting an allowances scheme;
- j. changing the name of the area or conferring the title of Honorary Alderman or Freeman of the Borough;
- k. making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;
- l. all local choice functions set out in Part 3 of this Constitution (Responsibilities for Functions) which the Council decides should be undertaken by itself rather than the Executive; and
- m. all other matters which, by law, must be reserved to Council.

4.3 Council meetings

There are three types of Council meeting:

- a. the annual meeting;
- b. ordinary meetings;
- c. extraordinary meetings, including the Council Tax-setting meeting of the Council

and they will be conducted in accordance with the Council Procedure Rules in Part 7 of this Constitution.

4.4 Responsibility for functions

The Council will maintain the tables in Parts 3 - 6 of this Constitution setting out:

- a. those functions which are the responsibility of the Council;
- b. those functions which are the responsibility of the Council and which it has delegated to committees or officers.

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PART 2

APPENDIX 2: EXTRACT FROM THE ARTICLES OF CONSTITUTION – SUGGESTED CHANGES TO THE POLICY FRAMEWORK HIGHLIGHTED IN TRACK CHANGES

ARTICLE 4 – THE FULL COUNCIL

4.1 Meanings

"Policy Framework"

The policy framework means the following plans and strategies:-

- Climate Change Strategy
- Council Plan;
- Development Plan;
- ~~Emergency Plan;~~
- ~~Enforcement Policy;~~
- Contract Procedure Rules;
- ~~Single Equalities Scheme Equalities Strategy; and~~
- ~~Sustainable Community Strategy.~~
- HRA 30-year Business Plan; and
- Housing Asset Management Strategy

"Budget"

The budget includes the allocation of financial resources to different services and projects, the medium-term financial plan, proposed contingency funds, setting the Council tax, decisions relating to the control of the Council's borrowing requirements, the control of its capital expenditure and the setting of virement limits.

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PART 2

decisions about any matter in the discharge of an Executive function which could have been (but was not) covered by the Budget and Policy Framework or where the decision maker is minded to make it in a manner which would be contrary to the Policy Framework or contrary to/or not wholly in accordance with the Budget;

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APPENDIX 3: EXTRACT FROM THE ARTICLES OF CONSTITUTION – CURRENT POLICY FRAMEWORK

ARTICLE 4 – THE FULL COUNCIL

4.1 Meanings

"Policy Framework"

The policy framework means the following plans and strategies:-

- Climate Change Strategy
- Council Plan;
- Development Plan;
- Emergency Plan;
- Enforcement Policy;
- Contract Procedure Rules;
- Single Equalities Scheme; and
- Sustainable Community Strategy.

"Budget"

The budget includes the allocation of financial resources to different services and projects, the medium-term financial plan, proposed contingency funds, setting the Council tax, decisions relating to the control of the Council's borrowing requirements, the control of its capital expenditure and the setting of virement limits.

4.2 Functions of the full Council

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- b. approving or adopting the Budget and the Policy Framework and any application to the Secretary of State in respect of any Housing Land Transfer;
- c. subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 8 of this Constitution, making decisions about any matter in the discharge of an Executive function which could have been (but was not) covered by the Budget and Policy Framework or where the decision maker is minded to make it in a

manner which would be contrary to the Policy Framework or contrary to/or not wholly in accordance with the Budget;

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- g. the appointment and revocation of appointments of representatives to outside bodies unless the appointment is an Executive function or has been delegated by the Council;
- h. adopting an allowances scheme;
- j. changing the name of the area or conferring the title of Honorary Alderman or Freeman of the Borough;
- k. making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;
- l. all local choice functions set out in Part 3 of this Constitution (Responsibilities for Functions) which the Council decides should be undertaken by itself rather than the Executive; and
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- b. those functions which are the responsibility of the Council and which it has delegated to committees or officers.

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Executive Committee

Tuesday, 25th July, 2023

MINUTES

Present:

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

Officers:

Peter Carpenter, Kevin Dicks, Sue Hanley and Michelle Howell

Principal Democratic Services Officer:

Jess Bayley-Hill

14. APOLOGIES

An apology for absence was received on behalf of Councillor Joanne Beecham.

15. DECLARATIONS OF INTEREST

Members requested clarification as to whether those Members who owned businesses and who theoretically could submit bids in the Council's procurement process needed to declare an interest in respect of Minute Item No. 19 – Approvals to Spend Report. Officers advised that as the report did not relate to specific contracts, no conflicts of interest had been identified on this occasion.

16. LEADER'S ANNOUNCEMENTS

The Leader advised that at the latest meeting of the Overview and Scrutiny Committee held on 20th July 2023, Members had pre-scrutinised the Worcestershire Housing Strategy 2023 - 2040. The Committee had made a recommendation on the subject, which had been published in a supplementary pack for consideration at the Executive Committee meeting. Members were urged to consider the Overview and Scrutiny Committee's recommendation when discussing that item.

The Committee was also asked to note that during a meeting of the Budget Scrutiny Working Group that took place on 24th July 2023, Members had pre-scrutinised the Approval to Spend report. The

Chair

Budget Scrutiny Working Group had agreed a number of comments that they were keen for the Executive Committee to be made aware of when considering this item and those comments had been published in a second supplementary pack for the Executive Committee meeting.

17. WORCESTERSHIRE HOUSING STRATEGY 2040

The Chief Executive presented the Worcestershire Housing Strategy 2023 – 2040.

The Executive Committee was advised that the strategy had been commissioned by Worcestershire Leaders' Board in 2021 and had involved partner organisations working together. As part of the process, there had been a lot of consultation held with local stakeholders from the public, private and voluntary sectors. The strategy was designed to provide a good evidence basis for addressing housing issues at a local level. Redditch Borough Council, like other District Councils in Worcestershire, would develop a bespoke action plan for the Borough which would address specific local housing needs. Reference was made in the report to homelessness but Members were asked to note that a detailed Homelessness and Rough Sleeping Strategy had already been approved by Councils in Worcestershire, including Redditch Borough Council.

Following the presentation of the report, Members discussed the content of the strategy in detail and in doing so raised a number of points:

- The importance of housing to a range of issues impacting on residents, including health and well being and the local economy.
- The challenges in respect of housing provision locally, regionally and nationally and the action that could be taken by the Council in this context.
- The need for joined up thinking and for partner organisations to work together to ensure that good quality homes were available to meet the needs of local residents.
- The potential for the Council to learn from other district authorities when drafting the bespoke action plan for Redditch.
- The level of commitment from partner organisations to delivering the vision detailed in the Worcestershire Housing Strategy and the need for organisations to recognise the value of housing in terms of helping to take preventative action in respect of poor health and other factors that impacted on people's lives.

Executive Committee

Tuesday, 25th July, 2023

- The impact of the cost of living crisis on the extent to which partner organisations would recognise the importance of housing to local communities.
- The levels of deprivation in Redditch compared to other parts of Worcestershire and the impact that poor quality housing could have on deprived communities.
- The role of Redditch Borough Council as a social housing provider and the demand locally for Council houses.
- The extent to which public consultation would be undertaken with respect to the Redditch action plan and the forms of consultation that might be utilised.
- The financial costs involved in retrofitting existing houses and the point at which it would be more cost effective to build new homes to replace existing buildings.
- The extent to which owner occupiers would be eligible to apply for grant funding to help with retrofitting their properties.
- The grant funding available from the Government for the decarbonisation of properties and the likely level of demand for this funding for properties in the Borough. Officers explained that bids would need to be submitted and there was likely to be a lot of demand for this funding in relation to social housing units.
- The role of the local MP for Redditch as Minister of State for Housing and Planning and forthcoming meetings between the MP and Council Officers to discuss the funding available for retrofitting properties.
- The extent to which bids for grant funding would be means tested.
- The availability of skilled tradespersons across the country to deliver the retrofitting work that would be required once grant funding had been allocated.
- The potential for Act on Energy to provide useful advice to the Council in respect of retrofitting properties moving forward.
- The need to educate residents in respect of how to best manage their homes in order to minimise the potential for problems to occur with issues such as damp.

During consideration of this item, reference was made to a recommendation on the subject of the Worcestershire Housing Strategy that had been made at a meeting of the Overview and Scrutiny Committee held on 20th July 2023. Members noted that this recommendation related specifically to the second recommendation in the report on the subject of the bespoke housing action plan for Redditch. The Committee had been keen to ensure that it was noted by the Executive Committee that the plans could be extended to other tenures and would not just apply in respect of the Council's housing stock. Officers had confirmed during the meeting that this would be addressed in the Redditch action plan.

Executive Committee

Tuesday, 25th July, 2023

Members commented that the recommendation referred to retrofitting for homeowners. Specific concerns were raised about the particular circumstances of owner occupiers and the potential for their needs to be addressed in the Redditch action plan. In this context, Members concurred that they would be happy to endorse the recommendation from the Overview and Scrutiny Committee subject to the reference to homeowners being updated to refer to owner occupiers.

The Committee was advised that the Overview and Scrutiny Committee had also considered making a recommendation on enhancing the Council's housing stock as quality homes. However, no recommendation had been made on this subject as Members had been advised that this would already be covered as part of work on the Housing Revenue Account (HRA) Capital Programme.

RECOMMENDED that

- 1) the Worcestershire Housing Strategy 2023 – 2040 be adopted;**
- 2) Officers be asked to develop a Borough Level Action Plan with consideration given to the proposals in this Strategy; and**
- 3) the Action Plan should include what support will be available for owner occupiers to retrofit their own property taking into account the Cost of Living Crisis.**

18. FINANCE RECOVERY PLAN - UPDATE

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

Members were informed that the purpose of the report was to 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. A finance recovery programme had been put in place from April 2022 to start to rectify the situation. This was reported through to the Executive Committee in September 2022.

The Financial Recovery Plan had built on comments from the external auditors, Grant Thornton, relating to the 2019/20 accounts, which were only approved in the autumn of 2021 and the

Executive Committee

Tuesday, 25th July, 2023

subsequent issuing of the Section 24 recommendations to the Council on 31st October 2022 due to non-delivery of the 2020/21 Statement of Accounts. Comments on the 2019/20 accounts had highlighted issues on working papers, which were raised as a significant issue.

The Committee was informed that the Council continued to move forward with the rectification processes required in particular:

- The Corporate Peer Challenge took place in March 2023, which was a joint review with Bromsgrove District Council, and the associated action plans had been discussed at the Executive Committee meeting held on 13th June 2023. This included a “finance action plan”, to meet the Peer Challenge’s recommendations.
- Redditch Members, at a meeting of the Executive Committee held on 13th June 2023, approved the implementation of the recommendations of the Bromsgrove Audit Task Group whose objective was to carry out a root and branch review on how and why Bromsgrove District Council received Section 24 recommendations. This Task Group met in February 2023 and its findings were initially presented to the Redditch Audit, Governance and Standards Committee at a meeting held on 23rd March 2023.
- The Audit, Governance and Standards Committee, as a standing agenda item, reviewed progress against the audit recommendations, and national and local deadlines.

In terms of closure of the 2020/21 accounts, Members were advised of the following timeframes:

- Agreement of treatment of the take on balances would take place in early July 2023 as significantly more testing was required by the external auditors.
- Provision of the draft 2020/21 accounts to the external auditors (to begin the audit) would take place in July 2023. This was dependent on the external auditor’s confirmation that they had approved both Councils’ take-on balances work. The auditors were having issues in how they needed to test the transactional data due to their “normal” models not working on the authorities’ data.
- The 2020/21 audit was due to take place between July to September 2023 (although these were estimated timeframes).
- Sign off of the 2020/21 accounts was scheduled to occur by November 2023.
- Closure of the 2021/22 accounts was planned for sign off by May 2024.
- Closure of the 2022/23 accounts was planned to be signed off by November 2024.

Executive Committee

Tuesday, 25th July, 2023

The Committee was asked to note that at the recent Local Government Association (LGA) Conference held in July 2023, it had been highlighted that over 500 Council audits relating to 2021/22 accounts and earlier were still to be completed by external auditors. This therefore remained a significant issue for the sector.

Subsequent to the publication of the agenda for the Executive Committee meeting, an updated paper had been issued in relation to how the Department of Levelling Up, Housing and Communities (DLUHC) planned to remedy this position. This would include imposed deadlines over a short period of time for delivery of reports. It would be the case that these deadlines might result in qualifications and disclaimers of opinion in the short-term for a number of local bodies. Officers believed that these steps were necessary to reset the system and to restore the assurance which was provided by timely annual audits. Further consultations and discussions were taking place over the summer recess to address this.

Of the key financial returns, in the previous two weeks, the Capital Outturn Reports for 2020/21 and 2021/22 had been submitted. The key returns that had still not been delivered were the Revenue and Capital Outturn forms for 2020/21 and 2021/22 and the VAT returns. Although the Government allowed these returns to be completed based on estimates, the level of uncertainty due to previous issues with the cash receipting part of the Council's finance system meant these could not be completed until the external auditors signed off the Council's take on balances and the Council provided the draft accounts to the auditors.

Members were also asked to note that over the second weekend in July 2023, the Council had moved to the latest version of the TechOne System 23A. This would provide improved functionality. As a consequence of this, a series of updated finance training sessions would be rolled out for staff. More financial compliance measures would come into effect soon and would be detailed in the Quarter 1 monitoring reports.

In terms of Council procurement Members were asked to note:

- The new 'No Compliance No Order' regime that had been live for a month by the date of the Executive Committee meeting. There were a few issues to resolve with the software but Officers anticipated that these would be resolved with the upgrade to the system.
- Many departments were proactively obtaining quotations for lower value works. A lot of the remaining issues for the

Executive Committee

Tuesday, 25th July, 2023

Council were in respect of training issues that were in the process of being resolved.

- The number of contracts in place was growing regularly and Officers were confident that this process was having a positive effect. Officers were hoping to reach a position where the number of orders coming through was minimal.
- A spreadsheet was being collated for requests received that were not connected to any contracts and these would be discussed with teams going forward. Officers anticipated that eventually the number of orders coming through in this manner would be minimal.

Once the report had been presented, Members discussed the following points:

- The progress that had been made in respect of addressing the Section 24 recommendations and the extent to which the Council was at risk of receiving further Section 24 notices. Officers clarified that as long as the Council continued to implement the Section 24 recommendations, no further notices were likely to be issued to the authority.
- The costs associated with the external audit of the Council's accounts. Members were informed that the external auditor's fee for auditing the accounts would increase because they would have to do more work than had been anticipated when the fee was set, due to the issues with the Council's finance system.
- The reasons for issues encountered by the Council in terms of staff turnover and recruiting new staff into the Finance Department. The Committee was advised that a number of experienced members of staff had retired during the Covid-19 pandemic. In addition, following changes to working practices during the pandemic with the increasing amount of home working, many experienced and qualified staff had been recruited to work in London. Staff employed by organisations based in the capital were eligible to receive London weighting on their wages, even if they did not live there, and authorities like Redditch Borough Council could not offer comparable remuneration.
- The difficulties experienced by other local authorities and external auditors when trying to recruit experienced and qualified staff, which were impacted by the same issues. Members were asked to note that organisations based in Birmingham also offered higher wages than authorities in Worcestershire and this similarly had an impact on the competitiveness of local Councils as recruiters.
- The arrangements in place for the recovery of debts to the Council and the level of debt recovery by the date of the meeting. Officers explained that like many Councils, the

Executive Committee

Tuesday, 25th July, 2023

authority recovered Council Tax at a rate of 98 per cent. Business rates recovery levels had declined across the country, following the Covid-19 pandemic and were closer to a 96 per cent recovery rate.

- The need to rectify the suspense accounts in order for the Council to chase up all debts.
- The training that had been provided to 83 members of staff in respect of the Council's finance system and the costs involved in delivering this training. Members were advised that this training had been delivered by Council officers, rather than external trainers. Further training had been postponed to take place in August and September 2023, after the latest upgrade of the Council's finance software.
- The impact of inflation on the potential costs involved in delivering Council projects and the extent to which this was taken into account when the Council calculated costs. Officers clarified that contingency figures were often incorporated into calculations to enable the authority to cover any unforeseen costs. Often, extra costs would only become apparent when bids were submitted during the procurement process and where necessary Members would be asked to consider budget bids to cover additional costs.
- The delays that had been experienced in respect of the auditing of the Council's accounts and the potential for alternative external auditors to undertake this work in the future for the Council. Members were informed that Grant Thornton were due to undertake an audit of the Council's 2022/23 accounts. Bishop Fleming was due to subsequently take over as the Council's external auditors and would audit the 2023/24 accounts.
- The impact that use of a new finance system had had on the Council's procurement processes. Whilst there had been problems experienced with the new finance system, Members were advised that for the first time the Council could link procurement to specific contracts.

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 be noted.**

19. APPROVALS TO SPEND REPORT

The Portfolio Holder for Finance and Enabling presented the Approvals to Spend report for the Executive Committee's consideration.

Members were informed that the report detailed the key implications of the new Procurement Bill, which needed to be enacted by 1st April 2024. The Bill introduced a requirement for greater transparency in terms of how Councils undertook their business. The Bill would reform the UK's public procurement regime, and aimed to make it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with international obligations. The legislation would introduce a new regime that was based on value for money, competition and objective criteria in decision-making. The legislation required Councils to more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they could compete for and win more public contracts.

The Committee was assured that, whilst this might appear daunting, the recent work that the Council had already done to put measures in place meant that the majority of the requirements under the new legislation were already being addressed with a few changes required for transparency purposes. Measures already in place included:

- The No Compliance No Order procurement regime which had been implemented on the TechOne system on the 1st April 2023. With this, an order could not be raised unless it was linked to a contract or an identifiable procurement route.
- All new suppliers had to be approved by the procurement and payments teams.
- Monthly spending of over £500 was already published on the Council's website.
- The Council had an European Professional Card (EPC) card system for small expenditure.
- The authority's contracts register was available to Officers, Members and the public to view.
- The Procurement team was available for monthly meetings with Heads of Service and this ensured the procurement team had knowledge of what service departments were procuring and that they could check that there was compliance with the No Compliance No Order regime.
- Procurement training was provided to teams on request.
- Monthly accounts payable training was being delivered.
- There was a dedicated Procurement team page on the Council's website.

Executive Committee

Tuesday, 25th July, 2023

Part 5 of the Council's Constitution detailed the Officer Scheme of Delegations. This scheme outlined the decisions that had been delegated to Officers by the Executive Committee and Council. The Council's Constitution clarified that key decisions with significant financial implications for the authority were 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 included revenue, capital and Section 106 allocations.

There was a legal requirement for the Council to give notice of forthcoming key decisions and the authority did this by publishing items on the Executive Committee's Work Programme. Decisions due to be taken by the Executive Committee were actioned through a report presented for consideration at a meeting of the Committee. Decisions that were delegated to Officers were actioned via an Officer Decision Notice.

The Council's Procurement Pipeline, which was based on the contracts register, provided a forward look of potential contracting opportunities and highlighted when existing contracts were due to expire. The key task of the pipeline was to allow for the proper planning of procurement processes to ensure the Council maximised its contracting opportunities. The Council, when entering into framework contracts, relied on the governance processes of those frameworks to ensure that objectives such as "social value" were being delivered by prospective suppliers. However, feedback had been received from local businesses that Council procurement requirements acted as a barrier for them to bid for work directly. Consequently, the Council would investigate ways to encourage local suppliers to be able to bid for Council work directly. The Council would accelerate this process to ensure that Council funds were invested locally where possible, subject to the procurement process.

Members were asked to note that existing data from the contracts register revealed that the £50,000 threshold for key decisions covered many projects, particularly as lots of contracts lasted for multiple years. The Committee was advised that the majority of Councils had traditionally set the key decision limit at the EU procurement threshold level of £179,000. Locally, key decision thresholds had been set at £50,000 at Wyre Forest District Council and at £164,176 at Worcester City Council, prior to a change to the authority's governance structure. In the West Midlands region, Birmingham City Council had set their Capital expenditure threshold at £1 million and Revenue threshold at £500,000, with the threshold for Chief Officers being £200,000. Solihull Metropolitan Borough Council's threshold was £500,000 and City of Wolverhampton Council's threshold was £250,000. Some Councils did not publicise a threshold.

Executive Committee

Tuesday, 25th July, 2023

The Committee was informed that, should Members decide to change the threshold for key decisions with significant financial implications, Members would not be required to make any changes to the Council's existing Officer Scheme of Delegations.

Members subsequently discussed the content of the report and the proposals detailed within the report in detail and in doing so questioned whether it was appropriate for the Council to compare its financial threshold for key decisions to large authorities like Birmingham City Council. It was acknowledged that Birmingham City Council was the largest authority in the country. However, Members were advised that many Councils had set their thresholds in previous years close to the EU procurement limit of £179,000 and therefore consideration of a much higher figure than £50,000 for key decisions with significant financial implications for the Council was a valid point for discussion.

During consideration of this item, reference was made to the Budget Scrutiny Working Group's discussions in respect of this report at a meeting held on 24th July 2023. The group had made a number of comments on the content of the report that Members had been keen to highlight for the consideration of the Executive Committee and these comments had been published in a supplementary pack for the meeting. Members subsequently discussed each of the group's points in turn:

1. *"Increasing thresholds. In principle, given inflation is galloping away there is a need for some increase in key decision financial threshold but increase from £50k to £200K feels high."*

Members discussed this comment and on the one hand, some Members suggested that an increase in the threshold from £50,000 to £200,000 was too high. The suggestion was made that, instead, the threshold could be increased in line with inflation to £60,000, particularly for contracts that would last for a single year. On the other hand, Members commented that the proposed increase had been discussed in detail with the Council's Interim Section 151 Officer and the Head of Finance and Customer Services who had provided expert advice. In addition, the key decision threshold did not appear to have changed since at least 2007, and in this time costs and the pressures on local government had changed, so it was suggested that a review was timely.

- 2) *"Localism. Supporting local suppliers is important but the best way to do that is allocate extra points for local factors during an open and transparent procurement process."*

Executive Committee

Tuesday, 25th July, 2023

The need for the Council to have an open and transparent procurement process in place that complied with legislative requirements was discussed. Members commented that due process would remain in place. The Council would simply be giving consideration to bids from local contractors as part of this process and reference could be made to the potential social value as well as the possible benefits in terms of climate emissions associated with local suppliers. Further detail would be available in respect of the procurement process and the requirements arising from the Procurement Bill later in the year and this issue would be considered as part of that process.

- 3) *“There is a difference on reporting single year and multi year contracts. Perhaps there should be a consideration of a flexible reporting scale for one and multi year contracts. It is suggested that reporting thresholds for ACV be raised to £60K. For multi year contracts up to a threshold of £180K when receiving a change in controls.”*

Consideration was given to this comment and on the one hand, Members suggested that it would be understandable to set different thresholds for key decisions that had financial implications where the length of a contract varied between a single and multiple years. It was recognised that lengthier contracts were likely to cost more due to the length of time that they would apply and without a higher threshold in this instance the decision making and reporting process could become burdensome.

However, on the other hand, Members noted that they would continue to learn about contracts valued at between £50,000 and £199,999 as this would be reported in the quarterly financial and performance monitoring reports. The suggestion was also made that all Council contracts were important, regardless of the length of time for which they applied, and therefore distinguishing between different lengths of contract in applying financial thresholds for key decisions might not add value to the Council.

- 4) *“Any annual contract coming up for extension that is NOT on a procurement framework gets scrutinised by Councillors.”*

The Committee was asked to note that the quarterly finance and performance reports, as well as being presented for the consideration of the Executive Committee, would also be available for the Budget Scrutiny Working Group to scrutinise. The Budget Scrutiny Working Group and Overview and

Executive Committee

Tuesday, 25th July, 2023

Scrutiny Committee could also ask to scrutinise matters at any time and Members commented that they valued the scrutiny process.

However, the suggestion was made that scrutiny of Council contracts should be conducted in such a way as to not cause delays to the procurement process. Officers clarified that information would be included in the quarterly finance and performance monitoring reports which would highlight contracts that were due to expire over the following months and this would ensure that Members were provided with notice on any contracts that could be scrutinised in advance of decisions being taken.

Following consideration of the comments made by the Budget Scrutiny Working Group, amendments were proposed by Councillor Joe Baker to the wording of the first recommendation in respect of this item. The amended recommendation was proposed as detailed below:

“On a quarterly basis an “Approval to Spend Report” will be provided to the Executive Committee which sets out the Council’s Procurement Pipeline for approval to be included on the Executive Committee’s Work Programme and an analysis of spending over the past four years.

- a) This report will also identify spending with suppliers over *£60,000 for a one-year contract and £200,000 for a contract lasting two or three years* to ensure this spending is converted to properly contracted expenditure.”

The amendment was proposed by Councillor Baker and seconded by Councillor Bill Hartnett.

In proposing the amendment, Councillor Baker expressed concerns that increasing the financial threshold for key decisions from £50,000 to £200,000 was too great an increase. The proposed thresholds, as detailed in the amendment, would help to address these concerns as well as the Budget Scrutiny Working Group’s concerns.

Members discussed the proposed amendment to the first recommendation and in doing so commented that the proposed changes, as originally worded, were based on advice from the Interim Section 151 Officer and concerns were raised about changing the threshold in an amendment without detailed discussions with relevant Officers. Furthermore, it was noted that the fourth recommendation detailed in the report would require all procurement valued at between £50,000 and £200,000 to be listed

Executive Committee

Tuesday, 25th July, 2023

in future Approvals to Spend reports and therefore some Members questioned whether this amendment was necessary.

On being put to the vote, the amendment was lost.

Councillor Baker subsequently proposed the following amendment to the second recommendation in respect of this item:

“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 *with a fair scoring matrix put in place.*”

This amendment was proposed by Councillor Baker and seconded by Councillor Hartnett.

In proposing this amendment, Councillor Baker expressed concerns that the Executive Committee was making recommendations to Council on this subject without having first received a detailed analysis of the implications for the Council of the Procurement Bill. There would be a need to demonstrate that the Council was applying an appropriate and fair procurement system and the proposed fair scoring matrix would help to convey this point.

In seconding the amendment, Councillor Hartnett commented that there needed to be a fair scoring system in place. The proposal was being made in a context where Members had not yet been provided with detail in respect of the Procurement Bill and this approach was considered to be prudent in this context.

The proposed amendment to the second recommendation was subsequently discussed. Questions were raised about the timing of this proposal, given that officers would be reviewing the implications of the Procurement Bill for the Council and reporting to Members on this matter in due course. In addition, concerns were raised that by specifying the scoring process, the Council might agree to arrangements that might subsequently need to be changed again once the full implications of the Procurement Bill had been clarified. Members commented that the Council would always comply with procurement rules and would apply a fair system.

Following these discussions, Councillor Baker commented that he would propose amending the wording further to the following:

- 1) 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 *with a scoring matrix put in place.*”

On being put to the vote the amendment was lost.

RECOMMENDED that

- 1) on a quarterly basis an “Approval to Spend Report” will be provided to the Executive Committee which sets out the Council’s Procurement Pipeline for approval to be included on the Executive Committee’s Work Programme plan and an analysis of spending over the past four years
 - a) this report will also identify spending with suppliers over the £200,000 limit to ensure this spending is converted to properly contracted expenditure;
- 2) 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;
- 3) the Key Decision threshold be raised to £200,000.
- 4) the “Approval to Spend Report” report also provides a list of all procurement between £50,000 and £200,000, which the Executive Committee can request further detail and subject to additional scrutiny where they see fit; and
- 5) items from the initial pipeline report at the appropriate Key Decision level are added to the Executive Committee’s Work Programme.

20. TREASURY OUTTURN REPORT 22/23

The Portfolio Holder for Finance and Enabling presented the Treasury Outturn Report 2022/23 and in doing so explained that the report presented the draft outturn position on the Council’s Capital and Treasury Management Strategies, including all prudential indicators. There was the requirement for progress in respect of this matter to be reported through the Executive Committee to Council.

The 2021 Prudential Code included a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council, covering capital expenditure and financing, treasury management and non-treasury investments. The authority’s Capital Strategy, complying with the Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) requirement, was approved by full Council on 27th June 2022.

On 31st March 2023, the authority had a position of net borrowing of £93.3 million arising from revenue and capital income and

Executive Committee

Tuesday, 25th July, 2023

expenditure. The underlying need to borrow for capital purposes was measured by the Capital Financing Requirement (CFR), while usable reserves and working capital were the underlying resources available for investment. The Council was making returns in the region of 4 per cent for the balances it was investing in the short-term (working capital). In terms of the Council's borrowing position, the majority of the authority's long-term debt was not due for repayment for at least 15 years. Members were asked to note that as detailed in the report, the Council was complying with its prudential indicators.

During consideration of this item, Members commented that the report referenced a £5 million bank loan to the HRA and questions were raised about the reasons for this loan and the timeframes in which it would need to be repaid. Officers explained that the loan was for the HRA capital programme and it was agreed that further information on this subject would be provided to Members after the meeting.

RECOMMENDED that

Council note the Treasury Outturn position for 2022/23.

21. OVERVIEW AND SCRUTINY COMMITTEE

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

RESOLVED that

the minutes of the Overview and Scrutiny Committee meeting held on Thursday 8th June 2023 be noted.

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

There were no referrals for consideration on this occasion.

23. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday 13th June 2023 be approved as a true and correct record and signed by the Chair.

24. ESTABLISHMENT OF A PROGRAMME OFFICE

The Portfolio Holder for Finance and Enabling presented the report in respect of the establishment of a programme office and in doing so explained that the report helped to implement proposals agreed at the previous meeting of the Executive Committee. The report detailed how a programme office would be set up at the Council and the role of key personnel in relation to managing the Council's projects.

Following the presentation of the report, Members discussed the work of the project office and questioned which projects would be managed by the new project officers. The Committee was informed that the programme officers would be required to project manage a range of existing projects as well as new projects in the future. Whilst there would be some financial implications in respect of recruiting new staff to manage this process, Officers clarified that it was anticipated that this work would help to reduce financial costs associated with project management in the long-term.

Consideration was given to the staff who could be recruited into the new posts and questions were raised about the reporting lines for these staff members. The Committee was informed that there were up to 20 members of staff employed by Redditch Borough and Bromsgrove District Councils who had a Prince2 Project Management qualification and they might be interested in applying for the positions. There was also the possibility that the lower graded post could be linked to an apprenticeship opportunity, which was a suggestion that had been raised by the Overview and Scrutiny Committee. The staff would be based in the Business Transformation and Organisational Development department, which was already responsible for taking a lead on co-ordinating the delivery of Council projects. Officers confirmed that it was possible that the work of the programme office could lead to a reduction in the Council's need to use external consultants for specific work in the long-term.

Reference was made to the need for Councillors to be updated on the work of the programme office and Members questioned how this would be managed. Officers explained that information on the work of the programme office and progress with the implementation of projects would be included in the quarterly finance and performance monitoring reports, that were presented for the consideration of the Executive Committee during the year.

In concluding their discussions in respect of this matter, Members questioned whether the officers employed to manage the programme office would be required to attend programme board meetings for all of the Council's projects. The Committee was

Executive Committee

Tuesday, 25th July, 2023

advised that Officers employed in this service would be expected to attend board meetings. This would be necessary as many of the projects that were delivered by the Council had implications for other Council projects and there therefore needed to be strategic oversight of their co-ordination. In addition, the officers would be helping to manage scarce resources at the Council and would need to ensure that the work that was undertaken was timetabled appropriately.

RESOLVED that

- 4) formal reporting of all projects be undertaken on a monthly basis by Officers and this information be fed into the Quarterly Finance and Performance Reports for Members; and**
- 5) a compliance structure be put in place to ensure delivery of projects and management of the multiple interdependencies across projects. This includes:**
 - a. a council programme office be established to provide oversight and validation of the delivery of projects across the organisation; and**
 - 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.**

The Meeting commenced at 6.31 pm
and closed at 8.23 pm

**Executive Committee
2023**25th July**WORCESTERSHIRE HOUSING STRATEGY 2021-2040**

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Report Author	Job Title: Judith Willis Contact email: judith.willis@bromsgroveandredditch.gov.uk Contact Tel: 0152764252 ext 3348
Wards Affected ALL	
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	<ul style="list-style-type: none"> • Finding somewhere to live, • Aspiration, work & financial independence, • living independent, active & healthy lives • Communities which are safe, well maintained & green.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

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

- 1) The Worcestershire Housing Strategy 2021 – 2040 be adopted.**
- 2) Officers be asked to develop a Borough Level Action Plan with consideration given to the proposals in this Strategy.**

2. BACKGROUND

- 2.1 The Council adopted a Worcestershire Housing Partnership Plan in 2017 which set out the strategic direction for housing across Worcestershire. This Plan has been reviewed and partners from across the County have produced a Worcestershire Housing Strategy 2021 – 2040 attached as Appendix 1.
- 2.2 The Strategy sets out a 20-year vision for the Count, recognising that decisions made today will have a significant impact on housing in the future.

Executive Committee
202325th July

2.3 The strategy has been developed with representation from the 7 Worcestershire Local Authorities, NHS providers, local housing providers and the Worcestershire Local Enterprise Partnership (WLEP). It has undergone consultation across a range of stakeholders in the County to ensure that it reflects the needs, challenges, and opportunities in Worcestershire.

2.4 The strategy serves several purposes:

- It is a vision for housing in the county to 2040.
- It provides a statement of intent focused on specific priorities
- It provides the foundation of a set of more detailed action plans to cause the necessary changes and actions to happen and be delivered.
- It provides an opportunity to evolve Worcestershire's housing market offer to meet the needs of its citizens and business over the longer term.

2.5 The strategy sets out the vision for housing in Worcestershire:

Worcestershire will be known for excellent housing. Everyone will have choices about how and where they live. Local homes will be warm, healthy and will lead the way towards Net Zero. Worcestershire housing will add to a better quality of life.

2.6 The vision will be delivered through four priority areas, which are:

- a) **Economic growth and jobs-** this priority focusses on the relationship between housing and the economy and the need to supply the right housing for people who live and work in Worcestershire.
- b) **Quality and standards-** this priority focusses on ensuring that housing in Worcestershire is as good as it can be and that the County takes advantage of innovation in how houses are planned, built and upgraded.
- c) **Health and wellbeing-** this priority focusses on the importance of affordable, healthy housing that supports everybody, whatever their needs or circumstances as well as creating and maintaining sustainable communities.
- d) **Net Zero carbon and climate change-** this priority

Executive Committee
202325th July

focusses on ensuring that housing in Worcestershire is decarbonized in line with national targets.

- 2.7 To accompany the Strategy a Countywide action plan has been developed with each Local Authority having responsibility to develop its own action plan to set out how it intends to meet and contribute towards the ambitions of the Strategy locally.
- 2.8 Due to the strategy setting out a 20-year ambition, the proposals for delivery are at three levels of detail:
- a) A 100-day plan to create momentum and promote awareness
 - b) A 5-year action plan setting out key priorities across each of the four priority areas. These actions will be delivered through Countywide delivery groups.
 - c) A twenty-year road map outlining how the components of the strategy will support the delivery of the vision.

3. OPERATIONAL ISSUES

- 3.1 Upon approval of the Strategy, Officers will develop an individual Borough-level action plan.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications associated with adopting this strategy

5. LEGAL IMPLICATIONS

- 5.1 The deregulation Act 2015 abolished the statutory requirement for Council's to produce a Housing Strategy.
- 5.2 However, it is recognised across all the Worcestershire Council's and partners that Housing is key to the quality of life of residents and that this Strategy will provide future a vision and future direction to achieve this.

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

- 6.1 The Strategy will support the Council's following Strategic purposes:
- Finding somewhere to live,

Executive Committee
202325th July

-
- Aspiration, work & financial independence,
 - Living independent, active & healthy lives
 - Communities which are safe, well maintained & green.

Climate Change Implications

- 6.2 Carbon reduction is a key feature of the Strategy with the fourth priority being 'Net Zero carbon and climate Change. This provides an ambition to reduce the impact that dwellings have climate change and help the Council meets its Climate Change Strategy vision.

Equalities and Diversity Implications

- 6.3 There are a range of equality considerations which have been taken into account in the development of the strategy. This includes the changing demographics across the County where it is projected that there will be an increasing ageing population and therefore a greater demand on later living housing provision.
- 6.4 Section 3.1 of the Strategy sets our population and Economics information which is then addressed within the Strategy.

7. RISK MANAGEMENT

- 7.1 Failing to influence the housing market in a strategic way could lead to a rise in homelessness locally, and impact upon the delivery of affordable housing.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Worcestershire Housing Strategy 2021 to 2024

Executive Committee
202325th July**9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Cllr Craig Warhurst	4.07.23
Lead Director / Head of Service	Judith Willis, Head of Community & Housing Services	21.06.23
Financial Services	Peter Carpenter	21.06.23
Legal Services	Claire Felton	21.06.23
Policy Team (if equalities implications apply)		
Climate Change Team (if climate change implications apply)	Matthew Bough	21.06.23

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REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****Approval to Spend Report**

Relevant Portfolio Holder	Councillor Luke Court, Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell
Report Author	Job Title: Head of Finance & Customer Services email:michelle.howell@bromsgroveandredditch.gov.uk Contact Tel: 0152764252
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY

The purpose of this report is to set out to Executive the key implications of the New Procurement Bill which the Council has to comply with from 1st April 2024, and what the Council needs to do to meet its obligations.

2. RECOMMENDATIONS

Executive are asked to Recommend to Council that:

- **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 Key Decision threshold is raised to £200k.**
- **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, as set out in Appendix C, are added to the forward plan.**

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****3. KEY ISSUES****Introduction**

3.1 This report sets out the key implications of the new Procurement Bill, which needs to be enacted by 1st April 2024. The Bill brings even more transparency to how Councils undertake their business. The report sets out:

- the key parts of the new Bill
- Transparency arrangements already in place at the Council
- Council procurement governance requirements
- An analysis of present procurements and comparison of limits against local Councils
- The proposed way forward.

The Procurement Bill

- 3.1 The Bill will reform the UK's public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK's needs while remaining compliant with our international obligations
- 3.2 It will introduce a new regime that is based on value for money, competition and objective criteria in decision-making. It will create a simpler and more flexible, commercial system that better meets our country's needs. And it will more effectively open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts.
- 3.3 It will strengthen the approach to excluding suppliers where there is clear evidence of their involvement in Modern Slavery practices, and running throughout each part of the Bill is the theme of transparency.
- 3.4 Contracting authorities must have regard to delivering value for money, maximising public benefit, transparency and acting with integrity. Integrity must sit at the heart of the process. It means there must be good management, prevention of misconduct, and control in order to prevent fraud and corruption. The Bill also includes a duty on contracting authorities to have regard to the particular barriers facing SMEs, and to consider what can be done to overcome them.

Key Points within the Bill**Undertaking a Procurement**

- 3.5 The Bill introduces a new procedure for running a competitive tendering process - the competitive flexible procedure - ensuring for the very first time that contracting authorities can design a competition to best suit the particular needs of their contract and market.

Contract Management

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

- 3.6 The important work on procurement does not stop once a contract has been awarded. Part four of the Bill sets out steps that must be taken to manage a contract. This includes the strengthening of rules ensuring that suppliers are paid on time and new requirements to assess and publish information about how suppliers are performing.

Transparency Notices

- 3.7 The Bill proposes a number of measures to ensure greater transparency to make it easier to scrutinise procurement decisions. In particular, contracting authorities will be required to publish:

- a "pipeline notice" where contracting authorities consider that they will spend more than £100 million on certain types of procurement in the next financial year;
- a tender notice at the commencement of the procurement procedure;
- more detailed information about the evaluation to unsuccessful bidders;
- a contract award notice before (instead of after) entering into a public contract;
- information about contracts after they have been concluded;
- a copy of any public contract with a value exceeding £2 million within 90 days of it being entered into;
- information about payments under public contracts to enable scrutiny by the general public;
- a contract implementation notice to update on performance against KPIs;
- a contract change notice in advance of implementing amendments; and
- a contract termination notice ahead of the expiry or termination of a contract.

Measures already in place

- 3.8 Whilst the above may appear daunting, the recent work that the Council has already done to put measures in place means that the majority of the requirements under the new Bill are already being met with a few changes required for transparency purposes.

Our existing measures include:

- No Compliance No Order which was implemented on the TechOne system on the 1st April 2023. With this, an order cannot be raised unless it's linked to a contract or an identifiable procurement route. We are 3 months into this process and in the short term we will allow orders not linked to contracts as long as the contracting process is under way (which is checked/approved by the Procurement Team. By the end of the

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

Calendar year we expect high compliance as contracts will have been set up for all significant expenditure.

- Presently, orders are raised to purchase goods or services on the TechOne system. The No Compliance No Order links the orders to contracts as well as the supplier (to ensure we are getting best value from our contracts).
- All new suppliers have to be approved by the procurement and payments teams. Up to September 2022 new suppliers were approved just by the payments teams. The new route ensures that we are making the most value of contracting and reducing rogue non contract linked expenditure.
- Monthly spending of over £500 is placed on the Councils Website. Please use this link <https://www.redditchbc.gov.uk/council/finance/supplier-payments-over-%C2%A3500.aspx>
- That the Council has an EPC Card system for small expenditure. Controls are in place using these Cards:
 - Maximum monthly expenditure.
 - Individual transaction limits.
 - Merchant Category Group code blocking
 - Each supplier is classified with a Category Group code. Any number of these codes can be blocked or left unblocked to ensure compliance with business policies.
- The contracts register is available to Officers, Members and the Public – See Appendix C.
- The Procurement team is available for monthly meetings with HOS and this ensures the procurement team has visibility of what service departments are procuring to ensure contracts are set up to ensure compliance to the No Compliance No Order regime.
- Procurement training is provided to the teams on request in order for them to understand the new and wider procurement requirements. The procurement team recently provided a series of training in September 2022.
- Monthly Accounts payable training delivered to ensure that those administering procurements within Service Departments understand how to use the TechOne system to properly code those requisition and orders.
- There is a dedicated Procurement Teams Page (See **Appendix A**) for Officers which covers:
 - The Procurement Process
 - Award Procedures
 - Frameworks Commonly Used
 - How we Advertise our Contract Information
 - Requests for Training
 - Social Value
 - Glossary of Procurement Terms

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

- Template documents

Council Governance

- 3.9 Part 5 of the Constitution sets out the Schemes of Delegation. The schemes of delegation set out what decisions can be delegated to Executive and individual Officers. These are set out in Appendix B.
- 3.10 The Council Constitution sets out that from a financial basis a “key decision” is any item that has a combined financial spend (either as a single item or for the length of the contract) of £50,000.
- 3.11 Key decisions need to be on the Council’s forward plan. Then
- Executive Decisions are actioned via a Executive Report;
 - Decisions delegated to Officers are actioned via an Officer Decision notice.

This includes Revenue, Capital and S106 allocations.

The Present Council Procurement Pipeline

- 3.13 The Council’s Procurement Pipeline, which is presently based on the Contracts Register, is set out in Appendix C along with the initial “pipeline document”. The Procurement Pipeline provides a forward look of potential contracting opportunities and when existing contracts are due to expire. The initial pipeline document which has been derived from the Council’s existing Contracts database. However, as set out in section 3.8 above, this is in the process of being built and so departmental procurement officers have been asked to update the Pipeline document for any procurements that they have coming up in 2023 and 2024 that are over £50k for the life of the contract and are not already on the contract register.
- 3.14 The key task of the pipeline is **to allow for proper planning of procurements** to ensure the Council maximises its contracting opportunities by
- Alerting Officers and Members to contracts coming to the end of their terms;
 - Reducing the likelihood of duplicating contracts;
 - Ensuring that if decisions are Key that they are on the appropriate Key Decision Registers
- 3.15 By having an up to date procurement pipeline, and ensuring procurements and the associated key decisions are efficiently planned, we will ensure that the Council is delivering fully to the new Procurement Bill which becomes a requirement on the 1st April 2024.
- 3.16 The Council, when entering into framework contracts, relies on the governance processes of those frameworks to ensure that objectives such as “Social Value” are

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

being delivered by prospective suppliers. However, feedback from local businesses is that Council procurement requirements are a barrier for them to bid for work directly. As such the Council will investigate ways to encourage local suppliers to be able to bid for Council work directly. A local example of a Council undertaking this approach is Wolverhampton. The Council will accelerate this process as it will ensure "Council Funds" are being invested locally.

- 3.17 Assessing the current joint procurement register we have the following levels, by spending, of contracts:

Contracts Register – taken as at 17th June

- Over £200k – 44 Contracts
- £100K to £200k – 32 Contracts
- £50k to £100k – 36 Contracts
- £10k to £50k – 94 Contracts
- Up to £10k – 62 Contracts

Capital (Just Redditch) – taken from the present capital programme approved in February 2023

- Over £200k – 13 Schemes
- £100k to £200 – 6 Schemes
- £50k to £100k – 2 Scheme

- 3.18 It is clear from this data that the present £50k threshold for Key Decisions covers far too many projects as many contracts last for multiple years. The majority of Councils have traditionally set the key decision limit at the EU Threshold level of £179k. Other Councils in Worcestershire have the following key decision limits:

- Wyre Valley - £50,000
- Worcester City – £164,176 in 2017, suggests not required in present structure

As a further Comparison we have

- Birmingham – Capital £1m, Revenue £500k, Chief Officers £200k
- Solihull - £500k
- Wolverhampton - £250k

Proposal

- 3.19 Given the above points, it is proposed that:

- The Key Decision threshold is raised to £200k. The logic of this is for revenue expenditure using GCloud, contract lengths can be up to 4 years. As such this is the

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

existing £50K limit expanded to the full term of revenue contracts. This new threshold will apply to all classes of delegated decision.

- On a quarterly basis a report “the approval to spend report” will be provided to Executive which sets out from the Procurement Pipeline those procurements that should be taking place over the next year. This report will be refreshed every quarter and can be converted once approved by Executive into the ongoing forward plan.
- That as part of this report an analysis of spending will be made of the past 3 years to identify spends with suppliers over the £200k limit to ensure this spending is converted to properly contracted expenditure.
- The “Approval to Spend” report includes a list of all procurement between £50k-£200k.
- That the Council investigate and put in place processes that allow local businesses to access Council procurements more easily.

4. Legal Implications

4.1 No Legal implications have been identified.

5. Strategic Purpose Implications**Relevant Strategic Purpose**

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

Climate Change Implications

5.2 The green thread runs through the Council plan. Procurements by their nature have potential financial implications and these in turn can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications**Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report.

Operational Implications

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

6.2 Managers meet with procurement officers to consider their current procurement position and to ensure actions are in place to mitigate any expenditure that is not contracted properly.

7. RISK MANAGEMENT

7.1 The financial monitoring is included in the corporate risk register for the authority

8. APPENDENCES

Appendix A – Dedicated Procurement Team Page

Appendix B – Bromsgrove Scheme of Delegation

Appendix C – Forward Pipeline and Contracts Register

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****Appendix A – Dedicated Procurement Teams Page**

Thinking about procuring something? Read the process here first then ask us for any advice you may want or need. [Email us](#) or post in [the chat in this channel](#). Procurement is part of Legal Services.

What you procure, when, and why, is up to you and your teams inside the councils' usual political processes. It's your work.

How you procure, however, is **not** up to you. As public employees how we procure is regulated, and there is a process you must follow, with support from Procurement. The process is simple, essential, and will help you to procure well.

It's your responsibility.

Service Protocol – Procurement

Our service protocol can be found [here](#)

The process of procurement

Follow this simple **four-step process** whenever you think about procuring. Links to relevant supporting resources are included as you go along. Documents you may wish to refer to here are collected in [the Files tab of this channel](#).

**Step 1: DETERMINE THE NEED**

1. What are you procuring? Identify and scope the requirement. (Refer to: *Procurement Training*, as a summary of the formal *Contract Procedure Rules*)
2. Agree the procurement with management, including, for new a requirement, whether it's a priority.

Step 2: SPECIFY THE PROCUREMENT TO MEET THE NEED

1. Set out exactly what will you need to buy. This step is critical as it will determine what you end up getting. (Refer to: *Specification training* and *Specification template*. Here's some Crown Commercial Service [info on writing a specification](#))
2. Determine which award procedure you will be following. See [the Award procedures section](#) below for more.
3. Get your specification approved with management, and where necessary get advice from Legal Services.

Step 3: GO TO MARKET (only skip this if your award procedure is a direct award via a framework)

1. Depending on your award procedure, run your tender or quotation procedure. Refer to the template documents, terms and conditions, etc., in [the Files tab](#) on this channel. The standard terms & conditions are not appropriate for all procurements, so please check with Legal Services which terms and conditions are suitable for you.
2. If you are using the procurement portal to go to market, Procurement will handle incoming questions via the portal.
3. Evaluate supplier responses. (Refer to: *Evaluation training*)
4. Feed back to all bidders, and where necessary get advice from Legal Services first.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

Step 4: AWARD/CONTRACT

1. Award the business / contracts.
2. Notify and sign contracts.
3. Request that the supplier and contract are added to the system (all new suppliers require a [new supplier form](#) to be sent to Payments (that file is always available over on [the Purchasing and Payments channel](#) of the ERP Support Team, which is where you should go if you want more support on adding a new supplier).
4. Manage the business / contracts as an ongoing concern.

Note: procurements may require technical guidance by Legal Services at certain points before they can proceed. This protects both you and the councils from compliance issues. Most contract and larger-value awards require technical guidance.

Award procedures

All procurements must follow the relevant **award procedure** in line with councils' Contract Procedure Rules. This isn't just our policy, it's the law, and it protects you, the councils, and the public purse.

The award procedure depends on the amount you're spending. Generally speaking the more money you are spending, the more demanding the award procedure, and the more time you will need to allow for it including getting any technical guidance.

Which award procedure do you need to follow?

Total value of spending (including repeat spending on the same thing)	Award procedure	Written evidence you need on file (emails are ok)	Retain evidence for
£0- £3,000	Order off a Framework*		
	or There must be evidence of competitive enquiries being undertaken, with details of final selection criteria recorded and retained for one year from date of purchase (this can be in by email) Good practice is to get three quotes. This can be via email with a required response date.	Framework agreement or Your enquiries and how you decided	Purchase date or contract end date plus one year
£3,001 - £25,000	Send your final choice to Procurement for logging on the Contracts Register & ERP. Order off a Framework*		
	or Get at least 3 written quotations and record how you decided which supplier to award to, this can be completed by email. Send your final choice to Procurement for logging on the Contracts Register & ERP.	Framework agreement or Your quotes and how you decided	Purchase date or contract end date plus one year

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

	<i>Optional:</i> Ask Procurement to advertise the opportunity for you!		
	Order off a Framework*	Framework agreement	
	or	or	Purchase date or contract end date plus five years
£25,001- £50,000	Contact Procurement to advertise an invitation for businesses to quote	All procurement documentation	
	Send your final choice to Procurement for logging on the Contracts Register & ERP.		
	Order off a Framework*		
£50,001 – £177,897.50 (goods and services) or £4,447,447.50 (works)	or	Framework agreement	Purchase date or contract end date plus five years
	Contact Procurement to advertise an invitation to tender via the Proactis Portal managed by Procurement Team.	or	
Figures exclusive of VAT	Send your final choice to Procurement for logging on the Contracts Register & ERP.	All procurement documentation	
	Order off a Framework*		
Over £177,897.50 (goods and services) or £4,447,447.50 (works)	or	Framework documentation	Purchase date or contract end date plus five years
Figures exclusive of VAT	Contact Procurement to Advertise on 'Find a Tender' and via the Proactis Portal managed by Procurement Team.	or	
	Send your final choice to Procurement for logging on the Contracts Register & ERP.	All procurement documentation	

**Where there is no adequate framework (see below) we can establish our own mini-framework of suppliers to meet a procurement need. Please ask.*

Frameworks we commonly use

Frameworks go to the market so you don't have to.

They invite suppliers to compete to win business from multiple framework customers (us, and organisations like us). This saves time for you, and can mean significantly better prices too, because framework suppliers aren't just competing for your business - they're competing for the business of every customer who comes to that framework. Frameworks can be a simple, low admin way to procurement compliance.

Other sector specific frameworks are available, so if you don't see what you need here or these frameworks don't have what you need on them, please ask.

- Yorkshire Purchasing Organisation (YPO) <http://www.ypo.co.uk/>
- ESPO <http://www.espo.org/supplier-area/becoming-a-supplier.aspx>
- Crown Commercial Service <https://www.gov.uk/government/organisations/crown-commercial-service>
- LHC <https://www.lhc.gov.uk/>
- Fusion 21 <https://www.fusion21.co.uk/>

REDDITCH BOROUGH COUNCIL

Executive 25th July 2023

- EEM Ltd <http://eem.org.uk/>
- PFH <http://procurementforhousing.co.uk/>
- NHS SBS [Procurement Services - NHS SBS](#)
- Procure Partnership [Procure Partnership Frameworks | Procurement For The Public Sector \(procurepartnerships.co.uk\)](#)

Here's some more information on [what a framework is](#), from the Crown Commercial Service.

How we advertise our contract information

We use the Proactis Pro Contract (Due North) platform, and sometimes we use Government platforms too.

- **All our contracts:** [Proactis Pro Contract \(Due North\)](#). Users can sign up for alerts.
- **Our lower value contracts but over £25k:** [HM Government Contracts Finder](#)
- **Our higher value contracts over £177,897.50 (goods and services) or £4,447,447.50 (works):** [HM Government Find a Tender](#)

We also use Proactis for our [contract register](#), which is a public record of all our contracts.

Request training

Procurement training is **mandatory** if you purchase for our councils. The Procurement team offer regular training sessions across the councils, but you can request your own bespoke training at any time by contacting the team. We recognise that one size does not fit all!

Request training anytime by contacting Procurement. Training documents that support the key areas of procurement are available in the Files tab of this channel.

Social Value

Social value in procurement is about making sure that what you buy creates additional benefits for society. To get it right, you need to start thinking as early as possible about how to apply it to what you are buying.

Here's a [link to Crown Commercial Service article on Social Value](#).

Glossary of Procurement Terms

Running a procurement can involve technical language that can sometimes be a little daunting. We want to help you understand some of the [common terms and abbreviations](#) you may come across.

Related documents and files

See [the Files tab in this channel](#).

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****Appendix B – Redditch Scheme of Delegation**

Link to the Council's Scheme of Delegation

<https://moderngovwebpublic.redditchbc.gov.uk/documents/s48093/05.1%20Delegations%20Intro%20and%20Index%20May%202023.pdf>

Appendix C – Contracts Register and Forward Pipeline

Link to the Council's Contracts Register

[Contracts register \(due-north.com\)](https://www.due-north.com)

Forward Pipeline – Redditch Specific – over £200k

Council	Contract Title	Contract Description	Department	Current Contract Expiry Date	Procurement Start Date	Contract Commencement Date	Contract Length	Extension	Contract Value (anticipated Lifetime Value)	Planned Procurement Route (project type?)	Suitable for SME's?	Suitable for VCSE's?
Redditch	Water Mains Repairs	Repairs and replacement of water mains under the responsibility of the Consultant support to carry out a range of services including	Housing Property Service	N/A	01/08/2023	01/12/2023	3	1	£320k	Open Tender	Y	N
Redditch	Consultancy Support	To tackle isolated cases of rising damp and remedial works	Housing Property Service	N/A	01/07/2023	01/08/2023	2	1	£750k	Framework	N	N
Redditch	Communal Boiler Replacement	Following option appraisal the need to update and change the communal boilers across various sites	Housing Property Service	N/A	01/09/2023	01/02/2024	2	1	£700k	Open Tender	Y	N
Redditch	Damp Investigation and Treatment	To provide a range of services in delivery Social Housing	Housing Property Service	N/A	01/10/2023	01/12/2023	2	1	£200k	Framework	N	N
Redditch	Energy Consultancy Support	Decarbonisation Funding works	Housing Property Service	N/A	01/07/2023	01/08/2023	2	1	£200k	Framework	N	N
Redditch	Cleaning and Property Clearance	For the periodic cleaning of communal areas and the clearance and cleaning of void properties	Housing Property Service	08/04/2024	TBC	TBC			£300,000	Framework	N	N
Redditch	Asbestos Management	The surveying and testing of materials to assess if they contain Asbestos together with removal services where	Housing Property Service	04/10/2023	TBC	TBC			£2,000,000.00	Framework	N	N
Redditch	Fire Precaution Works	To complete fire stopping works, replacement doors and other	Housing Property Service	11/08/2023	TBC	TBC			£1,000,000.00	Framework	N	N
Redditch	Data Sims	Roaming Sims to provide connectivity for remote monitoring	Housing Property Service	N/A	01/08/2023	01/11/2023	5	0	£300k	Framework	N	N
Redditch	Training	To provide a variety of courses for technical, vocational and customer service functions following	Housing Property Service	N/A	01/10/2023	01/01/2024	3	0	£300k	Open Tender	Y	Y
Redditch	Fuel	RBC Red Diesel Fuel via CCS RM6177	Environmental - Stores	31/03/2024	TBC	TBC	TBC	TBC	£300,000.00	Framework	N	N
Redditch	Replacement windows & doors	Supply & Install of Doors and Windows Via PFH Framework	Housing Capital	30/04/2024	TBC	TBC	TBC	TBC	£300,000	Framework	Y	Y
Redditch	HVO Fuel	HVO Fuel via CCs RM6177	Environmental - Stores	31/03/2024	TBC	TBC	TBC	TBC	£220,000	Framework	Y	Y
Redditch	Plumbing Supplies	Plumbing & Heating Supplies for RBC via PFH Lot 1a	Environmental - Stores	30/06/2023	TBC	TBC	TBC	TBC	£400,000	Framework	Y	Y

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****Redditch Capital Pipeline**

Towns Fund Projects

UKSPF

Car Parks Maintenance

Footpaths Maintenance

Disabled Facilities Grant

Improved Parking (Localities)

Public Buildings

Fleet Replacement

Arrow Park – 5 Weirs Scheme

Server Replacement Programme

Laptop Replacement Programme

Ipsley Church Lance Cemetery

Fire Compentalisation Work in Corporate Buildings

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****Draft Treasury Management Outturn Report 2022/23**

Relevant Portfolio Holder	Councillor Luke Court, Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell
Report Author	Job Title: Head of Finance & Customer Services email:michelle.howell@bromsgroveandredditch.gov.uk Contact Tel: 0152764252
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY

This report for 2022/23 presents the draft outturn position on the Council's Capital and Treasury Management Strategies, including all prudential indicators. There is the requirement for progress to reported through Executive to Council.

2. RECOMMENDATIONS

Executive are asked to Recommend to Council that:

- **Council note the Treasury Outturn position for 2022/23.**

3. KEY ISSUES**Introduction**

- 3.1 In June 2022 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.
- 3.2 The Authority's treasury management strategy for 2022/23 was approved at a meeting on 27th June 2022. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
- 3.3 The 2021 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

Strategy, complying with CIPFA's requirement, was approved by full Council on 27th June 2022.

External Context

- 3.4 **Economic background:** The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.
- 3.5 Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.
- 3.6 Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.
- 3.7 Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.
- 3.8 The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.
- 3.9 The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

REDDITCH BOROUGH COUNCILExecutive 25th July 2023

- 3.10 Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.
- 3.11 The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.
- 3.12 After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.
- 3.13 From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.
- 3.14 **Financial markets:** Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.
- 3.15 Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

- 3.16 **Credit review:** Early in the period, Moody's affirmed the long-term rating of Guildford BC but revised the outlook to negative. The agency also downgraded Warrington BC and Transport for London.
- 3.17 In July Fitch revised the outlook on Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive. In September S&P revised the outlook on the Greater London Authority to stable from negative and Fitch revised the outlook on HSBC to stable from negative.
- 3.18 The following month Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.
- 3.19 During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.
- 3.20 Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.
- 3.21 On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.
- 3.22 As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.
- 3.23 Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree caution is merited with certain authorities.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023****Local Context**

- 3.24 On 31st March 2023, the Authority had net borrowing of £93.3m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.23
	Actual
	£m
Draft total CFR	149.2
Less:	
External borrowing	(103.9)
Internal borrowing	45.3
Less: Draft Usable reserves/working capital	(48.0)
Net Borrowing	93.3

* Figures are draft as still to close 20/21 and 21/22 Statements of accounts which impact opening 2022/23 opening balances

- 3.25 The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.
- 3.26 The treasury management position at 31st March 2023 and the change during the year is shown in Table 2 below.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**Table 2: Treasury Management Summary

	31.3.22 Balance £m	Movement £m	31.3.23 Balance £m	31.3.23 Rate %
Long-term borrowing	103.9	0	103.9	3.42%
Short-term borrowing	0	0	0	0
Total borrowing	103.9	0	103.9	
Long-term investments	0	0	0	0
Short-term investments	34.0	(23.4)	10.6	4.52%
Cash and cash equivalents	0	0	0	0
Total investments	34.0	(23.4)	10.6	
Net Borrowing	69.9	(23.4)	93.3	

Borrowing Update

- 3.27 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 3.28 The Authority has reviewed its capital programme in light of changes to the CIPFA Prudential Code and PWLB lending arrangements to ensure that borrowing to invest primarily for commercial return is no longer undertaken.

Borrowing Strategy and Activity

- 3.29 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

- 3.30 The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after Liz Truss' 'mini-budget' included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies: over a twenty-four-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain volatile and well above recent historical norms. The PWLB 10 year maturity certainty rate stood at 4.33% at 31st March 2023, 20 years at 4.70% and 30 years at 4.66%.
- 3.31 A new HRA PWLB rate of gilt yield plus 0.4% (0.4% below the currently available certainty rate) was announced on 15th March 2023. This discounted rate is to support local authorities borrowing for Housing Revenue Accounts and the delivery of social housing and is expected to be available from June 2023, initially for a period of one year.
- 3.32 At 31st March 2023 the Authority held £103.9m of loans, the same as at the 31st March 2022, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March are summarised in Table 3 below.

Table 3A: Borrowing Position

	31.3.22 Balance £m	Net Movement £m	31.3.23 Balance £m	31.3.23 Weighted Average Rate %	31.3.23 Weighted Average Maturity (years)
Public Works Loan Board	98.9	0	98.9	3.35%	12.2
Banks (LOBO)	0	0	0	0	0
Banks (fixed-term)	5.0	0	5.0	4.71%	9
Local authorities (long-term)	0	0	0	0	0
Local authorities (short-term)	0	0	0	0	0
Total borrowing	103.9	0	103.9	3.42%	12

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**Table 3B: Long-dated Loans borrowed

	Amount	Rate	Period
	£m	%	(Years)
PWLB Maturity Loan 1	15.0	3.01	15
PWLB Maturity Loan 2	25.0	3.30	20
PWLB Maturity Loan 3	40.0	3.44	25
PWLB Maturity Loan 4	18.9	3.50	30
Commercial Loan 1	5.0	4.71	25
Total borrowing	103.9		

- 3.33 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short- and long-term borrowing was maintained.

Treasury Investment Activity

- 3.34 CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 3.35 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £34 million and £10.6 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**Table 4: Treasury Investment Position

	31.3.22	Net	31.3.23	31.3.23	31.3.23
	Balance	Movement	Balance	Income	Weighted
	£m	£m	£m	Return	Average
				%	Maturity
					days
Banks & building societies (unsecured)	0	0	0	0	0
Covered bonds (secured)	0	0	0	0	0
Government (incl. local authorities)	26.0	(20.3)	5.7	4.52	30.7
Corporate bonds and loans	0	0	0	0	0
Money Market Funds	8.0	(3.1)	4.9	3.99	29.7
Other Pooled Funds Real Estate Investment Trusts	0	0	0	0	0
Total investments	34.0	(23.4)	10.6		

- 3.36 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.37 Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities.
- 3.38 By end March 2023, the rates on DMADF deposits ranged between 4.05% and 4.15%. The return on the Council's sterling Low Volatility Net Asset Value (LVNAV) Money Market Funds ranged between 0.61% p.a. in early April and 3.99% at the end of March.
- 3.39 **Externally Managed Pooled Funds:** The Authority currently does not invest in any of these vehicles.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

- 3.40 The change in the Authority's funds' capital values and income earned over the 12-month period is shown in Table 4.
- 3.41 Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns should exceed cash interest rates.
- 3.42 The Authority had budgeted £1,296,000 income from these investments in 2022/23. Income received was £1,121,000, whilst a further £10,000 has been declared and is due to be paid by April/May.
- 3.43 The DLUHC published a consultation on the IFRS 9 pooled investment fund statutory override for English authorities for fair value gains and losses on pooled investment funds which was due to expire with effect from 2023/24. The options under evaluation were to allow the override to lapse, to extend it, or to make it permanent. The override will be extended for two years and therefore remain in place for the 2023/24 and 2024/25 financial years. Under the Regulations, gains and losses resulting from unrealised fair value movements relating to treasury pooled investment funds, that otherwise must be recognised in profit or loss under IFRS 9, are not charges to the revenue account, and must be taken into an unusable reserve account.

Non-Treasury Investments

- 3.44 The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).
- 3.45 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.
- 3.46 The Authority also held £0.9m of such investments in
- Office complex in Oak Tree Park in 2019 held for regenerative purposes but with a commercial return – total value of investment is £0.9m.
- 3.47 The Authority held £0m of investments made for commercial purposes.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

3.48 Fully let these investments will generate £76k of investment income for the Authority.

Treasury Performance

3.49 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Actual £m	Budget £m	Over/ Under £m	Actual %
PWLB Debt – HRA	98.9			
Bank Loan – HRA	5.0			
Total borrowing	103.9			
PFI and Finance leases	0			
Total debt	103.0	130.5	(27.5)	78.9%
Other Local Authorities	5.7			
Money Market Funds	4.9			
Total treasury investments	10.6	12.4	(1.8)	85.5%

Compliance

3.50 The Interim Director of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy apart from the movement up of the Councils operational limit for its bank which increased to £2m. Compliance with specific investment limits is demonstrated in table 7 below.

3.51 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**Table 7: Debt Limits

	2022/23 Maximum	31.3.23 Actual	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied? Yes/No
Borrowing	103.9	103.9	165.0	175.0	Yes
PFI and Finance Leases	0	0	1.5	1.5	Yes
Total debt	103.9	103.9	166.5	176.5	Yes

3.52 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 8: Investment Limits

	2022/23 Maximum	31.3.23 Actual	2022/23 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£3.8m	£3.8m	£5m each	Yes
Any group of organisations under the same ownership	0	0	unlimited	Yes
Any group of pooled funds under the same management	0	0	£5m per group	Yes
Negotiable instruments held in a broker's nominee account	0	0	£5m per manager	Yes
Limit per non-UK country	0	0	£5m per country	Yes
Registered providers and registered social landlords	0	0	£2.5m in total	Yes
Unsecured investments with building societies	0	0	£2.5m in total	Yes
Loans to unrated corporates	0	0	£1m in total	Yes

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

Money Market Funds	£11m	£4.9m	£20m in total	Yes
Real Estate Investment Trusts	0	0	£2.5m in total	Yes

Treasury Management Indicators

3.53 The Authority measures and manages its exposures to treasury management risks using the following indicators.

3.54 **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.23 Actual	2022/23 Target	Complied?
Portfolio average credit rating	AAA	A	Yes

3.55 **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	31.3.23 Actual	2022/23 Target	Complied?
Total cash available within [3] months	£4.9m	£2.5m	Yes
Total sum borrowed in past [3] months without prior notice	0	0	Yes

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

- 3.56 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest was:

Interest rate risk indicator	31.3.23 Actual	2022/23 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	0	500,000	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	0	500,000	Yes

- 3.57 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

- 3.58 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.23 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	0%	50%	0%	Yes
12 months and within 24 months	0%	50%	0%	Yes
24 months and within 5 years	14.4%	50%	0%	Yes
5 years and within 10 years	28.9%	50%	0%	Yes
10 years and above	56.7%	100%	0%	Yes

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 3.59 **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

REDDITCH BOROUGH COUNCIL**Executive 25th July 2023**

	2022/23	2023/24	2024/25
Actual principal invested beyond year end	£5.7m	0	0
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m
Complied?	No	Yes	Yes

4. Legal Implications

4.1 No Legal implications have been identified.

5. Strategic Purpose Implications**Relevant Strategic Purpose**

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

Climate Change Implications

5.2 The green thread runs through the Council plan. Procurements by their nature have potential financial implications and these in term can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

6. Other Implications**Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report.

Operational Implications

6.2 None as a direct result of this report, service requirements which form the Capital Programme are the base data for this report.

7. RISK MANAGEMENT

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

REDDITCH BOROUGH COUNCIL

Executive 25th July 2023

8. APPENDENCES

AUTHOR OF REPORT

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Executive Committee

Tuesday, 12th September,
2023

MINUTES

Present:

Councillor Matthew Dormer (Chair), Councillor Gemma Monaco (Vice-Chair) and Councillors Joe Baker, Joanne Beecham, Brandon Clayton, Luke Court, Lucy Harrison, Bill Hartnett and Craig Warhurst

Also Present:

Councillors James Fardoe, Sharon Harvey, Kerrie Miles, Jane Spilsbury and Monica Stringfellow

Officers:

Matthew Bough, Peter Carpenter, Claire Felton, Sue Hanley and Kevin Hirons

Principal Democratic Services Officer:

Jess Bayley-Hill

25. APOLOGIES

There were no apologies for absence.

26. DECLARATIONS OF INTEREST

There were no declarations of interest.

27. LEADER'S ANNOUNCEMENTS

The Leader advised that at the latest meeting of the Overview and Scrutiny Committee held on 7th September 2023, Members considered and endorsed recommendations arising from a recent meeting of the Budget Scrutiny Working Group. These recommendations focused on the Financial Outturn Report and the Finance and Performance Quarter 1 Monitoring Report, both of which were due to be considered at the Executive Committee meeting. In addition, the Overview and Scrutiny Committee had pre-scrutinised the Town Hall Hub - Final Report, which was also due to be debated by the Executive Committee. All of these recommendations had been published in a supplementary pack for the Executive Committee meeting and needed to be considered in relation to the relevant items on the agenda.

Chair

Executive Committee

Tuesday, 12th September, 2023

28. MINUTES

Reference was made to a request that had been made at the previous meeting for further information about a £5 million loan to the Housing Revenue Account (HRA) and Officers were asked to provide clarification on this point prior to the Council meeting.

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday 25th July 2023 be approved as a true and correct record and signed by the Chair.

29. FUTURE OF BRICK ARCHED FORMER RAILWAY BRIDGE, GREEN LANE, STUDLEY

The Environmental Services Manager presented a report on the subject of the future of the brick arched former railway bridge at Green Lane, Studley. The bridge had been the subject of a number of previous reports considered by the Executive Committee. Warwickshire County Council had since completed a survey of the site and had suggested that there needed to be further, regular inspections in future. Based on the proposed way forward, which would involve retaining the structure for the future, the capital funding required to manage the bridge had reduced in amount and the Council could update the capital programme accordingly. The remaining funding for the bridge would be used to fund any works proposed during future inspections that would be undertaken by Warwickshire County Council.

Following the presentation of the report, the Portfolio Holder for Environmental Services commented that the Council had owned the bridge since 1985. The bridge had recently been offered for sale to a number of local authorities but there had been no interest in the purchase. Consideration had also been given to applying for planning permission to remove the bridge, but ultimately this option had not been pursued. The bridge was located on National Cycle Route 5 and would remain available for the public to use. Whilst the Council would remain financially liable for the upkeep of the bridge, the proposed way forward would result in some savings for the authority.

RECOMMENDED that

- 1) the 2023/24 Capital Programme be reduced by £113,000 to provide a total budget of £80,000, for undertaking remedial works to the bridge structure as highlighted by the Principal Inspection; and**

Executive Committee

Tuesday, 12th September, 2023

- 2) A budget of £5,000 for Warwickshire County Council to undertake Principal Inspections on a six-year cycle commencing 2029/30, and a General Inspection on a two-year cycle, commencing 2025/26, be included in the Medium-Term Financial Plan for future years, as shown below.

2025/26 - £5,000	General Inspection
2027/28 - £5,000	General Inspection
2029/30 - £5,000	Principal Inspection
2031/32 - £5,000	General Inspection
2033/34 - £5,000	General Inspection
2035/36 - £5,000	Principal Inspection
2037/38 - £5,000	General Inspection
2039/40 - £5,000	General Inspection

30. FINANCIAL OUTTURN REPORT 2022/23

The Interim Director of Finance and Resources presented the Financial Outturn 2022/23 report, detailing the provisional revenue and capital outturn for that financial year, for Members' consideration. Whilst the Council had been on a finance recovery programme since April 2022, Members were informed that it was important to note that the authority had not yet closed the 2020/21 and 2021/22 accounts and these could impact upon the final 2022/23 position.

From a revenue perspective, the Council had a £10.520 million full year revenue budget which was approved by Council in February 2022. The 2022/23 budget had included a £595,000 cross-cutting efficiency target, which was allocated to services based upon forecast underspends at Quarter 1 predominantly linked to vacancies.

The Finance Team had undertaken a detailed review of the 2022/23 accounts since the end of March 2023, and there were a number of assumptions and manual adjustments that had been made to arrive at the provisional outturn position detailed in the report. They included:

- Anticipated accruals and prepayments,
- Recharges to/from the HRA,
- Grants were applied to known expenditure and remaining balances were carried forward,
- Reserves were applied to expenditure,
- Shared service recharges between Redditch Borough Council and Bromsgrove District Council were manually reflected, and
- Transfers between the Collection Fund and the General Fund.

Executive Committee

Tuesday, 12th September, 2023

There was still work to be done to clear the backlog of entries in suspense and any miscoding. Therefore, the provisional position detailed in the report was subject to change and a further update would be provided in due course.

Overall, it was anticipated that the provisional revenue overspend position would be a £685,000 overspend against the £10.520 million budget. This was a £65,000 reduction over the forecast at Quarter 3 which was a £750,000 overspend position.

The 2022/23 pay award - £1,925 pay award across all pay scales – had created a variance against the budget for a number of service areas. In addition to this, income pending reallocation had resulted in unfavourable variances for Community Transport, Shopmobility and Bereavement Services. Overspends were also anticipated within Environmental Services due to a reallocation of stores stock pending in the Depot, increased fuel and fleet maintenance costs in Waste Management and the Place Teams as well as insurance claims in Tree Management.

From a Treasury Management perspective, the Council had no short-term borrowing at the 31st March 2023 and long-term borrowing had not changed from the £103.9 million taken out some time ago. The Council also held £10.6 million in short-term investments.

An updated capital programme totalling £5.431 million was approved in the budget for 2022/23 in March 2023. Of this, £2 million was funded from Council resources whilst £3.4 million was externally funded. The provisional capital outturn expenditure was expected to be £2.137 million against the overall £5.431 million budget. The £3.292 million budget underspend would be rolled forward from 2022/23 to the 2023/24 financial year.

Information had been provided regarding anticipated reserves over the medium term to the 31st March 2026. At the 31st March 2023, it was projected that the Council held £7.5 million of earmarked reserves and the General Fund balance would stand at £2.686 million.

In respect of the HRA, it was anticipated that the Council would outturn with a surplus of £34,000 against the £25.4 million revenue budget. There were a number of variances that had contributed to this surplus including:

- Anticipated efficiencies due to improved work planning,
- Vacant posts and reduced consultancy/professional fees,
- Reduced depreciation per dwelling,

Executive Committee

Tuesday, 12th September, 2023

- Greater interest receivable due to increased interest rates,
- Offset by an increase in the bad debt provision due to an increase in arrears.

The HRA capital programme would outturn with a spend of £7.8 million against the £14.2 million budget for 2022/23. The £6.4 million underspend was as a result of delays in project start dates and changes in assumptions regarding housing one-for-one purchases. The £6.4 million budget would be rolled forward to 2023/24.

Following the presentation of the report, Members noted that a number of projects in the capital programme had been delayed and the funding had been rolled over into the 2023/24 municipal year. Questions were raised about the impact that these delays would have on the capital programme and whether the Council was on track to catch up on this work. Officers confirmed that there had been some delays in the procurement process but these had mostly been addressed and the Council was progressing with the necessary works.

Consideration was also given to the financial costs relating to works on the relocation of the library to the Town Hall as well as the new innovation centre in the town. Members commented that, given the increase in projected costs for the Town Hall Hub, there might similarly be increases to costs for these projects and Officers were asked to clarify whether this had been reviewed in recent months. The Committee was advised that the costs for the library had taken into account potential increases already. In terms of the Innovation Centre, the Redditch Town's Deal Board had been reviewing costs. The Council was eligible to receive £1.5 million from funds previously managed by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), which no longer existed and there was a further £8 million fund that had been held by the GBSLEP, and all partners previously in that LEP could bid for funds from that budget. It was confirmed that Birmingham City Council was managing the budget but that local authority could not use those funds for their Council alone and would need to ensure that funding was distributed amongst the previously eight members of the former LEP. Members were advised that the need for this funding to be shared between former partners who had been members of that LEP would also be raised at a meeting of the West Midlands Combined Authority (WMCA) Board.

Reference was also made to the sixth recommendation in the report and Members questioned the purpose of this recommendation. Officers clarified that, due to the importance of income from Council Tax to the Council's finances, it was important to provide Members with assurance that the authority was collecting Council Tax at an

Executive Committee

Tuesday, 12th September, 2023

appropriate level. The recommendation aimed to help provide Members with this assurance.

Members also discussed the position of the HRA and noted that Officers were working hard to invest in developing new Council properties as well as to purchase existing properties that could be incorporated into the Council's housing stock. These actions would enable the Council to increase the number of properties in the Council's housing stock and help to meet continuing demand in the local community for social housing.

During consideration of this item, Members noted that the report had been pre-scrutinised at a meeting of the Budget Scrutiny Working Group held on 6th September 2023 and a recommendation had been made on this subject. Members commented that the proposed action detailed in the recommendation would be helpful and therefore it was agreed that the recommendation should be approved. The Portfolio Holder for Finance and Enabling thanked the Budget Scrutiny Working Group for permitting him to attend the meeting and for undertaking thorough scrutiny of the report.

RESOLVED to note

- 1) **that the 2022/23 provisional outturn position in relation to revenue budgets would be a projected revenue overspend in the region of £685,000;**
- 2) **that the 2022/23 provisional outturn position in relation to Capital expenditure would be £2.137 million against a total approved programme of £5.431 million;**
- 3) **the provisional outturn position in respect of the General Fund Reserves;**
- 4) **the provisional outturn position in respect of Earmarked Reserves;**
- 5) **the HRA net revenue expenditure would be £34,000 better than expected although Capital Expenditure would be £6.4 million less than budget;**
- 6) **financial performance in respect of Council Tax and Non Domestic Rates Collection;**
- 7) **that at the time of writing the Council was yet to formally close its accounts for the 2020/21 and 2021/22 financial years. This could therefore result in adjustments to actual expenditure and income in those years and could have a consequential impact on the 2022/23 accounts;**

Executive Committee

Tuesday, 12th September, 2023

- 8) that work continued to refine the position including addressing the backlog of entries that were in suspense and any miscoding, therefore the provisional position detailed in this report would be subject to change, and a further update would be presented to Members in due course; and
- 9) that Officers be asked to prepare a public statement on the Council's position regarding the submission of the Statements of Accounts to external auditors in order to provide assurance to the public about the Council's financial situation.

31. OVERVIEW AND SCRUTINY COMMITTEE

The Leader confirmed that there were no outstanding recommendations from the Overview and Scrutiny Committee meeting held on 20th July 2023 requiring consideration.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Thursday 20th July 2023 be noted.

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

Members noted that there were no referrals from the Overview and Scrutiny Committee or the Executive Advisory Panels on this occasion.

33. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED that:

Under S100 A (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3, and 4 of Part 1 of Schedule 12 of the said act, as amended.

Minute Item No. 34 – Disposal of a Long Lease Interest at 18 – 19 Woodfield Close, Abbeydale, Redditch

Minute Item No. 35 – Housing Development Proposal – Loxley Close, Church Hill

Minute Item No. 36 – The Town Hall Refurbishment - Final Decision**Minute Item No. 37 – Finance and Performance Monitoring Report – Quarter 1 2023/24****34. DISPOSAL OF LONG LEASEHOLD INTEREST AT 18-19 WOODFIELD CLOSE, ABBEYDALE, REDDITCH**

The Property Manager presented a report focusing on the proposed disposal of a long leasehold interest in 18 – 19 Woodfield Close, Abbeydale Redditch.

Members were advised that the existing tenant, which had a lease with the Council that was due to expire in the 2020s, had requested a long-term lease on the unit. Officers were proposing that the long lease should be set to expire at a point coterminous with a separate lease for the flat located above the unit.

Following the presentation of the report, Members discussed a number of points relating to this subject:

- The potential value to the community arising from disposing of Council assets and the need to assess each potential asset on a case by case basis.
- The market value of the unit.
- The fact that this was the only retail unit located on the close, which was otherwise surrounded by residential housing.
- The potential benefits to the local built environment arising from the proposed disposal and responsibility for repair and maintenance of the unit under the leasehold arrangements.
- The need for all Council assets to achieve an Energy Performance Certificate (EPC) rating of at least a grade C by the mid-2020s.

RECOMMENDED that

- 1) the Council dispose of the retail unit at 18/19 Woodfield Close, Abbeydale on a long leasehold basis to the current tenant; and**
- 2) the Council's budget is augmented by the capital receipt and reduced by the income as described in Appendix 3.**

(During consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to the

Executive Committee

Tuesday, 12th September, 2023

financial and business affairs of any particular person (including the authority holding that information)).

35. HOUSING DEVELOPMENT PROPOSAL - LOXLEY CLOSE, CHURCH HILL

The Strategic Housing Services Manager presented a report focusing on the development of new Council houses at Loxley Close, Church Hill.

The Council was aiming to develop a number of two-bedroom properties at the site. This would mean the loss of land used by current residents for parking and action had been taken to mitigate against this issue through the provision of visitor parking spaces. The properties would help to meet significant demand in the Borough for two-bedroom properties; Members were advised that on the date of the meeting, there were 365 people on the Council's waiting list for this type of property.

The properties would have a number of features designed to enhance the energy efficiency of the buildings, including air source heat pumps, subject to planning permission. The aim was to ensure that these properties all received an EPC A rating.

In order to fund the works, receipts would be used from Council house sales made under right to buy. Tenants would be charged affordable rents and it was anticipated that the Council would be able to cover the costs of the project from this rental income in just over 30 years' time.

Members subsequently discussed the report in detail and in doing so commented on the following:

- The lessons that had been learned from the Council's work developing new Council houses at Edgeworth Close.
- The potential for more Council houses to be developed by the authority in future years.
- The possibility that the Council could request support from the WMCA's Housing and Land Delivery Board for the development of Council houses in the Borough.
- The location of the new houses in Loxley Close near to a flood plain and the implications of this for residents' house insurance. Officers explained that the houses would be built outside the flood plain.
- The financial costs involved for tenants in operating air source heat pumps using electricity. Officers explained that research indicated that annual costs of heating associated with using air source heat pumps was between £670 and £720 per year per

Executive Committee

Tuesday, 12th September, 2023

household compared to in excess of £1,000 per year per household using conventional heating methods.

- The reason why tenants would be charged an affordable rent for leasing these properties rather than a standard social rent. Officers explained that this was a legal requirement, arising from the Council's use of receipts from the sales of Council houses under the right to buy process.
- The differences between social rents, affordable rents and market rents. The Committee was informed that social rents were approximately between 45 and 50 per cent of market rents whilst affordable rents were around 60 per cent of the rate of market rents.
- The attempts that had been made to develop Loxley Close in previous years and the difficulties that had been caused in relation to concerns about potential flooding at the site.
- The design features that had been incorporated into the properties to help mitigate against the risk of flooding.

During consideration of this item, an amendment was proposed by Councillor Joe Baker to the second proposal detailed in the report. This amendment was as follows:

“Authority is delegated to the Head of Community and Housing Services and Head of Finance and Customer Services to spend the approved budget *following consultation with the ward Councillors.*”

This amendment was proposed by Councillor Baker and seconded by Councillor Bill Hartnett.

In proposing the amendment, Councillor Baker commented that he felt that ward Councillors understood their communities best. Through requiring officers to consult with ward Members when spending the approved budget, Councillor Baker suggested that this would ensure that best value was achieved for the local community.

Members discussed the proposed amendment and in doing so considered the following points:

- The extent to which it was appropriate for Members to be involved at the level detailed in the amendment.
- The strategic focus of the Executive Committee and Council in respect of setting the budget for the proposed works.
- The potential for the decision-making process to be delayed through the involvement of all ward Councillors in this process.
- The collective decision-making arrangements for the Executive Committee at the Council and the fact that individual Members did not have decision-making powers.

Executive Committee

Tuesday, 12th September, 2023

- The potential for Officers to act on their delegated authority following consultation with the relevant Portfolio Holder.

On being put to the vote the amendment was defeated.

RECOMMENDED that

- 1) **the HRA capital budget be updated as described in exempt Appendix 2 to undertake all development works for the proposal at Loxley Close;**

RESOLVED that

- 1) **authority be delegated to the Head of Community and Housing Services and Head of Finance and Customer Services to spend the approved budget;**
- 2) **authority is delegated to the Head of Community and Housing Services to submit the development proposal for planning permission;**
- 3) **subject to planning permission authority be delegated to the Head of Community and Housing Services to tender for the construction of the site through a design and build contract and other specialist consultants and surveyors to act for, or advise the Council and the commissioning of necessary reports all subject to the Council's Standing Orders and Financial Regulations; and**
- 4) **the properties to be let as affordable rent capped to local housing allowance (LHA) levels for Redditch.**

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

36. THE TOWN HALL REFURBISHMENT - FINAL DECISION

The Interim Director of Finance and Resources presented the Town Hall Hub Refurbishment – Final Decision Report for the Committee's consideration.

Members were advised that the report updated the Executive Committee on progress on the movement of the Town Hall to a Community Hub since the previous report on this subject was considered on 11th October 2022. The report requested approval

Executive Committee

Tuesday, 12th September, 2023

for spending to increase by £1 million to reflect the final design, with this to be financed through the Public Works Loans Board (PWLB) and funded from savings over and above the £400,000 requirement in the Medium Term Financial Plan for the 2025/26 financial year.

The report detailed:

- Progress on the NHS Space,
- Final design RIBA Stage 3 drawings,
- Updated costs based on these RIBA Stage 3 designs, and
- That moving the Town Hall to a “Community Hub” was in line with Government guidance to “collect” public services in one place.

The NHS had been working on site since the start of 2023. They were now running through their final snagging process and services were expected to start operating from the site towards the end of October 2023. The NHS had invested significant sums for the delivery of Mental Health services from the hub. Handover was expected to take place on the 25th September 2023.

For the remainder of the space in the basement, ground and first floors, the Council had been in negotiations with Worcestershire County Council. This had been in parallel with the Library consultation that the County Council had undertaken. Worcestershire County Council had approved the move at their Cabinet meeting held in July 2023.

Significant work had been undertaken with Worcestershire County Council and their subtenants to ensure the design delivered to their existing requirements and at RIBA Stage 3 all partners had signed off that the design met their requirements. There was no reduction of space or facilities for the Library or the Department for Work and Pensions (DWP), with ongoing revenue costs being no higher than existing 2022/23 revenue costs for running the existing library site. Any requirements over and above the core existing services were chargeable. An example of this was a separate lobby for the DWP which was up for negotiation.

There was significant additional documentation in the appendices, with the greatest change for the Council being the movement of the Civic Suite from the Ground Floor to the Second floor. Planning permission for the changes was agreed on the 27th July 2023. A remaining key change that would be needed would be an improvement to access to the building from the disabled parking bays in the Town Hall car park.

Executive Committee

Tuesday, 12th September, 2023

Costs of the detailed design had increased from the estimated £5.2 million, as reported to the Executive Committee in October 2022, to £6.2 million.

Redditch Borough Council and Worcestershire County Council had signed:

- Reciprocating Heads of Terms
- Reciprocating 125 year leases

Work was proceeding on assessing locations and the scale of interim arrangements for Council and Committee meetings and staff decanting.

Members subsequently discussed the content of the report in detail and in doing so commented on the following matters:

- The move of the civic suite to the second floor of the Town Hall and whether the pillars in that part of the building would obstruct the view of some meeting participants. Officers noted that there were challenges with the conversion of this part of the building and these had been discussed with group leaders throughout the process.
- The appearance of the new Council Chamber on the second floor of the Town Hall and the extent to which the Council would be investing in new fixtures and fittings.
- The potential for the final Heads of Terms documents with Worcestershire County Council to be shared with Members.
- The financial costs arising from the move of the library to the Town Hall and the extent to which Redditch Borough Council would be liable to cover some of these costs.
- The ICT support requirements for the civic suite in the Town Hall and what this would entail. Officers explained that this related to video conferencing and live streaming equipment and software and Members would need to determine in due course whether to invest in a more professional audio visual system than the current arrangements in place at the Council.
- The need for the Council to future proof hybrid meeting arrangements to take into account potential changes to local government meeting arrangements in future.
- The additional works required in respect of the remodelling of the disabled parking bays in the Town Hall car park and the extent to which there were particular risks arising for wheelchair users.
- The use of indicative plans at this stage in the process and how these should be interpreted.
- The purpose of the street walkway referred to in one of the plans.

Executive Committee

Tuesday, 12th September, 2023

- The additional support required by the DWP and the likely costs arising from these requirements, which would be subject to negotiation.
- The extent to which a sensory room, which had been referenced at an early stage of the process, would be provided in the children's section of the library. Members were advised that the choice as to whether to include a sensory room in the library would need to be made by Worcestershire County Council's Library Services.
- The asset valuations referred to in the report and whether these were likely to change in light of changes to inflation. Officers explained that higher and lower prices had been factored into the costings and there would be a threshold below which sales would not be made.
- The views that had been expressed by the public on social media with regard to the move of the library from its current site in the town centre to the Town Hall Hub.
- The debate that had been held at the Planning Committee meeting earlier in the year in respect of an application for the Town Hall Hub.
- Previous proposals for the redevelopment of the Town Hall.

During consideration of this item, Members noted that the report had been pre-scrutinised at a meeting of the Overview and Scrutiny Committee held on 7th September 2023. At that meeting, scrutiny Members had agreed a recommendation on the subject of the Town Hall Hub. Members discussed this recommendation, and concerns were raised that the action proposed in the recommendation would delay progress with the project. It was acknowledged that projected financial costs had increased since October 2022, but Members also noted that the figures presented the previous year had been based on the best estimates available at that time. In this context, it was noted that the Overview and Scrutiny Committee's recommendation on this subject would not be accepted.

An alternative proposal to the second recommendation in the report was subsequently proposed by Councillor Joe Baker as follows:

"That the Council does not agree to the £1 million loan and instead Officers are asked to amend plans to reduce the costs, and the hub be reduced in size, so that the library is not included in the hub and the project can then be delivered for £5.2 million."

This alternative recommendation was proposed by Councillor Baker and seconded by Councillor Bill Hartnett.

In proposing the alternative recommendation, Councillor Baker explained that it took into account the proposal that had been made

Executive Committee

Tuesday, 12th September, 2023

at the Overview and Scrutiny Committee. He expressed concerns that an additional £1 million would need to be invested in order to accommodate the needs of the library. By not including the library in the hub, Councillor Baker suggested that the financial costs involved in delivering the project would be reduced but the town would still retain a valuable community hub from which various public services could be accessed.

In seconding the alternative recommendation, Councillor Hartnett commented that he was concerned about the impact that the additional funding would have on the Council's finances moving forward. Members were asked to consider halting this expenditure and reviewing their plans at this stage, whilst there was still a chance to make a change. Councillor Hartnett also questioned whether this additional investment would represent value for money for Redditch Borough Council, given Library Services were the responsibility of Worcestershire County Council.

The Committee subsequently discussed the proposed alternative recommendation and in doing so commented on the following points:

- The additional income that the Council could expect to receive as a result of taking the action proposed in the report and how this would offset the additional £1 million costs in a relatively short period of time.
- The extent to which the proposed additional £1 million funding had been reported for the consideration of the Council's auditors. Officers confirmed that the Council's external auditors were provided with copies of Council reports for consideration and no feedback had been received from the auditors expressing concerns about this project.
- The potential for the financial costs involved in delivering a large project such as this to rise over time due to the impact of inflation, changes to the availability of resources and other unexpected pressures.
- The impact that not moving the library into the Town Hall would have on Council income and the extent to which this would have a negative impact on the Council's financial position moving forward.

On being put to the vote, the alternative recommendation was defeated.

RECOMMENDED that

- 1) the Town Hall Refurbishment Capital Budget be increased to £6.2 million;**

Executive Committee

Tuesday, 12th September, 2023

- 2) **the £1 million difference from the original approved budget be funded through PWLB debt financed via the additional income, over and above what is in the Medium Term Financial Plan, being delivered; and**
- 3) **authority be delegated to the Interim Director of Finance and Resources to enter into the consequential contractual arrangements.**

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to the financial and business affairs of any particular person (including the authority holding that information). However, there is no exempt information in this record of the debate).

37. FINANCE AND PERFORMANCE MONITORING REPORT - QUARTER 1 2023/24

The Interim Director of Finance and Resources presented the Finance and Performance Monitoring Report – Quarter 1 2023/24.

Members were advised that the report detailed the following Council positions in the first quarter of the 2023/24 financial year:

- the Council's forecast outturn revenue position for the year,
- an update on the Council's capital programme for the year,
- the procurement pipeline, and
- the organisation's performance measures against its strategic priorities.

From a revenue perspective, the Council had a £10.7 million budget for 2023/24 which was approved by Council in February 2023. Overall, the Council was currently forecasting a revenue overspend against the first quarter budget totalling £139,000. This was due to the anticipated 2023/24 pay award, which was yet to be ratified. If this was extrapolated upwards for the full year, it was anticipated that the Council would overspend in the region of £557,000.

It was estimated that utilities increases were running at 70 per cent but in the 2023/24 budget a 100 per cent increase in budget was assumed and a reserve was set up for the same amount. Given the forecast overspend linked to the anticipated 2023/24 pay award and that the Council had not experienced the increases in utility costs anticipated, it was proposed that £557,000 of the utilities reserve for 2023/4 should be released to offset the overspend position. This pay issue would need to be addressed in the 2024/5 budget which would leave the utilities reserve for 2024/5 and 2025/6 untouched.

Executive Committee

Tuesday, 12th September, 2023

There was a small underspend of £4,114 against the £100,000 grants to voluntary bodies budget. The report requested approval to allocate the underspend to the Citizens Advice Bureau (CAB) Redditch branch to gain a physical presence back in Redditch and enable residents to access face to face appointments.

From a capital perspective, the Council had a capital programme of £12.6 million which was approved in the budget in February 2023. Of this, £10.6 million was externally funded whilst £2.0 million was Council funded. As noted from the Financial Outturn 2022/23 report, there was £3.292 million budget slippage from 2022/23 which would be added to this budget. At Quarter 1, the actual spend against the original 2023/24 capital budget was £583,000.

There were a number of capital programme changes detailed in the report including:

- reprofiling of Ipsley Church Lane cemetery budget from 2023/24 to 2024/25,
- increased fleet replacement costs totalling £611,000,
- the leisure changing places budget totalling £21,750 to provide a state of the art toilet facility for visitors to Redditch town centre.

As approved by Executive in July 2023, a list of procurements estimated at a value of over £200,000, and which were delegated for approval to the Executive Committee or to Officers over the following year, were detailed in Appendix D. Whilst Appendix E detailed all procurement estimated at a value of between £50,000-£200,000. Appendix F of the report detailed procurement that impacted on Redditch but which was procured by Bromsgrove district Council due to the shared nature of some of the Councils' services.

At Quarter 1 on the HRA, it was anticipated that there would be budget underspends against repairs and maintenance and supervision and management due to vacancies in some parts of the service. This resulted in an overall projected surplus on services totalling £488,000, which would be contributed to HRA reserves. In addition to this, there was currently a £100,000 projected underspend against the £11.725 million capital programme.

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

- The slippage of the budget for Ipsley church Lane Cemetery to 2024/25 and the extent to which this meant that there would be a delay to the works at the site. Members were advised

Executive Committee

Tuesday, 12th September, 2023

that there had been a delay in respect of the planning process and Officers agreed to provide further clarification as to whether this would result in delays for the introduction of the cemetery.

- The budgets held in reserves and the changes arising to the council's reserves following a review in January 2023. Officers explained that the review had been conducted as a number of reserves had not been spent for many years.
- The inclusion of Covid reserves in the Council's budget. Members were advised that some of this funding remained unspent and there was some uncertainty as to whether the government would require this to be returned.
- The utilities reserve, which had been incorporated into the Medium Term Financial Plan when it was agreed in February 2023, as inflation rates had been significantly higher at that time. The council would need to review this reserve moving forward and whether it needed to be retained.
- The situation with regards to empty retail units in the town, which Members commented had deteriorated further since the report was published.
- The increase in homelessness figures and those in crisis within housing in the Borough, which was in line with national trends. Members were asked to note that the term "crisis", as detailed in the report, referred to residents who were experiencing a housing crisis, rather than suggesting that the council was in crisis.
- The impact of increasing rental fees at a time when median earnings for Redditch residents had reportedly fallen by £4,500 per annum.

During consideration of this item, reference was made to the recommendations on this subject that had been made at a meeting of the Budget Scrutiny working Group when the report had been pre-scrutinised. Members noted that the recommended action would add value and therefore these recommendations were accepted.

RESOLVED that

- 1) the current overspend position in relation to Revenue and Capital Budgets for the period April to June and the full year overspend position of £557,000 be noted;**
- 2) those procurements over £200,000 due to be delivered during 2023/4 be added to the forward plan;**
- 3) the Quarter 1 Performance data for the Period April to June 2023 be noted;**

Executive Committee

Tuesday, 12th September, 2023

- 4) a review of how the Council secures external grants and trust funding to be undertaken at the end of this financial year;
- 5) a review all grant spending commitments to be undertaken as a matter of urgency, to include considering risk relating to inflation and the Local Authority's overspend this year;

RECOMMENDED to Council

- 6) allocating £557,000 from the Utilities Reserve to mitigate the overspend position in 2023/4;
- 7) changes to the Capital Programme with an ongoing revenue cost of £101,000, £2,000 Leisure Changing Places and £99,000 Fleet replacement;
- 8) approving the £18,200 increase to the Engineering Services base budget from the General Fund and £4,900 increase from the HRA in 2023/4 from reserves and including this change in the 2024/25 Medium Term Financial Plan;
- 9) approving the £23,000 increase to the Bereavement Services base budget in 2023/4 from reserves and including this change in the 2024/25 Medium Term Financial Plan;
- 10) that the underspend of £4,114 from the Grants to Voluntary Bodies scheme be allocated to Citizens Advice Bureau Redditch and Bromsgrove to fund the costs of room hire to enable residents to access face to face appointments.

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to the financial and business affairs of any particular person (including the authority holding that information) and information relating to consultations and negotiations, including contemplated consultations and negotiations, in respect of labour relations matters. However, there is no exempt information in this record of the debate).

Executive
Committee

Tuesday, 12th September, 2023

The Meeting commenced at 6.30 pm
and closed at 8.44 pm

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Executive Committee

12 September 2023

FUTURE OF BRICK ARCHED FORMER RAILWAY BRIDGE, GREEN LANE, STUDLEY

Relevant Portfolio Holder	Councillor Brandon Clayton
Portfolio Holder Consulted	Yes
Relevant Head of Service	Guy Revans - Head of Environmental and Housing Property Services
Report Author	Job Title: Engineering Team Leader Contact email: pete.liddington@bromsgroveandredditch.gov.uk Contact Tel: 534108
Wards Affected	Greenlands
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Communities which are safe, well maintained and green
Non-Key Decision	

1. RECOMMENDATIONS

The Executive Committee is asked to **RECOMMEND** that:

- 1) The 2023/24 Capital Programme is reduced by £113k to provide a total budget of £80k, for undertaking remedial works to the bridge structure as highlighted by the Principal Inspection; and
- 2) A budget of £5k for Warwickshire County Council to undertake Principal Inspections on a six-year cycle commencing 2029/30, and a General Inspection on a two-year cycle, commencing 2025/26, be included in the Medium-Term Financial Plan for future years, as shown below.

2025/26 - £5k	General Inspection
2027/28 - £5k	General Inspection
2029/30 - £5k	Principal Inspection
2031/32 - £5k	General Inspection
2033/34 - £5k	General Inspection
2035/36 - £5k	Principal Inspection
2037/38 - £5k	General Inspection
2039/40 - £5k	General Inspection

2. BACKGROUND

- 2.1 In the 1960s, the former Redditch Development Corporation, as part of their infrastructure needs for the New Town, wanted to purchase the former goods railway line that ran into Redditch from Evesham. Their

Executive Committee12 September 2023

interest was limited to the section that fell within the Borough boundary but were cajoled by the Railway Company to having to also purchase the section within Studley. With this land unfortunately came the brick arched bridge structure that spans Green Lane.

- 2.2 These assets were eventually transferred to this Council from the then New Towns Commission, but alas, being located outside of the Borough, little attention was paid to them. However, some years ago, large sections of the brick soffit to the bridge structure suddenly displaced themselves, and were deposited on the carriageway below, luckily no vehicles or pedestrians were involved. Consequently, as the owner of this structure, this Council were then tasked with undertaking emergency remedial works in replacing the soffit brickwork, after temporarily closing the highway.
- 2.3 As time went by, the bridge structure gave 'cause for concern' to Borough Council Officers, as its structural integrity could not be assured, particularly with sections of the soffit brickwork failing previously. Although Officers undertook regular visual inspections of the bridge structure, a detailed analysis could not be readily ascertained.
- 2.4 As a result of these concerns, Officers proposed a scheme to remove the bridge asset in its entirety and providing in its place an at-level pedestrian/cycle way crossing, and provision of two building plots. The site also encompassed the vacant building site of No.65. The provision of the two building plots were the means of raising the finance to undertake the engineering works. The bridge itself had no particular historic interest and was classified as a purely standard structure.
- 2.5 Consequently, at the Council's Executive Committee meeting on 10 September 2019, Members recommended the following:
 - i) No. 65 Green Lane, Studley be declared surplus to requirements and Officers to dispose of the site;
 - ii) any HRA capital receipt achieved based on the current market value of No. 65 Green Lane, be used to increase the HRA stock;
 - iii) Option C - The Capital Engineering Scheme be approved, with Authority be delegated to the Head of Environmental Services to submit a detailed planning application to Stratford-on-Avon District Council (SDC), for the complete scheme. If successful, the Planning consent will include an outline approval for the erection of 2 No. 4 bed houses (attention is drawn to Appendix 2 - details of Option C);

Executive Committee12 September 2023

- iv) the sites for the 2 No. 4 bed houses be marketed and the received monies, after deduction of the amount as described in ii) above, shall be used as Capital funds towards the cost of the Engineering Works;
 - v) the additional funds required to complete the Engineering Works be taken from the Capital Locality Scheme Budget, as the proposed works are of the nature that the budget was set up for in the first instance; and
 - vi) the estimated cost of the Engineering Works cannot be finalised at this time, as Officers are currently endeavouring to determine the most cost-effective method of disposing of the extensive surplus material from the excavated embankments. However, subject to the satisfactory outcome of this analysis the total Engineering Works should not exceed £200k.
- 2.6 Consequently, a Planning application was submitted to both SDC and this Authority, as the scheme covers both administration areas, the application being a hybrid, covering a detailed application for the highway works, and an outline application for the residential element.
- 2.7 Regrettably, the Planning application caused consternation with the local residents, with them believing that with the removal of the bridge structure would result in a number of adverse effects to the area. Partly as a result of these objections SDC Planning Officers advised that they were minded to refuse the application, and therefore suggested that we may consider withdrawing the application. This was the action ultimately taken by Borough Council Officers after liaising with Members.
- 2.8 With the failure of this development proposal, the Council is still left with an asset that is located outside of its administration boundary, offers no significant benefits to this Council's residents, and more importantly becomes a burden on financial resources.
- 2.9 Council Officers have held discussions with Warwickshire County Council Officers, suggesting two options. Firstly, that as the bridge lies within their County boundaries, they may consider a transfer of this asset, at no cost, and it be absorbed within their bridge assets. Secondly, if the first suggestion was negatively received, would they consider undertaking the required inspection regime required by ***Design Manual for Roads and Bridges - CS 450 - Inspection of Highway Structures***. It is imperative that the structure be inspected in accordance with CS 450, with any required remedial works undertaken as a result, as no records are available as to when, or if, the structure

Executive Committee

12 September 2023

was subject to any previous inspection regime. Warwickshire County Council unfortunately did not accept our first proposal, but were prepared to accept our second.

- 2.10 Consequently, the bridge structure was subject to a Principal Inspection (PI) which was undertaken on 14 February, with the results generally described, as follows. The full PI Report is available as a background paper:

Deck Elements

Element Name	Remedial Works	Priority
Primary deck element	Recommend rebuilding the damaged section; repair should be keyed into the existing brickwork	High
Primary deck element	Recommend repointing and monitoring the defect at future inspections	Low
Primary deck element	Recommend repointing and pinning the arch ring, then monitoring the defect at future inspections	Medium
Primary deck element	Recommend repointing the missing and loose joints on both elevations	Low
Primary deck element	Recommend repointing the missing brick joints	Low
Primary deck element	Suggested work - investigate by cores taken through bricks at hollow-sounding areas to establish extent of non-contact with the second arch ring. Recommend that any areas found to be unbonded should be pinned and bonded back to the inner arch rings to eliminate separation of the arch ring	Medium

Load-bearing Substructure

Element Name	Remedial Works	Priority
Abutments (including arch springing)	Recommend areas of hollowness checked by coring; consider grouting to fill voids. Monitor spalled areas at future inspections	Low
Abutments (including arch springing)	Recommend repointing the missing pointing	Low
Spandrel wall/head wall	Recommend repointing and monitoring cracks at future inspections	Low
Spandrel wall/head wall	Recommend repointing the missing pointing	Low

Safety Elements

Element Name	Remedial Works	Priority
Handrail/parapets/safety fences	Install timber post and rail fencing to parapet ends to prevent access to wingwalls and steep drop	High

Executive Committee

12 September 2023

Footway/verge/footbridge surfacing	Consider levelling and repair at transverse crack	Medium
	Recommend removal of sapling as soon as practical	

Other Bridge Elements

Element Name	Remedial Works	Priority
Wing walls	Recommendation - repair/re-bed after trees/ivy are dealt with	Medium
Embankments	These trees should be cut down and stumps treated to prevent regrowth	High

3. FINANCIAL IMPLICATIONS

- 3.1 In line with item 2.5 vi) a sum of £200k was re-allocated from the Capital Locality Scheme Budget to cover the anticipated Engineering Works. To date, £7k has already been committed, and with the proposed remedial works as itemised in 2.10 which are to be undertaken as soon as possible, irrespective of priority status, estimated to cost £80k, the remaining Capital budget of £113k can be considered as a saving.
- 3.2 With future Principle and General inspections being required to assess this asset in future years, there will undoubtedly be various remedial works required, which will need to be addressed.

4. LEGAL IMPLICATIONS

- 4.1 The Council, as owner of this asset, albeit located outside of its administrative boundary, has of course a responsibility to ensure its satisfactory condition and performance. Bridges have, like any other infrastructure assets such as roads, footways, culverts etc., a limited design life, and their repair and renewal become necessary due to wear and tear, damage, inclement weather and so forth. However, as the original live loading of goods trains has now been drastically reduced to only pedestrian traffic, resultant stresses should limit the deterioration in the structure itself.

Executive Committee12 September 2023

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

- 5.1 **Communities which are safe, well maintained and green** – The identified remedial works, when complete, will ensure the provision of a safe infrastructure asset.

Climate Change Implications

- 5.2 There are no climate change implications arising from this report.

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

- 6.1 There are no equality implications arising from this report.

Operational Implications

- 6.2 In addition to the formal inspections required by **CS 450 - Inspection of Highway Structures**, periodical 'drive by' inspections will also be undertaken by Engineering and Design staff, to ensure that no adverse incidents have occurred.

7. RISK MANAGEMENT

- 7.1 Adherence to **CS 450 - Inspection of Highway Structures**, together with the additional 'drive by' inspections will mitigate any possible claims from the general public.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 - Site Location Plan.

Appendix 2 - Original Capital Engineering Scheme

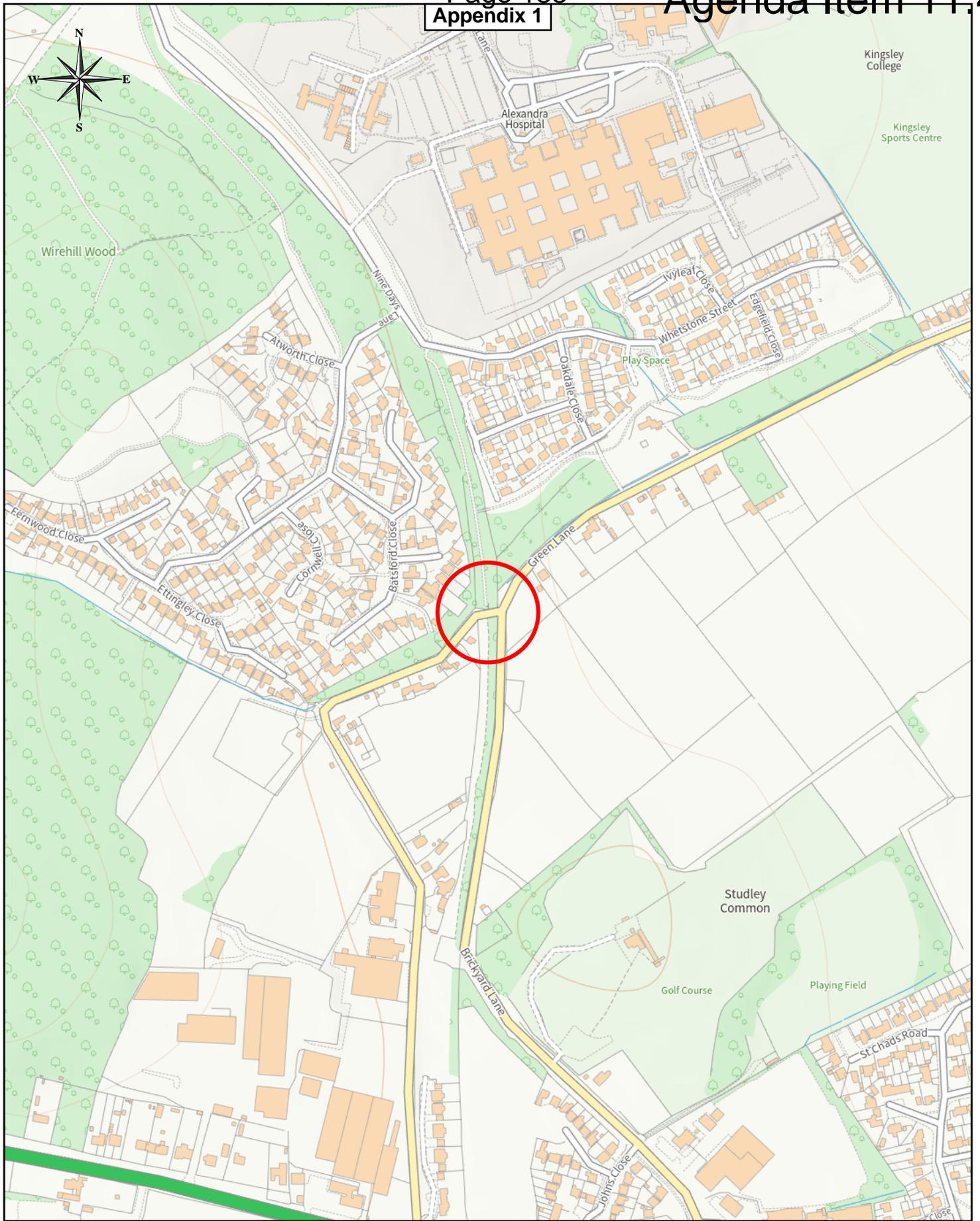
Principle Inspection Report undertaken by Warwickshire County Council

Executive Committee12 September 2023

9. REPORT SIGN OFF

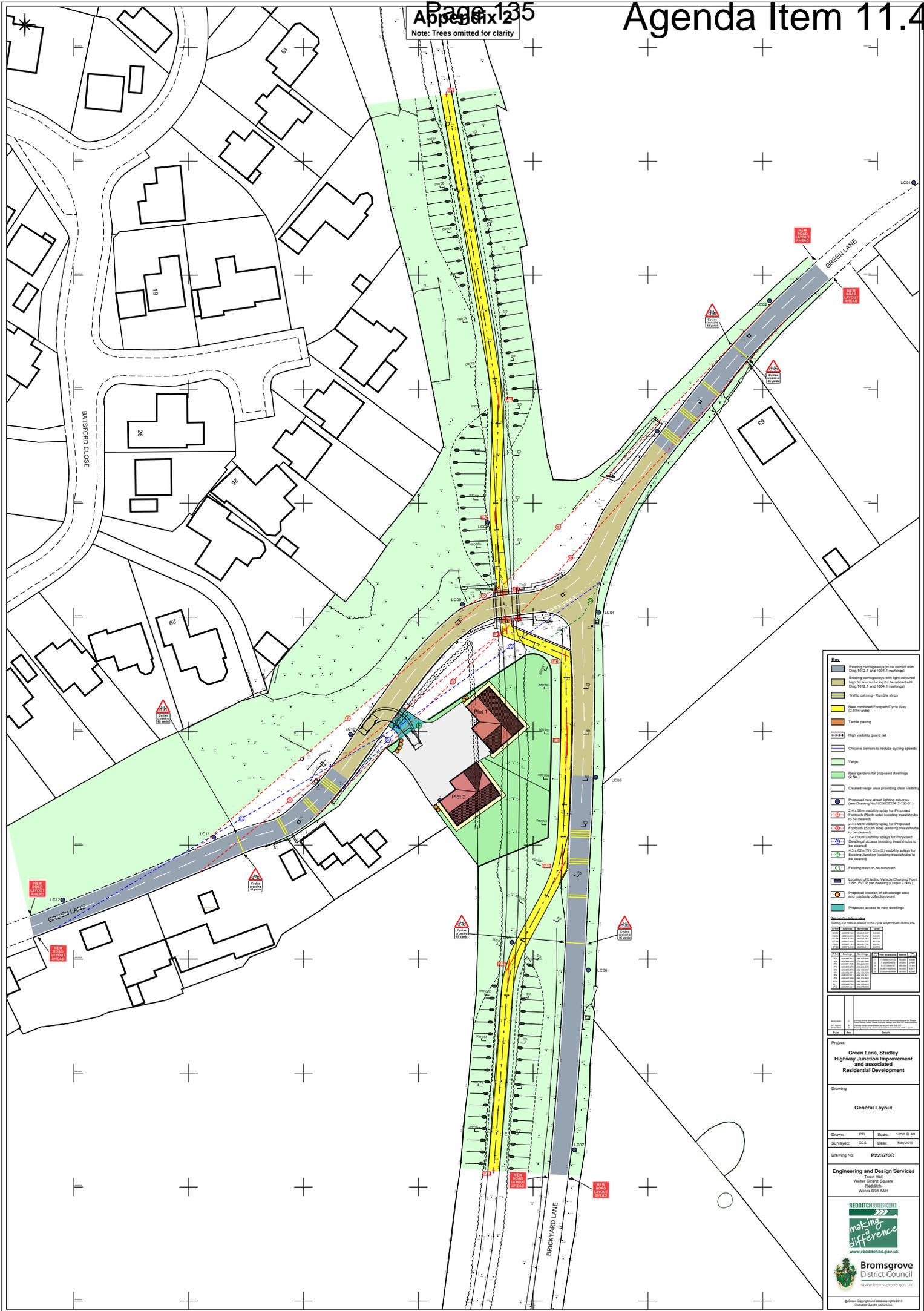
Department	Name and Job Title	Date
Portfolio Holder	Councillor Brandon Clayton	26 July 2023
Lead Director/Head of Service	Guy Revans - Head of Environmental and Housing Property Services	18 July 2023
Financial Services	Peter Carpenter Director of Finance	19 July 2023
Legal Services	Principal Solicitor	15 August 2023
Policy Team	Emily Payne Engagement and Equalities Advisor	20 July 2023

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Project:	Green Lane Bridge Studley	Drawn:	PTL	Engineering and Design Services Town Hall Walter Stranz Square Redditch Worcs B98 8AH
Drawing:	Location Details	Scale:	1/5,000 @ A4	
Drawing No:	P2237/15	Date:	Dec 2019	© Crown Copyright and database rights 2019 Ordnance Survey 100024252

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Key

- Existing carriageway to be retained with Chg 10/2.1 and 10/4.1 markings
- Existing carriageway with light coloured high friction surfacing to be retained with Chg 10/2.1 and 10/4.1 markings
- Traffic calming - humps/steps
- New reinstated Footpath/Cycle Way (2.5m wide)
- Tactile paving
- High visibility guard rail
- Chicane barriers to reduce cycling speeds
- Vegetation
- Clear verges for proposed dwellings (2.7m)
- Clear verges area providing clear visibility
- Proposed new street lighting columns (see Drawing No. P22376C-10-1200-01)
- 2.4 x 3.0m visibility signs for Proposed Footpath (North side) (existing trees/obstacles to be retained)
- 2.4 x 3.0m visibility signs for Proposed Footpath (South side) (existing trees/obstacles to be retained)
- 2.4 x 3.0m visibility signs for Proposed Footpath (North side) (existing trees/obstacles to be retained)
- 2.4 x 3.0m visibility signs for Proposed Footpath (South side) (existing trees/obstacles to be retained)
- Existing trees to be removed
- Location of Electric Vehicle Charging Point (1 No. EVCP per dwelling (Output ~7kW))
- Proposed location of bin storage area and waste collection point
- Proposed access to new dwellings

Notes

1. All dimensions are in millimetres unless otherwise stated.

2. All dimensions are to the centre of the road unless otherwise stated.

3. All dimensions are to the face of the kerb unless otherwise stated.

4. All dimensions are to the face of the wall unless otherwise stated.

5. All dimensions are to the face of the fence unless otherwise stated.

6. All dimensions are to the face of the boundary unless otherwise stated.

7. All dimensions are to the face of the building unless otherwise stated.

8. All dimensions are to the face of the ground unless otherwise stated.

9. All dimensions are to the face of the ground unless otherwise stated.

10. All dimensions are to the face of the ground unless otherwise stated.

Project:
 Green Lane, Studley
 Highway Junction Improvement
 and associated
 Residential Development

Drawing:
 General Layout

Drawn: PFL **Scale:** 1:200 @ A0
Surveyed: GCB **Date:** May 2019

Drawing No: P22376C

Engineering and Design Services:
 Town Hall
 Water Board Square
 Redditch
 Warwickshire
 www.reditchbc.gov.uk

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REDDITCH BOROUGH COUNCIL**Executive Committee**12th September 2023**DISPOSAL OF LONG LEASEHOLD INTEREST AT 18/19 WOODFIELD CLOSE, ABBEYDALE, REDDITCH**

Relevant Portfolio Holder	Cllr Matthew Dormer
Portfolio Holder Consulted	Yes
Relevant Heads of Service	Claire Felton – Head of Legal, Democratic and Property Services Pete Carpenter – Executive Director of Finance and Resources
Report Author	Victoria Bendall Job Title: Property Manager Contact email: victoria.bendall@bromsgroveandredditch.gov.uk
Wards Affected	Abbey Ward
Ward Councillor(s) consulted	Yes/ No ??
Relevant Strategic Purpose(s)	Run and grow a successful business
Non-Key Decision	
This report contains exempt information as defined in Paragraphs 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee is asked to **RECOMMEND** that: -

- i) **The Council disposes of the retail unit at 18/19 Woodfield Close, Abbeydale on a long leasehold basis to the current tenant; and**
- ii) **the Council's budget is augmented by the capital receipt and reduced by the income as described in Appendix 3.**

2. BACKGROUND

- 2.1 The property is shown on the location plan in Appendix 1 and comprises a ground floor retail unit currently occupied by the current tenant on a short lease.. The property is run by the tenant as a local convenience store, selling groceries and general produce.

The flat above the retail unit is held by another party on a long-term year lease from the Council.

- 2.2 The ground floor tenant has requested to purchase a long lease on the unit and a purchase price has been negotiated for the long leasehold interest, set to expire on a date co-terminous with the lease on the first floor flat. The lease would be subject to a service charge to cover the

Executive Committee12th September 2023

proportional cost of maintaining and repairing the structure of the building and the use restricted to that of a convenience store.

- 2.3 Disposal of the property would be an opportunity for the Council to generate a capital receipt and dispose of a retail unit which is the only commercial property within an otherwise residential development. The unit does not fall within a local shopping parade and there is no risk that disposal of this individual unit would affect the integrity of any other commercial property being held by the Council.

3. FINANCIAL IMPLICATIONS

- 3.1 Disposal of the long leasehold interest would generate a capital receipt. This would mean foregoing an annual rental income and any potential rent increases if the current lease were to be renewed or the property re-let. The purchaser would be responsible for the Council's reasonable legal and surveyor's costs incurred in the transaction.

4. LEGAL IMPLICATIONS

- 4.1 There are no legal implications arising from this report.

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

- 5.1 **Run and grow a successful business** – purchase of the long lease will provide security to the tenant and enable them to invest in the property and the long term future of their business. The longer lease will also make it easier for them to raise finance for any investment in the property.

Climate Change Implications

- 5.2 There are no Climate Change implications arising from this report.

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

- 6.1 There are no equality and diversity implications arising from this report.

Operational Implications

- 6.2 There are no operational implications arising from this report.

Executive Committee12th September 2023**7. RISK MANAGEMENT**

- 7.1 The risk of foregoing the annual rental income is offset by the capital receipt which this sale would generate. The Council's costs incurred in the sale will be met by the purchaser.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Plan

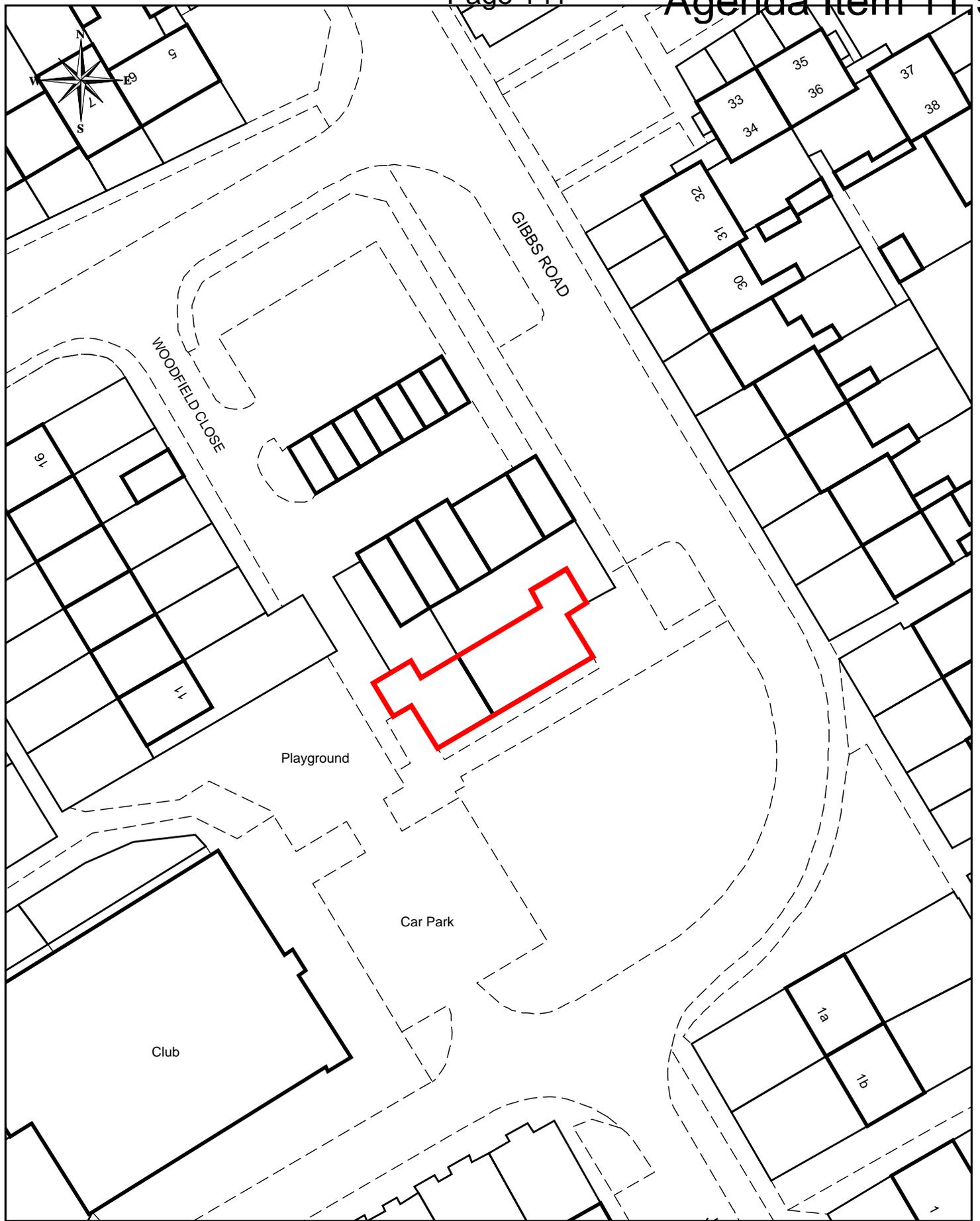
Appendix 2 – Photo of property

Appendix 3 – Exempt information

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holders	Councillor Matthew Dormer	29/08/23
Lead Director/Head of Services	Claire Felton – Head of Legal, Democratic and Property Services	29/08/23
Financial Services	Peter Carpenter Director of Finance	25/08/23
Legal Services	Claire Felton - Head of Legal, Democratic and Property Services	29/08/23

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Project:	No.18 and 19 Woodfield Close, Redditch, B98 8JE	Drawn:	JH
Drawing:	Appendix 1 - Plan	Scale:	1/500 @ A4
Drawing No:	P2244/449	Date:	Feb 2023

Property Services
 Town Hall
 Walter Stranz Square
 Redditch
 Worcs B98 8AH

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18-19 Woodfield Close, Abbeydale, Redditch



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REDDITCH BOROUGH COUNCIL**Executive Committee****12 September 2023****HRA Development - Loxley Close, Churchill, Redditch**

Relevant Portfolio Holder		Councillor Craig Warhurst
Portfolio Holder Consulted		Yes
Relevant Head of Service		Judith Willis
Report Author Matthew Bough	Job Title: Strategic Housing Services Manager Contact email: matthew.bough@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 ext. 3120	
Wards Affected		Church Hill
Ward Councillor(s) consulted		
Relevant Strategic Purpose(s)		Finding somewhere to live
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. RECOMMENDATIONS**The Executive Committee RECOMMEND to Council that:-**

- 1) The HRA capital budget be updated as described in exempt appendix 2 to undertake all development works for the proposal at Loxley Close.**

Subject to the Council agreeing recommendation 1 above, the Committee is asked to RESOLVE that: -

- 2) Authority is delegated to the Head of Community & Housing Services and Head of Finance & Customer Services to spend the approved budget;**
- 3) Authority is delegated to the Head of Community & Housing Services to submit the development proposal for planning permission;**
- 4) Subject to planning permission authority be delegated to the Head of Community & Housing Services to tender for the construction of the site through a design & build contract and other specialist consultants and surveyors to act for, or advise the Council and the commissioning of necessary reports all subject to the Council's Standing Orders and Financial Regulations.;**
- 5) The properties to be let as affordable rent capped to local housing allowance (LHA) levels for Redditch.**

Executive Committee**12 September 2023****2. BACKGROUND**

- 2.1 The Executive Committee approved a Housing Growth programme and this proposal brings forward the next site agreed for development.
- 2.2 Proposed development is for 6 x 2 Bedroom, 4 Person houses on land owned by Redditch Borough Council at the end of Loxley Close, Redditch and additional parking (Appendix 2 – Proposed Site Plan).
- 2.3 Investigating the housing register has shown that there are 365 applications on the Council Housing Register waiting list for two-bedroom houses.

Banding	2 Bed Need
Band 1	27
Band 2	55
Band 3	81
Band 4	22
Band 5	171
Band 6	9
Total	365

- 2.4 The development will result in the loss of land being used for parking of approximately four vehicles at the end of Loxley Close, which has been raised as a concern by residents. To mitigate this loss, the proposed scheme identifies eight visitor parking spaces at the site entrance and the allocation of two parking spaces per plot.
- 2.5 Due to the location of the site, Churchill Brook sits approximately 20m east of the site boundary and part of the whole site area is within a flood zone 3 which is described in the National Planning Policy Framework (NPPF) as land having a 1 in 100 annual probability of river flooding reducing the developable area.
- 2.6 The Flood Risk Report confirms that the proposed development is appropriate for the flood zone.
- 2.7 In order to afford a level of protection the Environmental Agency has recommend finished floor levels are set no lower than 0.3m above the modelled design flood level and implement a sustainable drainage system (SuDS) which should integrate surface water risk management within the site and provide water quality improvements to people and wildlife.

Executive Committee**12 September 2023**

- 2.8 All properties will be designed and built to obtain EPC A rating using green technologies such as solar PV and battery storage and built to fulfil Secure by Design requirements.
- 2.9 All properties will be designed to include, photovoltaic (PV) Panels, Air Source Heat Pumps, Electrical Vehicle Charging Points, Mechanical Ventilation Heat Recovery Systems (MVHR) and improved installation.
- 2.10 Officers are proposing to tender the development under a design and build contract, with a construction period of 10-12 months, subject to obtaining planning permission.

3. OPERATIONAL ISSUES

- 3.1 Project management/employers agent and architectural services are being undertaken by Baily Garner and the Strategic Housing Services Manager will oversee the project on behalf of the Council.
- 3.2 The allocation of the properties will follow the Council's Allocations Policy.

4. FINANCIAL IMPLICATIONS

- 4.1 Proposed development has been costed by Jorel Donaldson, Quantity Surveyor at Baily Garner.
- 4.2 The retained receipts from the Right to Buy will fund 40% of the development costs and are considered as a government grant.
- 4.3 Officers propose to set the affordable rent levels at local housing allowance rates for Redditch, to ensure affordability, whilst maintaining financial viability for the development.
- 4.4 The payback period, the time taken for the future rental income to repay the initial investment, net of RTB receipts is estimated to be 31 years.
- 4.5 The financial appraisal is shown at confidential Appendix 3

5. LEGAL IMPLICATIONS

- 5.1 The Housing Act 1985 Part II section 9 permits a local authority to build/acquire new housing.

Executive Committee**12 September 2023**

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

- 6.1 The proposed development of new houses supports the Council's strategic purpose of "Finding Somewhere to Live" covering Housing Services delivery and development.

Climate Change Implications

- 6.2 The proposed development of new houses aims to achieve homes with an EPC rating of A. An A rating indicates the highest level of efficiency which will ensure residents have lower energy costs than average, and the impact on the environment is reduced.

Equalities and Diversity Implications

- 6.3 Allocation of properties will be in line with Councils' Allocation Policy.

7. RISK MANAGEMENT

- 7.1 There are many risks that can occur in the development of new houses, but these can be reduced considerably by Officers mitigating actions in advance.

- 7.2 Some of the main risks identified are:

- Compliance and Regulatory Risk – Introduction of new rules or legislation.
- Failure to obtain Planning Permission.
- Operational Risks and Time Delays – Availability of resources and materials. Operational risks will be mitigated by good forward planning and comprehensive programme of works.
- Unforeseen Risks - Pre-construction reports and surveys are carried out to mitigate environmental risks, such as contaminated land and flood risk etc. Risk and method statements will be compiled during the construction stage.
- Unreliable Contractors – A detailed due Diligence will be undertaken to mitigate risk. Selection of contractors through frameworks
- Cost overrun and unforeseen Costs – Financial viability studies have been carried out by officers and a contingency has been included in the overall cost to allow for unforeseen costs. The risk of cost over run will be mitigated by a comprehensive programme of works to establish early detection of the programme over

Executive Committee**12 September 2023**

running. The contract agreement will include Liquidated Ascertained Damages (LADs), should the contractor not be entitled to an extension of time.

8. APPENDICES and BACKGROUND PAPERS

- Appendix 1 – Site Plan
- Appendix 2 – Exempt Appendix
- Appendix 3 – Exempt Appendix

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Craig Warhurst Portfolio Holder for Housing	25 August 23
Lead Director / Head of Service	Judith Willis Head of Community & Housing Services	24 August 23
Financial Services	Pete Carpenter Interim Director of Resources	24 August 23
Legal Services	Claire Felton Head of Legal & Property Services	24 August 23
Climate Change Team (if climate change implications apply)	Matthew Bough, Strategic Housing Manager	22 August 23

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Accommodation Schedule								6 Houses	
Dwelling Type Sizes are indicative at this stage									
Plot	Type	Bedrooms	Persons	Storeys	Area (sqm)	Affordable	Car Parking Spaces		
1	2b4p House	2	4	2	79	1	2		
2	2b4p House	2	4	2	79	1	2		
3	2b4p House	2	4	2	79	1	2		
4	2b4p House	2	4	2	79	1	2		
5	2b4p House	2	4	2	79	1	2		
6	2b4p House	2	4	2	79	1	2		
							Visitor Spaces	8	
							Loss of Existing Spaces	-4	
TOTAL		12	24		474	6	16	100%	

The contractor is responsible to ensure that no products are to be utilised that do not comply with relevant British and/or European Standards and/or Codes of Practice, COSHH Regulations, Construction Regulations, or which are known or suspected at the time of product selection and/or construction to be deleterious to health and safety or to the durability of the work or not in accordance with good building practices.

The contractor is responsible for checking dimensions, tolerances, levels and references. This drawing/model is to be read in conjunction with all relevant Other Project Team Members' or specialists' drawings/models/any Federated Model. Any discrepancy is to be notified to Baily Garner LLP and is to be rectified before proceeding with the works on site or shop drawings. Where an item is covered by drawings to different scales, the larger scale drawing is to be worked to.

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KEY
 — SITE BOUNDARY

Proposed Site Plan - 2b4p Houses

Loxley Close, Redditch

CLIENT NAME Redditch Borough Council	PROJECT NAME Residential Development
PROJECT ADDRESS Loxley Close, Redditch, B98 9JS	DRAWING TITLE Proposed Site Plan 2b4p Houses Option SUITABILITY CODE S0
SCALE 1:500	DATE 04/03/2022
DRAWN BY BGL	CHECKED BY ME
VOLUME A1	LEVEL XX
DRAWING NO 31034	ROLE A
REV STAT P	REV NO 01



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**Executive
2023**

12 September

Town Hall Refurbishment Report

Relevant Portfolio Holder	Councillor Dormer Councillor Court
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Authors	Head of Finance and Customer Services Claire.felton@bromsgroveandredditch.gov.uk
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. RECOMMENDATIONS**The Executive is asked to RECOMMEND to Council that:**

- 1) The Town Hall Refurbishment Capital Budget is increased to £6.2m.**
- 2) That the £1m difference from the original approved budget is funded through PWLB debt financed via the additional income, over and above what is in the MTFP, being delivered.**
- 3) Authority be delegated to the Interim Director of Finance and Resource to enter into the consequential contractual arrangements.**

2. BACKGROUND

- 2.1 Following the report to Executive on the 11th October 2022, this report sets out progress on the repurposing of the Town Hall, which had already started at that time of that report with the closure of the cashiers' service as a community hub. The overall aim is to provide a range of services to Redditch residents in one location whilst reducing the overall operational costs to the Council for running the Town Hall and facilitating the use of £4.2m of Towns' Funding at the existing Library site.

**Executive
2023**

12 September

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- 2.2 The County Council approved the movement of the Library at its Cabinet Meeting on the 20th July 2023 from its existing site to being housed in the Town Hall with other services.
- 2.3 This report sets out
- The final design of the redeveloped Town Hall, including the movement of the Civic Suite from the Ground to the Second floor.
 - The development of the design and costs and agreements with the County Council to move its services from the Library to the Town Hall.
 - The development, design and agreement of the ground and first floor space with the NHS.
 - The decant and movement of services as building works take place through to final delivery at the end of December 2024.

3. DETAILED REFURBISHMENT BREAKDOWN**Final Design – Town Hall**

- 3.1 The closure of the Cashiers in September (Executive Report “Future Use of the Town Hall and Customer Access” on the 12th July) set out that the Town Hall would be turned into a “public sector hub”.
- 3.2 In assessing the best use of the building as a result of implementing more agile working, the Council’s office space requirement has reduced significantly and can now be contained within the second and third floors of the Town Hall. This would include the Members’ Suite, which would move from its present ground floor location to the second floor in a new “future proofed” space which will be designed to facilitate agile and virtual working.
- 3.3 This would leave the basement, ground, first and fourth floors available to other public sector organisations.
- 3.4 The Government document “The Growing Network of Government Hubs” set out the benefits of housing multiple government and voluntary sector services within a single location. This includes:
- Increased productivity of services.
 - A greater sense of community across the services.
 - Greater collaboration leading to increased public engagement.
 - Increased wellbeing.
 - Greater ability to future proof.
- This is in addition to the savings that the Council will make from fully utilising redundant space.

**Executive
2023**12 September

- 3.5 As mentioned in the July and October 2022 reports, the Council have been in negotiations with the NHS for use of the Cashiers' side of the building, covering both the ground and first floors. As part of this arrangement, the NHS have invested a significant sum in the building to ensure it meets their standards. This is set out in a later section with the site starting to be used with clients in September 2023.

Non-NHS Space

- 3.6 For the remainder of the Ground Floor, First Floor and Basement the Council have been in negotiation with the County Council on the possible move of services presently delivered in the library. This would obviously be subject to a public consultation but if it were to happen, it would open-up the use of the existing Library space for wider Public Realm use for which £4.2m of "Towns Fund" financing is available.
- 3.7 The Council is following as RIBA 4 stage design and build process. The Council are using Eddisons as the Project Managers, with Mac Consulting and AEW Architects undertaking the technical design. In parallel to the County Council library move decision process, discussions have taken place with the County Council and its tenant the DWP on their requirements. This process intensified over the summer of 2023 as the draft costs crystallised into actual costs as requirements of each party became understood and defined.
- 3.8 Part of the process included ensuring that there was no reduction in space or facilities for the Library and the DWP and that the ongoing revenue costs the County Council would be paying would be no higher (linked to yearly to inflation) than what it paid in the 2022/23 financial year for the existing library. However, any additional requirements would be chargeable to the County Council.
- 3.9 We have now reached RIBA Stage 3 where the design and costs are at a stage where they can be used for tenders to prospective contractors. At RIBA Stage 3 RBC, WCC and DWP have formally approved the stage 3 design documentation. The Stage 4 design documentation is in production until mid-September. Redline lease boundaries have been agreed with Heads of Terms formally signed off. Future requested changes to the design will be subject to a formal change request process.

**Executive
2023**

12 September

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- 3.10 The timescales for the remainder of the process are set out in **Appendix A**. The key dates are:
- ITT issued through Proactis Portal – 18th August 2023
 - Stage 1 tender period - Provisionally 18th August 2023 to 29th September 2023 – 6 week tender period for Stage 1 tender
 - Stage 4a design ongoing from 18th August 2023 through to 13th October 2023 – 8 weeks – By AEW, Civic, Kennedy Redford and Stannah Lifts employed by the Authority – To be completed during the Stage 1 tender stage
 - Stage 1 tender return date – 12 noon 29th September 2023
 - Evaluation of tenders – 29th September 2023 to 16th October 2023
 - Notification of JCT PCSA contract award decision and appointment Provisionally 20th October 2023 or sooner
 - Bidder mobilisation and start on site – Provisionally from 20th October 2023 or sooner where possible
 - Stage 2 tender period – Provisionally 20th October 2023 to 1st December 2023 – 6 week tender period for Stage 2 tender
 - Notification of JCT D&B contract award decision and appointment Provisionally 11th December 2023 or sooner
 - Continued mobilisation, design development and site works – From 11th December 2023
 - Completion of works 20th December 2024
- 3.11 The Design has gone through a number of iterations over the past 6 months. The final design sees:
- The construction of a new entrance and reception to “invite” stakeholders into the building.
 - The construction of a new feature “public” staircase and lift opposite the Palace Theatre.
 - Moving the Civic Suite from the Ground Floor to the second Floor with additional meeting rooms for Council and external business. This Civic Suite includes the Mayors Office and both Group Rooms
 - The Library moving from its present location to the ground and first floors
 - The DWP moving from its present location in the Library to the basement and also taking space on the 4th floor.
- 3.12 The present designs are set out in **Appendix B, which shows the floor plans, and Appendix C which give internal and external views**. Linking to the Government’s aspirations for Hub as set out in 3.4 above, the designs look to these designs take account of the

following concepts designed to make the building more welcoming to all customers:

- Ensuring the design is inclusive and accessible to all. This ensures the requirements of visual and hearing impaired customers, wheelchair users, Pram users, and Parent and child facilities are catered for.
- That the design is based on a 'street' walkway concept, with a central communal space of the 'community hub' and a shared user journey through the building, This includes digital interaction, inclusive way finding, engaging display and merchandising.
- The scheme will have requirements for new furniture elements across key feature areas. Some opportunities to enhance the offering within the shared and community spaces includes consideration being given to: durability, fabric grade, type, flexibility, and ease of use.
- Lighting will be a key element of the design. The majority of the space is very open plan and due to the nature of the building the occupiers will need sufficient lighting both functionally and to enhance the experience. The design has given significant consideration to the exposed ceilings and ensuring the space feels seamless. Simple architectural lighting in crisp colours will be introduced. Through engagement with lighting specialists, we can ensure lighting specifications work in line with project requirements.

- 3.13 Key considerations to Services users are where they are located and how their services will operate. The floor layouts in Appendix C reflect the approach set out in 3.12 in terms of how the space will be used.
- 3.14 Of significant impact on the working of the Council will be the move of the Council Chamber from the Ground to the Second Floor. This free's up the more "usable" and "accessible" parts of the building for customer based services. However, the move gives the Council the scope to reassess the use of its Civic Space, including audio visual improvements. Work is underway with potential ICT providers for the best option of delivery for Members and once this is secured consultation will be carried out. It should be noted that the present Group Rooms and the Mayors Office will all move to the second floor.
- 3.15 Planning Permission for the changes was agreed on the 27th July (**Appendix D**). There were a number of requirements linked to design

which are set out in the appendix, however the main customer facing issue will be improvements of access to the building from the disabled parking bays.

- 3.16 The final design has been assessed by our Programme Team and their quantity Surveyors. The final costs have risen from the original £5.2m to £6.2m. (20%). A further analysis of costs funding and other overall affect on the Councils budget are set out in Section 4 below. The present cost plan is set out in **Appendix E** and exempt financial information in **Appendix G**.
- 3.17 The Contingency and Inflation amounts have reduced from the initial stages of the project as design requirements of all the partners have been agreed as set out in 3.9 above. Work is still continuing on ICT requirements (non Members) for which after a number of workshops a budget of £250k has been assumed.
- 3.18 The Borough Council and the County Council have entered into the following agreements following the approval by its Cabinet of the proposed Library move:
- Reciprocating Heads of Terms
 - Sets out services delivered at the town hall for County Council services to be located there and other public sector sublets.
 - Reciprocating 125 year lease agreements
 - This is for the present Library site and the use of the Town Hall for County Council services and public sector sublets.

NHS Use of the Ground and First Floors

- 3.19 The NHS have been updating the Ground and first floors to the west side of the building which will be used to deliver mental health services. They are fully funding all the upgrade works to the building to ensure that are to the correct standards. This includes the new entrance via Walter Stranz Square.
- 3.20 The NHS lease is a full repairing and insuring lease for a term of 15 years with tenant only break options on a 5 yearly basis subject to 6 months prior written notice. In addition to this the NHS have a secondary lease for 70 car parking spaces, 5 at the Town Hall, 65 at the Trafford Car Park.

**Executive
2023**

12 September

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- 3.21 There will be a rent free period of 10 years from commencement of the lease. For the avoidance of doubt this will apply to the rent only and the service charge will be paid upon completion/occupation, whichever the earlier. The rent free period compensates the NHS for the investment they have made in the building. The plans for the Ground and First Floors are shown in **Appendix F**
- 3.22 Works started earlier this year and the NHS are expected to take “occupation” of the area in September 2023.

Interim Arrangements

- 3.23 There are two specific periods where Officer, Member and Public requirements need to be assessed during the construction phase. These are:
- The delivery of Council Meetings during the Building Phase
 - The movement/Decanting of services into the Town Hall once the works have been completed and signed off.
- 3.24 The Council is presently sourcing other locations for Civic duties such as Council and Committee Meetings. Members will be updated on options in a future meeting.
- 3.25 The final decant of staff from their present locations will be planned with partners over the next 2 months so that there is full transparency for partners, users and customers on the process.

4. FINANCIAL IMPLICATIONS

- 4.1 In October 2022 in the Town Hall Hub report to Executive it was set out that the estimated costs of the refurbishment would be circa £5.2m (funded from Capital Receipts from Farmore Lane, Easemore Road and Web Heath) with £400k of savings built into the budget from 2025/6 financial year. At this point detailed conversations had not taken place with the Library or the DWP over their requirements or account taken of increases in utilities due to the conflict in Ukraine.
- 4.2 We now have got to the stage where the detailed requirements of the refurbished Town Hall Hub, including the Library and DWP are known at today's prices which include inflation. Costs now are circa £6.2m. This is £1m more than the original estimate (20%) but takes into account detailed user requirements at present day prices. (All Towns Fund project estimates still have uplifts for price increases as they are delivered by ringfenced grants). This increase is 20% and is inline with

buildings inflationary increases over the 2 year period (in fact it is slightly less)

- 4.3 As part of this process, Council staff will be using less space in the Town Hall to deliver Council Services. This will lead to a reduction in the Service Charge/Rent invoiced to Bromsgrove of £70k a year which needs to be factored into the calculation.
- 4.4 In addition, £250k has now been built into the budget for programmed buildings maintenance for 23/4 ongoing. There was a revenue budget of £200k a year for all buildings. This can now be reduced by £100k to give an ongoing building maintenance budget (capital and revenue) for all sites of £350k a year.
- 4.5 Overall – this gives net savings of 490k. This is £90k better than target.
- 4.6 The £1m increase in costs if we were to fund externally over 40 years via the Public Works Loan Board (PWLb) would be at 5.54% - giving a capital cost of (£55.4K + £25k) = 80.4k. This can be funded from the over recovery of income compared to budget and still ensure the schemes remain within the overall revenue budget target.
- 4.7 In terms of the remainder of the scheme (£5.2m) this was expected to be funded from the disposal of the following sites: Farmore Lane, Easemore Road and Webheath. The present situation on the delivery of these capital receipts of all 3 is £5.05m to £6.2m

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising as a result of this report as HOTs and Leasing Agreements have been signed and tenders are now out for evaluation for the works to be delivered.

6. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 The Strategic purposes are included in the Council's corporate plan. The following strategic purposes are linked to this project:
- Finding Somewhere to Live
 - Aspiration, Work and Financial Independence
 - Living Independent, Active and Healthy Lives
 - Communities which are Safe, Well Maintained and Green

- The Green Thread runs through the Council Plan

Climate Change Implications

- 6.2 The green thread runs through the Council plan. The design of the building will be to the latest sustainability standards. Significant investment have already been made in the Town hall over the past 2 years including window replacement and the installation of heat pumps.

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

- 7.1 The design, as set out in 3.12 above, takes account of differing equalities and diversity implications.

Operational Implications

- 7.2 The Council has significant redundant space within the Town Hall. The move to a Community Hub maximises the use of this redundant space and brings partners with similar services within the same building.

8. RISK MANAGEMENT

- 8.1 There are a number of risks which could potentially influence the project, this includes the following which are typical of this type of project::

- Stakeholder sign off.
- Stage 4 design progression.
- Commercial negotiations.
- Project cost envelope.
- Project governance.
- Programme slippage.
- ICT specification and commercials.
- Macro-economics

9. APPENDICES and BACKGROUND PAPERS

Appendix A – Project Timelines

Appendix B – Design Documents – Floorplans

Appendix C – Design Documents External and Internal Visuals

Appendix D – Planning Decision

Appendix E – RIBA Stage 3 Costings (exempt)

Appendix F – NHS Plans for the Ground and First Floors (exempt)

Executive
2023

12 September

Appendix G – Exempt Financial Information

Executive
2023

12 September

10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Luke Court,	29/08/23
Lead Director / Head of Service	Peter Carpenter, Interim Director of Finance	04/09/23
Financial Services	Michelle Howell, Head of Finance and Customer Services	29/08/23
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	04/09/23

**Executive
2023**

12 September

Appendix A – Project Timelines

- RIBA Stage 2 design – completed March 2023
- RIBA Stage 3 design - completed May 2023
- RIBA Stage 4 design – commenced 18th August 2023
- ITT issued through Proactis Portal – 18th August 2023
- Stage 1 tender period - Provisionally 18th August 2023 to 29th September 2023 – 6 week tender period for Stage 1 tender
- Bidders Event/Site Visit – 24th August 2023 from 10am
- Deadline for the receipt of clarification questions – 4th September 2023
- Target date for responses to clarification questions – 8th September 2023
- Stage 4a design ongoing from 18th August 2023 through to 13th October 2023 – 8 weeks – By AEW, Civic, Kennedy Redford and Stannah Lifts employed by the Authority – To be completed during the Stage 1 tender stage
- Stage 1 tender return date – 12 noon 29th September 2023
- Evaluation of tenders – 29th September 2023 to 16th October 2023
- Notification of JCT PCSA contract award decision and appointment Provisionally 20th October 2023 or sooner
- Bidder mobilisation and start on site – Provisionally from 20th October 2023 or sooner where possible
- Stage 2 tender period – Provisionally 20th October 2023 to 1st December 2023 – 6 week tender period for Stage 2 tender
- Stage 4b design ongoing from 20th October 2023 through to 1st December within the PCSA – 6 weeks – Services by consultants employed by the Contractors
- Notification of JCT D&B contract award decision and appointment
- Provisionally 11th December 2023 or sooner
- Continued mobilisation, design development and site works – From 11th December 2023
- Completion of works 20th December 2024

Executive

12 September 2023

Quarter 1 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
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 Paragraphs 3 and 4 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. 1. RECOMMENDATIONS

The Executive is asked to RESOLVE that:

- 1) The current overspend position in relation to Revenue and Capital Budgets for the period April to June and the full year overspend position of £557k be noted.
- 2) Those procurements over £200k due to be delivered during 2023/4 be added to the forward plan.
- 3) The Q1 Performance data for the Period April to June 2023 be noted.

That Executive is asked to RECOMMEND to Council

- 4) Allocating £557k from the Utilities Reserve to mitigate the overspend position in 2023/4.
- 5) Changes to the Capital Programme with an ongoing revenue cost of £101k as set out in 3.17, £2k Leisure Changing Places and £99k Fleet replacement.
- 6) Approving the £18.2k increase to the Engineering Services base budget from the General Fund and £4.9k increase from the HRA in 2023/4 from reserves and including this change in the 2024/25 Medium Term Financial Plan.

Executive12 September 2023

- 7) **Approving the £23k increase to the Bereavement Services base budget in 2023/4 from reserves and including this change in the 2024/25 Medium Term Financial Plan.**
- 8) **That the underspend of £4,114 from the Grants to Voluntary Bodies scheme be allocated to Citizens Advice Redditch and Bromsgrove to fund the costs of room hire to enable residents to access face to face appointments.**

2. BACKGROUND

- 2.1 This report presents at Quarter 1 (April – June) 2023/24
 - the Council's forecast outturn revenue monitoring position for 2023/24 based on data to the end of Quarter 1
 - An update on progress on the 2023/24 budget process
 - 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.
 - 2.2 The 2022/23 Financial Outturn position is also being presented to Executive in September. Both reports will need to be read to give an overall view of the financial position as the 2022/23 Outturn Report
- 9) Will directly affect reserve levels
 - 10) Will set out the final Capital budgets coming forward into 2023/24 by project.

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 1, the projected revenue outturn position for the 2023/24 financial year and explains key variances against budget.

REDDITCH BOROUGH COUNCIL**Executive**

12 September 2023

- 3.2 The £10.7m full year revenue budget included in the table below is the budget that was approved by Council in April 2023.

Service Description	2023-24 Approved Budget	2023-24 Approved Budget Q1	Payroll Assumptions	Utilities Adjustment	Q1 Adjusted Spend	Q1 Variance to Budget	Full Year Variance to Budget
Business Transformation and Organisational Development	1,767,562	441,891	2,800		444,691	2,801	11,202
Community and Housing GF Services	1,608,893	402,223	22,200		424,423	22,200	88,799
Corporate Services	-1,558,136	-389,534	104,000		-285,534	104,000	416,000
Environmental Services	2,615,993	653,998	0		653,998	0	0
Finance and Customer Services	1,777,749	444,437	35,900		480,337	35,900	143,599
Legal, Democratic and Property Services	2,071,581	517,895	10,700	-42,500	486,095	-31,800	-127,201
Planning, Regeneration and Leisure Services	1,282,538	320,635	6,100		326,735	6,101	24,402
Regulatory Client	451,038	112,760	0		112,760	0	0
Rubicon Client	764,747	191,187	0		191,187	0	0
Starting Well	-32,000	-8,000	0		-8,000	0	0
	10,749,965	2,687,491	181,700	-42,500	2,826,692	139,200	556,801
Corporate Financing	-10,749,965	-2,687,491	0	0	-2,687,491	0	1
Overall Total	0	0	181,700	-42,500	139,201	139,201	556,802

Budget Variances

- 3.3 The draft position is set out in the above table. As this is expenditure at Q1 it is important to note that, at this stage in the financial year there are a number of instances where annual expenditure or accruals may distort the profiling as reflected in the Q1 actual. The above profiles have assumed Support services and grant are adjusted to budgetary levels and accruals are netted out of the figures.
- 3.4 In addition to this, it is also 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 Governance and Standards Committee).
- 3.5 Overall, the Council is currently forecasting a revenue overspend at Quarter 1 in the region of £139k. This is due to the pay award yet to be ratified and projects to a full year overspend of £557k. 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 Councillors 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, including the impact of

Executive

12 September 2023

homelessness and the cost of bed and breakfast temporary accommodation costs.

- Inflationary increases – general inflation is coming down but is still running at over 8% and will impact upon transport costs, utilities and contracts in particular.
- Pay negotiations – a 2023/24 pay award similar to the 2022/23 £1,925 level per pay point plus on costs has been offered by the Employers. This is yet to be accepted by the Unions. The table at 3.2 gives the estimated impact of these changes.
- It is estimated that utilities increases are running at 70%. In the 2023/4 budget we assumed a 100% increase in budget and also set up a reserve for the same amount. The table at 3.2 gives the estimated impact of these changes.

- 3.7 The full year effect of a £557k overspend will need to be mitigated. In our original MTFP assumptions for 2023-26 we set up a Utilities Reserve of £1,710k which we assuming reducing by £570k a year to mitigate increased costs. Given that this increase has not happened to this magnitude it is proposed that £557k of this reserve is used to mitigate the overspend position as set out in 3.2 above. The ongoing 2023/4 pay increases position, once it is finalised and ratified later this year would then need to be resolved as part of the 2024/5 MTFP process.

Additional Funding Requirements

- 3.8 The following reports have been to CMT over the past three months requesting additional Funding.
- 3.9 The first is for a change in the structure of the Bereavement Service which is set out in a Paper at **Appendix G**. Further information can be found in Appendix G.
- 3.10 There is a paper attached at **Appendix G** which sets out making permanent the current temporary restructuring of the Environmental Services, Engineering and Design Team (EDT).

Grants to Voluntary Bodies

- 3.11 The 2023/24 Grants to Voluntary bodies have been awarded following the annual grants process. The budget of £100k was allocated with a small underspend of £4,114.

Executive

12 September 2023

- 3.12 In light of the current Cost of Living situation, Citizens Advice Redditch and Bromsgrove is keen to get a physical presence back into Redditch as an interim provision ahead of the opening of the Council Hub. Whilst their phone and e-mails services are supporting many Redditch residents (over 2,300 in 2022/2023 dealing with over 11,500 issues) there will always be clients who will benefit from a face to face appointment because of the nature of their enquiry, or their personal circumstances. Their aim is to hire two rooms in the Old Needleworks, a VCS Hub near the Kingfisher Centre, and provide an appointment service for both our caseworkers and for general advice on Wednesday mornings and afternoons.
- 3.13 The Committee is therefore asked to consider allocating the £4k underspend to the Citizens Advice for this purpose. The Portfolio Holder has been consulted and supports this proposal.

Capital Monitoring

- 3.14 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 MTFs Report) to be carried forward into 2023/4. The table also splits amounts by funding Source, Council or third party.

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

- 3.15 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2022/23:
- 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 Country LEP once Innovation Centre plans are more detailed for a further funding of £1.9m, and the Council is funding £0.4m of works.

Executive

12 September 2023

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- The refurbishment of the Town Hall for £5.2m. This is being funded via Capital Receipts.
 - UK Shared Prosperity Schemes totalling £2.5m (although it should be noted that these grant funded schemes are a mix of capital and revenue).
- 3.16 The spend at quarter 1 is £0.583m against the overall 2023/24 capital budget totalling £12.651m is detailed in Appendix A. 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.
- 3.17 The following changes are requested for approval (allowing for slippage as set out in 3.14 above):
- Ipsley Church Lane Cemetery transfer 23/4 budget to 24/5
 - Leisure Changing Places budget for Redditch of £21,750 is required. The Changing Places Facility will provide a state of the art toilet facility for visitors to Redditch town centre who have profound and multiple disabilities. This will transform access and provide a “worry free day out” to residents and visitors who want to participate in business, retail and leisure and culture facilities across the town centre area.
 - At 20 year debt at 5.85% interest this has a yearly cost of (£1k MRP + £1.2k interest) £2.2k per year.
 - Fleet replacement – increased costs. This is a £585k increase in 24/5 and a £26k increase for 25/6. This £611k increase over 10 years at an interest rate of 5.63% is a cost of (MRP £61k interest £38k) £99k per year.
- 3.18 Capital Programmes (21/22 and 22/23) are set out in **Appendix A**.

Earmarked Reserves and their application

- 3.19 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**. This is linked to the Outturn Report which is also coming to this Executive and will be updated to reflect those figures.
- 3.20 As was noted in paragraph 3.7 above, £570k of the utilities reserve was planned to be utilised in 2023/4 for increased costs. At the moment the increased costs are around 70% - not the 200% expected. However, the proposed pay award is significantly more than expected. Therefore, it is requested that £557k of the utilities reserve is repurposed for this requirement in 2023/24.

Executive

12 September 2023

Procurement

- 3.21 A report came to Executive in July, which was debated at the Finance and Budget working Group on the 7th July requesting that:
- 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 Key Decision threshold is raised to £200k.
 - 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.
- 3.22 The table in **Appendix C** sets out those procurements (Capital and Revenue) over £200k which are delegated for approval to Executive or Officers over the next year. It is proposed that these are added to the forward plan. There are 15 contracts listed.
- 3.23 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.
- 3.24 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**.

Housing Revenue Account

- 3.25 The table below details the financial position for the Housing Revenue Account (HRA) for the period April - March 2024. The major variances are due to the following:
- Repairs & Maintenance - vacancies pending restructure of service areas.

REDDITCH BOROUGH COUNCIL**Executive**

12 September 2023

- Supervision & Management - the variance is predominantly due to vacant posts.

HOUSING REVENUE ACCOUNT (HRA)						
REVENUE 2023/24 PROVISIONAL OUTTURN Q1						
	2023/24 Full Year Budget £'000	2022/24 Budget Apr - Mar £'000	2022/24 Actual Outturn Apr - Mar £'000	2023/24 Variance Apr - Mar £'000	2023/24 Projected Outturn £'000	2023/24 Projected Variance £'000
INCOME						
Dwelling Rents	-25,658	-6,414	-3,474	2,940	-25,644	14
Non-Dwelling Rents	-572	-143	-384	-241	-572	0
Tenants' Charges for Services & Facilities	-618	-155	-193	-39	-618	0
Contributions towards Expenditure	-53	-13	-17	-4	-53	0
			0			
Total Income	-26,902	-6,726	-4,069	2,657	-26,887	15
EXPENDITURE						
	6,528	1,632	3,265	1,633	6,245	-283
Repairs & Maintenance						
Supervision & Management	8,690	2,173	945	-1,227	8,471	-219
Rent, Rates, Taxes & Other Charges	259	65	73	9	259	-0
Provision for Bad Debts	538	135	0	-135	538	-0
Depreciation & Impairment of Fixed Assets	6,259	1,565	0	-1,565	6,259	0
Interest Payable & Debt Management Cost	4,179	1,045	0	-1,045	4,179	0
Total Expenditure	26,453	6,613	4,284	-2,330	25,950	-503
Net cost of Services	-449	-112	215	327	-937	-488
Net Operating Expenditure	-449	-112	215	327	-937	-488
Interest Receivable	-234	-58	0	58	-234	-0
Revenue Contribution to Capital Outlay	0	0	0	0	0	0
Planned use of Balances	682	171	0	-171	1,171	488
Transfer to Earmarked Reserves	0	0	0	0	0	0
(Surplus)/Deficit on Services	-0	-0	215	215	-0	-0

REDDITCH BOROUGH COUNCIL**Executive**

12 September 2023

In capital terms

HRA Capital Outturn Quarter 1		2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
Project	Project Description	Full Year Budget £'000	Budget to Date Apr - June £'000	Actuals + Comm Apr - June £'000	Variance Apr - June £'000	Projected Outturn £'000	Projected Variance £'000
100050 - Housing 1-4-1 p	- Housing 1-4-1 p	3,000,000.00	750,000.00	208,303.96	-541,696	3,000,000.00	-
100053 - Asbestos Genera	- Asbestos Genera	100,000.00	25,000.00	6,617.51	-18,382	100,000.00	-
100054 - Structural Repa	- Structural Repa	75,000.00	18,750.00	37,578.34	18,828	75,000.00	-
100055 - Electrical Upgr	- Electrical Upgr	100,000.00	25,000.00	37,701.32	12,701	100,000.00	-
100056 - Boiler Replacem	- Boiler Replacem	850,000.00	212,500.00	129,238.48	-83,262	850,000.00	-
100059 - Disabled Adapta	- Disabled Adapta	500,000.00	125,000.00	163,982.42	38,982	500,000.00	-
100060 - Environmental E	- Environmental E	250,000.00	62,500.00	55,131.70	-7,368	250,000.00	-
100062 - Stock Condition	- Stock Condition	150,000.00	37,500.00	-	-37,500	150,000.00	-
100063 - Housing Managem	- Housing Managem	-	-	24,455.52	24,456	-	-
100066 - Design and Supe	- Design and Supe	500,000.00	125,000.00	-	-	500,000.00	-
100066 - Design and Supe	- Door Entry/CCTV	100,000.00	25,000.00	15,425.00	-9,575	200,000.00	100,000.00
100067 - Door Entry/CCTV	- HRA Hard Wire S	300,000.00	75,000.00	141,720.48	66,720	300,000.00	-
100074 - Balcony Replace	- Balcony Replace	100,000.00	25,000.00	541.00	-	100,000.00	-
100082 - HRA Property pu	- HRA Property pu	-	-	1,611.26	1,611	-	-
100082 - HRA Property pu	- HRA Compartment	1,000,000.00	250,000.00	867,309.32	-	1,500,000.00	500,000.00
100083 - HRA Compartment	- Major Voids wor	500,000.00	125,000.00	345,900.40	220,900	500,000.00	-
100084 - Major Voids wor	- HRA-Energy Effi	750,000.00	187,500.00	13,773.00	-173,727	750,000.00	-
100098 - HRA-Energy Effi	- HRA Stock Remod	100,000.00	25,000.00	18,308.69	-6,691	100,000.00	-
100115 - HRA Stock Remod	- HRA Estates Gar	-	-	-	-	-	-
100116 - HRA Estates Gar	- INTERNAL REFURB	2,500,000.00	625,000.00	669,668.40	44,668	1,800,000.00	- 700,000.00
110001 - INTERNAL REFURB	- HIGH TREES PROJ	350,000.00	87,500.00	168,694.75	81,195	350,000.00	-
110003 - HIGH TREES PROJ	- DISREPAIR CASES	50,000.00	12,500.00	47,479.80	-	50,000.00	-
110004 - DISREPAIR CASES	- External Improvements	300,000.00	75,000.00	19,496.53	-55,503	300,000.00	-
110005 - External Improvements	- Community Safety	-	-	67,368.15	-67,368	-	-
110006 - Community Safety	- Garage Improvem	150,000.00	37,500.00	-	-37,500	150,000.00	-
110022 - Garage Improvem							
		11,725,000.00	2,931,250.00	2,905,569.73	- 528,510.39	11,675,000.00	- 100,000.00

Performance Report

3.26 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.

3.27 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)

3.28 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

Executive12 September 2023

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

3.29 **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.

3.30 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.

Executive

12 September 2023

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 – Strategic and Operational Performance Measures

Appendix D – Procurement Pipeline (over £200K) - Exempt

Appendix E – Procurements between £50k and £150k - Exempt

Appendix F - Procurements undertaken by Bromsgrove on behalf of Redditch - Exempt

Appendix G – Background Reports for Bereavement and Engineering Services - Exempt

10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Luke Court,	22/8/23
Lead Director / Head of Service	Peter Carpenter, Interim Director of Finance	22/8/23
Financial Services	Michelle Howell, Head of Finance and Customer Services	22/8/23

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REDDITCH BOROUGH COUNCIL**RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES****SUBJECT: Appointment of Interim Head of Paid Service****BRIEF STATEMENT OF SUBJECT MATTER:**

Section 21 of the Local Government and Housing Act 1989 requires the Council to make arrangements to ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management through the appointment of proper officer(s). The Council is required to appoint an officer as Head of Paid Service and this role has been carried out by the council's Chief Executive. It is recommended that following the resignation of the current Chief Executive, the Deputy Chief Executive, Mrs Hanley is appointed to the position of Chief Executive and Head of Paid Service whilst the recruitment process is undertaken and until a new Chief Executive is in post.

It is important for the operation of the Council functions that someone is identified as Chief Executive and Head of Paid Service. Rather than appoint an external interim to the role whilst recruiting to the substantive post, it is felt that, given her experience and skill set, the most appropriate solution for the Council is to ask Mrs Susan Hanley (current Deputy Chief Executive) to undertake the role on an Interim basis.

Depending on the length of time it takes to recruit to the substantive position, there may need to be backfilling of the work currently undertaken by the Deputy Chief Executive. This will need to be developed as things become clearer with any additional financial implications resolved.

The salary difference between the Deputy Chief Executive and Chief Executive is £22k per annum. From September, there is £15.8k of budget available a month from the vacant Chief Executive role to ensure posts are funded and backfilled until the role is filled. It would be significantly more expensive for the Council to source an external interim Chief Executive for the period of recruitment.

Bromsgrove District Council, with Redditch Borough Council shares many services and staff, including the Joint Chief Executive Officer post, agreed at a meeting held on 19th July 2023 to appoint Mrs Hanley as acting Chief Executive and Head of Paid Service until a new Chief Executive is recruited.

DECISION:**RESOLVE that**

on the retirement of the current Chief Executive, Mrs Susan Hanley be appointed as the Council's Head of Paid Service on an interim basis until such time as a new Chief Executive and Head of Paid Service is appointed and is in post.

(Council decision)**GROUNDS FOR URGENCY:**

This decision is required to ensure that Mrs Hanley is in a position to be appropriately remunerated for acting as Chief Executive and Head of Paid Service from the first day after the current Chief Executive's retirement comes into effect. As there is not due to be a meeting of Council in Redditch until 25th September 2023, by which point the current Chief Executive will have retired, this needs to be taken as an urgent decision.

DECISION APPROVED BY:*(Deputy)* **CHIEF EXECUTIVE****EXECUTIVE DIRECTOR FINANCE & RESOURCES***(if financial implications)*.....
(Signature) (Kevin Dicks - (D)CX).....
(Signature) (Peter Carpenter)**Date: August 2023****PROPOSED ACTION SUPPORTED** *(amend as appropriate)*

<i>.....</i> (Signature)	<i>.....</i> (Signature)	<i>.....</i> (Signature)	<i>.....</i> (Signature)	<i>.....</i> (Signature)
<i>(Block Capitals)</i>	<i>(Block Capitals)</i>	<i>(Block Capitals)</i>	<i>(Block Capitals)</i>	<i>(Block Capitals)</i>
MAYOR *	PF HOLDER	LEADER of the LABOUR Group	LEADER / LDR CONSERVATIVE Group	CHAIR O&S Committee
Date:	Date:	Date:	Date:	Date:

Notes:

* In addition to the Executive decision above regarding the matter under consideration, the Mayor is signing to agree both that the Executive decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. This is to ensure that the call-in procedures as set out in Part 8 of the Constitution shall not apply where an Executive decision being taken is urgent.