



Executive Committee

Tue 3 Sep
2024
6.30 pm

Oakenshaw Community
Centre,
Castleditch Lane,
Redditch
B98 7YB

REDDITCH BOROUGH COUNCIL

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a
difference*

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

Please note that this is a public meeting and will be live streamed for general access via the Council's YouTube channel.

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

<https://youtube.com/live/R7ZKvOcNPns?feature=share>

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

GUIDANCE FOR ELECTED MEMBERS ATTENDING MEETINGS IN PERSON

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

Notes:

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



Executive

Tuesday, 3rd September, 2024

6.30 pm

Oakenshaw Community
Centre - Oakenshaw
Community Centre

Agenda

Membership:

Cllrs:	Joe Baker (Chair)	Jen Snape
	Sharon Harvey (Vice-Chair)	Jane Spilsbury
	Juliet Barker Smith	Monica Stringfellow
	Bill Hartnett	Ian Woodall
	Wanda King	

1. Apologies

2. Declarations of Interest

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

3. Leader's Announcements

4. Minutes (Pages 5 - 12)

5. Redditch Borough Council Rebrand (Pages 13 - 18)

6. Quarter 1 Revenue and Performance Monitoring 2024/25 (Pages 19 - 74)

7. Financial Recovery Programme Report (Pages 75 - 86)

8. Initial Budget Setting Report (Pages 87 - 94)

9. Treasury Management Outturn Report (Pages 95 - 110)

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

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

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

12. Exclusion of the press and public

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

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

These paragraphs are as follows:

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

- Para 1 – any individual;
- Para 2 – the identity of any individual;
- Para 3 – financial or business affairs;
- Para 4 – labour relations matters;
- Para 5 – legal professional privilege;
- Para 6 – a notice, order or direction;
- Para 7 – the prevention, investigation or prosecution of crime;
and may need to be considered as ‘exempt’.

13. Overview and Scrutiny Committee (Pages 111 - 128)

14. Shopmobility Future Options (Pages 129 - 182)

15. Award of a Contract to Upgrade the Town Hall and Update on Towns Fund
(Pages 183 - 210)



Executive Committee

Monday, 29th July, 2024

MINUTES

Present:

Councillor Joe Baker (Chair), Councillor Sharon Harvey (Vice-Chair) and Councillors Juliet Barker Smith, Bill Hartnett, Wanda King, Jen Snape, Jane Spilsbury, Monica Stringfellow and Ian Woodall

Also Present:

Councillors Brandon Clayton, Claire Davies, Matthew Dormer, James Fardoe, Andrew Fry, Joanna Kane and Gary Slim

Officers:

Peter Carpenter, Nicola Cummings, Sue Hanley and Guy Revans

Democratic Services Officers:

Jess Bayley-Hill

13. APOLOGIES

There were no apologies for absence.

14. DECLARATIONS OF INTEREST

There were no declarations of interest.

15. LEADER'S ANNOUNCEMENTS

The Leader announced that he had made some changes to the membership of the Executive Committee, following Councillor Sid Khan's departure from the Committee. This included the following appointments:

- Councillor Sharon Harvey had been appointed Portfolio Holder for Environmental Services in addition to her role as Deputy Leader.
- Councillor Jen Snape had been appointed Portfolio Holder for Climate Change.
- Councillor Wanda King had been appointed as a member of the Executive Committee without portfolio.

Chair

Executive Committee

Monday, 29th July, 2024

During consideration of this item, Members were asked to note that at a meeting held on Thursday 25th July 2024, the Overview and Scrutiny Committee had pre-scrutinised the Town Hall Hub report, which was included on the Executive Committee's agenda for consideration that evening. At the end of a very detailed debate, the Committee had endorsed the recommendations in the report. On behalf of the Executive Committee, the Leader thanked the Overview and Scrutiny Committee for their hard work scrutinising this report. It was noted that four Members of the Executive Committee had been present at the Overview and Scrutiny Committee meeting, including the Leader, and those Members were urged to refer to the points made by the Committee when considering that item.

16. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 9th July 2024 be approved as a true and correct record and signed by the Chair.

17. RECOMMENDATION FROM THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE - MARCH 2024

The Executive Committee considered a recommendation that had been proposed at a meeting of the Audit, Governance and Standards Committee held on 21st March 2024.

RESOLVED that

the Council, as part of its quarterly budget monitoring, include appropriate balance sheet monitoring so that all stakeholders are appraised of the Council's overall financial position.

18. OVERVIEW AND SCRUTINY COMMITTEE

Members considered the minutes of the meeting of the Overview and Scrutiny Committee held on 8th July 2024 and in so doing noted that there were no outstanding recommendations.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on 8th July 2024 be noted.

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

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

20. UPDATE REPORT ON THE TOWN HALL HUB

The Deputy Chief Executive and Section 151 Officer presented an update report on the Town Hall Hub.

Members were reminded that two years' previously, following the closure of the cashiers at the Town Hall, the decision had been taken to introduce a community hub in the Town Hall. Some work had been undertaken in liaison with partner organisations, including Worcestershire County Council and their library subtenants, the Department for Work and Pensions (DWP), as well as the NHS to explore potential options for use of space in the community hub. The NHS had entered into a 15-year deal with the Council to lease two floors in the building and a new entrance had been introduced for the use of the NHS. In March 2024, final lease terms had been agreed with Worcestershire County Council, which would have involved the move of the library in the town centre into the community hub.

As part of the works on the introduction of a new community hub, a contractor had been appointed and design works had been completed up to RIBA Stage 4. The financial costs associated with works on the community hub had increased at RIBA Stage 4, however, this was not unusual at this point in the process and these costs could be offset by income.

Following the local elections in May 2024, Officers had been asked to review options available for the community hub that would not involve moving the library into the building from its existing location in the town centre. Members were asked to note that if the library did not relocate into the community hub, the DWP, which was the library's subtenant, would also not be able to move into the building at this time, as they had a contractual agreement in place with Worcestershire County Council until 2028.

The financial costs involved in delivering the project had been reviewed. A lot of the original financial outlay that had been envisaged for the project was allocated to expenditure on a new entrance and stairway in the building. Officers were proposing that these should no longer be included in the designs in order to help reduce costs. The floor plans for the community hub had also been reviewed, in light of the new administration's requirements and as part of this process it was suggested that the civic suite should be retained on the ground floor of the building, rather than being moved to the second floor as originally proposed. The remaining floors would be a mixture of office space used by Council staff and

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space leased to other organisations, including the space already allocated to the NHS. Members were asked to note that property agents Savills and GJS Dillon had advised that there was a dearth of high-quality office space in Redditch and the community hub could provide an attractive office space option in that context.

The Executive Committee was informed that, regardless of the final plans, there was a need to strip out the existing Town Hall building in order to make sure it was fit for purpose for future use. Indeed, Members were asked to note that all public buildings would need to receive an Energy Performance Certificate (EPC) rating of grade C or above by 2026 in order to remain in use. The works required on the Town Hall for these purposes would entail expenditure of £80,000.

Officers highlighted the proposals for the Town Hall in relation to the Medium Term Financial Plan (MTFP), and it was noted that in 2022/23 the Council had been anticipating £400,000 in budget savings arising from the move of the library into the community hub from 2025 onwards. The Council was already receiving some income from the NHS but there was also due to be a loss of income from Bromsgrove District Council as a result of a reduction in the use of office space at the Town Hall to accommodate staff working in shared services. Therefore, as a result of a decision to not move the library into the Town Hall Hub, the Council would need to take action to address a £400,000 gap in the budget. The Council would also need to write off revenue expenditure that had already been spent on the existing design to allow the library and their subtenant to move into the building.

Potential measures to address this budget gap, would include anticipated savings of £100,000 from the repairs and maintenance budget for one year only and savings on utilities costs. Ongoing £130,000 – 140,000 in income from new tenants would be needed from 2026/27. Officers had entered into discussions with various potential clients that might be interested in becoming tenants of the community hub, but these would not be possible to implement until the 2026/27 financial year. Further details regarding the options available would be included in an additional report on the subject of the Town Hall Hub, which was scheduled for the Executive Committee's consideration in September 2024. This report would also need to include a formal business case detailing proposals for the community hub. In addition, the Council needed to formally notify Worcestershire County Council and the Redditch Towns Fund Board about the changes to the Council's plans.

Discussions had been held with the former Department for Levelling Up, Housing and Communities (DLUHC) about the options available to the Council moving forward in terms of using Town's

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Funding previously allocated to Redditch for the project. The Council had been advised about the following options:

- Investing the funding in the new Innovation Centre for Redditch.
- Investing funds in the public realm works in the town centre.

The Council would also be required to complete a Project Adjustment Form, which would need to be agreed by the Towns Board and the MP for Redditch.

Reference was briefly made to the proposals for the civic suite on the ground floor of the Town Hall Hub. Officers commented that it had been recognised that the Council's existing audio-visual equipment and systems needed upgrading. For this reason, plans would continue to invest in a professional audio-visual system for the authority.

In considering the proposals detailed in the report, Members were asked to note advice from the Section 151 Officer in his capacity as a Statutory Officer. The Executive Committee was informed that the authority's external auditors were likely to challenge any decision not to move the library into the community hub, and the resulting financial implications, in their annual report. This challenge was likely, given that the authority had previously been in a position where contracts had been agreed with both the NHS and Worcestershire County Council to cover the £400,000 budget savings requirement and there was now an ongoing budget gap to fill as well as a potential write off of aborted design costs. There was also the potential that this could result in the Council being issued with a Section 24 Notice by its external auditors.

Following the presentation of the report, Members discussed the proposals that had been brought forward in respect of the community hub. Executive Committee members welcomed proposals to not move the library into the community hub. It was acknowledged that there were risks attached to this approach, but Members commented that savings had already been identified and work would continue to clarify how to further address the budget gap.

During consideration of this item, reference was made to the discussions that had occurred at a meeting of the Overview and Scrutiny Committee held on 25th July 2024 when Members had pre-scrutinised the report. Some of the points that had been raised at that meeting of the Overview and Scrutiny Committee were listed and addressed in turn, which included:

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- The financial risks to the Council arising from not moving the library into the Town Hall Hub. Executive Committee Members acknowledged that there was a need for action to be taken to address this and noted that some options had already been identified.
- The risk that Redditch library might close if it was not relocated into the community hub. The Leader advised that he had subsequently spoken to Worcestershire County Council's Cabinet Member with lead responsibility for libraries and had received assurances that there were no plans to close Redditch library.
- The risks that the project might not be able to progress quickly enough in accordance with timescales for expenditure of the Town's Funding and the potential need to return funding to the Government in this scenario. Members commented that a request had already been submitted for an extension in case needed and all action possible would be taken to avoid having to return the funding.
- The need to take difficult decisions and the risks associated with such decisions.

Prior to voting on the resolutions detailed in the report, the Leader proposed an alteration to the wording of the sixth proposal, as detailed below:

“Authority be delegated to the Interim Director of Finance and Resources and Deputy Chief Executive and the Assistant Director of Legal, Democratic and Property Services, following consultation with the relevant lead Portfolio Holder, to enter the consequential contractual arrangements.”

This alteration to the wording of the sixth recommendation was approved by Members.

RESOLVED that

- 1) the progress towards the creation of a Town Hall Hub be noted and that the need to extend the project to include private sector tenants in the Town Hall be approved;**
- 2) formal notification be given to Worcestershire County Council that the Redditch Library cannot relocate to the Town Hall;**
- 3) revised works to RIBA stage 4 be approved in readiness for a detailed report to Executive in September 2024 setting out the revised Town Hall project;**

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- 4) **work continues to determine the most effective alternative use of the Towns Funding and that this is reported to and agreement sought through the Towns Board in readiness for a further report to Executive in September 2024;**
- 5) **Members note and approve the consequential risks associated with the revised proposals detailed within this report; and**
- 6) **authority be delegated to the Interim Director of Finance and Resources and Deputy Chief Executive and the Assistant Director of Legal, Democratic and Property Services, following consultation with the relevant lead Portfolio Holder, to enter the consequential contractual arrangements.**

The Meeting commenced at 6.00 pm
and closed at 6.36 pm

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Executive Committee3rd September 2024**Report title: Redditch Rebrand**

Relevant Portfolio Holder	Councillor Joe Baker
Portfolio Holder Consulted	Yes
Relevant Assistant Director	
Report Author	Name: Anne-Marie Harley Job Title: Communications and Marketing Manager Contact email: a.harley@bromsgroveandredditch.gov.uk Contact Tel: 01527 881296
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Executive Committee is asked to RESOLVE that:-

- 1) The new logo for Redditch Borough Council is formally adopted (see Appendix 1)**
- 2) The staggered roll-out and implementation of the branding programme is launched immediately**

2. BACKGROUND

- 2.1 The Redditch Borough Council Logo was renewed in 2009 with the Making a Difference block and website added to the banner which dates back before then.
- 2.2 The new administration in Redditch wants to create a totally different logo to reflect not only the new direction of the Council but to give it a fresh modern look.
- 2.3 Working with the Leader and Deputy Leader, the Communications Team created a brief from which the Graphics Officer designed a suite of options.
- 2.4 After consultation with the Members and alterations, using their feedback, made - a design has been chosen.

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- 2.5 The Council's priority is to deliver services and support for our residents and our strapline, working for our communities, reflects this and our commitment to creating a better place for everyone to live, work and visit.
- 2.6 The finished logo uses shades inspired by the Redditch Palette because we wanted to reflect our communities' feedback and vision for the Borough via Reimagine Redditch who held 30 workshops with the local community to come up with the colours.
- 2.7 The logo's palette is reminiscent of the colours of Kingfisher and the design showcases the needle and springs heritage which our Borough boasts.
- 2.8 All of the design was done in-house – as custodians of the public purse we will roll-out the new logo slowly but surely, ensuring it will be cost-effective – but worth the wait and with us for years to come.

3. OPERATIONAL ISSUES

- 3.1 To negate the cost of rebranding the Council – using our in-house team has gone a long way towards this already – the new logo will be rolled out with demand in mind. E.G when the new bins are launched, a sign needs replacing, new workwear is supplied, the new logo will be included.
- 3.2 There is a raft of things we can change immediately which are digital:
- Logo Quick-Wins
- Letterheads
 - Forms
 - Systems
 - Print artwork
- 3.3 To ensure consistency and professionalism the Graphics Team will make the 'quick win' changes immediately, subject to Executive approval.
- 3.4 A Communications Plan will inform staff, residents, customers and partners about the new branding opportunity.

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4. FINANCIAL IMPLICATIONS

- 4.1 We envisage there will be no financial implications as the rebrand will be done in house however there is a cost of opportunity forgone especially during the initial roll out where the efforts of the Graphics Team in particular will be concentrated on this.

5. LEGAL IMPLICATIONS

- 5.1 The cost of copyrighting the logo would be disproportionate.

6. OTHER - IMPLICATIONS**Relevant Council Priority**

- 6.1 All

Climate Change Implications

- 6.2 We will use supplies of paper letterheads, note pads etc until stocks are depleted and then the new logo will be added to new stock.

Equalities and Diversity Implications

- 6.3 The brand and style guidelines will include different variations of the logo which will meet the accessibility criteria used by the Graphics Team in all of its work.
- 6.4 The brand and style guidelines will ensure the logo is accessible on its different backgrounds and on different materials.

7. RISK MANAGEMENT

- 7.1 The change could spark negative publicity especially around the cost of the rebrand – however we will continue to publicise the facts around the logo and key messages identified in the ensuing Communications Plan.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 Logo image and branding options

Executive Committee3rd September 2024**9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Cllr Joe Baker	Aug 6 2024
Lead Director / Head of Service	Sue Hanley	Aug 12 2024
Financial Services	Debra Goodman	Aug 13 2024
Legal Services	Nicola Cummings	August 12 2024
Policy Team (if equalities implications apply)	Helen Mole	Aug 12 2024
Climate Change Team (if climate change implications apply)	Matthew Eccles	Aug 12 2024

Appendix 1



No strapline for use on uniforms etc. If the logo is still deemed to be too detailed, the needle could be removed.



Examples to show how the logo would look in plain black and plain white.

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REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Q1 Financial Outturn Report 2024/25**

Relevant Portfolio Holder	Councillor Woodall – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Head of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk Business Improvement Manager H.Mole@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.	

1. RECOMMENDATIONS

The Executive is asked to **RESOLVE** that:

- 1) The current Revenue overspend position of £164k and actions the Council are taking to mitigate this position be noted.
- 2) The current Capital spending of £1.28m against a budget of £20.5m be noted.
- 3) The HRA Position is noted.
- 4) That the balance sheet monitoring position is noted, including the Treasury position.
- 5) There is an updated procurement position set out in Appendix C, with any new items over £200k to be included on the forward plan.
- 6) The Q1 Performance data for the Period April to March 2024 be noted. That this will changed over the year to link into the new Administrations priorities.

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

- 7) There is an advancement of £100k of Capital projects for Rubicon.

2. BACKGROUND

2.1 The purpose of this report is to set out the Council's draft Revenue and Capital Outturn position for the first quarter of the financial year April 2024 – June 2024 and associated performance data. This report presents:

- The Council's forecast outturn revenue monitoring position for 2024/25 based on data to the end of Quarter 1.

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- The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee.
- The updated procurement pipeline of Council projects to be delivered over the next 12 months in order to properly plan for the delivery of these projects.
- The organisation's performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the council is delivering its services to customers.

3. DETAILED PERFORMANCE**Financial Performance**

- 3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 1, the projected revenue outturn position for the 2024/25 financial year and explains key variances against budget.
- 3.2 The £10.8m full year revenue budget included in the table below is the budget that was approved by Council in April 2024.

Service Description	2024-25 Approved Budget	2024-25 Approved Q1 Budget	Q1 Adjusted Spend	Q1 Budget Variance	Full Year Forecast	Full Year Budget Variance
Business Transformation and Organisational Development	1,781,837	445,459	638,201	192,742	1,988,102	206,264
Community and Housing GF Services	1,742,562	435,640	177,580	-258,061	1,876,553	133,990
Corporate Services	-1,996,267	-499,067	-592,553	-93,486	-2,355,834	-359,567
Environmental Services	2,701,088	675,272	-3,212,388	-3,887,660	3,681,746	980,657
Financial and Customer Services	2,067,408	516,852	399,903	-116,949	3,262,726	1,195,318
Legal, Democratic and Property Services	2,098,369	407,379	479,310	71,931	2,197,911	99,542
Planning, Regeneration and Leisure Services	1,067,182	253,802	269,861	16,060	1,344,309	277,127
Regulatory Client	562,038	140,510	144,440	3,931	652,390	90,352
Rubicon Client	777,747	194,437	247,556	53,119	943,679	165,932
Starting Well	0	0	24,581	24,581	0	0
Grand Total	10,801,965	2,570,285	-1,423,510	-3,993,794	13,591,582	2,789,616
Service Description	2024-25 Approved Budget	2024-25 Approved Q1 Budget	Q1 Adjusted Spend	Q1 Budget Variance	Full Year Forecast	Full Year Budget Variance
Corporate Financing	-10,801,965	-2,570,285	-3,381,251	-673,509	-13,291,964	-2,460,999
Grand Total	-10,801,965	-2,570,285	-3,381,251	-673,509	-13,291,964	-2,460,999
Rubicon Reserve Contribution					-165,000	-165,000

REDDITCH BOROUGH COUNCIL

Executive

3rd September 2024

TOTALS	0	0	-4,804,760	-4,667,304	134,618	163,617
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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 Standards and Governance Committee).
- 3.5 Overall, the Council is currently forecasting a full year revenue overspend of £164k at Quarter 1. This is mainly due to the additional fleet costs described below and also the pay award yet to be ratified and projects to a full year overspend of £642k. 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 2024/25.

This includes service projections as follows:

Business Transformation £206k overspend – additional expenditure on professional fees, training and other employee costs.

Community and Housing GF Services £134k overspend – numerous variances including salaries, agency staff, ICT purchases, grants and subscriptions.

Corporate Services £360k underspend – additional external audit fees and postage costs.

Environmental Services £981k overspend – forecasted additional expenditure on salaries, property utilities, fuel and vehicle hire. The overspend, particularly on vehicle hire, has been mitigated by ordering a number of new vehicles, however the lead times are long.

Financial and Customer Services £1,195k overspend – increased forecast expenditure on agency fees due to vacancies.

Legal, Democratic and Property Services £100k overspend – overspend forecast due to additional agency costs, room hire and postage costs.

Planning, Regeneration and Leisure Services £277k overspend – reduced fees and charges income, agency costs, professional fees, equipment purchase and UKSPF fees.

Regulatory Client £90k overspend – additional spending due to transfer of Envirocrime and Planning Enforcement from NWEDR.

Rubicon Client £166k overspend – forecast overspend due to a VAT surcharge to be paid by Redditch together with additional spend on buildings maintenance. A contribution from the Rubicon reserve will be made to mitigate this overspend. This reserve will be prepared and set up while completing the 2021/22 final accounts.

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- 3.6 The above overspends of £2.79m are offset by additional income of £2.46m in Corporate Financing from additional grant income (£1.81m) together with increased investment interest receivable (£260k) and lower interest payable (£386k).

3.7 Cash Management**Borrowing**

- As of the 30th June 2024, there were nil short-term borrowings. The Council has long-term borrowing of £103.9m.

Investments

- On 30th June 2024, the Council has £12.5m short term investments held.

Capital Monitoring

- 3.8 A capital programme of £20.5m was approved in the Budget for 2024/25 in February 2024. This has been fully reviewed as part of the MTFP using actual data as at the end of December 2023. The table below and detail in **Appendix A** set out the Capital Programme schemes that are approved for the MTFP time horizon.
- 3.9 Many of these schemes are already in partial delivery in the 2024/25 financial year. By approving this list, the Council also agreed sums not spent in 2023/24 (and 2022/23 by default if schemes originated earlier than 2023/24 as sums have been carried forward through to the 2023/24 MTFP Report) to be carried forward into 2024/25. The table also splits amounts by funding source, Council or third party.

Year	Total Programme	Council Funded	Grant Funded
2024/5	20,507,674	6,089,386	14,418,288
2025/6	5,956,180	2,302,316	3,653,864
2026/7	4,938,263	4,232,399	705,864
2027/8	2,200,918	1,495,054	705,864
2028/9	3,680,154	2,974,290	705,864

- 3.10 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2024/25.
- 3.11 The three Towns Fund schemes – Digital Manufacturing and Innovation Centre (DMIC), Public Square, and Public Realm which are funded via £15.2m of Government Funding. Since the change of administration at the elections in May, a report came to Cabinet and Council in July which set out that the library would not be part of the Town Hall Hub

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meaning that an alternative will be required for that spending. As part of this process, once costs for the DMIC are finalised an application will need to be made to Birmingham and Black County LEP for a further funding of £2.1m.

3.12 The Library will now not move to the Town Hall to become part of the Town Hall Hub. This was agreed by the Council at meetings on the 29th July. A meeting with DLUHC experts on the 23rd May 2024 identified that, were the Council minded not to proceed with the current proposals, the following options could be considered:

- Invest the £4.2m in the Digital Manufacturing and Innovation Centre (DMIC) with better Metrics.
- Invest in an alternative building that will give similar outputs to the library site.

Up to 20% of overall funds can be reallocated without DLUHC approval and another option is to divert this to Public Realm schemes which will be deliverable.

3.13 Either option (or mix of options) requires a DLUHC PAR form to be completed and for any changes to be agreed. A number of alternatives are being explored and will need to be agreed by the Towns Board by September in order to ensure funds are spent by the 31st March 2026. It should be noted that the Redditch MP is lobbying for an extension of these timescales. Options were presented to Towns Board on the 21st August and updates will be provided in September.

3.14 DMIC – Present estimated costs are £10.1m but these are being finalised by the end of August to enable a Planning application to be made in early September. These timescales are required to ensure DMIC funding is spent by the 31st March 2026.

- £8m from the Towns Fund
- We have appointed the Project Managers Gardiner and Theobald and the Design Team AHR.
- Additional requirement of £2.1m – Greater Birmingham and Solihull LEP have supplied application forms but require further design detail and costs to complete fully.
- Site has been cleared and is ready for development.

3.15 Public Realm – £3.4m

- £3.0m from Towns Fund, Section 106 - £0.176m, Council funding £0.224m
- Specification was delivered to the County Council by the end of March for them include in their Capital Programme.

Community Hub

3.16 A report was received by Executive on the 25th July setting out a new design for the Town Hall Hub which now does not include the Library. A further report is on today's agenda setting out the new design and timescales. There will be a write off of design

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works that have been expended in relation to the library as this is not able to be capitalised. With the new design it is expected that costs will be reduced in the final design.

- 3.17 The outturn spend at Quarter 1 is £1.280m against a capital budget totalling £20.507m and is detailed in Appendix A. It should be noted that as per the budget decision carry forwards of £7.770m will be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24.

Earmarked Reserves

- 3.18 The position as reported to Council in April 2024 as per the 2024/25 – 2026/27 Medium Term Financial Plan (MTFP) is shown in **Appendix B**. This has been adjusted for the actual 2023/24 Outturn position, which was only estimated based on Q3 monitoring information at the time of the MTFP. As part of the MTFP all reserves were thoroughly reviewed for their requirement and additional reserves set up for inflationary pressures such as utility increases. At the 30th June 2024, the Council holds £5.242m of Earmarked Reserves.

Housing Revenue Account

- 3.19 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.
- Supervision & Management - the variance is predominantly due to vacant posts.

HOUSING REVENUE ACCOUNT (HRA)**REVENUE 2024/25 PROVISIONAL
OUTTURN**

		2024/25 Full Year Budget £'000	2024/25 Budget Apr - Jun £'000	2024/25 Actual Apr - Jun £'000	2024/25 Variance Apr - Jun £'000	2024/25 Projected Outturn £'000	2024/25 Projected Variance £'000
<u>INCOME</u>							
Dwelling Rents	DR	-27,443	-6,861	-7,955	-1,095	-27,449	-6
Non-Dwelling Rents	NDR	-613	-153	-400	-247	-613	0
Tenants' Charges for Services & Facilities	CSF	-617	-154	-303	-149	-617	0
Contributions towards Expenditure	CTE	-125	-31	4	35	-125	0
Total Income		-28,798	-7,199	-8,655	-1,455	-28,803	-6

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EXPENDITURE							
Repairs & Maintenance	R&M	6,992	1,748	1,680	-67	7,303	311
Supervision & Management	S&M	8,877	2,219	826	-1,393	8,631	-246
Rent, Rates, Taxes & Other Charges	RRT	576	144	96	-48	541	-35
Provision for Bad Debts	BDP	576	144	0	-144	576	0
Depreciation & Impairment of Fixed Assets	DEP	6,487	1,622	0	-1,622	6,487	0
Interest Payable & Debt Management Costs	INT	4,179	1,045	-17	-1,062	4,179	0
Total Expenditure		27,687	6,922	2,586	-4,336	27,717	30
Net cost of Services		-1,111	-278	-6,069	-5,791	-1,087	24
Net Operating Expenditure		-1,111	-278	-6,069	-5,791	-1,087	24
Interest Receivable	IR	0	-234	-58	0	58	-234
Revenue Contribution to Capital Outlay	RCCO	0	0	0	0	0	0
Planned use of Balances	UB	0	0	0	0	0	0
Transfer to Earmarked Reserves	TER	1,344	336	0	-336	1,320	-24
Surplus/Deficit on Services		0	0	-6,069	-6,069	0	0

In HRA Capital:

HRA Capital Provisional Outturn 2024-25 Q1								
Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - June £	2024/25 Actuals + Comm Apr - June £	2024/25 Variance Apr - June £	2024/25 Projected Outturn £	2024/25 Projected Variance £	
100050	Housing 1-4-1 p	3,000,000	750,000	6,926	-	743,074	3,000,000	0
100053	Asbestos General	100,000	25,000	97,740	72,740	100,000	100,000	0
100054	Structural Repairs	75,000	18,750	413,153	394,403	325,000	250,000	250,000
100055	Electrical Upgrade	100,000	25,000	68,818	43,818	200,000	100,000	100,000
100056	Boiler Replacement	750,000	187,500	267,642	80,142	650,000	650,000	-100,000
100058	Window Replacement	-	-	-	-	-	-	0
100059	Disabled Adaptations	500,000	125,000	296,852	171,852	650,000	650,000	150,000
100060	Environmental Enhancement	250,000	62,500	42,331	-	20,169	150,000	-100,000
100062	Stock Condition Survey	150,000	37,500	108,647	71,147	125,000	125,000	-25,000
100063	Housing Management System	-	-	109,162	109,162	-	-	0
100066	Capitalised Salaries	500,000	125,000	-	-	125,000	730,000	230,000
100067	Door Entry/CCTV	100,000	25,000	90,924	65,924	250,000	250,000	150,000
100068	HRA Hard Wire S	300,000	75,000	79,839	4,839	150,000	150,000	-150,000
100074	Balcony Replacement	300,000	75,000	297,448	222,448	300,000	300,000	0
100083	HRA Compartmentation	500,000	125,000	917,167	792,167	500,000	500,000	0
100084	Major Voids Works	500,000	125,000	670,554	545,554	750,000	750,000	250,000
100098	HRA-Energy Efficiency	750,000	187,500	1,027,363	839,863	1,000,000	1,000,000	250,000

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Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - June £	2024/25 Actuals + Comm Apr - June £	2024/25 Variance Apr - June £	2024/25 Projected Outturn £	2024/25 Projected Variance £
100115	HRA Stock Remodelling	100,000	25,000	20,123	- 4,877	275,000	175,000
100116	HRA Estates Garages	400,000	100,000	-	- 100,000	200,000	-200,000
110001	Internal Refurbishment	2,500,000	625,000	1,419,545	794,545	2,500,000	0
110003	High Trees Project	400,000	100,000	1,126,013	1,026,013	650,000	250,000
110004	Disrepair Cases	50,000	12,500	113,210	100,710	75,000	25,000
110005	External Refurbishment	500,000	125,000	619,229	494,229	650,000	150,000
110042	Lift Replacement					200,000	200,000
		11,825,000	2,956,250	7,792,686	4,836,436	13,430,000	1,605,000

3.20 Across the HRA Capital Investment Programme several issues have arisen that require variances to a number of the budget lines for the following reasons.

Structural Repairs – These occur on a reactive basis and as such budget estimating can be difficult, in the current year we have identified properties that require substantial works to remedy these.

Electrical Upgrades – As part of tackling Damp and Mould in our properties we are now installing humidistat fans in both the kitchen and bathroom in void properties to improve ventilation across our housing stock. Through 2024/25 the next cycle of communal electrical testing is to be undertaken and based on the age profile and condition of installations it is anticipated that there will need to be a replacement of systems.

Disabled Adaptations - The budget allows for the newly arising works which are primarily level access showers and ramps however on a rare occasion the only solution, to provide the facilities, identified by the Occupational Therapist, is to build an extension. In the current year two properties have been identified that need to provide families with the additional space to accommodate the adaptation measures required.

Capitalised Salaries – A review has been undertaken of staffing and the apportionment to capital and revenue costs which has led to this increase.

Door Entry/CCTV - Additional blocks of flats have been identified to undertake upgrades to access systems to improve security for tenants and to protect our assets.

Major Voids – A Major Void is where two or more elements (e.g. a Kitchen and Bathroom) need replacing. Whilst the number of voids is unpredictable, as well as the scope of works required, the last two financial years the demands on this budget have resulted in the need to increase this budget.

Energy Efficiency - Through 2023/24 the project, partially funded by Social Housing Decarbonisation Funding (SHDF), was mobilised however there were large underspends

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which have led to pressures in this financial year to deliver these works to improve the energy efficiency of some of our worst performing properties.

Remodelling – Works have been identified to properties to provide larger family housing with elements of adaptations also included.

High Trees Project – The increase in budget is to accommodate a reprofiling of works to complete the next phase of the project.

Disrepair Cases – We have experienced increased levels of Disrepair Cases over the last two financial years which has now resulted on a pressure to carry out corrective works to affected properties.

External Refurbishment - Additional properties have been identified that require roofing works, replacement doors and windows.

Lift Replacement - Having in 23/4 taken responsibility for the lifts in the Housing Stock, the age profile, 30+ years old, of the lifts together with limited parts availability and reliability issues has led to the need to create a programme of replacement of lifts over this and forthcoming financial years.

Additional Requirements

- 3.21 As part of the Capital Programme there is a programme for improving Arrow Country Park Visitor Centre. £350k is in the programme for this year and £100k for next year. Bringing forward the £100k and allowing all works to be completed in the 'quieter' period will allow Rubicon to maximise its income next spring/summer for Food and Beverage and also allow a full season from Apr-Oct for the water activities. This will both increase income but also increase the opportunities at AVVC and engage with greater numbers of our communities.

Balance Sheet Monitoring Position

- 3.22 There has been the request from Audit Committee that the Council include Balance Sheet Monitoring as part of this report. The following indicators

Part of this initial balance sheet reporting is the Q1 Treasury Report which is attached as **Appendix C**. This report sets out the Councils debt and borrowing position for Q1 2024/5. Included in this is how the Council is using its working capital as well as measurement of the Councils Prudential Indicators. It should be noted that one indicator is not compliant. This was a short term loan between Redditch and Bromsgrove undertaken at year end which was repaid at the start of quarter 2 2024/5.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Procurement Pipeline**

3.23 The Procurement pipeline is shown in **Appendix D**. The Council's Procurement Pipeline includes details of contracts expected to be reprocured and new procurement projects expected to be undertaken in the future. Those happening in the next 12 months will need to be within the next 12 Months and over £200k will need to be put on the forward Plan. The pipeline will be refreshed quarterly.

- There are 14 contracts between the old threshold of £50k and the new threshold of £200k.
- There are 14 contracts that are over the key decision threshold of £200k
- There are 13 contracts procured by Bromsgrove on behalf of Redditch. These all relate to ICT.

Performance

3.24 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. This is Quarter 1 of a new financial year, and as this year moves forward these indicators will link to business plans and the requirements of the new Executive Member for Performance. The indicators are set out in **Appendix E**.

3.25 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)

These measures are the same as what was reported in the 2023/4 financial year.

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

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- 5.2 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.

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

- 6.1 None as a direct result of this report.

Operational Implications

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

7. RISK MANAGEMENT

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

8. APPENDENCES

Appendix A – Capital Outturn
Appendix B – Reserves Position
Appendix C – Treasury Management Q1 Report
Appendix D – Procurement Pipeline
Appendix E – Performance Indicators

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Appendix A - Capital Outturn**

Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	2024/25 Spend £
Large Schemes								
Towns Fund		17,587,000						
- Innovation Centre		8,000,000		Planning, Regeneration & Leisure Services	0	2,500,000	4,000,000	
- Library		4,200,000		Planning, Regeneration & Leisure Services	611,449	1,388,551	1,700,000	46,824
- Public Realm		3,000,000		Planning, Regeneration & Leisure Services	18,574	1,481,426	1,000,000	20
Town Hall Redevelopment		5,200,000		Legal, Democratic and Property Services	596,960	403,040	5,100,000	193,349
UK Shared Prosperity Fund		2,522,050						
- Capital Element				Planning, Regeneration & Leisure Services	32,500	0		
- Revenue Element				Planning, Regeneration & Leisure Services	0	0		
- Remainder (to be allocated)				Planning, Regeneration & Leisure Services	0	607,294	1,591,109	
Schemes Agreed to Continue in Tranche 1								
Car Park Maintenance				Environmental Services	34,228	115,772	150,000	189,395
Footpaths					66,444	8,556	75,000	
Disabled Facilities Grant	21/22	839,000	4	Community & Housing GF Services	796,216	42,784	839,000	187,878
Energy & Efficiency Installs.	21/22	110,000	1	Community & Housing GF Services	10,350	44,650	55,000	
GF Asbestos	2020/21	40,000	3	Finance & Customer Services	763	-763	38,000	
Improvements at Business Centres				Planning, Regeneration & Leisure Services	18,916	-18,916	0	
Morton Stanley Play, Sport and Open Space Improvements (General)				Planning, Regeneration & Leisure Services	4,579	-4,579	8,000	
New Finance Enterprise	2019/20	455,000	1	Finance & Customer Services	7,668	-7,668	0	251,982
Public Building	2019/20	250,000	4	Finance & Customer Services	224,097	25,903	250,000	40,755

Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	2024/25 Spend £
Fleet Replacement new line	New				16,750	826,250	2,663,000	81,092
Removal of 5 weirs through Arrow Valley Park			0	Planning, Regeneration & Leisure Services	0	414,000	0	
Sports Contributions to support improvements to Outdoor facilities at Terry			0	Planning, Regeneration & Leisure Services	0	0	3,000	
Wheelie Bin purchase			0	Environmental Services	42,079	57,921	100,000	24,090
New Digital Service	2020/21	86,450	0	Community & Housing GF Services	145,037	-94,535	0	101,895
Environmental Services Computer System	2020/21	38,200	1	Environmental Services	26,248	-26,248	0	98,179
Café and Infrastructure Morton Stanley Park	2020/21	100,000	1	Planning, Regeneration & Leisure Services	0	0	0	
Green Lane Studley					20,358	-20,358		63,176
Salix	20/21	250,000	1	Legal, Democratic and Property Services	0	0	0	
Greener Homes	20/21	150,000	2	Community & Housing GF Services	156,026	-156,026	0	
HMO Grants	21/22	25,000	4	Community & Housing GF Services	13,500	11,500	25,000	
Home Repairs Assistance	21/22	40,000	4	Community & Housing GF Services	0	40,000	40,000	
Improvement to original Pump Track at AVCP				Planning, Regeneration & Leisure Services	86,092	-86,092	60,606	1,451

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Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	2024/25 Spend £
Replacing 3 fuel pumps and upgrading tank monitoring equipment				Environmental Services	0	25,000	0	
Cisco Network Update	22/23		3	Business Transformation and Organisational Development	0	5,463	0	
Server Replacement Est(Exact known Q2 2022)	22/24		4	Business Transformation and Organisational Development	93,201	-91,201	177,500	
Laptop Refresh	22/25		4	Business Transformation and Organisational Development	11,542	13,458	150,000	425
Ipsley Church Lane Cemetary	22/23	195,000	1	Environmental Services	2,037	122,963	0	
Provide the Crossgate Depot site with a new and Compliant Deisel Fuel	22/23	56,000	1	Environmental Services	0	56,000		
Play Area Changes - Pre Audit					0	227,000	155,000	
Movement of ICT Cyber Capital Works Forward					0	50,000	-50,000	
Forge Mill and Bordelsey Open Space Improvements	22/23	18,684	1	Planning, Regeneration & Leisure Services	38	-38	3,000	
MUGA at Greenlands Sports Pitches. 2018/169/FUL Land	22/23	137,649	1	Planning, Regeneration & Leisure Services	115,571	-115,571	21,000	
Play area (£34,583.39), Open space (£12,001.36) and Sport (£8,516) improvements at Mayfields Park. 11/019/FUL	22/23	55,101	1	Planning, Regeneration & Leisure Services	550	-550	0	
Improvement to Sports Pitches infrastructure in Morton Stanley Park				Planning, Regeneration & Leisure Services	21,320	-21,320	25,000	

Description	Approved budget date	Original approved Budget £	duration (years)	Department	23/24 Spend £	c/f	2024/25 Total £	2024/25 Spend £
Fire compartmentation works in Corporate buildings	22/23	100,000	1	Legal, Democratic and Property Services	28,248	71,752	0	
Total		218,000			3,201,341	7,770,418	20,507,674	1,280,511

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	Balance at 31/3/22	Transfers In 2022/23	Transfers out 2022/23	Re-baseline 2022/23	Balance at 31/3/23	Transfers in 2023/24	Transfers out 2023/24	Proposed Movements	Balance at 31/3/24	Transfers in 2024/25	Transfers out 2024/25	Balance at 31/3/25	Transfers in 2025/26	Transfers out 2025/26	Balance at 31/3/26
General Fund	3,589		(967)	1,584	4,206	200	(694)		3,712	1,245	0	4,957	97	0	5,054
General Fund Earmarked Reserves:															
Business Rate grants	0				0				0			0			0
Business Rates Retention Scheme	2,832			(1,500)	1,332	(200)			1,132			1,132			1,132
Support for Commercialism	0				0				0			0			0
Community Development	74				74				74			74			74
Community Safety	232	188			420				420			420			420
Corporate Services	149		(150)		(1)				(1)			(1)			(1)
Customer Services	93			(93)	0				0			0			0
Economic Growth	330				330				330			330			330
Electoral Services	49				49				49			49			49
Environmental Vehicles	29				29		(15)		14		(14)	0			0
Equalities	0				0				0			0			0
Equipment replacement	25			(25)	0				0			0			0
Financial Services	87				87				87			87			87
General Risk reserve	45			(45)	0				0			0			0
Housing Benefit Implementation	270			(130)	140				140			140			140
Housing Support	978				978				978			978			978
Land Charges	9				9				9			9			9
Land Drainage	129				129				129			129			129
Leisure	0				0				0			0			0
Mercury Emissions	0				0				0			0			0
Parks & Open spaces	8				8				8			8			8
Planning Services	516				516				516			516			516
Public Donations - Shop mobility	0				0				0			0			0
Sports Development	9				9				9			9			9
Town Centre	7				7				7			7			7
Warmer Homes	16				16				16			16			16
Transformational Growth	100				100				100			100			100
Pensions	200			(200)	0				0			0			0
Regeneration Income	85				85				85			85			85
Utilities Reserve				1,710	1,710		(570)		1,140	(1,140)		0			0
Covid-19 (General)	941			(941)	0				0			0			0
Covid-19 Sales Fees and Charges	100			(100)	0				0			0			0
Covid-19 (Collection Fund)	2,955		(1,478)		1,478		(1,478)		0			0			0
Total General Fund	10,268	188	(1,628)	(1,324)	7,504	(200)	(2,063)		5,242	(1,140)	(14)	4,088	0	0	4,088

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Appendix C - Treasury Management Q1 Report

1. SUMMARY

The purpose of this report is to set out a quarterly update on the Council's Capital and Treasury Management Strategies, including all prudential indicators.

2. RECOMMENDATIONS

Executive are asked to:

- Note the Council's Treasury performance for Q1 of the financial year 24/25.
- Note the position in relation to the Council's Prudential indicators.

3. BACKGROUNDIntroduction

- 3.1 The Authority has 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, as a minimum, treasury management semi-annual and annual outturn reports.
- 3.2 This quarterly report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly revenue report.

External Context

- 3.3 **Economic background:** UK headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March to 2.0% in May, in line with the Bank of England's target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with stubbornly services price inflation at 5.7% in May, helped contribute to the BoE maintaining Bank Rate at 5.25% during the period, a level unchanged since August 2023.
- 3.4 Data released during the period showed that showed the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% (upwardly revised from the initial estimate of 0.6%) in the first quarter of the calendar year. Monthly GDP data showed zero growth in April following an expansion of 0.4% in the previous month.

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- 3.5 Labour market data continued to provide mixed messages for policymakers, exacerbated by issues the Office for National Statistics is having compiling the labour force survey. In the three months between February and April 2024, unemployment was up, employment fell, while the decline in vacancies slowed and wage growth remained elevated. Unemployment rose to 4.4% (3mth/year) while average regular earnings (excluding bonuses) was 6.0% and total earnings (including bonuses) was 5.9%. Adjusting for inflation, real regular pay rose by 2.3% and total pay by 2.2%. Given how keenly the 'second-round' impact of inflation on wages is watched by the BoE, policymakers will likely want to see more downward movement before cutting interest rates.
- 3.6 Having started the financial year at 5.25%, the Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at this level throughout the quarter. In line with expectations, at its June meeting, the Committee voted by a majority of 7-2 in favour of maintaining the status quo. The two dissenters preferred an immediate 0.25% reduction in Bank Rate to 5.0%. This continued dovish tilt by the Committee increased financial market expectations that the first cut in Bank Rate will likely be in August.
- 3.7 Earlier in May, in addition to an identical MPC rate decision and voting pattern, the Bank published the latest version of its Monetary Policy Report (MPR). Within the Report, the Committee noted that it expected four-quarter GDP growth to increase over the forecast period, reflecting the declining negative effects of past Bank Rate increases and the predicted downward path of interest rates which should provide support to economic activity. The trajectory of inflation was broadly similar to that in the previous MPR, albeit slightly lower towards the end of the forecast horizon due to the Committee's revised assessment of falling external inflationary pressures from past import price increases. This meant the Committee expected headline inflation to hit the 2% target two quarters sooner than in the February MPR. As was highlighted earlier, inflation data published in June showed that CPI inflation fell to the 2% target in May.
- 3.8 Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will most likely be cut later in Q2 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and wage growth are still on the firmer side, the MPC could well delay before delivering the first rate cut.
- 3.9 The US Federal Reserve also maintained interest rates over the period, holding the Fed Funds Rate at 5.25%-5.50% for the seventh consecutive month in June, as was expected. US policymakers have maintained a relatively dovish stance throughout the period but have steadily reduced their predictions around the pace and timing of rate cuts in the face of higher inflation and firmer economic growth. At the meeting, economic projections pointed to one rate cut in calendar 2024 and four in 2025.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

- 3.10 The European Central Bank cut rates in June, reducing its main refinancing rate from 4.50% to 4.25%. Inflation in the region fell to 2.5% in May, having increased in the previous month, but since February has been fairly sticky at between 2.4% and 2.6%. Economic growth in the region has picked up but remains weak, and with inflation above the ECB's target this continues put pressure on policymakers on how to balance these factors when setting monetary policy.
- 3.11 **Financial markets:** Sentiment in financial markets showed signs of improvement over the quarter, but bond yields remained volatile. Early in the period yields climbed steadily, but mixed signals from economic data and investors' constant reassessment of when rate cuts might come caused a couple of fairly pronounced but short lived dips in yields. Towards the end of the quarter yields rose once again and were generally higher than at the start of the period.
- 3.12 Over the quarter, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.18% having reached 4.41% in May. While the 20-year gilt started at 4.40%, hit 4.82% in May, before ending the period at 4.61%. The Sterling Overnight Rate (SONIA) averaged 5.20% over the quarter to 30th June.
- 3.13 **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.
- 3.14 During the quarter, Fitch revised its outlook on Transport for London (TfL) to stable from negative while S&P upgraded its long-term rating for TfL to AA- from A+, in line with its rating of the UK sovereign.
- 3.15 Fitch also upgraded the long-term ratings for the main four Australian banks – Australia & New Zealand Banking Group, Commonwealth Bank of Australia, National Australia Bank and Westpac.
- 3.16 Having placed Warrington Borough Council on review for a downgrade in March, Moody's subsequently withdrew its ratings for the council in June.
- 3.17 Credit default swap prices started and ended the quarter at broadly similar levels in the UK as they did for the European, Singaporean and Australian lenders on Arlingclose's counterparty list, while Canadian banks generally trended modestly downwards.
- 3.18 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Local Context**

- 3.19 On 31st March 2024, the Authority had net borrowing of £95.43m 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 balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £m	31.3.25 Forecast £m
General Fund CFR	22.47	28.21
Council Housing (HRA) CFR	122.2	123.39
Total CFR	144.67	151.6
External borrowing**	103.93	113.22
Internal borrowing	40.74	38.38
Less: Balance sheet resources	-23.9	-23.9
Net borrowing	16.84	14.48

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

- 3.20 The treasury management position at 30th June and the change over the quarter is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	30.6.24 Balance £m	30.6.24 Rate %
Long-term borrowing	103.93	0	103.93	3.59
Short-term borrowing	0	0	0	
Total borrowing	103.93	0	103.93	
Short-term investments Cash and cash equivalents	9.0	-0.5	8.5	5.19

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Total investments	9.0	-0.5	8.5	
Net borrowing	94.93	-0.5	95.43	

Borrowing Strategy and Activity

- 3.21 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately 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. At the present time short term interest rates are higher than long term interest rates.
- 3.22 Policy interest rates have risen substantially since 2021 although they have largely plateaued over the last year. Over the last quarter gilt yields have risen slightly overall, having had a number of peaks and troughs. There has been downward pressure from lower inflation figures, but also upward pressure from unexpectedly positive economic data. Data from the US continues to impact global markets including UK gilt yields.
- 3.23 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the quarter and 4.96% percent at the end. The lowest available 10-year maturity rate during the quarter was 4.80% and the highest was 5.18%. Rates for 20-year maturity loans ranged from 5.24% to 5.57% during the quarter, and 50-year maturity loans from 5.06% to 5.40%.
- 3.24 Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during the month, as expected shorter-term rates reverted to a more normal range and were generally around 5.25% through the quarter.
- 3.25 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. The Authority has no new plans to borrow to invest primarily for financial return.
- 3.26 **Loans Portfolio:** At 30th June the Authority held £103.929m of loans, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th June 2024 are summarised in Table 3 below.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Table 3: Borrowing Position

	31.3.24 Balance £m	Net Movement £m	30.6.24 Balance £m
Public Works Loan Board	98.929	0	98.929
Banks (LOBO)			
Banks (fixed-term)	5	0	5
Local authorities (long-term)			
Local authorities (short-term)			
Total borrowing	103.929	0	103.929

Treasury Investment Activity

- 3.27 The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines 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.
- 3.28 The Authority does not hold any invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £0.6 and £9.0 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	31.6.24 Balance £m	31.6.24 Income Return %	31.6.24 Weighted Average Maturity days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government	0	6	6	5.45%	6
Local authorities and other govt entities	7.5	-1.5	6.0	5.51%	90
Corporate bonds and loans					
Money Market Funds	1.5	-1.0	0.5		
Total investments	9	3.5	12.5		

- 3.29 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.
- 3.30 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 3.31 Bank Rate remained at 5.25% through the quarter with short term interest rates largely being around this level. The rates on DMADF deposits have been constant at 5.19%.

Non-Treasury Investments

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- 3.32 The definition of investments in the Treasury Management Code now 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).
- 3.33 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

Treasury Performance

- 3.34 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 5 below.

Table 5: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Total borrowing	103.929	175.00	71.07			
PFI and Finance leases	0	1.5	1.5			
Total debt	103.929	176.50	72.57			
Total treasury investments	12.50	20	7.50			

MRP Regulations

- 3.35 On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding Capital Financing Requirement (CFR) in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.

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- 3.36 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

Compliance

- 3.37 The Director of Resources and Section 151 officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Maximum	30.6.24 Actual	2024/25 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£4m each	£6.5m	£4m	No
UK Central Government	Unlimited	£6.0m	Unlimited	Yes
Unsecured investments with banks and building societies	£2.5m in total			
Loans to unrated corporates	£1m in total			
Money Market Funds	£20m in total			
Foreign countries	£5m per country			
Real Estate Investment Trusts	£2.5m in total			

- 3.38 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Table 7: Debt and the Authorised Limit and Operational Boundary

	Q1 2024/25 Maximum	30.6.24 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied? Yes/No
Borrowing	175.00	103.93	175.00	185.00	Yes
PFI and Finance Leases	1.50	0	1.50	1.50	Yes
Total debt	176.50	103.93	176.50	186.50	

- 3.39 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

Treasury Management Prudential Indicators

- 3.40 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

Liability Benchmark

- 3.41 This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2m required to manage day-to-day cash flow

	31.3.24 Actual	31.3.25 Forecast	31.3.26 Forecast	31.3.27 Forecast

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Loans CFR	144.67	151.6	153.79	157.7
Less: Balance sheet resources	-23.9	-23.9	-22.9	-22.9
Net loans requirement	120.77	127.7	130.89	134.8
Plus: Liquidity allowance	0.2	0.2	0.2	0.2
Liability benchmark	120.97	127.90	131.09	135.00
Existing borrowing	103.93	113.22	116.87	117.58

- 3.42 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £118m, minimum revenue provision on new capital expenditure based on a 40 year asset life and income, expenditure and reserves all increasing by inflation of 2% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.

Maturity Structure of Borrowing

- 3.43 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:

	Upper Limit	Lower Limit	30.6.24 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

- 3.44 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.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Long-term Treasury Management Investments

- 3.45 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 prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m	£0.5m
Actual principal invested beyond year end	Nil	Nil	Nil	Nil
Complied?	Yes	Yes	Yes	Yes

- 3.46 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional indicatorsSecurity:

- 3.47 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.

	2024/25 Target	30.6.24 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Liquidity:

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

	30.6.24 Actual	2024/25 Target	Complied?
Total cash available within 3 months	Nil	Nil	Yes
Total sum borrowed in past 3 months without prior notice	Nil	Nil	Yes

Interest Rate Exposures:

- 3.49 This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	2024/25 Target	30.6.24 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	500,000	0	Yes

- 3.50 For context, the changes in interest rates during the quarter were:

	<u>01/04/24</u>	<u>30/06/24</u>
Bank Rate	5.25%	5.25%
1-year PWLB certainty rate, maturity loans	5.39%	5.37%
5-year PWLB certainty rate, maturity loans	4.72%	4.89%
10-year PWLB certainty rate, maturity loans	4.80%	4.96%
20-year PWLB certainty rate, maturity loans	5.24%	5.37%
50-year PWLB certainty rate, maturity loans	5.07%	5.18%

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

REDDITCH BOROUGH COUNCIL

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3rd September 2024**4. IMPLICATIONS****Legal Implications**

- 4.1 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Councils statutory function.

Service / Operational Implications

- 4.2 Monitoring is undertaken to ensure that income targets are achieved, with Treasury Management activities taking place on a daily basis.

Customer / Equalities and Diversity Implications

- 4.3 The only impact of treasury transactions is in respect of ethical investment linked to the Councils investment counterparties. Presently the Council has a limited counterparty list based on financial risk to the Authority.

5. RISK MANAGEMENT

- 5.1 There is always significant risk in relation to treasury transactions, this is why Councils appoint Treasury advisors, which in the case of Redditch is Arlingclose. In addition, there is the requirement in this area to provide an Annual Strategy report containing indicators/limits that must be met, a quarterly update and closure report all of which must be reported to full Council.

6. APPENDICES

None

7. BACKGROUND PAPERS

MTFP 2024/25 – February 2024 which contains this years Capital Strategy, Treasury Management Strategy and MRP Policy.

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REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Appendix D - Procurement Pipeline****Between £50k and £200k**

Council	Contract Title	Contract Description	Department	Contract Commencement Date
£50,000 to £200,000				
Joint	Energy Advice	Provision of Energy Advice and Energy Efficiency Schemes in Bromsgrove District and Redditch Borough	Housing Strategy	TBC
Redditch	Lift Servicing, Repairs and Maintenance	Housing Property Services Lifts with financial approval will be replaced over the next 2 years and will need servicing, maintain and repair (callout cover) by the installer	HRA	05/08/2024
Redditch	Digital Transformers	Provision of digital manufacturing training for employees	UK Shared Prosperity Fund	01/09/2024
Redditch	Warden Call System St Davids House	Replacement of existing warden call system at St Davids Hse	HRA	07/10/2024
Redditch	New Cemetary	Design & Planning Fees	Environmental Services	
Redditch	Vehicle Hire	Vehicle Hire and Car Share RBC Via CCS RM6013	Environmental - Fleet	TBC
Redditch	Payment Processing	Online payment processing solutions	Finance	TBC
Redditch	Mould Surveys and Eradication	Mould Surveys and Eradication services	HRA	Aug-24
Redditch	Gutter and window cleaning	Gutter and window cleaning to supported living blocks	HRA	Oct-24
Redditch	Fencing and ground works	Genral borough wide services for fencing and ground works	HRA	Oct-24
Redditch	Laptop Refresh	Replacement of Laptops to Support latest security patches and Windows 11	ICT	Aug-24
Redditch	Fire Compartmentation Corporate Buildings	Survey and retification of fire compartmentation	Property Services	24-Aug
Redditch	Server Replacement	Replacement of Key Infrastructure devices to ensure Security and Support	ICT	01-Sep

Over £200k

Council	Contract Title	Contract Description	Department	Contract Commencement Date
Over £200,000				
Joint	Public Space CCTV Maintenance	The repair and Maintenance of Public Space CCTV schemes with Redditch Borough, Bromsgrove District and the associated Monitoring Centre equipment.	CCTV and Lifeline	11/30/2024
Joint	Corporate Building Electrical contract	Reactive , EICR and Project Electrical installation	Property Services	01/03/2025
Redditch	Cleaning and Property Clearance	For the periodic cleaning of communal areas and the clearance and cleaning of void properties	HRA	TBC
Redditch	Lift Installation and Refurbishment	Housing Property Services Lifts with financial approval will be replaced over the next 2 years	HRA	05/08/2024
Redditch	Fire Alarm and Emergency Lighting Servicing, Installation, Repairs and Maintenance	Fire alarm and Emergency lighting checks for HPS (council housing stock only)	HRA	02/09/2024
Redditch	Fire Precaution Works	To complete fire stopping works, replacement doors and other preventative measures	HRA	TBC
Redditch	Fire door sets and compartmentation	Fire door sets and compartmentation, new Regulations	HRA	01/08/2024
Redditch	Asbestos Management	The surveying and testing of materials to assess if they contain Asbestos together with removal services where required.	HRA	TBC
Redditch	Fleet Replacement	Fleet Replacement	Environmental Services	
Redditch	Replacement windows & doors	Supply & Install of Doors and Windows Via PFH Framework	HRA	TBC
Redditch	Plumbing Supplies	Plumbing & Heating Supplies for RBC via PFH Lot 1a	Environmental - Stores	TBC
Redditch	Microsoft Licenses	Licenses to use Microsoft Office	ICT	01/07/2025
Redditch	Voids Contractor	Voids Contract through Framework	HRA	TBC
Redditch	Asbestos Management, re-inspections and removals	Asbestos Management, re-inspections and removals	HRA	01/10/2024

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3rd September 2024**Bromsgrove Relating to Redditch**

Council	Contract Title	Contract Description	Department	Contract Commencement Date
£50,000 to £200,000				
Bromsgrove	Cloud Storage	Acronis Cloud Storage via HTE Framework	ICT	06/06/2025
Bromsgrove	VMware License & Support	Virtual Server VMware License & Support	ICT	14/01/2025
Bromsgrove	Street Naming and Numbering	Street Naming and Numbering system VIA CCS RM1557 (StatMap)	ICT	31/05/2025
Bromsgrove	GIS System	Corporate GIS System	ICT	01/12/2024
Bromsgrove	Web Filter	Cisco Web Security XaaS Subscription via CCS	ICT	06/06/2026
Bromsgrove	Web security subscription (Ironport)	Cloud-based web security service subscription	ICT	06/07/2026
Bromsgrove	Telephone Maintenance	Maintenance and Support of Mitel Phone system	ICT	15/09/2024
Bromsgrove	Automation/Robotics	UiPath Licenses via HTE ComIT 2 (Complete IT Solutions) Framework	ICT	26/08/2025
Bromsgrove	Laptop Refresh	Replacement of Laptops to Support latest security patches and Windows 11	ICT	01/08/2024
Bromsgrove	Server Replacement	Replacement of Key Infrastructure devices to ensure Security and Support	ICT	01/09/2024
Bromsgrove	Idox Support & Maintenance	Support and Maintenance of the Idox Uniform Application	ICT	20/09/2027
Over £200,000				
Bromsgrove	Data Access Services	Data Access Services WAN supply	ICT	01/09/2026
Bromsgrove	Management and maintenance of data centre infrastructure	Management and maintenance of data centre infrastructure	ICT	TBC
Bromsgrove	Planning/GIS/Gazetteer	Supply of Idox Uniform via CCS RM3821 Lot 2b	ICT	19/09/2027

REDDITCH BOROUGH COUNCIL

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Appendix E - REDDITCH Strategic & Operational Performance Measures

Quarter 1, 2024/25

1. Introduction

We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

By assessing performance and utilising benchmarking where appropriate, we can identify areas of improvement, make informed decisions, allocate resources efficiently, and ultimately enhance service delivery to meet the evolving needs of our constituents, therefore how we measure performance is essential.

There will be a full review of the Council Plan starting later in 2024; the plan will identify priorities and key deliverables, and these will be the foundation for the performance reporting.

2. Strategic Priorities and Performance Measures

The performance measures shown in the next section are structured around the previous priorities; the report will be restructured around the new Council Plan when adopted and will be reflected in future reports.

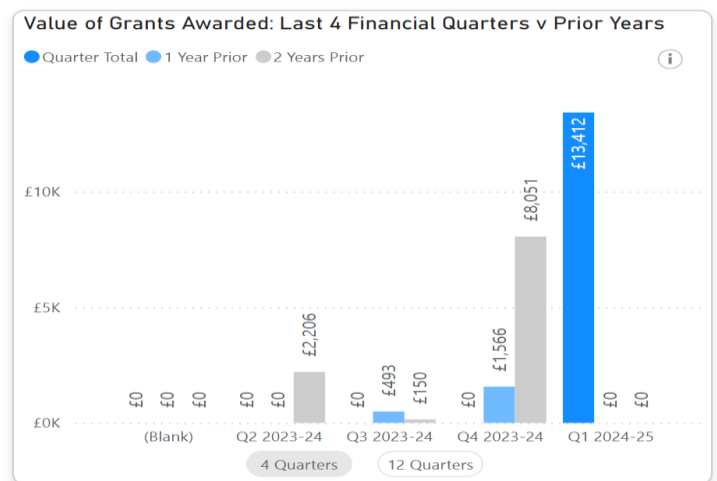
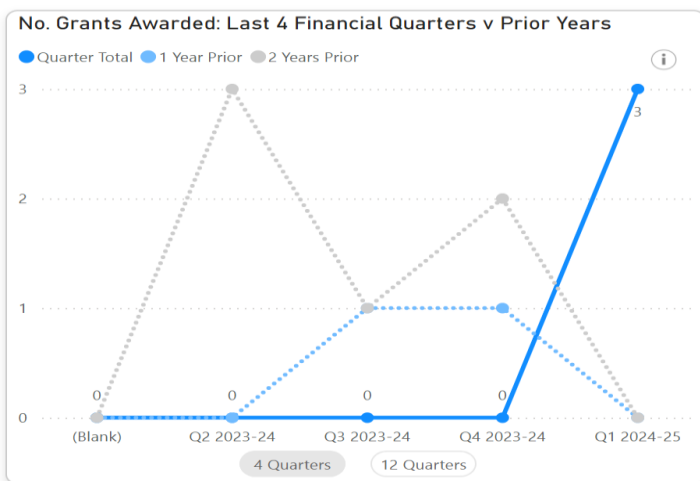
2.1 Economic Development and Regeneration

2.1.1 Supporting businesses to start and grow.

Performance measure:

- Take-up of start-up business grants and creativity grants programme (up to 1 period lag)

Start-up grants



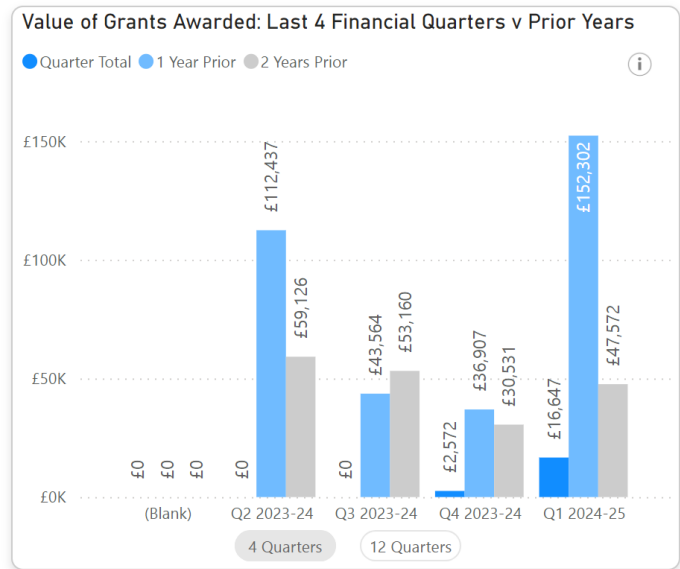
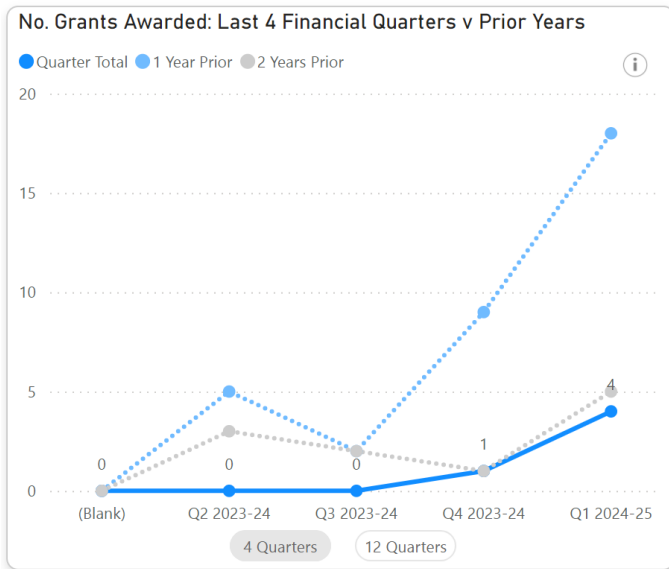
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Update: Grants were awarded from the Town Centre Grant programme and the Enterprising Worcestershire programme this quarter. Grant recipients included a retailer, an equipment hire business and a manufacturer. All of the businesses supported are in their first 3 years of trading.

Grants to Established Businesses



Update: This quarter, grants were awarded from the Town Centre Grant programme, the Net Zero Worcestershire Grant programme and Betaden. Businesses benefiting include a physical health business, a retailer and manufacturers.

3.1.2 Regenerating our Infrastructure.

The past two years have emphasised the economic and wellbeing importance of local (a sense of place) and connection (information networks). To support this, we have secured Town Investment Plan (TIP) funding for Redditch Town Centre.

- **Redditch Innovation Centre and Library Site.**

DMIC - RIBA stage 3 progressing towards a planning submission date of the 6th September.

Library - Original scoped project not progressing. Council reviewing option to reallocate the associated funding.

Performance measure

- **% of empty shops**

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Redditch Annual Monitoring (empty shops)

Annual monitoring for this measure will be carried out again early Autumn 2024 and there has been no update since January.

Vacancy rates are a good indicator for monitoring the health of town centres. At the time of the survey, there were 58 vacant units within the Redditch Town Centre boundary. This equates to 16% of the total units surveyed.

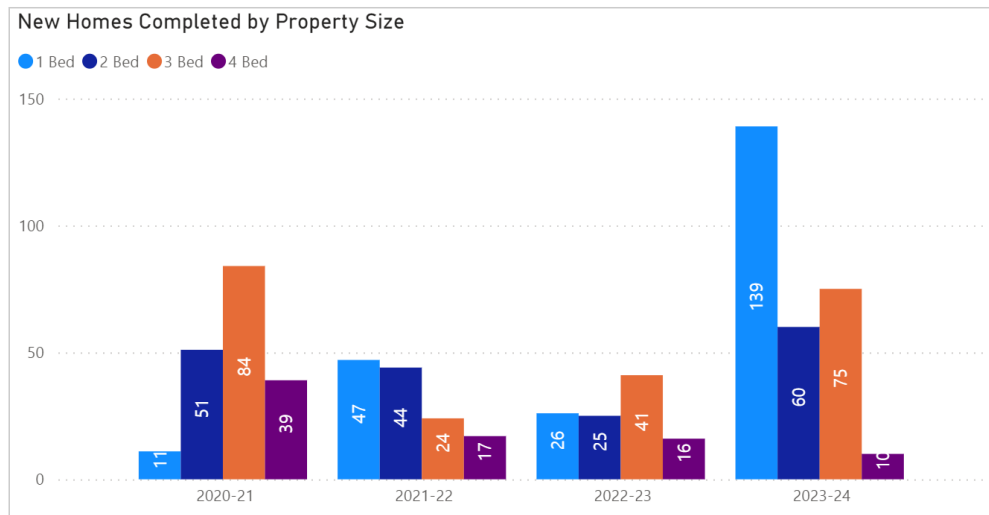
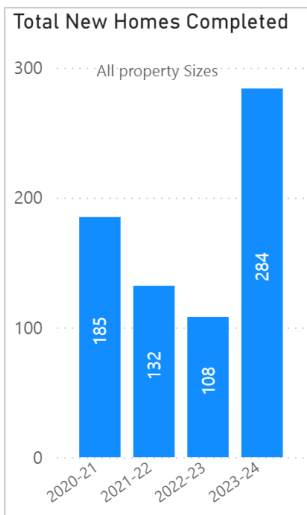
Redditch Town Centre	2022	2023
Commercial Units	353	351
Vacant Units	44	58
Vacancy Rate	12.46	16.52

*Please note that two units have been removed for the 2023 figures. This is due to an upper floor use being counted in error in 2022 and one COU from vacant in 2022 to C3 residential in 2023 and we do not monitor C3 uses.

3.2. Housing Growth

Performance measure

- Number of new homes - total and affordable (annual)



Update: total number of homes built in 2023/24:

- Total Homes Built (including affordable) - 284 (net)
- Total affordable homes built - 110 (net)

Housing completions which contribute towards meeting the Borough’s housing requirement come from several sources including newly built properties, change of use to a dwelling from another use such as an office, conversions or sub-division. In addition, dwellings are also either private for the open market or

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affordable for rent through Registered Providers, which meet the needs of those on the Council's housing waiting list.

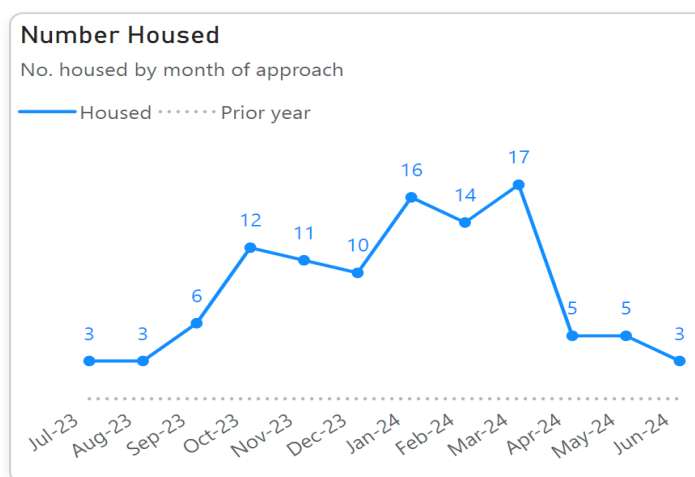
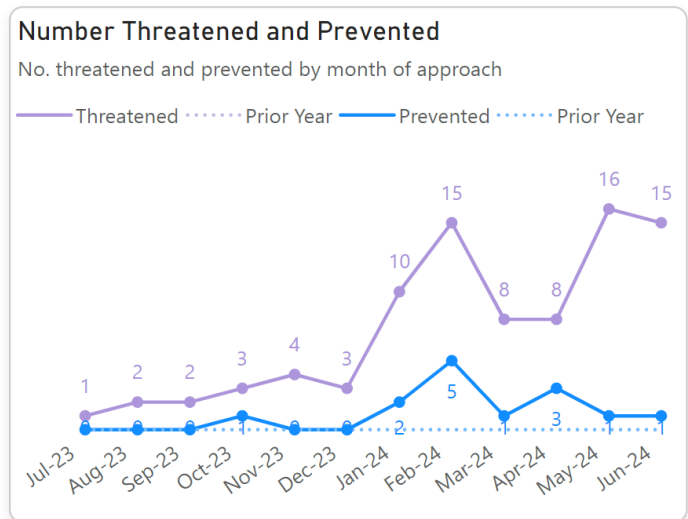
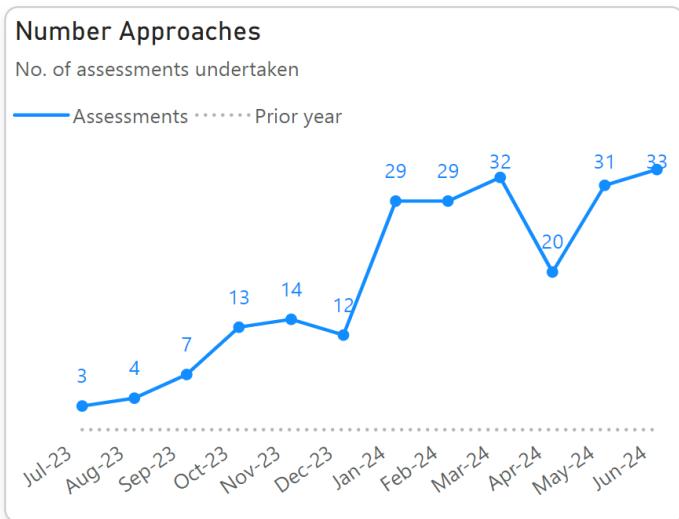
Performance measure

- Number of new council houses (HRA) projected.

Update: A 'buy-back' programme is being undertaken to purchase 12 properties to be added to the HRA stock. The team is continuing work on the planning application for Loxley Close to provide 6 x 2-bedroom homes. This is scheduled to go forward to planning in Autumn 24.

Performance measure

- Number of homeless approaches
- Number of threatened with homelessness preventions.
- Number of homeless applicants housed.



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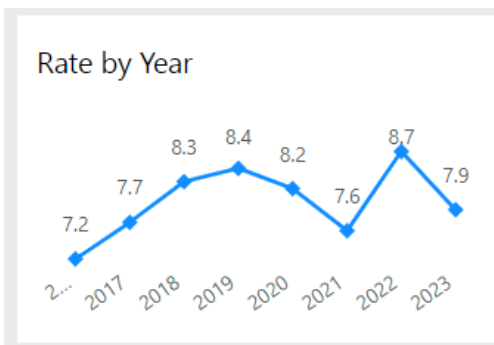
Update: The number of homeless approaches in Redditch is similar to the last quarter, bar a drop in April. Levels of positive prevention outcomes remain low and relatively static.

Redditch BC sees a high proportion of homeless approaches at the Relief Duty stage (when households are already homeless) as opposed to at the Prevention stage (when at risk of homelessness) compared to regional and national averages. This trend, and other factors, limits the team's ability to achieve positive Prevention outcomes. The team has produced and began delivering an agreed action plan for 2024/25 with a variety of aims of which one is to increase customer approaches at the Prevention stage and improve preventative interventions.

In terms of the reducing number of customers housed, particularly in Quarter 1, this is in part due to void turnaround times, an issue which is being addressed through the action plan.

Performance measure

- Local housing affordability rate (annual, calendar year, 1 year lag)



	Rate
Redditch	7.85
Worcestershire	8.63
England	8.26

Update: The affordability ratio relates to workplace-based income which uses the median earnings of those employed in Redditch Borough, which rose from £26,939 to £31,207, a 15.84% increase. The median house price in the borough has increased from £237,000 to £245,000, a 3.38% increase. This greater increase in work-based earnings has resulted in a decrease in the affordability ratio following the national trend however the affordability ratio is still significant and impacting on the need for affordable housing within the Borough.

3.3 Work and Financial Independence**Performance measure**

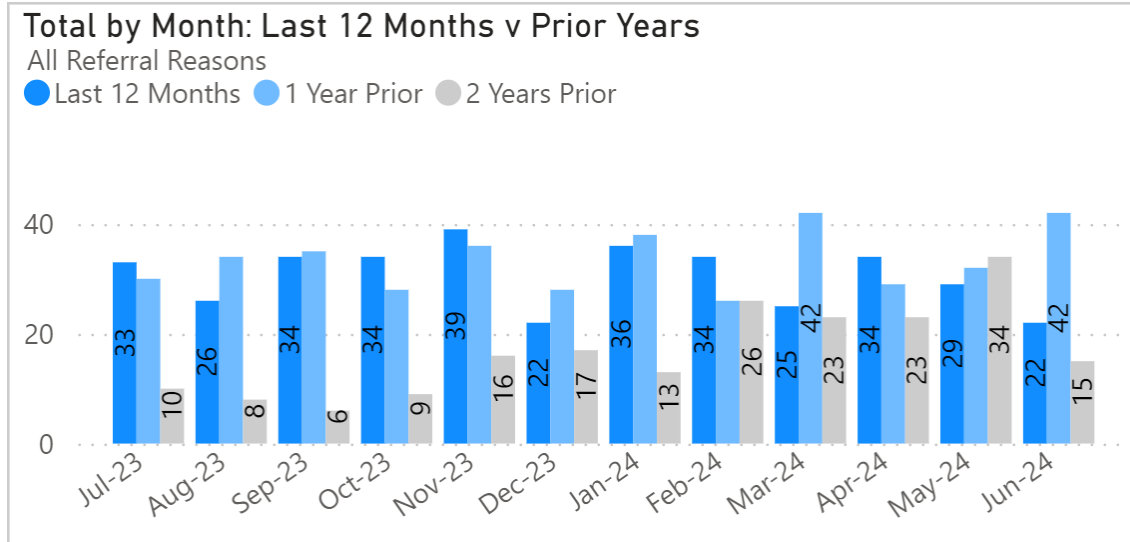
- Number of Financial Independence Team client contacts. The chart relates to the number of FI Team cases opened.

Update: The top 5 referral reasons (where a value has been provided) for the last 12 months are:

- 'Under occupancy charge' (73)

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- 'Debt' (64)
- 'Rent advance/deposit' (38)
- 'Loss of employment' (31)
- 'Physical health issues' (23)



For Q1, the top 3 referral reasons were:

- 'Under occupancy charge' (18)
- 'Debt' (13)
- 'Rent advance/deposit' (8)

The Financial Inclusion Team continue to assist residents in the current cost of living crisis. We are always looking for the best way to support residents, be this through internal work or signposting to partners to help maximise income and budgets.

3.4 Improved Health and Wellbeing

Success measures:

- Number of Community Builders in post.

Update: Two community builders remain in post:

- Abbeydale
- Woodrow

The previously vacant post is no longer going to be filled due to the decrease in Public Health funding and a change in approach when engaging with minority/harder to hear communities. The two remaining posts are expanding their scope as a result. The Bromsgrove and Redditch Shared Learning Network continues to meet, supported by Public Health at Worcestershire County Council. The community builders are working in partnership not only with local residents

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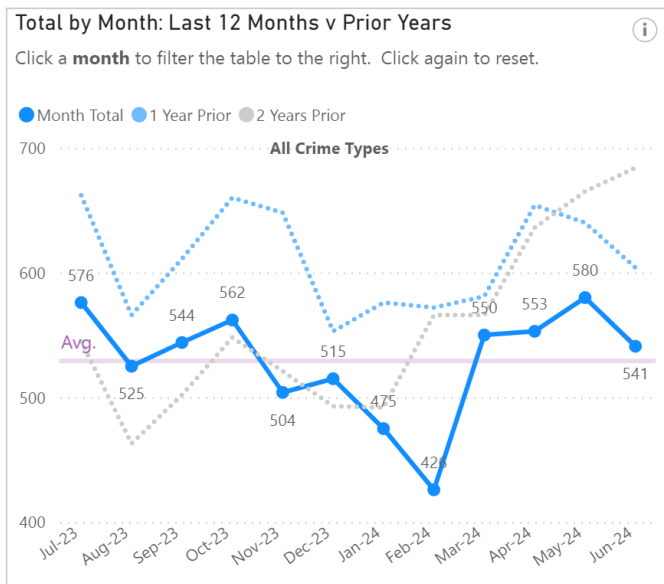
but organisations and community groups, with the aims of connecting people, supporting wellbeing, understanding community assets and enabling community influence on public sector decisions.

Community Builders are on fixed term contracts, but funding has been confirmed to extend the posts until end of March 2025, although the funding is less. Reduced funding has led to New Starts supporting the roles financially; as a result, work has expanded into other local areas. The longer-term aim remains for the voluntary sector services to source other funding by evidencing impact through community stories and Ripple Effect Mapping.

3.5 Community Safety and Anti-Social Behaviour

Performance measure

- Levels of crime (Data extracted from 'data.police.uk')



Crime Type	Total	% of Total	v 1 Mth Prior	v 1 Yr Prior	12 Mth. Avg.
Violence and sexual off...	2,792	44.0%	-22 ↓	-661 ↓	232.7
Shoplifting	732	11.5%	-20 ↓	113 ↑	61.0
Other theft	512	8.1%	-11 ↓	-87 ↓	42.7
Public order	500	7.9%	5 ↑	-254 ↓	41.7
Criminal damage and a...	489	7.7%	7 ↑	-113 ↓	40.8
Vehicle crime	415	6.5%	2 ↑	-18 ↓	34.6
Burglary	358	5.6%	13 ↑	48 ↑	29.8
Drugs	188	3.0%	-4 ↓	9 ↑	15.7
Other crime	142	2.2%	-10 ↓	-2 ↓	11.8
Possession of weapons	93	1.5%	-1 ↓	4 ↑	7.8
Robbery	53	0.8%	1 ↑	-19 ↓	4.4
Theft from the person	43	0.7%	-1 ↓	7 ↑	3.6
Bicycle theft	34	0.5%	2 ↑	-3 ↓	2.8
Total	6,351	100.0%	-39	-976	529.3

Update: due to the Partnership Analyst being unwell, the previously quarterly analysis (one quarter in arrears) is not available; a detailed commentary covering Q1 2024-25 will be included in the Q2 performance report.

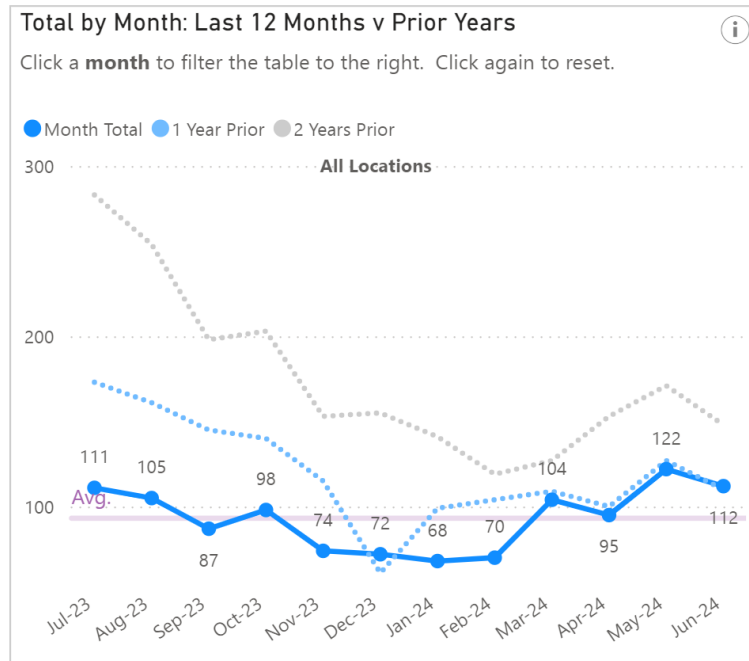
Performance measure

- **ASB (Anti-Social Behaviour)** (Data extracted from 'data.police.uk')

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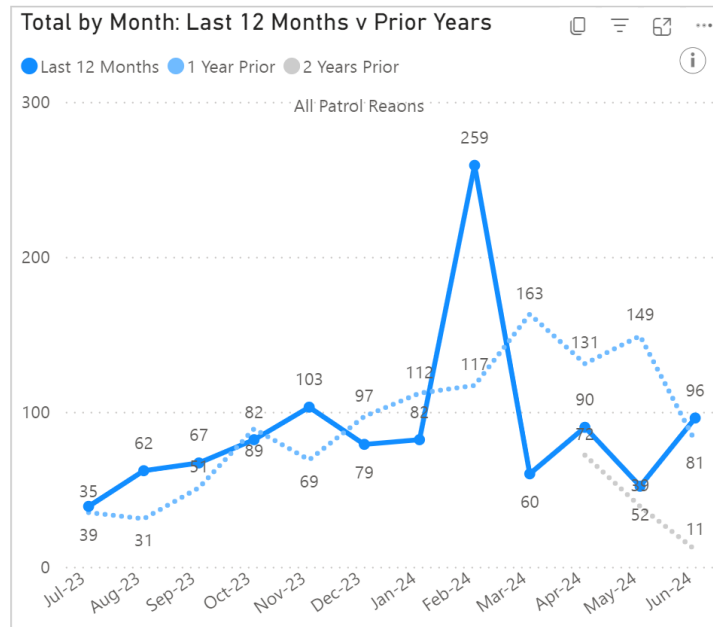
3rd September 2024



Update: As with the crime data above, analysis will be provided in the Q2 report.

Performance measure

- Number of young people engaged through Detached/Outreach youth work



Update

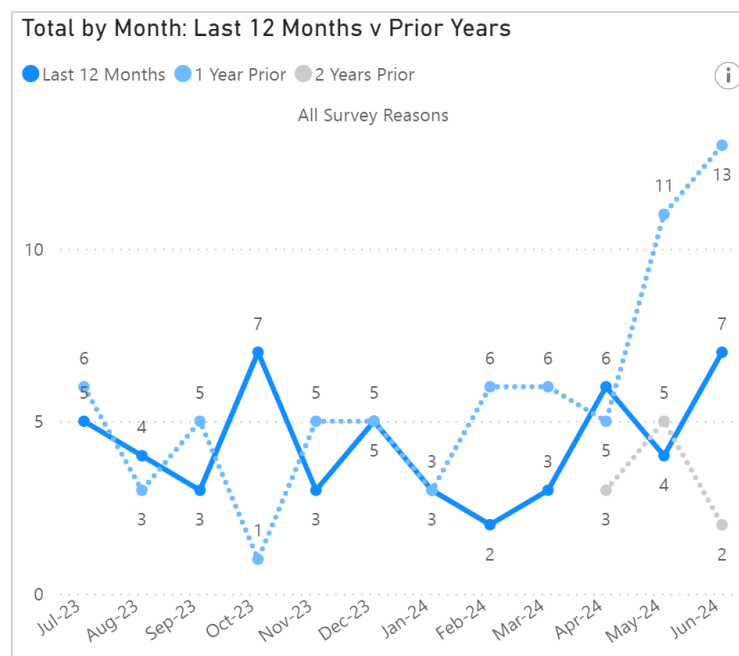
During the quarter, routine youth outreach patrols were carried out in Woodrow, Matchborough, Smallwood, Town Centre, Lodge Park, Abbeydale, Batchley and Brockhill. Groups of young people were enjoying the lighter nights; youth workers promoted local clubs and activities and held conversations with

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the young people about their thoughts about crime and ASB in the local area and the town and also discussed young people's concerns around substance misuse. Workers also supported young people in conversations around GCSEs and their future work and employment opportunities, their interests and their thoughts about the local area and the town. The workers had some challenging conversations with the young people around youth violence due to some young people witnessing incidents; they spoke about why these behaviours occur and how as a society we can overcome such incidents. Young people spoke to the workers about their concerns around young people carrying knives and the increasing use of vapes by young people and how easy they are to buy. Workers were able to speak about the health risks and the proposed changes to legislation.

Performance measure

- Number of crime risk surveys carried out



Update: During April, detailed crime prevention recommendations were provided for a planning application in Greenlands. Domestic Abuse Sanctuary recommendations were provided for properties in Greenlands, Oakenshaw, Webheath, Woodrow and Winyates.

In May, referrals were received from West Mercia Women's Aid and the Police. Surveys completed related to Sanctuary improvements for survivors of DA and following reports of ASB. Locations included Church Hill, Woodrow and Walkwood.

In June, crime prevention surveys were conducted in Batchley, Abbeydale, Greenlands and Lodge Park. Requests for surveys related to Sanctuary recommendations for survivors of DA.

3.6 Rubicon Leisure

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Update:

		April	May	June	July	August	September	October	November	December	January	February	March	
Abbey Stadium	Total Health and Fitness Memberships	24/25	3743	3631	3699									
		23/24	3416	3369	3384	3452	3499	3504	3473	3335	3244	3291	3362	3315
	Variance		↑ 10%	↑ 8%	↑ 9%									
Abbey Stadium	Total Swimming Lesson Enrollment	24/25	1311	1319	1373									
		23/24				1223	1282	1252	1250	1238	1274	1277	1284	
	Variance													
Palace Theatre	No. of performances	24/25	16	21	23									
		23/24	18	19	23	16	2	13	19	24	46	15	16	20
	Variance		↓ -11%	↑ 11%	↑ 0%									
	Seats sold	24/25	3845	4702	5621									
		23/24	5521	4735	5592	3925	326	3277	5217	7385	16469	4429	5647	6331
Variance		↓ -30%	↑ -1%	↑ 1%										
Forge Mill	No. of Museum visits	24/25	447	481	382									
		23/24	536	380	331	431	608	476	397	301	0	0	266	383
	Variance		↓ -17%	↑ 27%	↑ 15%									
Pitchoak Golf Course	Total Membership	24/25	103	115	114									
		23/24												
Arrow Valley Visitor Centre	Average Transaction Value	24/25	£6.81	£7.02	£6.95									
		23/24	£6.42	£6.67	£6.37	£6.32	£6.58	6.17	£ 5.59	£ 5.51	£ 5.71	£ 6.39	£ 6.73	£ 6.59
	Variance		↑ 6%	↑ 5%	↑ 9%									

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****3.7 Green Thread****Performance Measure:**

- Have an agreed and funded plan and capital replacement programme for the Council's fleet

Update: The current Capital Replacement Programme has been approved for 2024/25, but it has been identified that amendments are needed to maintain service provision. The existing capital replacement plan is currently being reviewed for RBC across all services to address this, and ensure services have the right assets to deliver on our duties across the borough. Amendments to domestic waste service were approved in Q1 and additional changes to the programme will be submitted for consideration during Q2 of the 2024/25 financial year where required.

Capital assets linked to Housing are funded from the HRA and managed through a parallel version of the Capital programme in place for Environmental Services but are being reviewed to ensure the assets are considered and procured alongside other vehicle purchases to ensure best value is achieved through standardisation where appropriate. Details of the funding required to support the changes to the Housing Fleet replacement programme are expected to be presented for review and approval during 2024/25.

Performance Measure:

- Reduce carbon emissions arising from the councils' vehicles

Update: Funding has been built into the Medium-Term Financial Plan to support a partial transition for all Diesel vehicles and equipment operated from the Depot to be run on HVO (Hydrotreated Vegetable Oil) from April 2024, with an approved increase to fuel budgets to reflect an expected 30% HVO/70% Diesel across the Housing & Environmental Services fleet. Due to the increased cost of HVO in comparison with Diesel, Officers will review the affordability of increasing this further as a phased transition beyond 2024/25 in order to further reduce our carbon emissions. This will be presented for consideration as part of the budget process for future years.

Performance measure

- Households supported by the Council's energy advice service.

Period	Households	Period	Households
Q1 2023/24	250	Q1 2024/25	297
Q2 2023/24	176		
Q3 2023/24	412		
Q4 2023/24	168		

Update: The energy advice service is provided by Act on Energy on behalf of the council; in the first quarter of 2024/25 a total of 297 households received a range of energy advice, and guidance. The vast majority of people then access the Household Support Fund (51.3%) or Redditch Shared Prosperity

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Funding (24.3%). The rise in calls from the last quarter can still be related to cost of living, potentially people who have been trying to cope with price rises up until now.

3.8 Financial Stability**Success measures:**

- Financial performance – actuals consistent with budget (earlier in this report)
- Increased levels of General Fund Balances over medium term.
- Towns Fund Project delivered within budget.

3.9 Organisational Sustainability**Performance measure**

- Number of corporate measures accessible through the dashboard.

Update: The organisation continues to move from the legacy dashboard to a new Power BI dashboard. Power BI is an interactive data visualisation software product with a primary focus on business intelligence. We have recently undertaken a review of all the data currently held on the two dashboards and are working on a programme for moving all relevant measures over to PBI, in line with the priorities and measures identified in the new Council Plan. There are currently **43 measures and associated measures available on PBI** (including complaints and accidents), but this will increase over the next few quarters as wider reviews of data and performance continue.

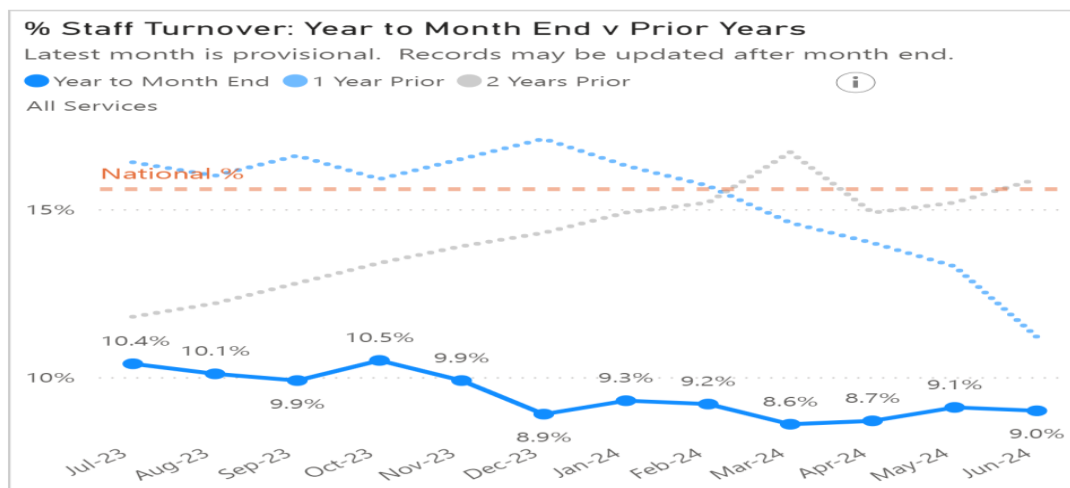
Performance measure

- % of staff able to work in an agile way (annual measure – first reported Q3, 2023/24)

Update: The current overall percentage of staff able to work in an agile way is 56%. This measure is aligned with the ongoing agile project.

3.10 High Quality Services**Performance measure**

- Staff turnover rates in relation to national rates



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Update: Since July 2023, it can be seen there has been a downward trend, showing an improvement in turnover rates, with the authority remaining under the national average. The exit interview process continues which we are continuing to monitor and promote.

Performance measure

- Customer satisfaction with service delivery, measured through the Community Survey.

The percentage of respondents who say they are satisfied with service delivery is:

Year	Satisfied
2021	40.9%
2022	34.1%
2023	37.9%

Update: This is an annual measure. Data is extracted from the annual community survey. 2021 was the first year the public were asked about their level of satisfaction with the way the council delivers its services. National satisfaction with LA's, according to the Local Government Chronicle is currently at 40%. The 2023 survey was carried out in October/November 2023; the satisfaction rate has increased slightly. Corporately there is a new quarterly approach to corporate surveys to try to increase the response rate and get a better and broader understanding of the customer experience.

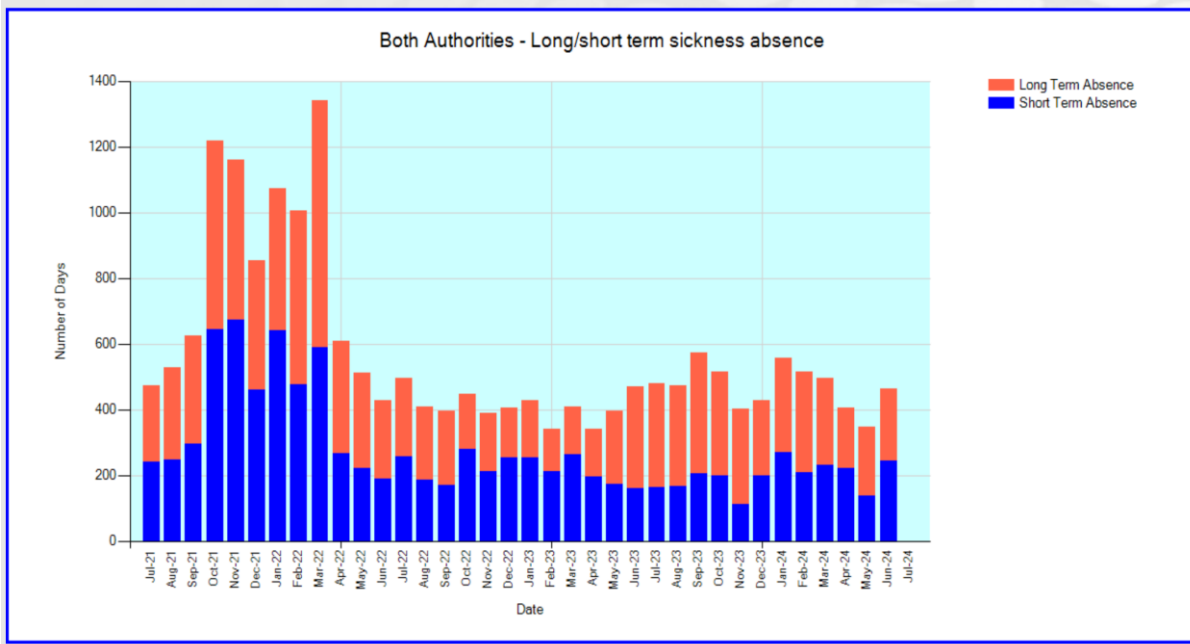
3. Operational Measures**4.1 Business Transformation, Organisational Development & Digital Services****Performance measure**

- Sickness absence

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Update: We are continuing to undertake the fundamental review of the data, in order to be able to utilise the increased functionality of PowerBI, which will enhance both the overview and more in-depth analysis for this measure and in turn enable actions from the understanding gained. System issues continue to hinder the speed of progress; however, it is part of the workplan for PBI development. We continue to work with service managers around sickness absence on a monthly basis based on the data.

4.2 Environmental and Housing Property Services

Environmental Services - RBC Domestic Waste Collection

Performance measure

- Percentage of household waste sent for reuse, recycling, and composting.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
21/22	36.65	31.20	25.82	26.57	34.13	34.69	32.52	27.38	25.61	34.91	30.52	39.82
22/23	35.27	28.45	28.16	29.31	39.52	38.06	33.21	27.96	28.89	38.44	30.74	37.50
23/24	29.37	25.01	25.15	29.80	36.01	32.12	26.528	25.7822	30.0898	37.599	32.5725	33.4498
24/25	30.35	27.92	34.18									

Update: This is a National Indicator measuring the percentage of household waste arisings which have been sent by the Authority for reuse, recycling, and composting, and is used in the national league tables ranking Local Authority performance. In 2022/23 Redditch was ranked 317th in the national league tables. This ranking has been limited to date due to the lack of a widespread garden waste service in Redditch, with approximately 8% of residual waste collected being garden waste based on recent

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sampling. This is expected to improve as a result of launching the dedicated RBC garden waste service earlier this year.

Performance measure

- Residual Waste per household (kg)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
21/22	44.77	41.84	55.21	51.00	40.09	40.96	38.78	46.10	51.99	41.79	39.64	39.26
22/23	36.68	46.17	47.97	42.65	35.23	36.11	36.02	47.54	42.52	39.24	36.33	39.23
23/24	39.35	47.53	45.53	35.98	36.73	35.70	41.8987	46.0145	36.7023	39.5988	36.2265	36.2854
24/25	44.75	51.59	37.80									

Update: This measures non-recyclable waste thrown away per household and shows an increase per household in April and May 2024/25 when compared with the previous quarter, but this has decreased in June. The average weight of 477kg per household in 2023/24 is down from 485kg in 22/23, and 531kg in 21/22. This is likely reflecting the gradual return to work for some residents who were working from home, as well as the increasing cost of living pressure on households. Waste Composition Analysis was carried out across the borough to sample waste during 2022 and identify what is being thrown away in our residual waste to support discussions on the future of our services, and any communication/education campaigns we may need to implement to support further recycling. In the samples taken, up to 18% of the residual waste put out for collection could have been collected as recycling, and up to 35% of the residual waste was food waste (45% of that was still in its packaging unused). This information is being considered as part of the ongoing Task and Finish project to consider options for how we collect our residents waste in the future.

Actions: In partnership, Bromsgrove and Redditch (with support from the Waste Partnership Strategy Officer) are continuing to explore how existing resources could be used differently to support more proactive engagement and education with residents, particularly to reduce contamination levels.

Work is also on-going to consider the future of waste collection services alongside new legislative requirements that will see the introduction of a weekly food waste collection and potential changes to how we manage both residual waste and dry recycling. Resources remain available via the WCC website to support households in using our services and reducing waste:

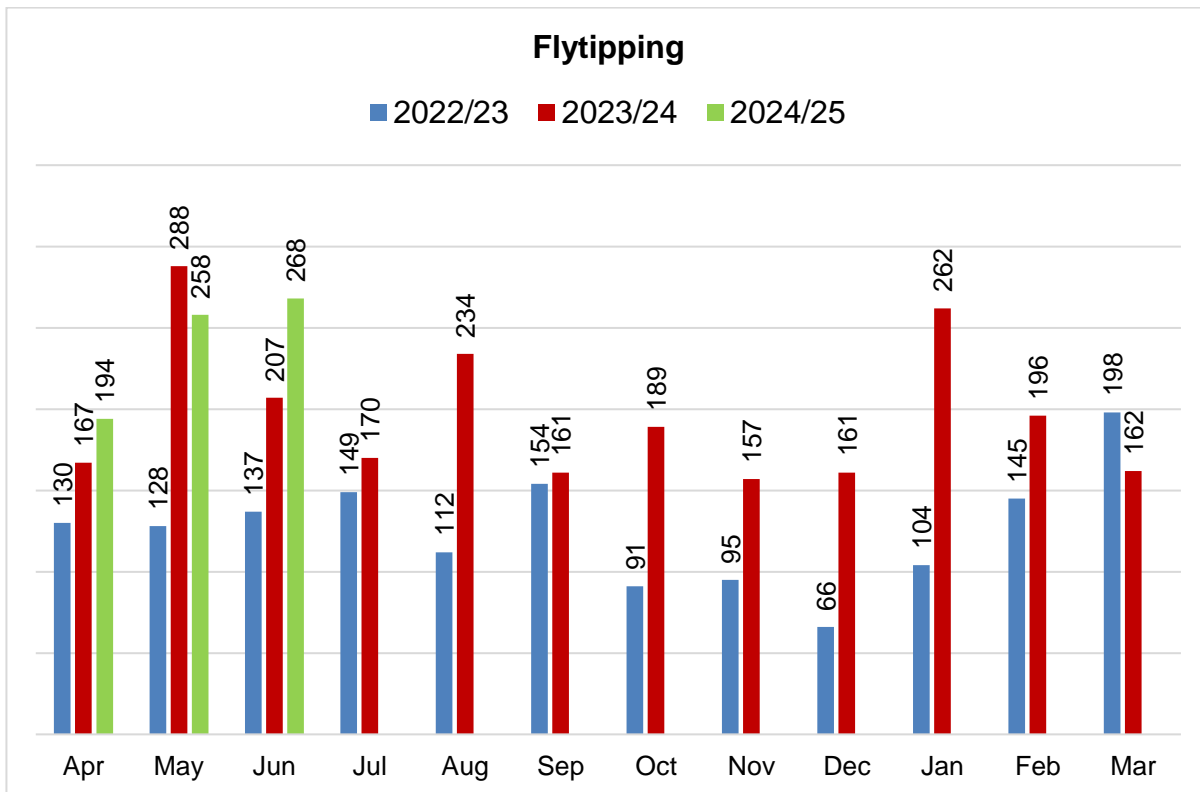
<https://www.worcestershire.gov.uk/lets-waste-less> .

Performance Measure

- Fly Tipping

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3rd September 2024**Housing Property Services**

The Regulator of Social Housing (RSH) has set 22 KPIs of which 10 are the responsibility of the Landlord to provide. These will form the basis of Housing Performance measures in 24/5. The following are two operational measures that have been used over recent years and are currently under review as part of a new suite of measures to be utilised.

Performance measure

- **Third Party Gas Audit Compliance**
Frequency: Monthly
Target: 85%

Update: The Performance Indicator is a measure of the compliance with Gas Regulations and Codes of Practice for the work undertaken by the in-house Gas Team. An Independent external company undertakes a random sample of Audits across several properties to assess the standard of workmanship and compliance and reports their findings monthly.

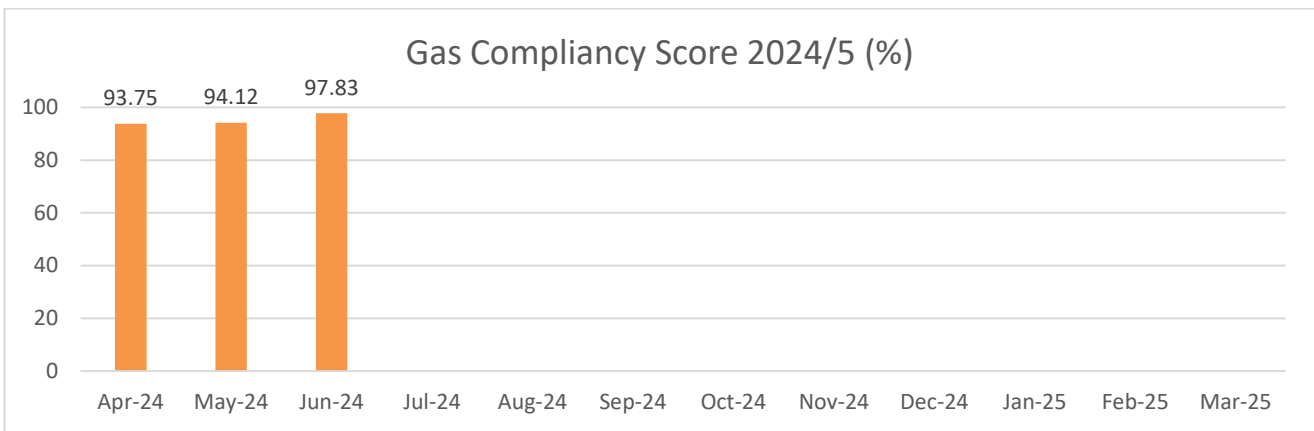
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Quarter 1, 2024/25		Quarter 2, 2024/25		Quarter 3, 2024/25		Quarter 4, 2024/25	
Apr 2024	93.75%	Jul 2024		Oct 2024		Jan 2025	
May 2024	94.12%	Aug 2024		Nov 2024		Feb 2025	
Jun 2024	97.83%	Sep 2024		Dec 2024		Mar 2025	

The consistent performance from last financial year has been echoed in Q1 this year.



Performance measure

- **Average time taken to complete repairs to standard voids**
Frequency Monthly
Target 20 Calendar days

Update: The performance indicator is a measure of the number of calendar days taken on average to complete works to standard voids. (This does not include properties requiring major works, decant properties, insurance claims following fire damage and currently dispersed units of accommodation).

Quarter 1, 2024/25		Quarter 2, 2024/25		Quarter 3, 2024/25		Quarter 4, 2024/25	
Apr 2024	19.8	Jul 2024		Oct 2024		Jan 2025	
May 2024	26.0	Aug 2024		Nov 2024		Feb 2025	
Jun 2024	27.4	Sep 2024		Dec 2024		Mar 2025	

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Q1 Summary 25.3

In January 2024, a new electrical contract was let and whilst there were some initial issues with regards to time taken to complete works, these were remedied. However, through this quarter these issues have returned with timescales prolonged, as such we have removed one of our contractors from this element of work.

Also, in this quarter we have seen 5 properties that have received larger elements of works including increased redecoration which together with the electrical issues has resulted in this performance.

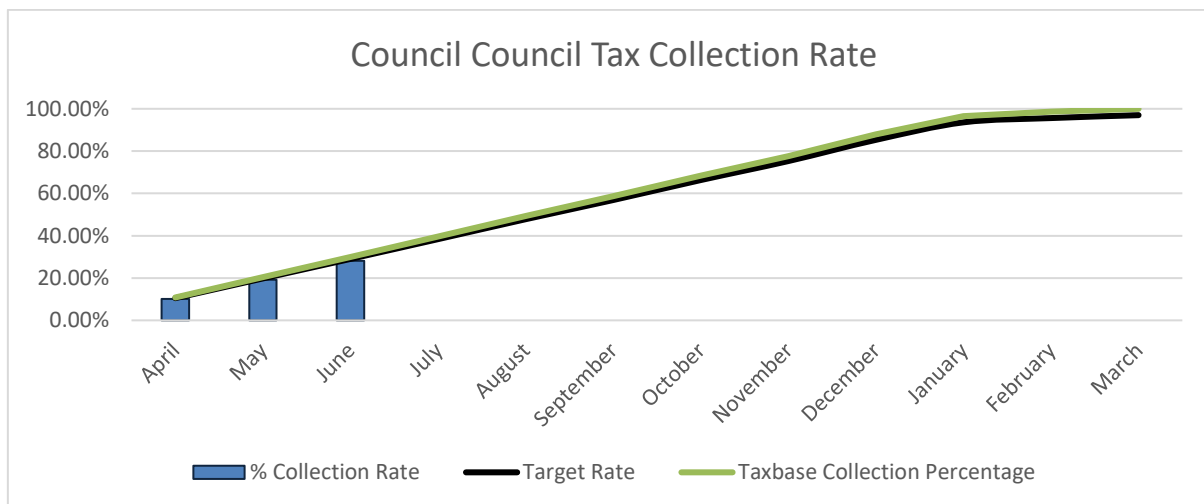


4.3 Finance & Customer Services (inc Revenues & Benefits)

Performance measure

- Council Tax Collection Rate

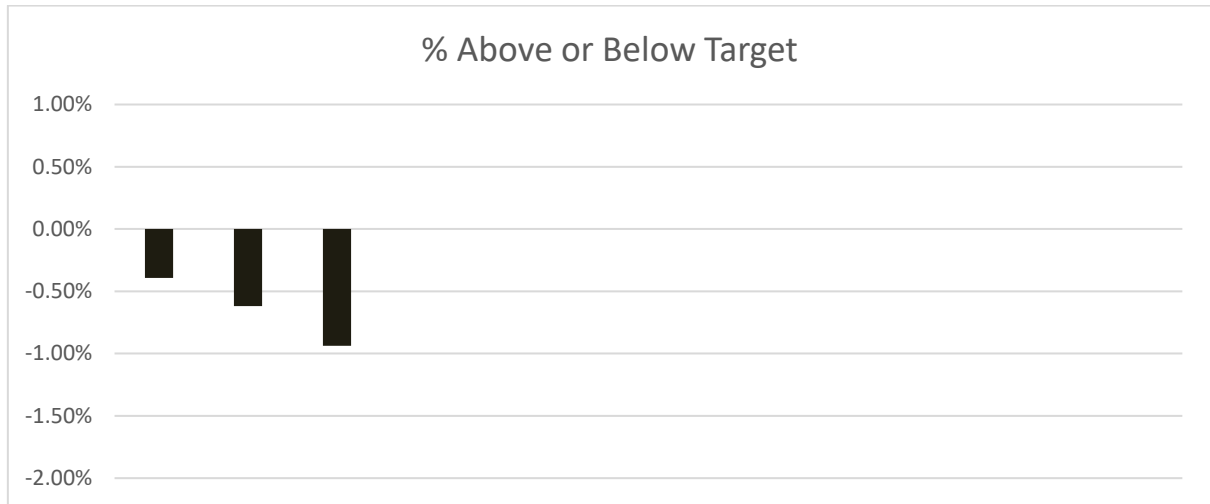
Update: The collection rate percentage has been very close to the target rate this quarter, each month it has been under 1% below.



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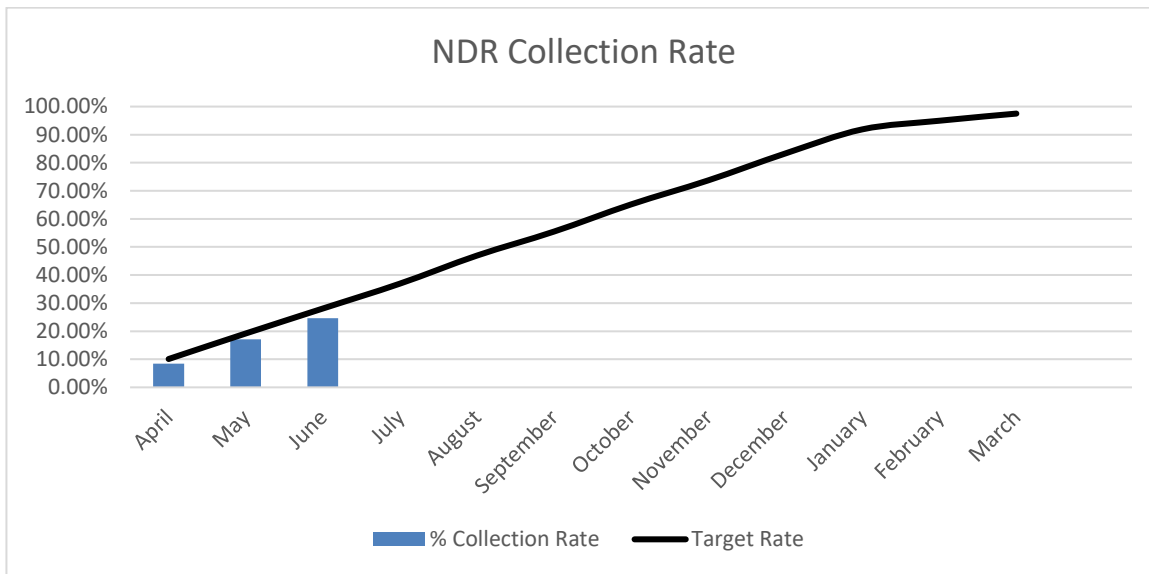
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Performance measure

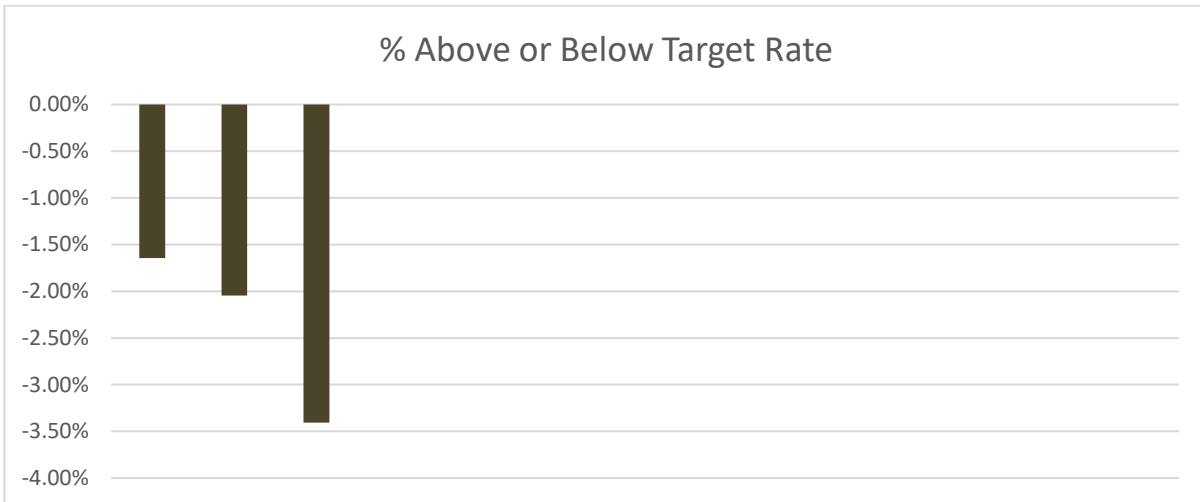
- NDR Collection Rate



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Performance measure

- Online Customer Interactions

Update: This report is not able to be produced, however, the Data PA reporting tool is now functional, so going forward, this will enable more streamlined and effective data reporting in future performance reports.

Customer Service

Performance measure

- Revenues Calls (shared service)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Apr 2024	3537	0.69	04:19	5.91	07:57
May 2024	2984	0:36	04:06	6.55	07:50
Jun 2024	2316	0.07	02:33	7.10	08:19

Update: The service met expectations with regards to answering calls during the quarter with an average queue fewer than 1 person and an average call answering time between 4-6 minutes. April-June is a busy time for calls as residents receive their annual council tax bills and request payment arrangements/clarifications.

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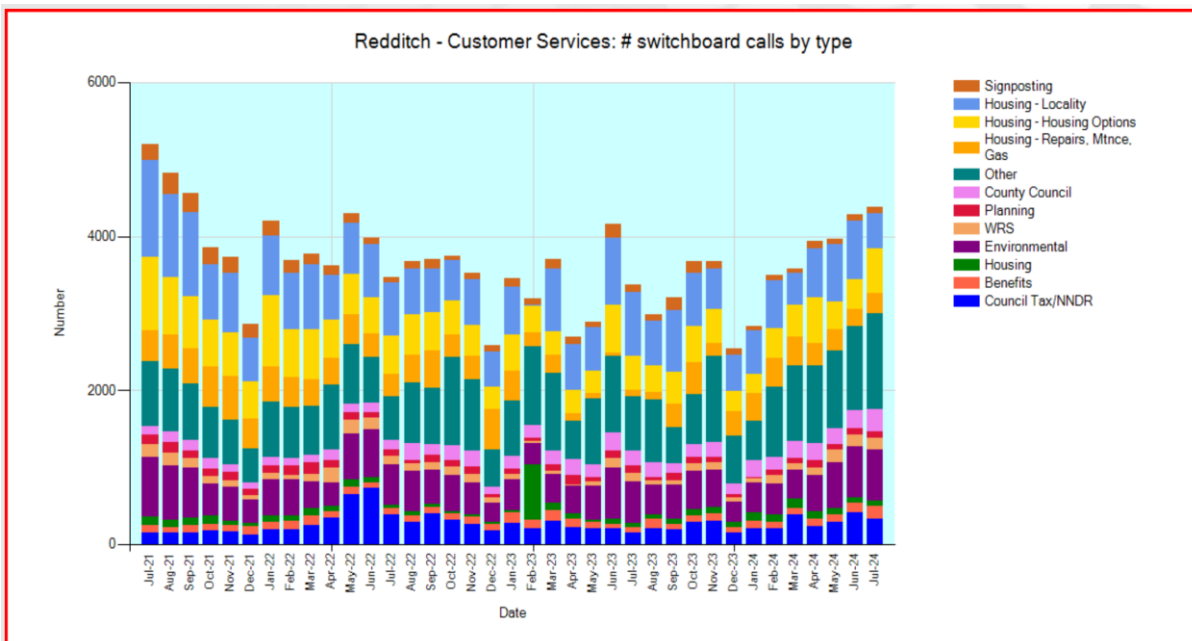
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Performance measure

- Customer Service calls (Switchboard)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Apr 2024	4070	0.12	00:42	1.87	00:39
May 2024	3948	0.09	00:40	1.97	00:48
Jun 2024	3677	0.08	00:38	1.97	00:46

Update: The service met expectations with regards to answering calls during the quarter. 2 FTE officers that provide switchboard service across both Bromsgrove and Redditch Switchboard. We have requested an automated single option for the welcome message for all areas of housing (locality, housing options and repairs/gas) to reduce demand on operators on switchboard, however we are awaiting Housing to progress this which would improve the service provided to the customer.



4.4 Planning, Regeneration & Leisure Services

Performance measure

- Deliver improved outcomes from the actions in the Leisure Strategy

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The health outcomes programme in line with Leisure and Culture strategy recommendations is ongoing. The service is currently focusing on key priorities and to build and develop its resources within the team. This will start to take more shape as we move into 2024 and increase our delivery outcomes.

In 2022/23 we worked with communities to help them identify and develop their strengths. We continue to look at ways to encourage physical movement, creative activities, and increased engagement with parks and open spaces as part of people's normal routines. We will also look to catalyse an integrated approach to care.

Update – Development Services: Delivery of endorsed Leisure Strategy Recommendations 40, 41 and 42 a) and b)

- During this quarter, the service has prioritised stakeholder engagement work and written preparation of £5m Cultural Infrastructure Plan throughout April and May before submitted to Department of Housing, Communities and Local Government in June 2024
- Final submission of Creative People and Places £280k funding application to Arts Council England for Year 4 programme delivery. Outcome of application expected in September 2024
- Supported delivery of Creative People and Places projects generating audiences of circa 108,000 for Kingfisher Shopping Centre Colour Palette and 958 participants for “Have a Go” workshops in various Borough wards and Eastern European Festival delivery.
- Installation of four wood carvings in Morton Stanley Park. Further interpretation works currently being prepared.
- Awarded Holiday Activity Fund grants totalling £78,132 in readiness for the summer to Bromsgrove and Redditch Welcomes Refugees, Heart of England Forest Trust, Joes Jungle, Redditch Utd, Rubicon and Redditch Youth & Community Exchange.
- Short Breaks funded special educational needs sessions commissioned with Your Ideas engaging 15 young people.
- Delivery of:
 - Obesity Public Health Voucher scheme
 - Worcestershire Health Walks based out of Arrow Valley Lake, Abbey stadium, Webheath and Town Centre Library
 - Two Health Awareness Days focused on Stress Awareness and Diabetes in partnership with Rubicon Leisure
 - Escape Pain programme for Knee, Hip and Back pain
 - Tai Chi sessions for mindfulness and heart health
 - Rounders outreach sessions

Update – Parks & Events Services: Delivery of endorsed Leisure Strategy

Recommendation	Update
Develop an environmental management strategy for parks and environmental services.	Project lead identified to progress strategy. Working towards April 2025 completion.
Develop a volunteer plan and a clear approach to working with Friends groups tied to its	Green flag achieved for Morton Stanley, working on recommendations for 2025 submission and scheduled awards over the next 4 years.

REDDITCH BOROUGH COUNCIL

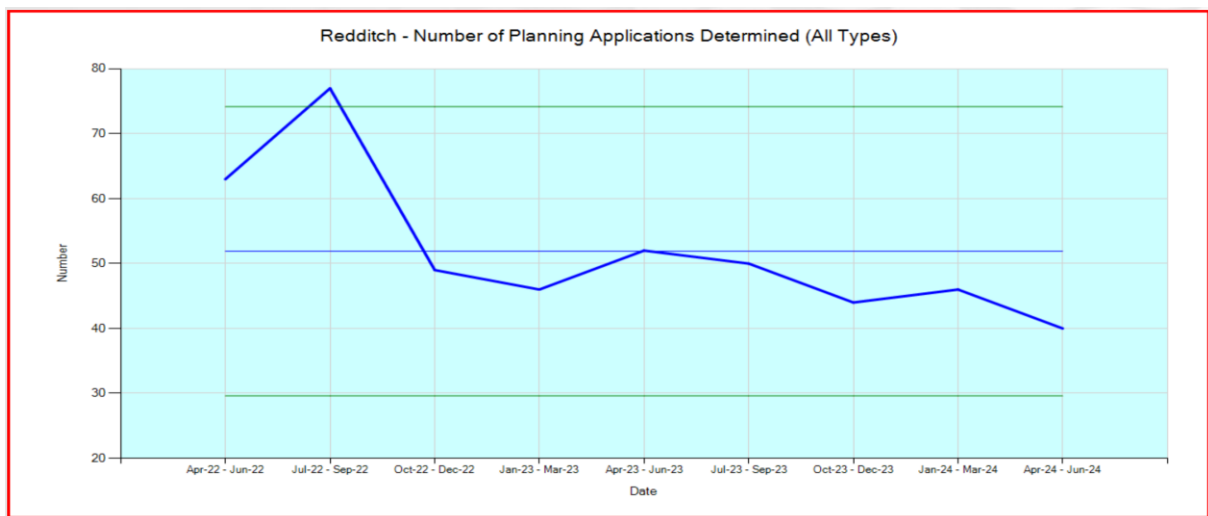
Executive

3rd September 2024

aspirations for Green Flag Award across its priority parks.	
Develop a rolling programme of applications to the Green Flag Award.	Awarded to Morton Stanley Park and now working towards Arrow Valley Park, Batchley Pond and Brockhill Park, Overdale Park.
Engage more regularly with potential partners at a county wide level.	Officers working with partners to maximise potential of offers within parks and open spaces.
Develop a better understanding of the biodiversity value of the borough's green assets.	Biodiversity plan established, focus and priorities, developing a Biodiversity Network with Planning, County Council and 3 rd Sector. Commencement 2024/25.
Develop a clear marketing plan for green spaces that includes new web pages, social media, and targeted work with key audiences.	Work started on website development and modernisation. Social media use improved to promote biodiversity, events, and mental health in respect of Parks and Green Spaces.
Carry out a feasibility study to establish a roadmap for the self-management of allotment sites across the borough.	Action plan implemented; new tenancy agreements with legal, service level agreements for new formed associations, website information, management of day-to-day issues, bills.

Performance measure

- Total number of applications determined in quarter (all types)



REDDITCH BOROUGH COUNCIL

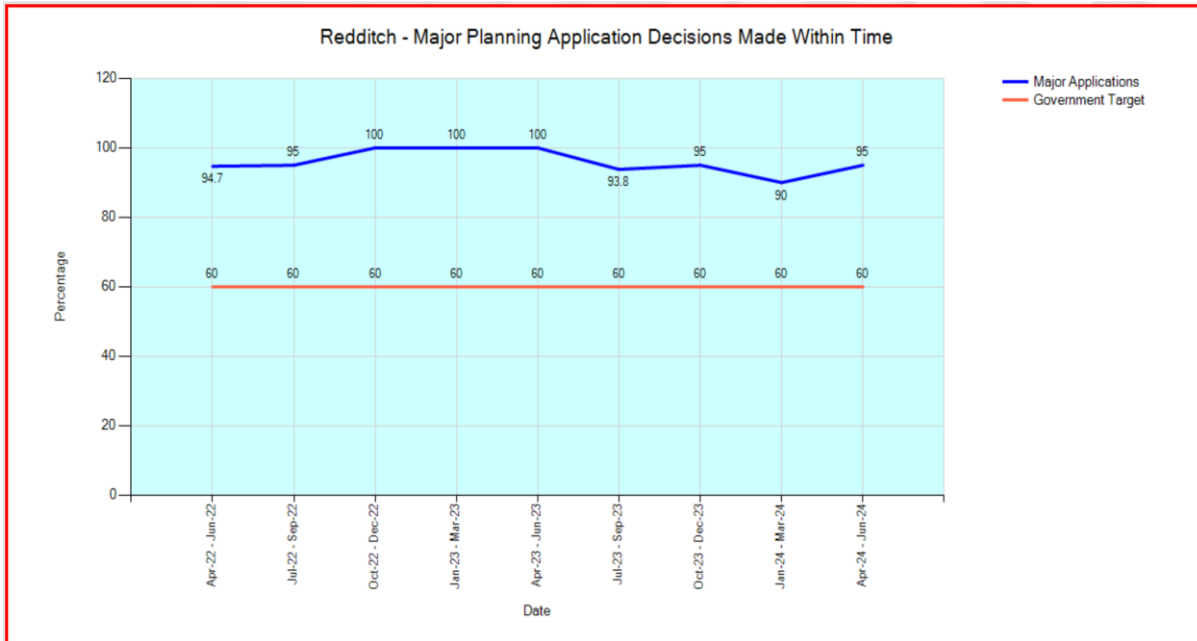
Executive

3rd September 2024

Update: Determination rates remain below average.

Performance measure

- Speed of decision making for ‘major applications’ (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on major applications is 60%)



Update: The 2-year rolling performance for speed is 95%. This remains well excess of government targets which is 60%.

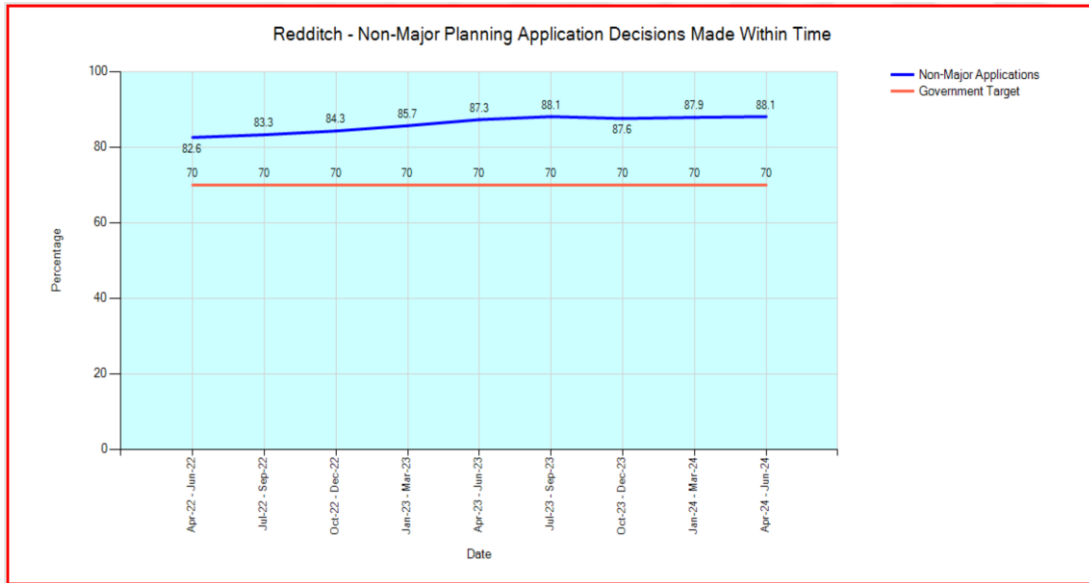
Performance measure

- Speed of decision making for ‘non-major applications’ (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on non-major applications is 70%)

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Update: The rolling 2-year speed assessment is 88.1%. This remains well in excess of government targets which are 70%.

5. Corporate Project Oversight & Monitoring

The tables below provide a summary of the fourteen live projects, as of 25th July 2024.

Projects	Overall Status RAG		Time Status RAG		Scope Status RAG		Budget Status RAG	
	No	%	No	%	No	%	No.	%
Red	1	7.1%	1	7.1%	0	0.0%	0	0.0%
Amber	6	42.9%	7	50.0%	7	50.0%	7	50.0%
Green	7	50.0%	6	42.9%	7	50.0%	6	42.9%

Projects	Overall Status	Time Status	Scope Status	Budget Status
Red	1	1	N/A	N/A

The project identified as red is “new cemetery, Redditch”

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REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024****Financial Recovery Plan**

Relevant Portfolio Holder	Councillor Ian Woodall, Finance Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Head of Finance & Customer Services email: Debra.Goodall@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.	
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. SUMMARY

The purpose of this report is to set out the processes the Council has 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 C-19 pandemic period. This follows on from a report presented on the 14th September 2022 and also the discussions over the S24 Statutory Recommendations that took place in Audit, Governance and Standards Committee, Executive and Council in November and December 2022 and 2023.

2. RECOMMENDATIONS

Executive are asked to Resolve that:

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

3. KEY ISSUES**Financial Position**

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

- 3.1 The Council implemented a new financial system in February 2021. The existing financial system was at the end of its useful life and would not deliver process improvements required to move the Council forward. The implementation has not been smooth and has led to a deterioration of the Council's financial position. This has included:
- Non completion of the 2020/21, and 2021/22 Accounts.
 - Non delivery of monitoring information during the 2021/22 financial year.
 - Non delivery of Government financial returns.
 - Incomplete take-up of the new system by both Finance and Service Users.
 - Loss of key financial staff.
- 3.2 A finance recovery programme was put in place from April 2022 to start to rectify the situation. This was reported through to Executive in September 2022.
- 3.3 These issues build on comments from the External Auditors relating to 2019/20 accounts, which were only approved in the fall of 2021 and the subsequent issuing of the S24 Recommendation on the 31st October 2022 due to non-delivery of the 2020/21 Statement of Accounts. Comments on the 2019/20 accounts highlighted issues on working papers as a significant issue.
- 3.4 The Interim 2021/22 and 2022/23 Auditors Annual Report was received and reviewed by the Audit, Governance and Standards Committee on the 23rd November and Council on the 5th December. The report still contains the S24 Recommendation relating to the non-delivery of the 2020/21 Statement of Accounts but is extended to the two subsequent years which are also now due. The Recommendation from Audit Governance and Standards Committee to Council is that:
- the Section 24 Statutory Recommendation be accepted, and that Council review the recommendation, endorse the actions included in the management responses which form the rectification process required as per legislation.
- 3.5 Reflecting the differences between the 2020/21 Interim report and the 2021/22 & 2022/23 Interim Report:
- The Section 24 Recommendation around the delivery of the 2020/21 accounts is still in place and has been extended to the subsequent accounting periods now outstanding.
 - Of the six Key Recommendations in the 2020/21 report, only one serious weakness remains in relation to opening balances linked to the budget which will be resolved with the delivery of the Accounts, the remainder of those significant weaknesses have been resolved or linked to Improvement Recommendations (of which there are 10 in the report).
 - There is one new Key Recommendation linked to Organisational Capability and Capacity. The Council is mitigating this in the main through the rollout of the Workforce Strategy.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

- Of the 13 2020/21 Improvement Recommendations, 9 have been fully or partially addressed and 4 are yet to be addressed. Again, ongoing improvements are linked to the 10 new Improvement Recommendations set out in the External Auditors report.
- 3.6 The External Auditors have noted the significant progress the Council has made in all areas apart from the delivery of the Accounts. As such the existing S24 Statutory Recommendation remains outstanding in relation to the 2020/21 Accounts and they have concluded that it is appropriate for them to use their powers to make written recommendations under section 24 of the Act, with the key reason being the non-delivery of the 2020/21 and subsequent Statutory Accounts.
- 3.7 The Council continue to move forward with the rectification processes and in particular:
- A Peer Challenge did take place in early March, which was a joint review with Redditch, and another report on this agenda sets out actions plans, including a “finance action plan”, to meet the Peer Challenge’s recommendations. The follow up Peer Review sessions took place in December 2023.
 - The root and branch review on how the Council arrived at the Section 24 recommendations carried out by the Task Group of Audit, Standards and Governance Committee at Bromsgrove in February and the recommendations of that report were approved/endorsed by Audit, Governance and Standards Committee in March 2023.
 - That Audit, Governance and Standards Committee continues as a standing agenda item to review progress against the Audit recommendations, and national and local deadlines.

Rectification Process

- 3.8 The Reports presented to Council in December set out the Management Action Plans in place to rectify the issues set out in the S24 Recommendations and the draft 2020/21 External Audit Report. These are also set out in the Peer Review report in Appendix G. This report now concentrates on movements since those formal responses.
- 3.9 Movement since the last finance recovery report in February 2024 has included:
- All Revenue Outturn and Capital Outturn Reports (apart from 2021/22) have been provided to the Ministry of Housing, Communities and Local Government (MHCLG).
 - The 2020/21 Accounts have been submitted and have passed through public inspection. It is still not clear when these accounts will be Audited.
 - The Outturn Report for 2023/24 was provided to Executive in July.
 - Quarters 3 and 4 Finance and Performance Reports for 2023/24 have been presented to Executive.
 - The Quarter 1 2024/5 Finance and Performance Report is on the same Agenda as this report for reviewing by Executive.
 - Since Q2 2023/4, all financial monitoring has been undertaken on TechOne.
 - Monthly Accounts Payable Training continues.
 - Debra Goodall started as the Head of Finance and Customer Services on the 8th April 2024.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

- We appointed 4 staff from the interviews in January – all have now started. We have interviewed for 5 further posts in the summer to bring the team almost up to establishment and reduce the reliance on Agency.
- The Financial Compliance Report, setting out movement in the financial recovery plan, has been reviewed by Audit, Governance and Standards Committee in July, September and November 2023. Audit Governance and Standards Committee continues to meet 6 times a year until all the issues have been rectified, where it will then return to its quarterly cycle.

3.10 In terms of closure work, the following actions have taken place/been agreed with our External Auditors:

- Closure 2020/21
 - Following agreement of opening balance positions the 2020/21 Accounts were opened to Public Inspection following the May Audit, Governance and Standards Committee.
 - Sign off of 20/21 Accounts – to be confirmed with the External Auditors.
- Closure 2021/22
 - Updated Outturn position – still to be provided following the full closure of these accounts.
 - Draft Accounts planned to be presented to the September Audit, Governance and Standards Committee (without any 2020/21 Audit Adjustments).
 - Audit of Accounts following Audit of 2020/21 Accounts.
 - Sign off of the Accounts – to be confirmed with External Auditors.
- Closure 2022/23
 - Draft Provisional Outturn Report – Executive Report delivered on the 12th September 2023. This will be updated following the draft closure of the accounts.
 - Draft Accounts planned to be presented to the September Audit, Governance and Standards Committee (without any 2020/21, 2021/22 Audit Adjustments).
 - Audit of Accounts following Audit of 2020/21 and 2021/22 Accounts.
- Closure 2023/24
 - Draft provisional Outturn Report presented to Executive in July
 - RO/CO Returns have been provided to Government.
 - Draft Accounts planned to be presented to the November Audit, Governance and Standards Committee (without any 2020/21, 2021/22, 2022/23 Audit Adjustments).
 - Audit of Accounts dependent on changes to legislation given that the Council's External Auditors now change to being Bishop Flemming.
- Value for Money Opinions for 2021/22 and 2022/23. External Auditors delivered their joint Value for Money Opinions in November 2023:
 - S24 Recommendation still in place and extended for 2021/22 and 2022/23 Accounts.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

- 5 of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.
- 9 of 13 2020/21 Improvement Recommendations either Fully or Partially Delivered
- One new Key Recommendation – linked to Workforce Strategy
- Ten updated Improvement Recommendations
- Value For Money Data 2023/24
 - This has been provided to Bishop Flemming in March 2024. Awaiting feedback on timings for reports from the new Government.

- 3.10 A recovery programme highlighted in the previous report around replacing staff, due to Market shortages is now not such a significant issue given the recent successful recruitment drives.
- 3.11 Following the General Election in July 2024, the New Minister of State for Housing, Communities and Local Government Jim McMahon OBE MP wrote to Councils on the 30th July. In this letter the minister notes that the significant and unacceptable backlog of unaudited accounts, which will likely rise again to around 1,000 later this year. This situation undermines trust and transparency in the way taxpayers' money is being spent and auditors cannot focus on up-to-date accounts, where assurance is most valuable.
- 3.12 To tackle the backlog, The Minister intends to lay secondary legislation when parliamentary time allows to provide for an initial backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates: 2015/16 through to 2019/20 must be signed off by the 30th December 2023.

Financial Year	Backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 3.13 Subject to parliamentary approval, for financial years 2024/25 to 2027/28, the date by which local bodies should publish 'draft' (unaudited) accounts will change from 31 May to 30 June following the financial year to which they relate. This will give those preparing accounts more time to ensure they are high-quality accounts. A new suite of guidance is planned by the NAO and Financial Reporting Council (FRC) on these measures, and we continue to work with other organisations to consider what guidance would be most constructive and helpful for local bodies.
- 3.14 The Minister expects that there will be full assurance, with "clean" opinions for many bodies by the first backstop date of 13 December 2024. However, due to the time constraints, auditors are likely to issue 'disclaimed' audit opinions (no assurance) on

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

many accounts – early indications are that this could be several hundred in this first phase which may, in the short term, cause additional concern. I recognise that aspects of these proposals are uncomfortable. Without this action by the Government, audits would continue to be delayed and the system will move even further away from timely assurance.

- 3.15 We are on the 23a version on TechOne and expect to upgrade to 24b in the Autumn. This upgrade has given access to more functionality. However, Redditch and Bromsgrove are still the only Councils on Cash Receipting, when the weekly updates come in they have to do additional checks to ensure the functionality is working as expected.
- 3.16 Progress on the following key financial and compliance indicators are reported monthly to CMT monthly and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group:

Form	Code	Description	Proposed Dispatch	Deadline	Proposed Publication	Position
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2023-24	15-Dec-23	19-Jan-24	15-Feb-24	Delivered 26/1/24
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2024-25	15-Dec-23	31-Jan-24	21-Feb-24	Delivered 9/2/24 (Civica issue)
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2023-24	15-Dec-23	12-Jan-24	14-Feb-24	Delivered 15/2/24 (Civica issue)
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2023-24	15-Dec-23	08-Jan-24	15-Feb-24	Delivered 17/1/24
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2023-24 data and forecast end year local authority revenue expenditure update.	15-Dec-23	26-Jan-24	07-Mar-24	Delivered 19/2/24
Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2024-25 and Council tax levels for 2024-25 set by parishes.	02/02/2024 (tbc)	11-Mar-24	21-Mar-24	Delivered 26/2/24
of which: Parish council tax	-	-	-	11-Mar-24	08-May-24	Delivered 26/2/24

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Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2024-25 Budget	16-Feb-24	05-Apr-24	20-Jun-24	Draft completed. 8/4/24
Capital Estimates Return	CER	Capital forecast for 2024-25	23-Feb-24	22-Mar-24	13-Jun-24	Delivered 22/3/24
Non-Domestic Rates Outturn-unaudited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- provisional data	28-Mar-24	30-Apr-24	10-Jul-24	Draft delivered to Pool 14/4
Non-Domestic Rates Outturn-audited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- final data	n/a	30-Sep-24	15-Nov-24	
Quarterly Borrowing & Lending - Q4	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2023-24	22-Mar-24	05-Apr-24	13-Jun-24	Delivered 5/4/24
Capital payments & receipts Q4 and provisional outturn	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2023-24. Expanded collection, used as provisional outturn.	22-Mar-24	19-Apr-24	13-Jun-24	Delivered 29/4/24
Council Tax & NDR Collection - Q4	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2023-24 and Q4 2023-24	12-Apr-24	03-May-24	19-Jun-24	Delivered 07/05/24
Capital Outturn Return	COR	Final capital outturn figures for 2023-24	26-Apr-24	26-Jul-24	10-Oct-24	Delivered 29/07/24
Revenue Outturn suite - provisional	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (provisional)	26-Apr-24	28-Jun-24	29-Aug-24	Delivered 19/7/24
Revenue Outturn suite - certified	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (final)	n/a	11-Oct-24	12-Dec-24	
Exit payments	-	Local authority exit payments 2023-24	03-May-24	07-Jun-24	18-Jul-24	Delivered 30/06/2024
Quarterly Borrowing & Lending - Q1	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2024-25	24-Jun-24	05-Jul-24	08-Aug-24	Delivered 05/07/24
Quarterly Revenue Update - Q1	QRU1	Q1 2024-25 data and forecast end year local authority revenue expenditure update	28-Jun-24	02-Aug-24	12-Sep-24	Delivered 2/08/24

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Capital Payments & Receipts - Q1	CPR1	Cumulative capital expenditure and receipts for Q1 2024-25	21-Jun-24	19-Jul-24	08-Aug-24	Delivered 19/07/24
Council Tax & NDR Collection - Q1	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2024-25	21-Jun-24	12-Jul-24	14-Aug-24	Delivered 01/07/24
Local Government Pension Funds	SF3	Collect information on income and expenditure on local government pension schemes for 2023-24	05-Jul-24	13-Sep-24	23-Oct-24	
Council Tax Base/ Supplementary	CTB	Information about the 2024 council tax base for each billing authority.	20-Sep-24	11-Oct-24	06-Nov-24	
Quarterly Borrowing & Lending - Q2	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2024-25	23-Sep-24	04-Oct-24	14-Nov-24	
Quarterly Revenue Update - Q2	QRU2	Quarter 1 & 2 2024-25 data and forecast end year local authority revenue expenditure update	20-Sep-24	25-Oct-24	05-Dec-24	
Capital Payments & Receipts - Q2	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2024-25	20-Sep-24	20-Oct-24	14-Nov-24	
Council Tax & NDR Collection - Q2	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2024-25	20-Sep-24	04-Oct-24	20-Nov-24	
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2024-25	13-Dec-24	17-Jan-25	13-Feb-25	
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2025-26	13-Dec-24	31-Jan-25	19-Feb-25	
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2024-25 data and forecast end year local authority revenue expenditure update.	13-Dec-24	24-Jan-25	06-Mar-25	
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2024-25	13-Dec-24	06-Jan-25	13-Feb-25	
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2024-25	13-Dec-24	10-Jan-25	12-Feb-25	

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Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2025-26. Council tax levels for 2025-26 set by parishes	Early Feb 2025	12-Mar-25	20-Mar-25	
of which: Parish council tax	-	-	Early Feb 2025	12-Mar-25	07-May-25	
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2025-26 Budget	14-Feb-25	04-Apr-25	19-Jun-25	
Capital Estimates Return	CER	Capital forecast for 2025-26	21-Feb-25	21-Mar-25	12-Jun-25	
Monthly Borrowing & Lending	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	5 working days before 1st working day of the month	Day 5 of each month	for quarter months only, see QB1, QB2, QB3, QB4 dates	Delivered to date
Local Government Finance Statistics	LGFS33	Annual compilation of finance data collected from local authorities covering out-turn data for 2022-23	N/A	N/A	Spring 2024	

In wider sets of deliverables (outside the 2024/5 DLUHC/MHCLG listing) we have the following returns that have been delivered:

- **Budget**
 - Delivered by 11th March in preceding financial year – **2024/5 Budget and MTFP delivered 26th Feb 2024**
 - Council Tax Base – Yearly – **2024/25 delivered on 9th January 2024**
 - Council Tax Resolution – **Yearly 2024/5 delivered on 26th February 2024**
 - Council Tax Billing – Yearly – **Bills distributed in March 2024**
- **Policies**
 - Treasury and Asset Management Strategies
 - **2024/5 Strategy Approved 26th Feb 2024**
 - Half Yearly Report **delivered in Q3 Monitoring Report 18 March 24**
 - Draft Outturn Report **delivered in September 23**
 - Council Tax Support Scheme – **24/5 Approved on 9th January 2024.**
 - Minimum Revenue Provision – yearly – **Approved as part of the 2024/5 MTFP.**
 - Financial Monitoring – **delivered quarterly to Executive – Q1 in October, Q2 in November 2023. Q3 In March 2024, Q4 in July.**
 - Risk Management – **Delivered quarterly to Audit Committee**
 - Savings Report – **Delivered quarterly to Audit Committee**
 - Financial Controls (still in development)
 - Clearance of suspense accounts – See the chart at the end of this Report for progress.

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- Bank Reconciliation - ***linked to above point although a separate stream assessing/clearing 2023/4 and prior year items.***
- Over £500 spending.
 - ***Updated to February 2024.***

3.18 The key returns that have still not been delivered are the Revenue Outturn forms for 2021/22 and the VAT returns. Linked to these are the Whole of Government Returns, although it has now been confirmed that no returns will be required for the WOGA for all years up to 2022/23.

3.19 There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Reports 2020/21 through to 2022/23. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

3.20 Training:

- Closure Training took place in March with 83 attending.
- Mandatory Budget Manager Training (including the use of TechOne) took place in September 2023 – upskilling budget managers with the tools to input their forecasts directly onto TechOne.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.

3.21 Treasury Management

- The Half Yearly 2023/4 Treasury Management Report was presented to Executive on the 18th March.
- The 2024/5 Strategies were approved by Council in February.

3.22 Audit VFM Report Requirements

- More Budget Consultation.
- Wider savings monitoring will be undertaken by this Committee quarterly.
- Capital and its deliverability will be reviewed as part of the Budget Tranche 2.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service will be externally assessed in early 2024.
- The Council will seek an independent Audit Committee member and ensure the Committee remains apolitical in nature.
- The whistleblowing policy will be updated before the end of the financial year.
- Procurement and contract rules will be updated by the end of the financial year (to reflect changes to legislation happening in April 2024).

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

- Performance Indicators will be reviewed and updated following Strategic Priority setting sessions.

The Council is still to run sessions to assess its “risk appetite”.

3.23 Errors:

- Non delivery of GPC Card Data (monthly basis) – still to be started.
- Mis-coding on TechOne per month – by Service Area – work is ongoing to clear the mis-codings on a monthly basis in conjunction with work going on to reconcile previous years.

3.24 Process Updates

- Finance time to respond to queries:
 - Finance – to be measured.
 - Payments and Insurance – to be measured.
 - Income – to be measured.
- Procurement
 - The new ‘No Compliance No Order’ process has been live since April 2023.
 - The number of contracts in place is growing regularly. We hope that eventually we get to the place where the number of orders coming to procurement for approval as contracts are not in place are minimal.
 - Council in July approved an increase of the Key Decision Level from £50k to £200k. Finance and Performance Monitoring Reports now set out:
 - All contracts requiring renewal over the next year that are over the present £200k threshold and these are placed on the forward plan.
 - All contracts requiring renewal over the next year that are between £50k and £200k for reference.
 - All contracts that are being procured by Bromsgrove over this period that relate to Redditch Services.

3.26

Work is ongoing on the clearance of the Cash Receipting suspense accounts. The Council now has processes in place for the different types of error that have taken place since the implementation of the TechOne system. Corrections will be actioned by journal although conversations are taking place with TechOne to ensure as much as possible can be automated. As reported earlier in this report, this will ensure the delivery of accounts from 2021/2 to 2023/4 to the timescales set out. One of the processes is the clearance of Treasury transactions which by their nature are a manual process but of significant size.

4. **Legal Implications**

- 4.1 No Legal implications have been identified.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024****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. Every report has 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 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

7. RISK MANAGEMENT

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

8. APPENDENCES

None

AUTHOR OF REPORT

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REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024****Budget Planning 2025-6 Report**

Relevant Portfolio Holder	Councillor Ian Woodall, Finance Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Head of Finance & Customer Services email: Debra.Goodall@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.	
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. SUMMARY

The purpose of this report is to set out the processes the Council will follow for the 2025/26 to 2027/29 Medium Terms Financial Plan process

2. RECOMMENDATIONS

Executive are asked to Resolve that:

- **The 2 Phase Budget Process is again followed for the 2025/26 to 2027/28 MTFP:**

3. KEY ISSUES**Financial Position**

- 3.1 The next Budget to be set will be the 2025/6 to 2027/8 Medium Terms Financial Process (MTFP). The Council, as with previous years will follow a 2 Phase process.

This initial Report will set out, in revenue terms

- 1) The National Impacts of the Chancellors Statement on the 29th July.
- 2) The 2 Phase timetable for both Councils.
- 3) The approved Starting Points for the 2025/26 Budget.
- 4) Present Risks and issues that will need to be addressed in the budget.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024****National Impacts of the Chancellors Statement on the 29th July**

- 3.2 The new Chancellors Initial Statement was made on the 29th July. This set out that:
- the results of an audit of public spending undertaken by HM Treasury, immediate action to find savings in response, and long-term reforms to restore public spending control and improve public services
 - the date of the next Budget as Wednesday 30 October 2024 and formally commissioned an OBR forecast for this date
 - the launch of the next Spending Review which will settle 25-26 budgets alongside the Budget and conclude the multi-year Spending Review in spring 2025
 - acceptance of the recommendations of the independent Pay Review Bodies for public sector workers' pay
 - the publication of next steps and draft legislation on priority tax commitments ahead of full announcement and costing at the Budget
- 3.3 Of direct impact to the Local Government Sector will be:
- acceptance of the recommendations of the independent Pay Review Bodies for public sector workers' pay.
 - Changes to Planning Numbers and planning legislation.
- 3.4 **Chancellor of the Exchequer Rachel Reeves has set the date of Labour's first Budget for Wednesday 30 October, and has indicated some areas where the axe will fall in order to plug a £22bn black hole in the government's accounts.**
- 3.5 Labour has pledged not to put up income tax or National Insurance rates, but confirmed to *The News Agents* podcast on 30 July that they will have to increase some taxes in the Budget. However, when pressed on the matter, The Chancellor would not confirm what taxes would be raised.
- 3.6 Here are the changes announced so far and the tax changes that could be confirmed in the Autumn Budget later this year.

Winter Fuel Payment to be means-tested

- 3.7 The universal [Winter Fuel Payment](#) is worth up to £300 and currently paid to anyone receiving the state pension to help with heating bills. The Chancellor has said the support will be limited to those who receive [pension credit](#) or other means-tested benefits this winter.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024****Adult social care cap shelved**

- 3.8 A plan by the previous Conservative government to cap how much people have to pay for adult social care from October 2025 will be shelved.

Public sector pay rises

- 3.9 Public sector workers are set to receive the following increases to their pay:

- NHS workers and teachers: 5.5%
- Armed forces personnel: 6%
- Prison service workers: 5%
- Police: 4.75%

Presently there is not a figure for local Government.

- 3.10 There are some of the rumours circulating about other announcements that could be made by the Chancellor later this year. These include:

Capital gains tax hike

- 3.11 CGT is charged on the profits you make from selling an asset, such as a second property or valuable possession. The Government is considering increasing CGT rates to match those of income tax. The highest CGT rate is 28%, compared to the top income tax rate of 45%.

Closing inheritance tax loopholes

- 3.12 IHT is a 40% tax charged on anything over £325,000 in your estate. However, the most recent HMRC statistics show less than 4% of estates actually paid it in 2020–21. The Government may therefore be tempted to make changes to IHT, with the Resolution Foundation suggesting she could decide to end some of the [generous reliefs](#) which mean people can legitimately reduce the bill for family members and friends.

Pension tax relief

- 3.13 A two-stage pensions review has already been launched by the Chancellor and she could announce changes to the rules on pension tax relief too. Currently, savers that contribute to their pension pot get tax relief on any money put in. It is effectively a refund and is linked to the rate at which you pay income tax. So basic-rate taxpayers get 20% back, while higher and additional-rate taxpayers are entitled to 40% and 45%, respectively.

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024****Council tax reform**

- 3.14 Another area rumoured to be in line for a shake-up is council tax. There is speculation that the government will overhaul the [current 'band' system](#) and replace it with a flat 0.5% tax based on the value of a home.
- 3.15 If that were to happen, it would mean some houses might see council tax bills fall, while others would rise. For example, current Nationwide Price Index data shows residents in London, where the average home costs £525,248, could theoretically end up paying much more (£2,626) than someone living in the same type of property in the North of England, where an average £158,467 home could mean a £792 annual council tax bill.

Crackdown on spiralling insurance costs

- 3.16 The government pledged to tackle the problem of soaring car insurance premiums in its election manifesto and more details could be included in the Autumn Budget.

Fuel duty rise

- 3.17 The Government is considering hiking the rate of fuel duty – a tax charged per unit of fuel purchased which is included in the price paid for petrol, diesel and other fuels used in vehicles or for heating. The rate has been frozen since 2011 and was cut temporarily by 5p in 2022. That reduction was extended by the Conservative government in the Spring Budget 2024.

Proposed 2 Phase Budget Timetable

- 3.18 The following is the proposed budget timetable for 2025/6:

7th August – Initial Budget Setting Report to CMT

20th August – Initial Budget Setting Report approved by PHB

3rd September – Initial Budget Setting Report Discussed at Executive

29th October – Chancellors Statement

30th October – Phase 1 Budget and Fees and Charges to CMT

12th November - Phase 1 Budget and Fees & Charges approved at PHB

26th November – Phase 1 Budget and Fees & Charges approved for Consultation by Executive

12th December – Phase 1 Budget and Fees & Charges Consultation Responses/Updates at PHB

18th December – Estimated Provisional Local Government Settlement Date

14th January - Phase 1 Budget and Fees & Charges approved by Executive

8th January – Phase 2 Budget approved by CMT

21st January – Phase 2 Budget approved by PHB

27th January – Phase 1 Budget and Fees & Charges Approved by Council

4th February – Phase 2 Budget approved by Executive

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

24th February – Phase 2 Budget and Council Tax Resolution approved by Council

Approved Starting Points for 2025/6 Budget

3.19 The Redditch position is on the following page, the base assumptions are:

- 1) Pay Award from 25/6 is 2%.
- 2) Fees and Charges increase by 2%
- 3) Council Tax – Figures assume the full 1.99% allowable increase overall years of the 3-year MTFP. The Local plan has no housing increases in the three years of the MTFP.
- 4) Business Rates Increases – business rates assume no growth in the base.
- 5) New Homes Bonus/Government Grants – It is assumed that levels would be the same as previous year

	£000	£000	£000	£000
Base Budget Position 22/23 MTFP				
Expenditure	10,290	10,428	10,661	10,661
Funding	-9,341	-9,595	-9,621	-9,621
Net	949	833	1,040	1,040
Revised Gap	949	833	1,040	1,040
Phase 1 Savings 2023/24 MTFP	-1,529	-1,849	-2,221	-2,221
Revised Position	-580	-1,016	-1,181	-1,181
Phase 1 Pressures 2023/24 MTFP	2,319	2,324	2,446	2,446
Phase 1 2023/24 MTFP Position	1,739	1,308	1,265	1,265
Local Government Settlement	-934	-700	-700	-700
Additional Savings (Phase 2)	-1,060	-1,060	-1,060	-1,060
Additional Pressures - Phase 2	566	519	432	432
Final 2023/24 MTFP Position	311	67	-63	-63
Known Changes				
23/4 Pay Award - 5% More than planned		575	575	575
Utilities Increases running at 60% - 40% Savings		-228	-228	-228
Existing Inflation Budget (unallocated)		-269	-274	-274
Inflation on Contracts - additional 5%		125	125	125
Additional 1% on 24/5 Pay Award - to 3%		100	100	100
Additional 2% pay Award for 2026/7				200
7% addition on Fees and charges		-238	-241	-243
Draft Opening Position 24/25	311	132	-6	192
Possible Adjustments				
Quarter 1 23/4 Overspend position	557			
Use of 23/4 Utilities Reserve	-557			
2% Council Tax 2025/6			-144	-144
2% Council Tax 2026/7				-147
Year 2 Fees and Charges Increase at 2%			-69	-71
Year 3 Fees and Charges Increase at 2%				-74
Government Grant at 23/4 Levels		-148	-148	-148
Draft Opening Position	311	-16	-367	-391
Service Adjustments				
Reduction in Benefits Overpayments Target		200	200	200
Use of HVO Fuel by 100% of Fleet		20	20	20
Increase in HR Establishment		10	10	10
PRA Housing Licence Costs		15	15	15
Garden Waste Service		20	-27	-56
Interest Charges on Updated Capital Programme		82	102	121
MRP Increases on Capital Programme		22	140	153
Revised Tranche 1 Position	311	353	93	72
Council Tax - Increase to 3%		-67	-67	-67
Planning Income (Base Budget £240k) at 25%		-60	-60	-60
22/23 Pay Award		-100	-100	-100
Actual Impact on budgets of Pay Award		-150	-150	-150
WRS Additional Food Safety		40	40	40
Planning and Environmental Enforcement		45	45	45
Play Audit - Revenue Implications		10	30	50
Housing Strategy Service		71	71	71
NWedR Structure		73	73	73
Changes in other Central Grants		-244	-140	-140
Updated Position Tranche 2		-29	-165	-166

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

- 3.20 Note that on the 29th July, the Labour administration reduced the balances by approving a Market, changes to Dial a Ride and updates to the Crematorium by £81k a year. This would reduce the surplus budget agreed in the 2024/5 budget by the following amounts
- 2024/5 £105k surplus reduces to a £24k surplus.
 - 2025/6 £97k surplus reduces to a £16k surplus.
 - 2026/7 £98k surplus reduces to a £17k surplus.

Present Risks and issues that will need to be addressed in the respective budgets

- 3.21 The following are risks that will need to be considered in the formulation of this year's budget:
- The actual 24/5 pay award and if it is funded?
 - Can Fees and Charges move up by more than 2%?
 - Is 2% right for pay inflation?
 - What is the right assumption for changes in pension costs from 2026/7 as at the moment this has contributed £1m ?
 - How will increases in planning numbers increase Council Tax numbers in the MTFP time period?
 - What is the risk at Redditch on the Town Hall savings?
 - Are 24/5 savings being delivered?

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. Every report has 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

REDDITCH BOROUGH COUNCIL**Executive 3rd September 2024**

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 Managers meet with finance officers to consider the current financial position to input into the MTFP and to ensure actions are in place to mitigate any overspends in future years.

7. RISK MANAGEMENT

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

8. APPENDENCES

None

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REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Treasury Management Strategy Outturn Report 2023/24**

Relevant Portfolio Holder	Councillor Woodall
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Head of Finance and Customer Services Debra.Goodall@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.	

1. SUMMARY

The purpose of this report is to set out the annual outturn for 2023/24 on the Council's Capital and Treasury Management Strategies, including all prudential indicators.

2. RECOMMENDATIONS

Executive are asked to RECOMMEND to Council to approve:

- 1) the Council's Treasury performance for the financial year 23/24.**
- 2) the position in relation to the Council's Prudential indicators.**

3. BACKGROUND**Introduction**

- 3.1 The Authority has 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, as a minimum, treasury management semi-annual and annual outturn reports.
- 3.2 This report includes the requirement in the 2021 Code, mandatory from 1st April 2023, of reporting the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly revenue report.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

- 3.3 The Authority's treasury management strategy for 2023/24 was approved in February 2023. 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.

External Context

- 3.4 **Economic background:** UK inflation continued to decline from the 8.7% rate seen at the start of 2023/24. By the last quarter of the financial year headline consumer price inflation (CPI) had fallen to 3.4% in February, but was still above the Bank of England's 2% target at the end of the period. The core measure of CPI, i.e. excluding food and energy, also slowed in February to 4.5% from 5.1% in January, a rate that had stubbornly persisted for three consecutive months.
- 3.5 The UK economy entered a technical recession in the second half of 2023, as growth rates of -0.1% and -0.3% respectively were recorded for Q3 and Q4. Over the 2023 calendar year GDP growth only expanded by 0.1% compared to 2022. Of the recent monthly data, the Office for National Statistics reported a rebound in activity with economy expanding 0.2% in January 2024. While the economy may somewhat recover in Q1 2024, the data suggests that prior increases in interest rates and higher price levels are depressing growth, which will continue to bear down on inflation throughout 2024.
- 3.6 Labour market data provided a mixed message for policymakers. Employment and vacancies declined, and unemployment rose to 4.3% (3mth/year) in July 2023. The same month saw the highest annual growth rate of 8.5% for total pay (i.e. including bonuses) and 7.8% for regular pay growth (i.e. excluding bonuses). Thereafter, unemployment began to decline, falling to 3.9% (3mth/year) in January and pay growth also edged lower to 5.6% for total pay and 6.1% for regular pay, but remained above the Bank of England's forecast.
- 3.7 Having begun the financial year at 4.25%, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 5.25% in August 2023 with a 3-way split in the Committee's voting as the UK economy appeared resilient in the face of the dual headwinds of higher inflation and interest rates. Bank Rate was maintained at 5.25% through to March 2024. The vote at the March was 8-1 in favour of maintaining rates at this level, with the single dissenter preferring to cut rates immediately by 0.25%. Although financial markets shifted their interest rate expectations downwards with expectations of a cut in June, the MPC's focus remained on assessing how long interest rates would need to be restrictive in order to control inflation over the medium term.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

- 3.8 In the Bank's quarterly Monetary Policy Report (MPR) released in August 2023 the near-term projection for services price inflation was revised upwards, goods price inflation widespread across products, indicating stronger domestic inflationary pressure with second-round effects in domestic prices and wages likely taking longer to unwind than they did to emerge. In the February 2024 MPR the Bank's expectations for the UK economy were positive for the first half of 2024, with a recovery from the mild recession in calendar H2 2023 being gradual. Headline CPI was forecast to dip below the 2% target quicker than previously thought due to declining energy prices, these effects would hold inflation slightly above target for much of the forecast horizon.
- 3.9 Following this MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% remains the peak in Bank Rate and that interest rates will most likely start to be cut later in H2 2024. The risks in the short-term are deemed to be to the downside as a rate cut may come sooner than expected, but then more broadly balanced over the medium term.
- 3.10 The US Federal Reserve also pushed up rates over the period, reaching a peak range of between 5.25-5.50% in August 2023, where it has stayed since. US policymakers have maintained the relatively dovish stance from the December FOMC meeting and at the meeting in March, economic projections pointed to interest rates being cut by a total of 0.75% in 2024.
- 3.11 Following a similarly sharp upward trajectory, the European Central Bank hiked rates to historically high levels over period, pushing its main refinancing rate to 4.5% in September 2023, where it has remained. Economic growth in the region remains weak, with a potential recession on the cards, but inflation remains sticky and above the ECB's target, putting pressure on policymakers on how to balance these factors.
- 3.12 **Financial markets:** Sentiment in financial markets remained uncertain and bond yields continued to be volatile over the year. During the first half of the year, yields rose as interest rates continued to be pushed up in response to rising inflation. From October they started declining again before falling sharply in December as falling inflation and dovish central bank attitudes caused financial markets to expect cuts in interest rates in 2024. When it emerged in January that inflation was stickier than expected and the BoE and the Federal Reserve were data dependent and not inclined to cut rates soon, yields rose once again, ending the period some 50+ bps higher than when it started.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

- 3.13 Over the financial year, the 10-year UK benchmark gilt yield rose from 3.44% to peak at 4.75% in August, before then dropping to 3.44% in late December 2023 and rising again to 3.92% (28th March 2024). The Sterling Overnight Rate (SONIA) averaged 4.96% over the period to 31st March.
- 3.14 **Credit review:** In response to an improving outlook for credit markets, in January 2024 Arlingclose moved away from its previous temporary stance of a 35-day maximum duration and increased its advised recommended maximum unsecured duration limit on all banks on its counterparty list to 100 days.
- 3.15 Earlier in the period, S&P revised the UK sovereign outlook to stable and upgraded Barclays Bank to A+. Moody's also revised the UK outlook to stable, Handelsbanken's outlook to negative, downgraded five local authorities, and affirmed HSBC's outlook at stable while upgrading its Baseline Credit Assessment. Fitch revised UOB's and BMO's outlooks to stable.
- 3.16 In the final quarter of the financial year, Fitch revised the outlook on the UK sovereign rating to stable from negative based on their assessment that the risks to the UK's public finances had decreased since its previous review in October 2022, the time of the mini-budget.
- 3.17 Moody's, meanwhile, upgraded the long-term ratings of German lenders Helaba, Bayern LB and LBBW on better solvency and capital positions, despite challenges from a slowing German economy and exposure to the commercial real estate sector. Moody's also upgraded or placed on review for an upgrade, Australian banks including ANZ, CBA NAB and Westpac on the back of the introduction of a new bank resolution regime.
- 3.18 Credit default swap prices began the financial year at elevated levels following the fallout from Silicon Valley Bank and collapse/takeover of other lenders. From then the general trend was one of falling prices and UK lenders' CDS ended the period at similar levels to those seen in early 2023. Earlier in the year some Canadian lenders saw their CDS prices rise due to concerns over a slowing domestic economy and housing market, while some German lenders were impacted by similar economic concerns and exposure to commercial real estate towards the end of the period, with LBBW remaining the most elevated.
- 3.19 Heightened market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Local Context**

- 3.20 On 31st March 2024, the Authority had net borrowing of £95.43m 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 balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.23	31.3.24
	Actual	Actual
	£m	£m
General Fund & Regeneration CFR	15.9	22.47
HRA CFR	122.2	122.2
Total CFR	138.1	144.67
External borrowing**	124.1	103.93
Internal (over) borrowing	14.0	40.74
Less: Usable reserves	-19	-19
Less: Working capital	-4.9	-4.9
Net investments	-10.9	16.84

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

- 3.21 The treasury management position at 31st March and the change during the year is shown in Table 2 below.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Table 2: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	31.3.24 Balance £m	31.3.24 Rate %
Long-term borrowing				
- PWLB	98.93	0	98.93	3.35%
- LOBOs				
- Other	5.00	0	5.00	4.71%
Short-term borrowing				
Total borrowing	103.93	0	103.93	4.03%
Long-term investments				
Short-term investments	11.25	-2.25	9.00	5.45%
Cash and cash equivalents				
Total investments				
Net borrowing	92.68	2.25	94.93	

Borrowing Strategy and Activity

- 3.22 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately 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. At the present time short term interest rates are higher than long term interest rates.
- 3.23 Interest rates have seen substantial rises over the last two years, although these rises have now begun to plateau. Gilt yields fell in late 2023, reaching April 2023 lows in December 2023 before rebounding to an extent in the first three months of 2024. Gilt yields have remained volatile, seeing upward pressure from perceived sticker inflation at times and downward pressure from falling inflation and a struggling economy at other times.
- 3.24 On 31st December, the PWLB certainty rates for maturity loans were 4.74% for 10-year loans, 5.18% for 20-year loans and 5.01% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

- 3.25 The cost of short term borrowing from other local authorities has generally risen with Base Rate over the year. Interest rates peaked at around 7% towards the later part of March 2024 as many authorities required cash at the same time. These rates are expected to fall back to more normal market levels in April 2024.
- 3.26 A new PWLB HRA rate which is 0.4% below the certainty rate was made available from 15th June 2023. This rate will now be available to June 2025. The discounted rate is to support local authorities borrowing for the Housing Revenue Account and for refinancing existing HRA loans, providing a window of opportunity for HRA-related borrowing and to replace the Authority's £103.93m loans relating to the HRA maturing during this time frame.
- 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. The Authority has no new plans to borrow to invest primarily for financial return.
- 3.28 **Loans Portfolio:** At 31st March the Authority held £103.93m of loans, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31st March 2024 are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.23 Balance £m	Net Movement £m	31.3.24 Balance £m	31.3.24 Weighted Average Rate %	31.4.24 Weighted Average Maturity (years)
Public Works Loan Board	98,93		98,93	3.35%	23
Banks (LOBO)					
Banks (fixed-term)	5.00		5.00	4.71%	25
Local authorities (long-term)					
Local authorities (short-term)					
Total borrowing	103.93		103.93		

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Treasury Investment Activity**

- 3.29 The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines 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.
- 3.30 The Authority does not hold any invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £1.0 and £9.0 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.23	Net	31.3.24	31.3.24	31.3.24
	Balance	Movement	Balance	Income Return	Weighted Average Maturity
	£'000	£'000	£'000	%	days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government					
Local authorities and other govt entities	11.25	-3.75	7.50	5.51%	90 days
Corporate bonds and loans					
Money Market Funds			1.50		
Total investments	11.25	-3.75	9.00		

- 3.31 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

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

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.

- 3.32 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 3.33 Bank Rate increased by 1% over the period, from 4.25% at the beginning of April 2023 to 5.25% by the end March 2024. Short term rates peaked at 5.7% for 3-month rates and 6.7% for 12-month rates during the period, although these rates subsequently began to decline towards the end of the period.

Non-Treasury Investments

- 3.34 The definition of investments in the Treasury Management Code now 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).
- 3.35 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

Treasury Performance

- 3.36 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 5 below.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Table 5: Performance

	Actual £m	Budget £m	Over/ under
<i>PWLB Maturity Loan 1</i>	15.00		
<i>PWLB Maturity Loan 2</i>	25.00		
<i>PWLB Maturity Loan 3</i>	40.00		
<i>PWLB Maturity Loan 4</i>	18.93		
<i>Barclays Loan</i>	5.00		
Total borrowing			
<i>PFI and Finance leases</i>			
Total debt	103.93	175.00	-71.07
<i>Short-term Investments</i>	13.00	10.00	3.00
Total treasury investments	13.00	10.00	3.00

MRP Regulations

- 3.37 On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding Capital Financing Requirement (CFR) in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.
- 3.38 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Compliance**

- 3.39 The Director of Resources and Section 151 officer reports that some treasury management activities undertaken during the year complied fully with the principles in the Treasury Management Code, while lending to Bromsgrove District Council didn't comply, and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2023/24 Maximum	31.3.24 Actual	2023/24 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£4m each	£7.5m	£4m	No
UK Central Government	Unlimited			
Unsecured investments with banks and building societies	£2.5m in total			
Loans to unrated corporates	£1m in total			
Money Market Funds	£20m in total	£1.5m	20m	Yes
Foreign countries	£5m per country			
Real Estate Investment Trusts	£2.5m in total			

- 3.40 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	2023/24 Maximum	31.3.24 Actual	2023/24 Operational Boundary	2023/24 Authorised Limit	Complied? Yes/No
Borrowing	175.00	103.93	170.00	180.00	Yes
PFI and Finance Leases	1.50	0	1.50	1.50	Yes
Total debt	176.50	103.93	171.50	181.50	

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

- 3.41 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

Treasury Management Prudential Indicators

- 3.42 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

Liability Benchmark

- 3.43 This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2m required to manage day-to-day cash flow

	31.3.23	31.3.24	31.3.25	31.3.26
	Actual	Actual	Forecast	Forecast
Loans CFR	138.1	144.67	151.6	153.79
Less: Balance sheet resources	-20.0	-23.9	-23.9	-22.9
Net loans requirement	-4.9	120.77	127.7	130.89
Plus: Liquidity allowance	0.2	0.2	0.2	0.2
Liability benchmark	113.4	120.97	127.9	131.09
Existing borrowing	103.93	103.93	113.22	116.87

- 3.44 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £118m, minimum revenue provision on new capital expenditure based on a 40 year asset life and income, expenditure and reserves all increasing by inflation of 2% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**Maturity Structure of Borrowing

- 3.45 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:

	Upper Limit	Lower Limit	31.3.24 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

- 3.46 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.

Long-term Treasury Management Investments

- 3.47 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 prudential limits on the long-term treasury management limits are:

	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m	
Actual principal invested beyond year end	0	0	0	
Complied?	Yes	Yes	Yes	

- 3.48 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024****Additional indicators****Security:**

- 3.49 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.

	2023/24 Target	31.3.24 Actual	Complied?
Portfolio average credit rating	A	A	Yes

Liquidity:

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

	30.6.24 Actual	2024/25 Target	Complied?
Total cash available within 3 months	£2.5m	£2.5m	Yes
Total sum borrowed in past 3 months without prior notice	Nil	Nil	Yes

Interest Rate Exposures:

- 3.51 This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	2023/24 Target	31.3.24 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	500,000	0	Yes

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3.52 For context, the changes in interest rates during the year were:

	<u>31/3/23</u>	<u>31/3/24</u>
Bank Rate	4.25%	5.25%
1-year PWLB certainty rate, maturity loans	4.78%	5.36%
5-year PWLB certainty rate, maturity loans	4.31%	4.68%
10-year PWLB certainty rate, maturity loans	4.33%	4.74%
20-year PWLB certainty rate, maturity loans	4.70%	5.18%
50-year PWLB certainty rate, maturity loans	4.41%	5.01%

3.53 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

4. IMPLICATIONS**Legal Implications**

4.1 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Councils statutory function.

Service / Operational Implications

4.2 Monitoring is undertaken to ensure that income targets are achieved, with Treasury Management activities taking place on a daily basis.

Customer / Equalities and Diversity Implications

4.3 The only impact of treasury transactions is in respect of ethical investment linked to the Councils investment counterparties. Presently the Council has a limited counterparty list based on financial risk to the Authority.

5. RISK MANAGEMENT

5.1 There is always significant risk in relation to treasury transactions, this is why Councils appoint Treasury advisors, which in the case of Redditch is Arlingclose. In addition, there is the requirement in this area to provide an Annual Strategy report containing

REDDITCH BOROUGH COUNCIL**Executive****3rd September 2024**

indicators/limits that must be met, a quarterly update and closure report all of which must be reported to full Council.

6. APPENDICES

None

7. BACKGROUND PAPERS

MTFP 2023/24 – February 2023 which contains the years Capital Strategy, Treasury Management Strategy and MRP Policy.

AUTHOR OF REPORT

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Overview and Scrutiny Committee

Thursday, 25th July, 2024

MINUTES

Present:

Councillor Chris Holz (Chair), and Councillors Chris Holz, William Boyd, Claire Davies, Joanna Kane, Sachin Mathur, Gemma Monaco and Rita Rogers

Also Present:

Councillor Joe Baker (Leader of the Council)

Councillor Matthew Dormer (Chair of the Overview and Scrutiny Committee attending as observer and to address the Committee)

Councillor Sharon Harvey (Deputy Leader of the Council)

Councillor Craig Warhurst (Vice Chair of the Overview and Scrutiny Committee attending as observer and to address the Committee)

Councillor Ian Woodall (Portfolio Holder for Finance)

Councillor Monica Stringfellow

Officers:

Peter Carpenter and Sue Hanley

Democratic Services Officers:

Jess Bayley-Hill and Mat Sliwinski

10. APPOINTMENT OF CHAIRMAN FOR THE MEETING

Members were advised that neither the Chair nor the Vice Chair would be chairing this particular meeting, due to consideration of an item of business on the agenda with which they had previously been involved in making a decision.

Councillor Gemma Monaco proposed that Councillor Chris Holz be elected to chair the meeting. This was seconded by Councillor Holz.

Chair

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Councillor Joanna Kane proposed that Councillor Claire Davies be elected to chair the meeting. However, clarification was provided that as per the Council's constitution, the Overview and Scrutiny Committee needed to be chaired by a member of a political group not forming part of the administration. Whilst Councillor Davies was not a member of the administration, it was also noted that she was not a Member of a political group and therefore was not eligible to chair the meeting. Following this clarification, the nomination was withdrawn.

Following a vote it was

RESOLVED that

Councillor Chris Holz be elected to Chair the meeting of Overview and Scrutiny Committee on 25th July 2024.

11. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were submitted on behalf of Councillors Matthew Dormer, Craig Warhurst, Wanda King, and David Munro. Councillors Dormer and Warhurst were substituted at the meeting by Councillors Gemma Monaco and Chris Holz respectively.

12. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of party whip.

13. MINUTES

The minutes of the meetings of the Overview and Scrutiny Committee held on 14th March 2024 and 8th July 2024 were submitted for Members' consideration.

During the consideration of the minutes, a correction was requested to the typographical error in the minutes of the meeting of 8th July 2024, minute number 6, replacing 'Himalayan Blossom' with the correct species name referred to in the meeting, 'Himalayan Balsam'.

RESOLVED that

Subject to the amendment detailed in the preamble above, the minutes of the Overview and Scrutiny Committee meetings held on 14th March 2024 and 8th July 2024 be approved as correct record of these meetings and signed by the Chair.

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14. PUBLIC SPEAKING

There were no public speakers registered to speak at this meeting.

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

The Executive Committee Work Programme was submitted for Members' consideration. It was noted that many of the finance-related items on the Work Programme would be pre-scrutinised at meetings of the Budget Scrutiny Working Group.

RESOLVED that

the Executive Committee's Work Programme be noted.

16. OVERVIEW AND SCRUTINY WORK PROGRAMME

The Overview and Scrutiny Work Programme was submitted for Members' consideration.

RESOLVED that

the Overview and Scrutiny Work Programme be noted.

17. EXCLUSION OF THE PUBLIC AND PRESS

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 paragraph 3 of Part 1 of Schedule 12 of the said act, as amended.

Minute Item No. 18 – Pre-Decision Scrutiny – Update Report on the Town Hall Hub.

18. PRE-DECISION SCRUTINY - UPDATE REPORT ON THE TOWN HALL HUB

The Deputy Chief Executive and Section 151 Officer presented an update report on the Town Hall Hub.

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The Committee was reminded that two years' previously, following the closure of the cashiers at the Town Hall, the decision had been taken to introduce a community hub in the Town Hall. Some work had been undertaken in liaison with partner organisations, including Worcestershire County Council (WCC) and their library subtenants as well as the NHS to explore potential options for use of space in the community hub. The NHS had entered into a 15-year deal with the Council to lease two floors in the building and a new entrance had been introduced for the use of the NHS. In March 2024, final lease terms had been agreed with Worcestershire County Council, which would have involved the move of the library in the town centre into the community hub at the Town Hall.

It was noted with respect to progress on the Town Hall hub, that the NHS had taken a lease of and subsequently refurbished the ground and first floors to the west side of the Town Hall building which were to be used to deliver mental health services. The NHS had fully self-funded these works.

Following the local elections in May 2024, Officers had been asked to review options available for the community hub that would not involve moving the library into the building from its existing location in the town centre. Members were asked to note that if the library did not relocate into the community hub, the library's subtenant would also not be able to move into the building at this time.

Officers highlighted the proposals for the Town Hall in relation to the Medium Term Financial Plan (MTFP), and it was noted that in 2022/23 the Council had been anticipating £400,000 in budget savings arising from the move of the library into the community hub from 2025 onwards. The Council was already receiving some income from the NHS but there was also due to be a loss of income from Bromsgrove District Council as a result of a reduction in the use of office space at the Town Hall to accommodate staff working in shared services. Therefore, as a result of a decision to not move the library and their subtenants into the Town Hall Hub, the Council would need to take action to address a £400,000 gap in the budget. The Council would also need to write off as revenue expenditure amounts that had already been spent on the existing design to allow the library and their subtenant to move into the building, which were presently capital in nature.

Discussions had been held with the former Department for Levelling Up, Housing and Communities (DLUHC) about the options available to the Council moving forward in terms of using Town's Funding previously allocated to Redditch for the project. The

Overview and Scrutiny Committee

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Council had been advised about the following options if the Council were not to proceed with the library relocation:

- Invest the funding in the Digital Manufacturing and Innovation Centre (DMIC) with better Metrics.
- Invest in an alternative building that would give similar outputs to the library site.

The Council would also be required to complete a Project Adjustment Form, which would need to be agreed by the Towns Board and the MP for Redditch.

Members were asked to note advice from the Section 151 Officer in his capacity as a Statutory Officer that the authority's external auditors were likely to challenge any decision not to move the library into the community hub, and the resulting financial implications, in their annual report. This challenge was likely, given that the authority had previously been in a position where contracts had been agreed with both the NHS and Worcestershire County Council (WCC) to cover the £400,000 budget savings requirement and there was now an ongoing budget gap to fill as well as a potential write off of aborted design costs. There was also the potential that this could result in the Council being issued with a Section 24 Notice by its external auditors.

Following the presentation of the report by Officers, Councillors present in the public gallery were invited to speak by the Chair. The Councillors were invited to speak as follows:

Councillor Warhurst commented that he felt the presentation delivered by the Section 151 Officer and the report were clear that the Council should not proceed with revising the Town Hall project and should continue with relocation of the library. He commented that if the plans were revised there would be an ongoing annual loss of revenue saving of £400,000. in addition to the loss funding that had already been spent on the design works based on the current plan for the Town Hall Hub.

Concerns were expressed that, were the Executive Committee minded to revise the decision with regard to library relocation, the Council would likely receive a Section 24 Notice from the external auditors for failing to keep to the agreements and decisions that had already been made, including with WCC.

Councillor Warhurst noted that the alternative proposals had not yet been consulted on with WCC or other public sector stakeholders involved with the library including the DWP. He added that the

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proposal to use the basement of the Town Hall for office space would not be attractive to businesses looking to rent office space.

The Committee was asked to note that in the 2020/21 accounts, which had just been finalised, previous year, an additional £1.5 million was added to reserves and that the Council's Section 151 Officer was advising against altering the Town Hall hub project. Councillor Warhurst highlighted a risk to the financial sustainability of the Council if the Council proceeded with alternative Town Hall options.

Councillor Dormer was also invited to address the Committee and in doing so he commented that if the library moved to the Town Hall, there were risks that library provision in Redditch would not be safeguarded. Questions were raised as to what guarantees had been obtained from WCC that library provision in Redditch would be retained in the future, whether at the existing site or an alternative location. In considering this matter, Members noted that WCC had a legal duty to provide library provision within the County, with no legal requirement stating that a library had to be located in Redditch. It was suggested that the Executive Committee should consider this matter further.

Members were asked to note that the majority of respondents to the Redditch Library consultations carried out by WCC were against the library move. In addition, a petition had been handed to WCC by the Leader and Councillor Kane, arguing against the library move. As such, WCC were aware of the opposition to the move. With regard to the Council's representation on the Towns Board, the Leader noted that the Portfolio Holder for Housing and the Assistant Director for Legal, Democratic and Property Services, together with the new Member of Parliament for Redditch, were on the Redditch Town Deal Board.

Councillor Dormer subsequently commented that the existing library building was an old building that could not be modernised and as a result WCC would not be able to proceed with the Libraries Unlocked initiative in Redditch. He questioned if residents were informed about the financial risks associated with not moving the library. In terms of demand for office space, Councillor Dormer commented that in using both the Town Hall and the Innovation Centre to rent office space to businesses, the Council would be effectively competing with itself which he suggested was ineffectual.

Councillor Harvey commented that Overview and Scrutiny had been scrutinising the Town Hall hub project in great depth over the past two years, Members having enquired into what 'plan B' was for that

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project. She reiterated that the alternative proposal put forward by the new administration was now providing a 'plan B'. Councillor Harvey also noted that no objections had been raised to date by WCC with regard to the alternative plans. The Leader of the Council added that the Council was ready to cooperate with WCC regarding library provision in Redditch and that work could be done to effect positive changes to the library in its existing setting.

Following comments by Councillors in attendance as observers at this meeting, Members of the Committee were invited to debate this item. During a detailed debate, the following was noted:

- It was commented that there was significant car parking undercapacity at the Town Hall and any design proposal for the upgraded Town Hall Hub would need to take this problem into account.
- The suggestion was made that the Town Hall basement area could be utilised for a secure bike storage / repair space and showers to encourage active travel. Officers noted that showers had been included in the original design proposals for the Town Hall Hub. The suggestion with regard to inclusion of bike storage/repair space to encourage active travel would be investigated by the Officers.
- Office space in the Digital Manufacturing and Innovation Centre (DMIC) and the Town Hall was considered. A Member countered a comment earlier in the meeting that creating office spaces at both the DMIC and Town Hall would lead to Council effectively competing with itself. It was argued that this statement overemphasised the demand for office space that existed in Redditch at the moment and the Council would need to consider provision of associated services, such as food and beverage provision, to support office workers to effectively grow office space in Redditch.
- The risk of the Council receiving a Section 24 Notice was discussed. It was explained that there was a significant possibility that the Council's external auditors would be concerned with the decision-making process if the Redditch Library move to Town Hall was withdrawn in that contracts were already in place that would need to be terminated. The external auditors were also likely to raise concerns regarding decision-making in relation to the aborted design costs.
- It was stated that changes to the decision regarding the Town Hall hub would likely not necessitate the Council selling any of its assets (including community assets) to finance alternative proposals.
- A possible extension to Government funding for the Towns Fund programme was debated. The Deputy Chief Executive

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and Section 151 Officer reported that the Ministry of Housing, Communities and Local Government (MHCLG) would not be making any decisions about extensions to Towns Fund funding until the following year. The current £4.2 million for the Town Hall hub had to be spent by 31st March 2026. It was further explained that the Council had intended to request an extension previously, independent of whether the Redditch Library would move into the Town Hall Community Hub or not.

- Alternative uses for the Towns Fund were considered. The Deputy Chief Executive reported that whilst the former Department for Levelling Up, Housing and Communities (DLUHC) advised that the options of investing further in the DMIC or investing in an alternative building that would give similar outputs to the library site were open to the Council, DLUHC rejected the option of creating a community building as too dissimilar in outputs from the library site.
- Alternative options for the Redditch Town Hall Hub were discussed. Members were advised that a report on the Town Hall project was due to be presented in September 2024 which would set out different options for the new plans for the hub (this was subject to the Executive Committee agreeing to revise works at a meeting 29th July 2024). Prior to the report in September, formal notification would be given to WCC and a formal request made to the Redditch MP regarding change of plans and conversations would be held with the Redditch Town Deal Board and the MHCLG to determine the alternative ways forward.
- The minutes of the Redditch Town Deal Board meetings were referred to. A Member asked if minutes from the Redditch Town Deal Board meetings could be provided to Members of the Overview and Scrutiny Committee. Officers undertook to provide a response after checking on the status of the Town Deal Board meetings in relation to sharing information outside of that Board.
- Aborted costs as a result of withdrawing from the Redditch Library move were debated. Officers explained that the potential aborted costs related to the design works. In the event that the library move would not go ahead, a significant amount of the funding that had already been invested by the Council in the design of the new Library would be required to be written off to revenue, subject to negotiations. Currently, the work of the design contractor had been put on hold and works around the Town Hall were due to recommence from September. It was noted that the Council had committed £14,000 in total to the Library relocation to date and if the move did not take place this would be the total aborted cost for this part of the project.

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A motion was proposed by Councillor Monaco that the recommendations printed in the report should not be endorsed based on there being too great a risk with the Town Hall hub programme if Redditch Library did not move into the community hub. This motion was seconded by Councillor Holz who commented that there were too many risks and uncertainties associated with the revised proposals for the Town Hall hub project, including the need to undertake detailed negotiations with the Towns Deal Board and the potential considerable funding gap.

On being put to the vote, the motion as put by Councillor Monaco was lost.

Members requested that the points raised in the discussions at the Overview and Scrutiny Committee meeting be taken into consideration when the Executive Committee meeting considered this topic at a meeting due to take place on 29th July 2024. The Leader confirmed that the comments made at the Overview and Scrutiny Committee meeting would be taken into account by the Executive Committee.

The motion was put forward by Councillor Kane, seconded by Councillor Rogers, to endorse the recommendations as printed in the report. On being put to the vote, this motion was agreed.

RECOMMENDED that

- 1) The progress towards the creation of a Town Hall Hub be noted and that the need to extend the project to include private sector tenants in the Town Hall be approved.**
- 2) Formal notification be given to Worcestershire County Council that the Redditch Library cannot relocate to the Town Hall.**
- 3) Revised works to RIBA stage 4 be approved in readiness for a detailed report to Executive in September 2024 setting out the revised Town Hall project.**
- 4) Work continues to determine the most effective alternative use of the Towns Funding and that this is reported to and agreement sought through the Towns Board in readiness for a further report to Executive in September 2024.**

Overview and Scrutiny Committee

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- 5) **Members note and approve the consequential risks associated with the revised proposals detailed within this report.**
- 6) **Authority be delegated to the Interim Director of Finance and Resources and Deputy Chief Executive and the Assistant Director of Legal, Democratic and Property Services to enter 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 of exempt matters on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information).

The Meeting commenced at 5.00 pm
and closed at 7.05 pm

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

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REDDITCH BOROUGH COUNCIL**Executive Committee** 3rd September
2024**Report title Redditch Shopmobility Future Operating Model**

Relevant Portfolio Holder	Councillor Stringfellow
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Report Author	Job Title: Tara Day – Community Services Manager Contact tara.day@bromsgroveandredditch.gov.uk email: Contact Tel: 0787648279
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Living independent, active and health lives Value for Money
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee **RESOLVE** that

- 1) Redditch Borough Council provide the Shopmobility service from a rented retail unit within the Kingfisher Centre as set out as Option 3 in the report.

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

- 2) The additional costs of £46,835 the Shopmobility Service in 2024/25 are met from balances; and
- 3) The ongoing position be integrated with the Medium Term Financial Plan (MTFP) 2025/26 process to reflect the additional ongoing costs of £28,835 thereafter.

2. BACKGROUND

- 2.1 The Redditch Shopmobility Service was one of the first such schemes to be launched in the country. The service used to have over 15,000

Executive Committee 3rd September 2024

customer visits each year, however the service now has approximately 3,000 customer visits per year.

- 2.2 The Shopmobility service is available 9.00am to 4.00pm Monday to Saturday (closed on Bank Holidays). There is greater demand for the service in the mornings and mid-week.
- 2.3 The majority of customers use the Shopmobility service to access shopping facilities, cafes and appointments in the town centre, particularly within the Kingfisher Shopping Centre.
- 2.4 The service operates from car park 3 and provides motorised scooters, power chairs and manual wheelchairs. The service is staffed by 1 part time supervisor, 4 part time staff, 1 casual employee and 1 volunteer.
- 2.5 The service has been jointly funded by Redditch Borough Council and the Kingfisher Shopping Centre since 1989. This was originally 50:50 split of the direct running cost but this was capped at £40,000 for 2009/10 (paid to RBC by Kingfisher), a reduction of £26,000 on previous arrangements. This was further reduced in 2010 to £30,000 per annum. The Kingfisher Shopping Centre provides the accommodation at a peppercorn rent and covered the cost of utilities. This changed on 01/07/24 and the utility bills are now the responsibility of Redditch Borough Council.
- 2.6 The Shopmobility scheme is a discretionary service that currently operates at an annual cost to the Council, excluding support services costs as follows:

Direct service costs	£144,165
Income & Contributions	£ 66,000
Actual cost to the Council	£ 78,165

- 2.7 The Kingfisher Shopping Centre has changed ownership and they are looking to reduce costs. (See confidential Appendix 2) Officers have therefore considered various options for the future delivery of the Shopmobility service.

3. OPERATIONAL ISSUES

- 3.1 Shopmobility operates from the lower level of Car Park 3, which is quite isolated, and staff need to work in pairs for safety reasons. The building is exceptionally cold in winter, and the heating system is outdated and ineffective. As a result, utility costs are continually rising.

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- 3.2 All equipment is old, worn out and is in need of replacing - there are frequent equipment breakdowns with rising service and maintenance costs.
- 3.3 Shopmobility customer service needs have significantly diminished in recent years resulting in fewer customers, reduced income and rising costs. It is unlikely that the demand will increase in future due to:
- Increased online shopping options.
 - More people have their own scooters they can use and are reluctant to hire one.
 - Remaining in the current site makes it difficult to promote and limits users to those who only use car park 3 or Dial A Ride.
- 3.4 Due to health and safety reasons of operating out of car park 3, two members are required on every shift. However often there is not enough demand for two members of staff per shift with the current number of customers.
- 3.5 Statistics showing the number of customers, frequency of use and income has evidenced a continuing downward trend over the last 10 years. There is significantly less demand from customers **15826** in 2013/14 and less than 20% of those customers, **3231**, in 2023/24.
- 3.6 A Shopmobility survey was undertaken at the end of 2023. Some comments / suggestions were:
- Shopmobility would be better more centrally located so that those using public transport could access.
 - Wasn't clearly signposted so no idea where it is.
 - The service helps with independence.
 - Cost was too high as the equipment needs upgrading.
 - Helpful and friendly staff.
- 3.7 83 people completed the survey – 51.8% currently use it; 20.5% used to use it; and 27.7% have never used it. Out of those who do use it 52.5% use it once per week; 16.9% use it once a month; and 20.3% use it occasionally. The majority of responses are very satisfied or satisfied with the booking system, opening hours and service accessibility.
- 3.8 The survey asked if Shopmobility was to relocate within the Kingfisher Shopping Centre would this help to make the service more accessible – 82 responses - 30.5% said yes; 40.2% said maybe; and 29.3% said no.

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3.9 Officers have considered 5 possible future operating models for the service (with a 6th option of no longer providing the service) and these are set out below:

Option 1 – Remain in Car Park 3

To remain in the current site would not enable the opportunity to promote the service and make it more visible – feedback from the recent survey suggested potential customers were not aware of the service or it was too far to get to from a bus stop. However if the service remained in Car Park 3 there would be no rental costs but the utility costs are approximately £12,000 per annum as the site is cold all year round and particularly during the winter months. The utility costs are now the responsibility of RBC since July 2024. The site is old and the electronic doors need replacing, again at a cost to the Council.

The first year cost of improving the facility and service cost would be £150,000. The future annual cost to the Council would be approximately £135,000.

Option 2 - Provide the service from The Canopies

To move to the units within the canopies would result in extensive work being undertaken to make the units fit for purpose and to have enough electricity to charge the scooters – the cost to do this would be approximately £67,000. The site is isolated and like with the Car Park 3 unit would be extremely cold during the winter and very isolating for staff and difficult to promote the service from this site. We would look to provide a cashless service (this would create a saving. It would be a challenge to promote the assisted shopping service or to take scooters to pick up points to be more accessible to customers as lone working would be an issue here as the site is remote, similar to Car Park 3.

The first year cost of moving to this site and service costs would be approximately £168,000. The future annual cost to the Council would be approximately £98,000

Option 3 - Kingfisher Retail Unit – 9 George Walk

To move to a site within the Kingfisher would result in further operational costs (see confidential Appendix 3). From this site there would be the ability to promote the service more; a warmer and welcoming environment; review hours and staffing/opening times; look to a cashless service (this would create a saving); promote the assisted shopping service; taking scooters to points more accessible to customers; and engage with the local retailers to promote further.

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The Dial A Ride service takes customers to Shopmobility at Car Park 3 – they could continue to use this as a drop off point with the DAR staff liaising with the Shopmobility staff about booking times to ensure equipment could be taken to the customers.

The first year cost of improving the facility and service cost would be approximately £125,000. The future annual cost to the Council would be approximately £107,000.

Option 4 - The service was to transition to Kingfisher Shopping Centre

The service would be transferred to the Kingfisher Shopping Centre to run on a much reduced service. The Council would no longer manage or control the service.

The Kingfisher would require the Council to purchase 5 new scooters. There would be one off costs relating to the transfer of the service of **£54,000**.

There would be the initial expense of the new scooters and the redundancy costs. A reduced service would continue to be available for customers and RBC will make a saving of £95,000 per annum in future years. However it would lose control of the service and its future sustainability.

Option 5 – Commission the service to a third party

A local business or charity could elect to take over the management and delivery of the service. A procurement exercise would need to be authorised and subsequently a new provider of the Shopmobility Service is appointed, there will be direct TUPE implications. Given the predicted costs of the service, the chances of securing an alternative supplier is unlikely, particularly given the current conditions of Car Park 3 and the equipment, however it could be an option to explore.

Option 6 – The Council cease operating the Shopmobility Service

The service would cease operating with initial closure costs of approximately £50,000 if Shopmobility staff cannot be redeployed. Potential annual financial savings of between £98,000 - £135,000. The Shopmobility Survey and Equality Impact Assessment would suggest there are no other providers of the service locally and there could be social inclusion decline.

4. FINANCIAL IMPLICATIONS

- 4.1 If Redditch Borough Council continue to provide the service the option of procuring a leasing contract for the equipment needs to be considered as there is no capital money available to purchase new

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equipment. The option to lease the equipment would include all servicing and replacement of any equipment, as well as the option to increase the fleet during busier periods such as Christmas. The additional cost of approximately £15,000 per annum has been included in the costings for options 1,2 & 3.

- 4.2 Impact of IFRS16 from 2024/25 for Local Authorities would need to be considered as to how we account for leases.
- 4.3 Redditch Shopmobility was free of charge up until April 2017 – current charges for 2024 can be found in Appendix 4. Research on charges by other Shopmobility services as follows:

Shopmobility Comparable Data (August 2024)

Provider	Annual Fee	Hire Costs
Redditch Borough Council	Yes £15	Yes Residents £4.70 Non-Residents £6.25
DIAL West Cheshire	Yes Residents £30 Non-Residents £35	Yes Members £4 Non-Members £12.00
Coventry City Council – operated by Mobility Pathways	No	Free of charge
Touchwood Shopping Centre – Solihull	No	No
Horsham District Council via Parking Services	No	Free of charge – donations welcome
Stratford Council transferred service to Active Mobility	No	Free of charge donations welcome (local residents only)
Stoke-on-Trent Council	Yes £24	Yes £2 for members £5 for non-members
Leominster Shopmobility (charity)	No	Free of charge – donations welcome
Age UK Merry Hill Dudley	Yes	£6 for 4 hours

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	£12 annual £4 daily	
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5. LEGAL IMPLICATIONS

- 5.1 There is no statutory requirement for a local authority to provide/operate a Shopmobility service. Any decision however to discontinue a service, that has been previously provided, could be subject to challenge.
- 5.2 In addition to the general need to ensure that any decision is lawfully (i.e. an authority has the lawful power to make the decision, the decision is reasonable and fairly made) made, an authority has a more specific duty to ensure it complies with its duties under the Equality Act 2010.
- 5.3 Before taking a decision that may impact on persons with Protected Characteristics an authority must have 'due regard' for advancing equality which involves: (a) removing or minimising disadvantages suffered by people due to their protected characteristics (b) taking steps to meet the needs of people from protected groups where these are different from the needs of other people and, (c) encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

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

- 6.1 Value for Money – the leasing option and the lower utility bills – opening times could support value for money as providing the service when it is most needed.
Living independent, active and health lives – the service would continue to promote this if options 1,2,3 or 4 are chosen.

Climate Change Implications

- 6.2 All alternative options to that of the service remaining in car park 3, would bring about reduced carbon emission as heating requirements would be significantly reduced. All options provide for a reduced fleet which would also bring about carbon reduction.

Equalities and Diversity Implications

- 6.3 The service is primarily used by customers with restricted mobility to access shops and appointments in the town. Many of the service's customers are elderly and/or have physical disabilities and may rely on the service in order to maintain personal independence.

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-
- 6.4 Due to the potential vulnerable nature of the users any proposed changes may cause some distress. Therefore, Officers will ensure there is clear communication with users and their family/carers about any changes to the service.
- 6.5 An equality impact assessment has been undertaken and shows that options 1 to 3 have no adverse impact compared to the current delivery model. Option 4 would provide a reduced service and could result in the service not meeting demand at certain times. Option 6 would impact on persons possessing a protected characteristic.

7. RISK MANAGEMENT

- 7.1 The recommendation of option 3 includes an initial investment of £18,000 to make the rented unit suitable for the service. There is a risk that the Kingfisher Shopping Centre does not renew the lease after 3 years. The service has always been reliant on the Kingfisher Shopping Centre and the Council has undertaken ongoing repairs, so this risk is no greater. Officers will regularly meet with the Kingfisher Management to promote its benefits and achieve a satisfactory lease renewal in the future.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Shopmobility Survey

Appendix 2 – Costings from Kingfisher (This advice is exempt as it relates to the financial or business affairs of any particular person (including the authority holding that information))

Appendix 3 – Costings for 9 George Walk (This advice is exempt as it relates to the financial or business affairs of any particular person (including the authority holding that information))

Appendix 4 – Redditch Shopmobility Charges

REDDITCH BOROUGH COUNCIL**Executive Committee**
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Department	Name and Job Title	Date
Portfolio Holder	Councillor Stringfellow	19 August 2024
Lead Director / Head of Service	Judith Willis Head of Community & Housing Services	13 August 2024
Financial Services	Debra Goodall Head of Finance & Customer Services	13 August 2024
Legal Services	Claire Felton Head of Legal & Democratic Services	13 August 2024
Policy Team (if equalities implications apply)	Rebecca Green Policy Manager	19 August 2024
Climate Change Team (if climate change implications apply)	N/A.	

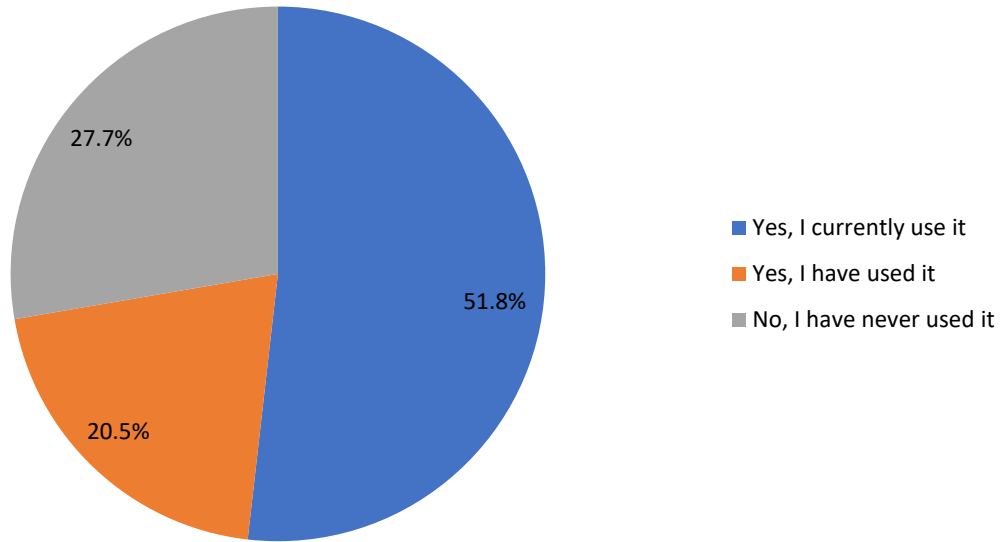
Question 1

Redditch Shopmobility Survey 2023

Are you or have you been a Redditch Shopmobility service user?			
Answer Choice		Response Percent	Response Total
1	Yes, I currently use it	51.8%	43
2	Yes, I have used it	20.5%	17
3	No, I have never used it	27.7%	23
Comments:			27
			answered 83
			skipped 0

Comments:
Helps me get around the shops alot easier
I haven't personally used the service except in the capacity of a carer to someone who has used it
Mother in law uses it
My grandparents use this service to keep their independence.
I do not drive and if I get bus, the walk from the walk to Shopmobility is too far for me to walk.
Now live in Catshill but would use the service if visiting The Kingfisher & Town Centre.
Will need one soon.
I would like to use it but not sure how to find it, when I checked it was in a car park that I don't use ???
But I plan to soon as my illness is worsening.
I have used shopmobility in other places, didn't know it was available here
Parent does
It's invaluable to me. It gives me freedom and enables me to shop. My scooter at home cannot be transported so I need one to borrow in town.
Without shopmobility I would have been unable to get around Redditch Town centre. I was a regular
From day one many moons ago then I acquired my own power chair - quite a few years ago now I also did a survey for RBC but the management of the Kingfisher Centre at the time Scottish Widows introduced charges and charges for parking and more or less killed the scheme. Why should a disabled person on limited income pay full price for parking as a non disabled person? It takes me a good 10 minutes to vacate my vehicle which will not fit into Redditch Car Parks so ergo disabled people are paying more to park than non disabled people.
No, but have older parents & friends with disabilities
SHOPMOBILITY IS A REALLY GREAT SERVICE AND EQUIPMENT NEEDS UPGRADING ASAP
VERY GOOD AND HELPFUL SERVICE
GREAT SERVICE BUT COST IS £6.00 BEFORE I DO ANY SHOPPING.
I HAVE BEEN A SHOPMOBILITY USER FOR SEVERAL YEARS AND LIKE A LOT OF OTHER PEOPLE WOULDN'T BE ABLE TO DO MY SHOPPING WITHOUT THIS SEVICE.
NICE SERVICE VERY PLEASANT.
EVERYTHING GOOD - WITHOUT SHOPMOBILITY I WOULD NOT GET TO GO OUT.
Brilliant service!! I would be lost without it.
THE STAFF ARE FRIENDLY, HELPFUL AND PROFESSIONAL
SHOPMOBILITY IS MY ONLY WAY TO GO TO TOWN. IT'S VERY IMPORTANT TO ME.
USED FOR A VERY LONG TIME

Are you or have you been a Redditch Shopmobility service user?

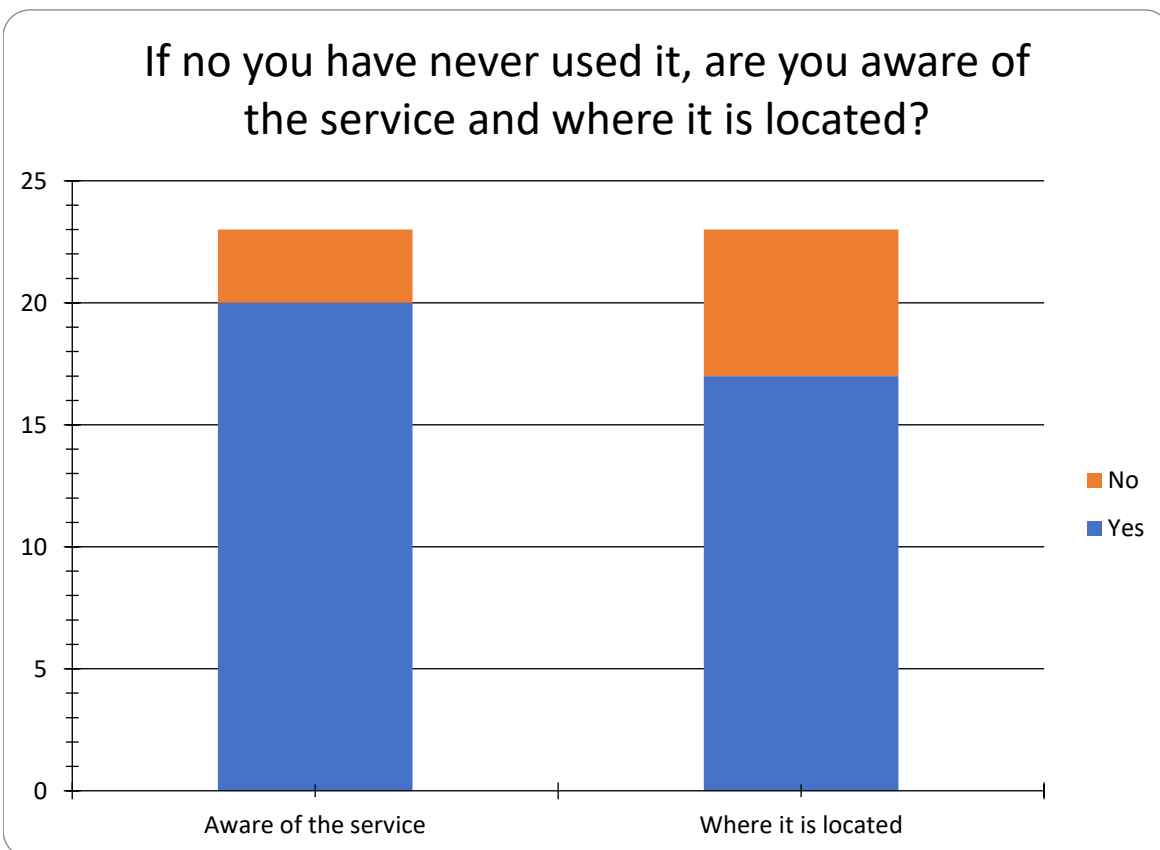


Question 2

Redditch Shopmobility Survey 2023

If no you have never used it, are you aware of the service and where it is located?				
Answer Choice		Yes	No	Response Total
1	Aware of the service	20	3	23
2	Where it is located	17	6	23
Comments:				6
				<i>answered</i> 23
				<i>skipped</i> 60

Comments:
Would be better located in the car parks attached to the town centre as people have to go out in all weathers
Possibly car park 1? Not sure.
I know where it's located, I direct guests to it.
I feel wheelchairs should be available at customer service for those that arrive by
In the Kingfisher Car Park



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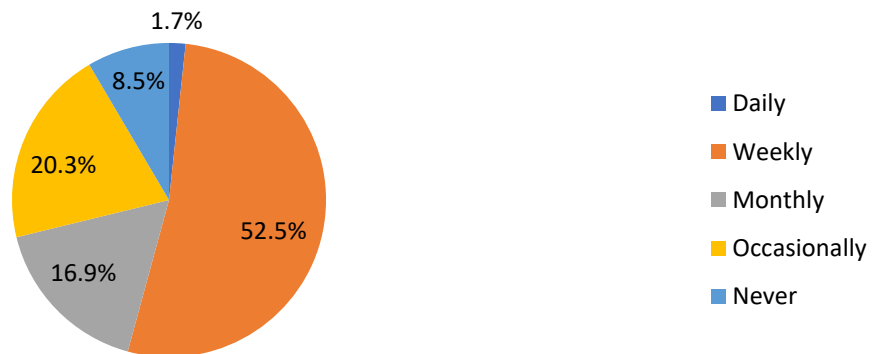
Question 3

Redditch Shopmobility Survey 2023

On average, how often do you use the Redditch Shopmobility Service?			
Answer Choice		Response Percent	Response Total
1	Daily	1.7%	1
2	Weekly	52.5%	31
3	Monthly	16.9%	10
4	Occasionally	20.3%	12
5	Never	8.5%	5
Comments:			12
			answered 59
			skipped 24

Comments:
I don't go out as much as I used to
Too far away from bus station.
Would like to see it more accessible to the other car parks as no idea 🤖 about where it is based?
To do my banking, use the library and to do some shopping.
Sometimes more than once a week
Not now due to owning my own power chair - if you require a mobility product to shop how do you get to the Town Centre now that one of the two taxi services for disabled people have ceased to exist. So it is more difficult for disabled people more than ever - it is never understood that disability costs!
MIGHT USE IT MORE OFTEN IF LESS COSTLY AND SCOOTERS WERE MORE RELIABLE
VERY GOOD AND HELPFUL SERVICE
I DO USE THE REDDITCH MOBILITY SERVICE MORE THAN MONTHLY
WOULD OF BEEN HOUSEBOUND IF NO SHOPMOBILITY.
MAYBE TWICE A WEEK IF I NEED TO.
Mostly every 2 weeks; occasionally once a week

On average, how often do you use the Redditch Shopmobility Service?



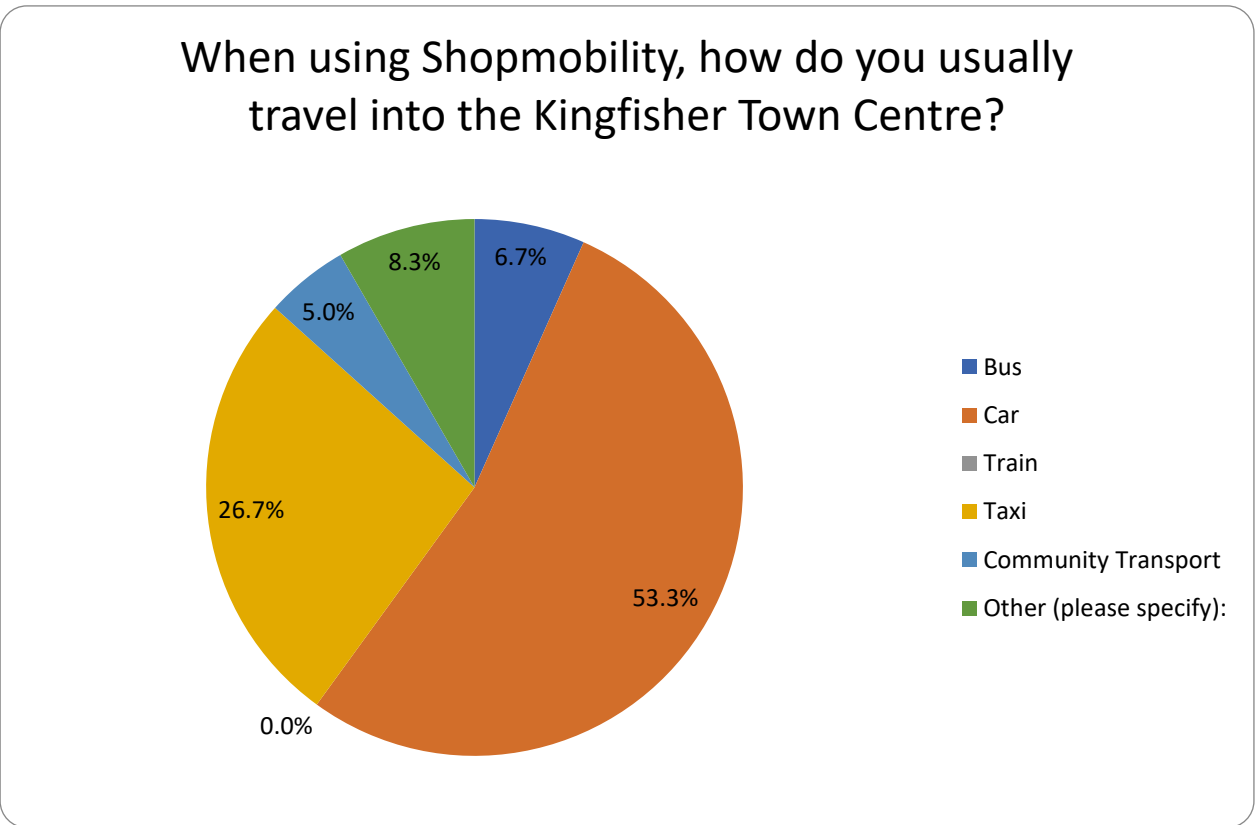
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Question 4

Redditch Shopmobility Survey 2023

When using Shopmobility, how do you usually travel into the Kingfisher Town Centre?			
Answer Choice		Response Percent	Response Total
1	Bus	6.7%	4
2	Car	53.3%	32
3	Train	0.0%	0
4	Taxi	26.7%	16
5	Community Transport	5.0%	3
6	Other (please specify):	8.3%	5
		answered	60
		skipped	23

Other (please specify):
n/a
No wheelchair taxis in redditch
TAXI
DAR
TAXI



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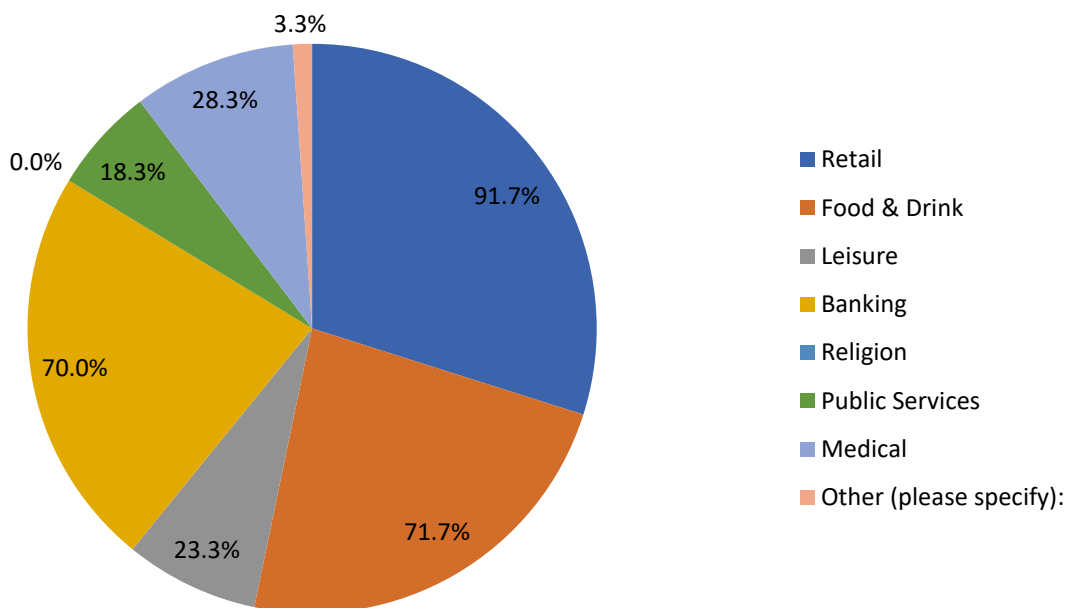
Question 5

Redditch Shopmobility Survey 2023

When using Shopmobility, what facilities do you use in Town Centre? Please tick ALL that apply			
Answer Choice		Response Percent	Response Total
1	Retail	91.7%	55
2	Food & Drink	71.7%	43
3	Leisure	23.3%	14
4	Banking	70.0%	42
5	Religion	0.0%	0
6	Public Services	18.3%	11
7	Medical	28.3%	17
8	Other (please specify):	3.3%	2
		answered	60
		skipped	23

Other (please specify):
Volunteer work
LIBRARY

When using Shopmobility, what facilities do you use in Town Centre? Please tick ALL that apply



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Question 6

Redditch Shopmobility Survey 2023

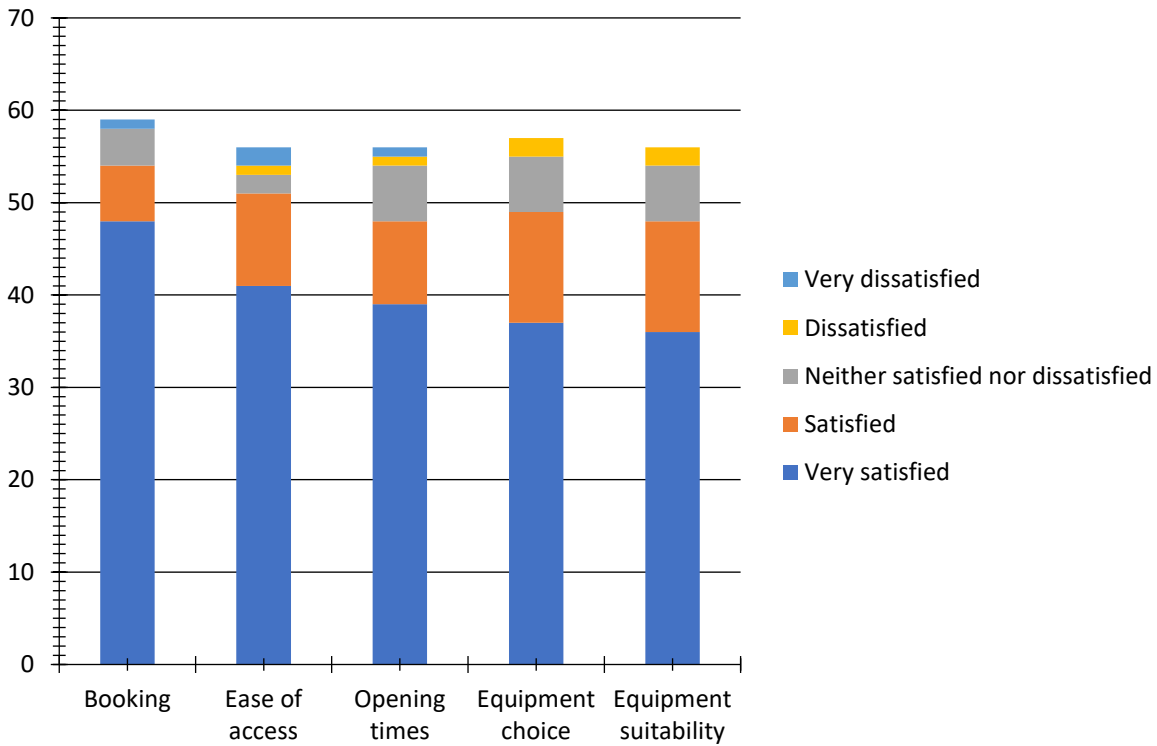
Please tell us how you would rate your Shopmobility experience in the following areas:

Answer Choice	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied	Response Total
1 Booking	48	6	4	0	1	59
2 Ease of access	41	10	2	1	2	56
3 Opening times	39	9	6	1	1	56
4 Equipment choice	37	12	6	2	0	57
5 Equipment suitability	36	12	6	2	0	56
Comments:						16
					<i>answered</i>	59
					<i>skipped</i>	24

Comments:		
Would be nice if they opened just before 9am as we have booked appointments for 9am before and had		
On a couple of occasions the battery has run down		
Equipment tends to be old & last time we used the		
I feel the amount of time you can hire the scooter		
Not used it yet		
Why is mobility situated in a car park where you		
There's always been a scooter available when I've		
I'm a big lady and the Beast was the scooter they got for me, I started with a wheel chair which was		
I believe you will have seen a massive drop in usage due to covid and the lack of decent transport systems. I personally would not travel on Diamond Buses; the drivers go too fast, break too hard and it causes pain believe me I have been there, done that. Also the maintenance of ramps on the buses is very dodgy so I feel that disabled people will be reliant on family and friends - amd with the demise of the Kingfisher Centre there isn't enough "interest" for people now. No supermarket as such for food and if memory serves me right you are not allowed to go over to trafford park plus Lidl have		
OLD, TATTY		
ALWAYS VERY HELPFUL AND CARING STAFF		
I WOULD JUST LIKE TO ADD THAT YOUR OPERATIVES AT REDDITCH SHOPMOBILITY ARE		
VERY GOOD AND HELPFUL SERVICE		

SCOOTER BROKEN DOWN A COUPLE OF TIMES		
ITS ALWAYS EASY TO BOOK AND I USUALLY BOOK FOR THE NEXT WEEK AS I FINISH EACH SHOP; THE		
VERY FRIENDLY STAFF		

Please tell us how you would rate your Shopmobility experience in the following areas:



Question 7

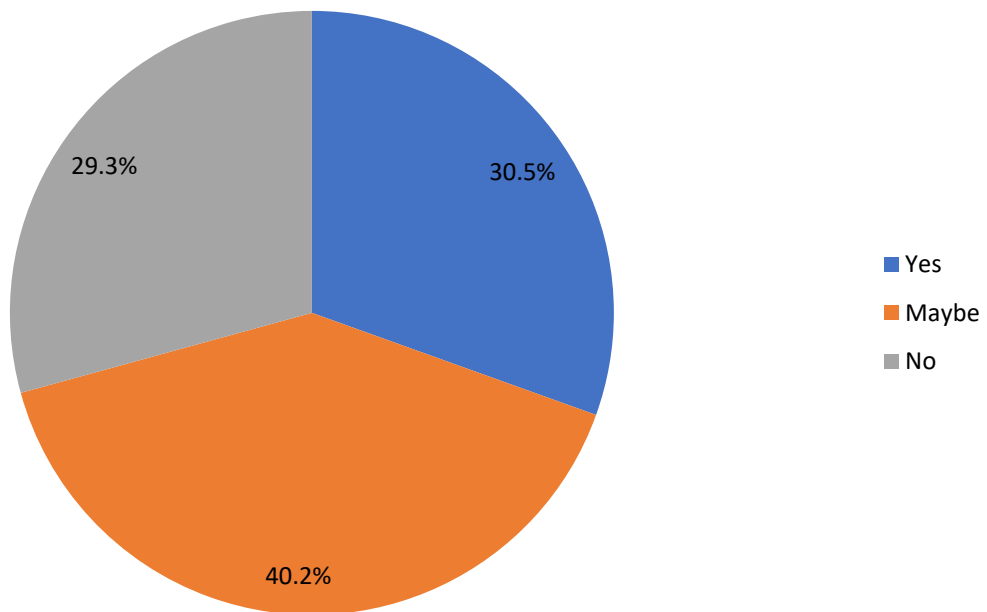
Redditch Shopmobility Survey 2023

If the location of Redditch Shopmobility was to move to be within the Kingfisher Centre, would this help make the service more accessible?			
Answer Choice		Response Percent	Response Total
1	Yes	30.5%	25
2	Maybe	40.2%	33
3	No	29.3%	24
Comments:			34
			<i>answered</i> 82
			<i>skipped</i> 1

Comments:
For my relative who isn't very mobile - she struggles to get to where it is now.
It depends as the service would need to be easily accessible to those users arriving by car/vehicle
Being in the car park is perfect. I can drive the mother in law to car park, she then has a few steps to office to get her scooter while I park the car.
It's dependent on the person, I think peoples mobility status needs to be taken into account and ensure ease of access.
Nearer to bus station would help.
It has to be in one of the car parks - if people are able to get a bus into town or walk they don't really need the service!!
I think so as I've no idea where it is at the moment - when I checked it's in an area i don't go too
Definitely it is too far for me to walk to from the bus station to the shop
Not sure where it is now, but certainly near the parking would help.
Moving shopmobility to a location away from ttransport links is non-sensical as it reduces mobility not improves it.
Should be inside
I find it helpful that I can get straight out of my car and straight on the scooter. I can't walk very far at all.
Depends where it was placed
This is interesting make it smaller then - because lack of interest? Lack of access to decent facilities for disabled people ie the high street. I am not surprised that there are thoughts to downsize - BUT how do people get to the Kingfisher inside? You will have to have some sort of system to meet people at their cars otherwise it is failing the people it is designed to support. Also the times are very restricted what if you wanted to go to the cinema or a restaurant in the centre after 5pm you cannot. Not very equal is it.
It needs to be by customer services
If it was a service like at Clarkes village in Somerset where you call a number and they deliver the scooter to you at the car park.
NOT FOR ME WHO CAN'T GET INTO THE CENTRE WITHOUT A SCOOTER. STAFF ARE REALLY GOOD AND MEET CUSTOMERS LIKE ME IN THE CAR PARK.
THE LOCATION IS FINE. CAN ACCESS ALL VERY FACILITIES EASILY
WITH MOBILITY ISSUES - TO GET DROPPED OFF RIGHT OUTSIDE SHOPMOBILITY IS PERFECT

VERY GOOD AND HELPFUL SERVICE
DEPENDS WHERE AS I USE DIAL A RIDE
NEED CAR PARK ACCESS
ACCESS FROM CAR
NO BECAUSE ONE WOULD HAVE TO WALK INTO TOWN EITHER USING CAR OR BUSES.
ACCESSIBILITY IS MAJOR.
ITS BETTER IN OR VERY NEAR THE CAR PARK ESPECIALLY IF YOU CAN'T WALK VERY FAR YOU ARE DEFEATING THE OBJECT OF HIRING ONE IN THE FIRST PLACE.
HOW CLOSE FROM BUS STOP.
ACCESS TO SHOP.
IF IT WAS IN THE CENTRE IT WOULD BE VERY DIFFICULT TO ACCESS IT FROM WHERE WE WOULD HAVE TO PARK THE CAR.
I AM DISABLED. I USE A TAXI TO GET TO TOWN AND IT GOES TO THE CARPARK AND DROPS ME OFF BY THE DOOR. I CAN'T WALK VERY WELL AND WOULD HAVE TO WALK INTO THE CENTRE.
DEPENDING ON LOCATION
WOULD LIKE IT TO STAY WHERE IT IS
Depends on where about in the centre and if a taxi can pull up outside the shop

If the location of Redditch Shopmobility was to move to be within the Kingfisher Centre, would this help make the service more accessible?



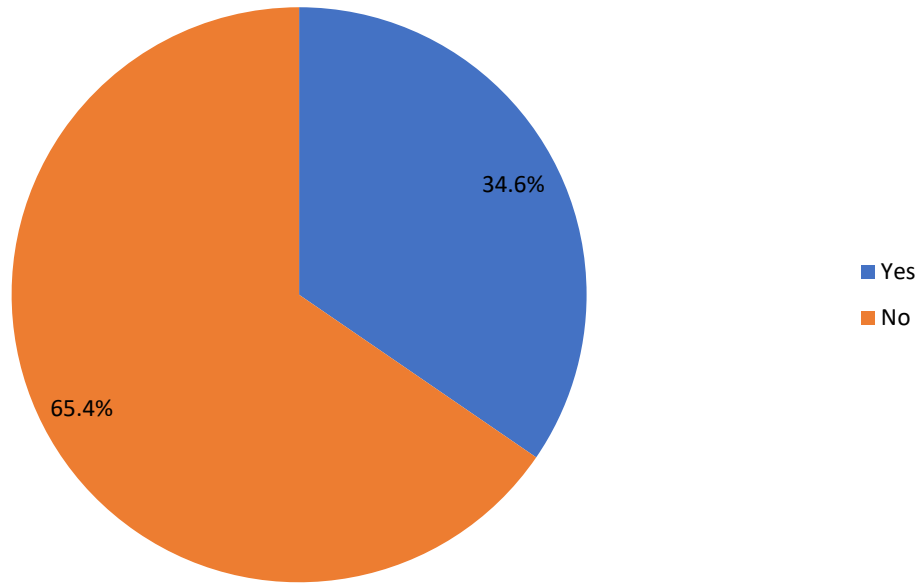
Question 8

Redditch Shopmobility Survey 2023

Do you use Shopmobility in other areas?			
Answer Choice		Response Percent	Response Total
1	Yes	34.6%	28
2	No	65.4%	53
If yes, please let us know where:			24
			answered 81
			skipped 2

If yes, please let us know where:
Bromsgrove and Stratford
When on holiday always look them up. Bromsgrove shopmobility is easier to get to from the bus stop.
Bromsgrove
Not yet but just had my knee operation so may need to now
In South Wales when on holiday
On holidays in England and in Bromsgrove
Stratford, Birmingham
On vacation
They used it in Wales on holiday
Birmingham bull ring; National trust various locations; Stratford upon Avon
Stratford upon Avon
Merry Hill as its really big and Tescos
Paignton, Clarkes village, metro centre Newcastle, Brighton.
WESTON SUPER MARE
DEVON AND PAIGNTON
STRATFORD, BIRMINGHAM, WORCESTER
KIDDERMINSTER, CHELTENHAM
TOUCHWOOD.
MY CARER AND I GO TO STRATFORD ONCE A MONTH. I DON'T HAVE TO PAY AT THEIR SHOPMOBILITY.
Touchwood; Worcester
Telford
Stratford upon Avon
Worcester

Do you use Shopmobility in other areas?



Question 9

Redditch Shopmobility Survey 2023

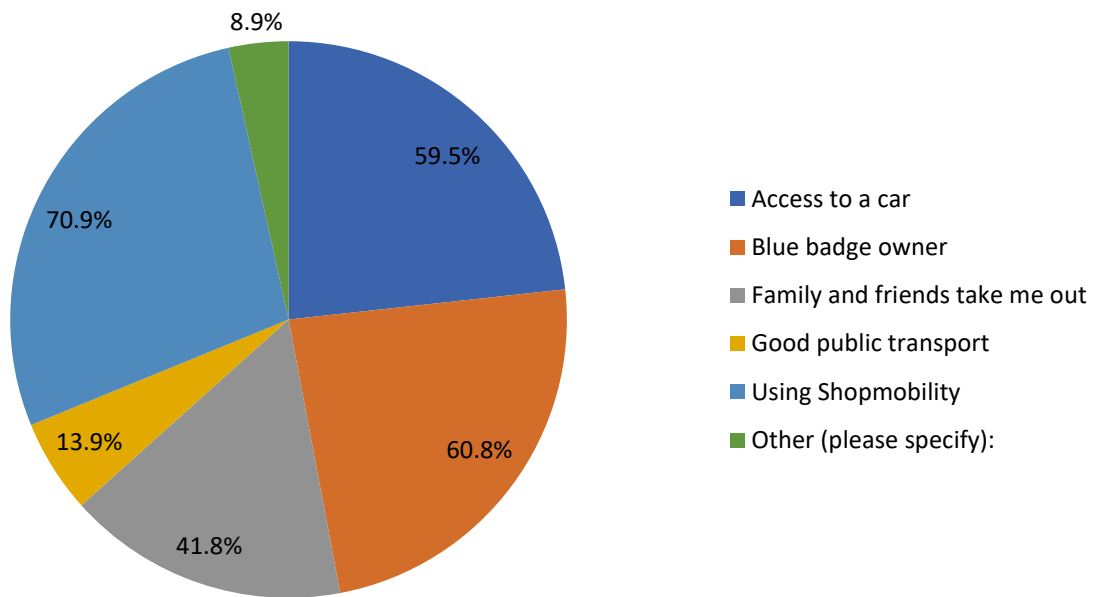
From the list below, what enables you to get out and about more easily?			
Answer Choice		Response Percent	Response Total
1	Access to a car	59.5%	47
2	Blue badge owner	60.8%	48
3	Family and friends take me out	41.8%	33
4	Good public transport	13.9%	11
5	Using Shopmobility	70.9%	56
6	Other (please specify):	8.9%	7
Comments:			11
		answered	79
		skipped	4

Other (please specify):
Taxi or Community Transport
Rent scooter when needed.
Using mobility scooter
I have a boot scooter
DIAL A RIDE

Comments:
Would maybe have to use a taxi atm as had knee surgery
My husband has a bad back so haven't used the boot scooter for a while
I have my own scooter, but it's too heavy to lift and doesn't collapse, so I can't take it with me. I felt isolated because I couldn't use the facilities at the library or do my banking without relying on my daughter. Using the scooter from shop mobility gives me my independence.
It would help tremendously if customers could access your services from within the shopping centre and not just carpark 3
My son drives me to Shopmobility
Need to rely on family when my back goes and using my crutches
I would value a dedicated parking bays for WAV vehicles (Wheelchair Adapted Vehicles)- I drive from my wheelchair I have a van with a lift at the back - those vehicles need more space than ordinary parking bay and bays need to be compliant to standards - I cannot park on a road because there are no dropped kerbs near by - the whole disabled parking bay system needs to be upgraded and the term "Specially Adapted Vehicles" means vehicles like mine not a two door ordinary car containing someone who can use a manual chair or is a passenger and a wheelchair user. There are more and more disabled people acquiring these type of vehicles I have had one for 10 years now and I can only park outside Lloyds Bank but the signage is bad and you can hardly read the sign.
WOULD NOT BE ABLE TO GET AROUND TOWN CENTRE WITHOUT SHOP MOBILITY

NO GOOD PUBLIC TRANSPORT
USING A CAR IS VERY CONVENIENT PLENTY OF PARKING AND ALSO BEING A BLUE BADGE HOLDER ITS EASY ACCESSABLE TO THE MOBILITY CENTRE.
I COULDN'T GET TO THE KINGFISHER CENTRE WITHOUT SHOPMOBILITY

From the list below, what enables you to get out and about more easily?



Question 10

Redditch Shopmobility Survey 2023

From the list below, what do you need in the community to enable you to get out and about more easily?

Answer Choice		Response Percent	Response Total
1	Community Transport	24.7%	19
2	Shopmobility in a different location	26.0%	20
3	Support from an organisation	9.1%	7
4	Someone to help me	42.9%	33
5	More ramps and accessible pathways	40.3%	31
6	Better accessibility in the shops	44.2%	34
7	Other (please specify):	6.5%	5
Comments:			16
			<i>answered</i> 77
			<i>skipped</i> 6

Other (please specify):

Accessible buses

Better bus service, one that runs into the evening

More blue badge spaces

I FIND IT SUITS ALL MY NEEDS

BETTER PUBLIC TRANSPORT.

Comments:

Some shops are inaccessible using a scooter due to how they have it set up

Blue badge parking to be free inside the centre. The few spaces on the roads around town are too far away from the centre

More options from the main car parks

Shops are overcrowded with stock so hard to move my wheelchair myself

I've used age concern to help me and had support from the council

Thank you for always being so courteous to us , you have often brought scooters to us and rescued guests when their battery on the scooter has gone flat . You're fantastic ✨

I bought my own scooter to get me to town, but I can't get to town because of high curbs, it's very frustrating. I would have to risk my life and drive on the bus lane to get to town, which I would not do.

Please don't use the word "Help" that is for when you are in danger! Support is a better word to use - language is very important and shows a level of understanding and you need to move away from the medical model of disability and look towards the social model which is "Disabled People are disabled by society not by their impairments that are personal to themselves. In other words society builds inaccessible environments thus blocking impaired people to have the right to access all areas - The Disability Discrimination Act came about in 1995 the DDA95 superseded by the Equality Act 2010 and in relation to "goods and services" reasonable adjustments must be made for disabled people. If you google "Social Model of Disability" the information is all there how to address people current terms used to describe disabled people in actual fact it's very simple Disabled Person or Disabled People who's impairments are personal to themselves as we may well have the same label BUT we are unique like everyone else and our impairments albeit the same label affects us on an individual level. I also believe you have to take note of this - more and more children who are born disabled will have multiple and complex needs this is due to the advancement of medicine. Those children will need far more support as will their parents access will be vital for them facilities such as "Changing Rooms" google it you will understand more. quiet places available - better signage also support for visually impaired deaf people neurodiverse people again google it you will understand more. The more you provide the more traffic you will get into the town centre. If people know Redditch is so switched on for access for all disabled people you have an instant customer base as most disabled people shop with their family and friends word gets around via people in the know. Good practice spreads - Redditch did have a good reputation for disabled people now it's fallen backwards - can I suggest that you really put your thinking hats on big time - use social media such as tik tok facebook facetime it's all "out there" community pages on facebook such as Redditch Spotted Redditch Past and Present - for example there is a carnival this weekend non of the events are accessible to me such as the museums ever thought of doing a virtual tour for impaired people at the actual sites - I personally don't go anywhere near them because I know it won't even consider people like me. For example Arrow Vally Park one disabled loo to be also shared with a nappy changing area just how many babies get pushed around the park loads - I haven't got a cat in hells chance and also having an impairment that means I need to "act fast" is just too dangerous for me to visit - also there isn't enough room to swing a cat in their either. Morton Stanley Park never been because there are no facilities for people like me what so ever again not able to access local events or facilities - So I go where I am welcome catered for -

I FIND SHOPMOBILITY SUITS ALL MY NEEDS AT PRESENT.

SOME OF THE PATHWAYS ARE VERY UNEVEN AROUND REDDITCH AND RAMPS WOULD HELP.

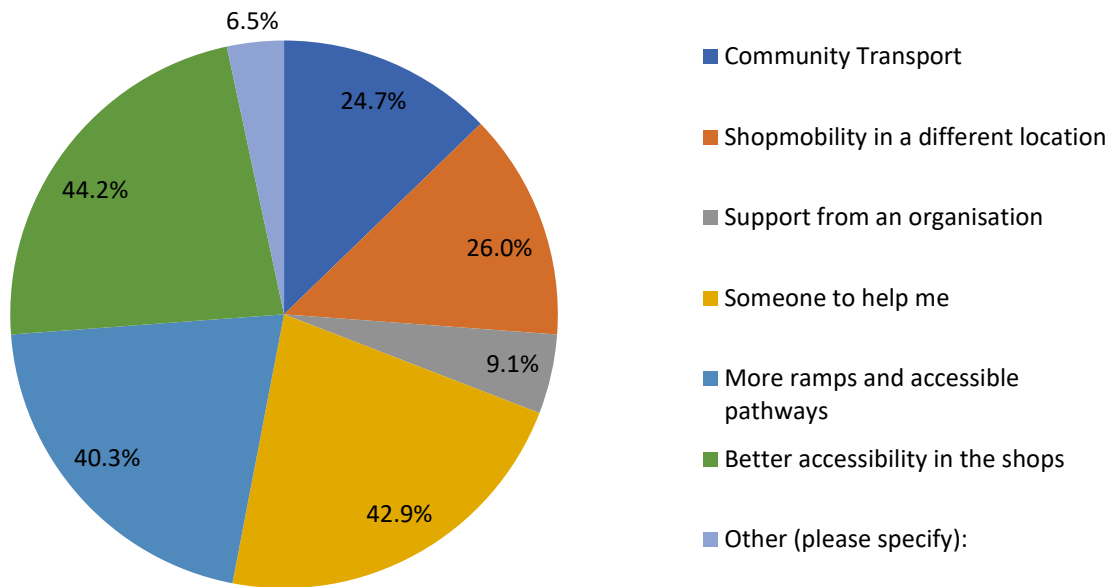
SHOPS DO NOT MAKE IT EASY TO GET AROUND WITH A SCOOTER, I.E. FILLING AISLES WITH EXTRA BUCKETS WITH STUFF IN.

TO GET TO SHOP MAINLY AND FROM CENTRE

CAN NOT GET DIAL A RIDE TO TOWN CENTRE

REDDITCH SHOPPING CENTRE HAS EVERYTHING I REQUIRE, EASY ACCESS EVERYWHERE

From the list below, what do you need in the community to enable you to get out and about more easily?



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Question 11

Redditch Shopmobility Survey 2023

Please let us know, if any, improvements you would like to see at Shopmobility?		
Answer Choice	Response Percent	Response Total
1	100.0%	23
	<i>answered</i>	23
	<i>skipped</i>	60

Comments:
None
Newer equipment
Staff are lovely but I always feel rushed due to the amount of hire time given
I haven't been in since my dad retired.
Larger premises inside
Bit more modern but the location is ideal
Just location
The fees need to be less, it has outpaced itself, people with a low income like me can't afford to pay the prices.
Location
More advertising about Shopmobility
VERY HAPPY WITH THE SERVICE AND STAFF
SATISFIED WITH THE FACILITIES
NONE
NEW SCOOTERS
NONE
VERY HAPPY WITH THE SEVICES AT SHOPMOBILITY IN REDDITCH.
WHERE I LIVE THERE ARE ONLY 3 BUSES A DAY. THEREFORE I HAVE TO PAY £25 ALL IN FOR TAXI AND MOBILITY SCOOTER
THE USE OF A PUBLIC TOILET THERE, FOR US DISABLED PEOPLE, THE OLDER WE ARE, THE MORE DIFFICULTY IN HOLDING IT IN.
NOTHING TO ADD
The only thing would be better heating and cooling system for the staff office.
New scooters

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Question 12

Redditch Shopmobility Survey 2023

Please tell us where you live.													
Answer Choice	Abbeydale	Abbey Park	Astwood Bank	Batchley	Brockhill	Callow Hill	Church Hill North	Church Hill South	Crabbs Cross	Enfield	Feckenham	Greenlands	
1	Please select area	1	0	1	5	3	1	5	5	3	1	2	4

Headless Cross	Hunt End	Ipsley	Lakeside	Lodge Park	Matchborough East	Matchborough West	Oakenshaw	Oakenshaw South	Riverside	Smallwood	Southcrest	St. Georges
Select One												
4	1	0	2	4	5	5	1	0	1	0	3	1

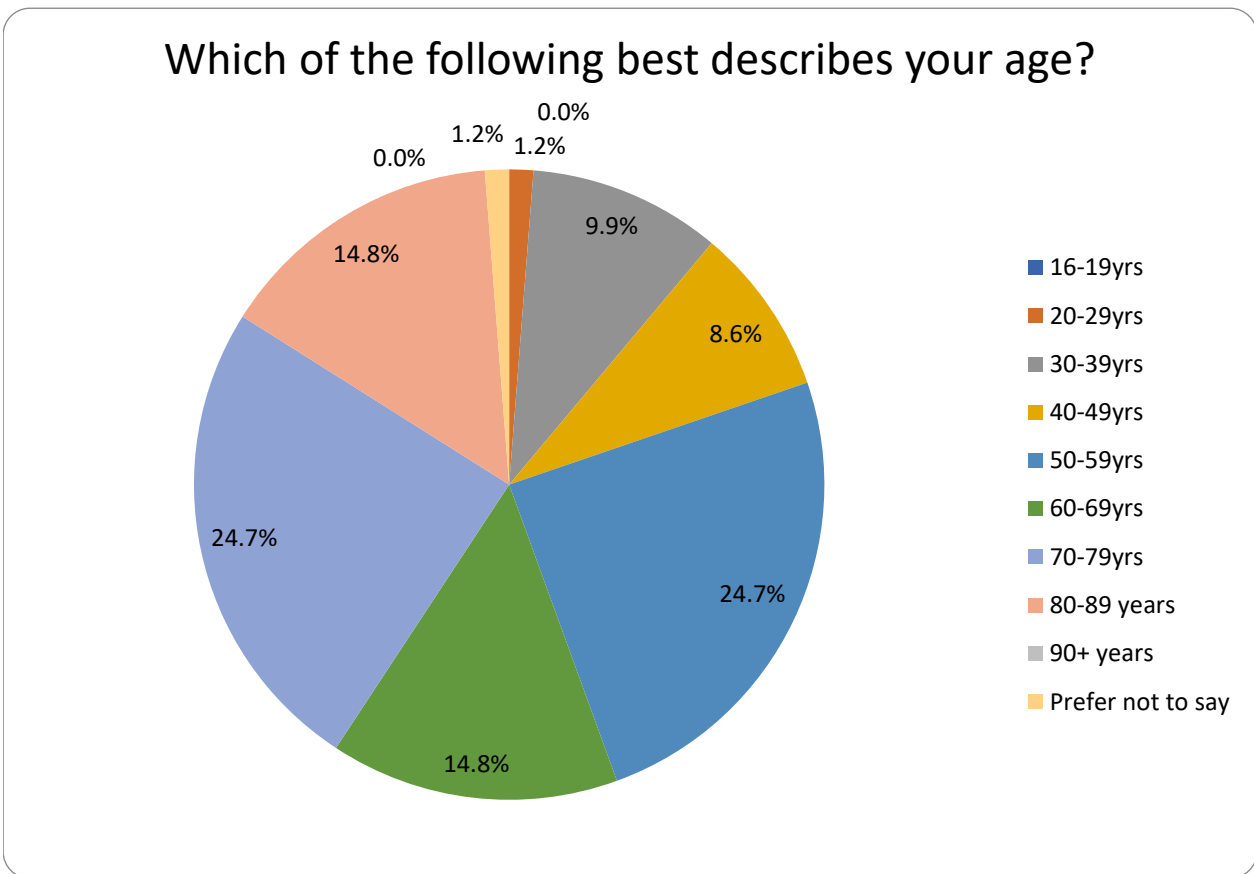
Town Centre	Walkwood	Webheath	Winyates East	Winyates Green	Winyates West	Wire Hill	Woodrow North	Woodrow South	Response Total
1	3	3	6	1	4	1	2	1	80
								<i>answered</i>	80
								<i>skipped</i>	3

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Question 13

Redditch Shopmobility Survey 2023

Which of the following best describes your age?			
Answer Choice		Response Percent	Response Total
1	16-19yrs	0.0%	0
2	20-29yrs	1.2%	1
3	30-39yrs	9.9%	8
4	40-49yrs	8.6%	7
5	50-59yrs	24.7%	20
6	60-69yrs	14.8%	12
7	70-79yrs	24.7%	20
8	80-89 years	14.8%	12
9	90+ years	0.0%	0
10	Prefer not to say	1.2%	1
		answered	81
		skipped	2



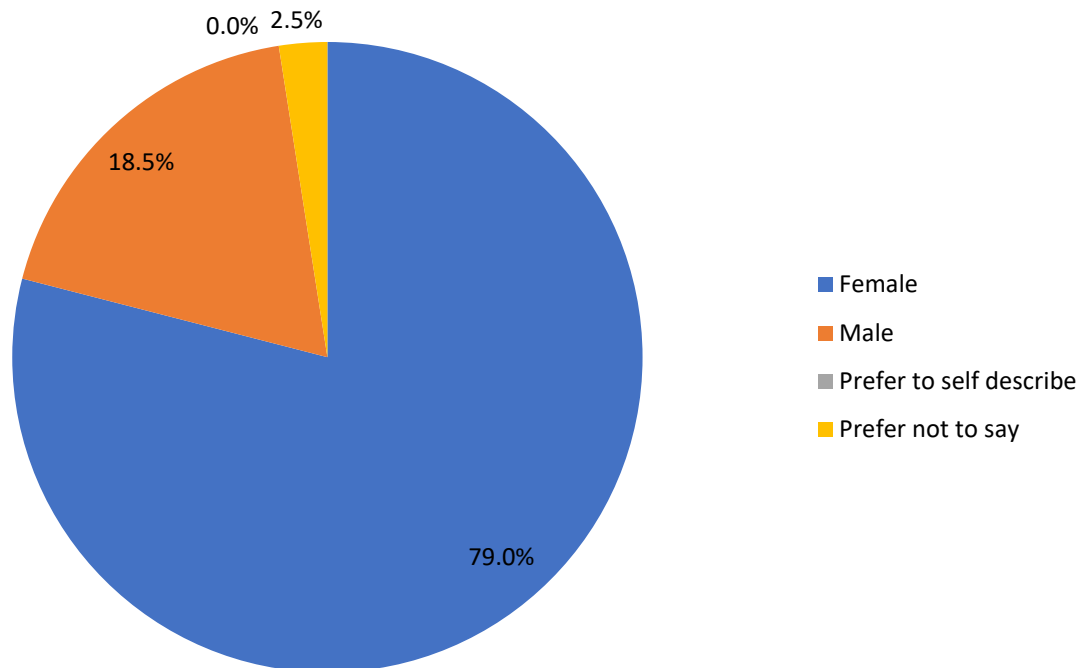
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Question 14

Redditch Shopmobility Survey 2023

Which best describes your gender?			
Answer Choice		Response Percent	Response Total
1	Female	79.0%	64
2	Male	18.5%	15
3	Prefer to self describe	0.0%	0
4	Prefer not to say	2.5%	2
		answered	81
		skipped	2

Which best describes your gender?

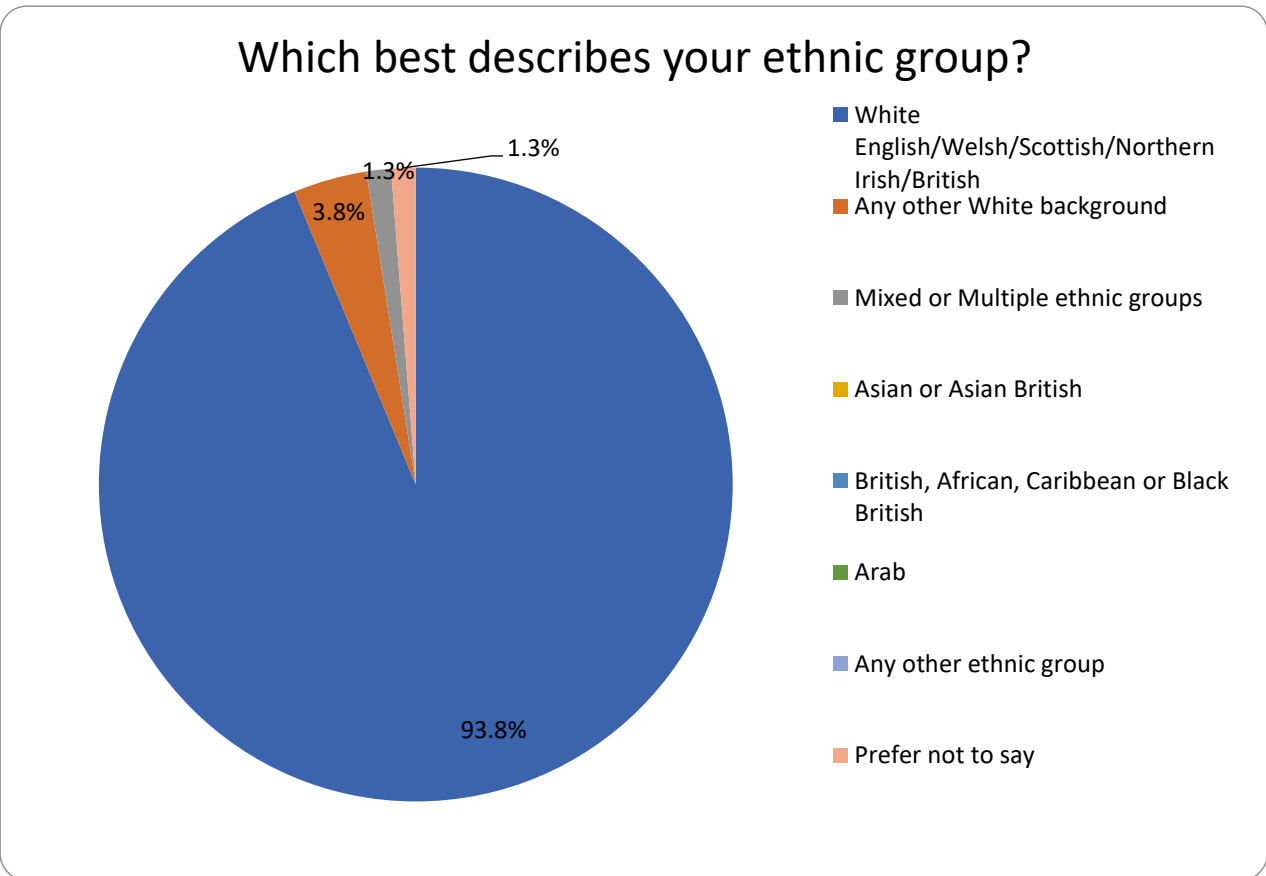


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Question 15

Redditch Shopmobility Survey 2023

Which best describes your ethnic group?			
Answer Choice		Response Percent	Response Total
1	White English/Welsh/Scottish/Northern Irish/British	93.8%	75
2	Any other White background	3.8%	3
3	Mixed or Multiple ethnic groups	1.3%	1
4	Asian or Asian British	0.0%	0
5	British, African, Caribbean or Black British	0.0%	0
6	Arab	0.0%	0
7	Any other ethnic group	0.0%	0
8	Prefer not to say	1.3%	1
		answered	80
		skipped	3



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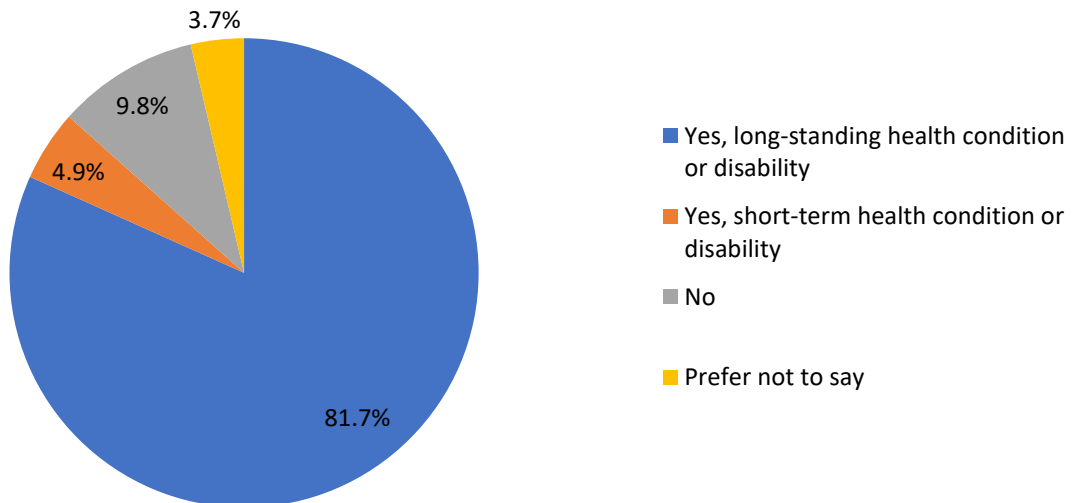
Question 16

Redditch Shopmobility Survey 2023

Do you have a health condition or disability? Long-standing means anything that has troubled you over a period of at least 12 months or that is likely to affect you for at least 12 months. Short-term is anything less than 12 months.

Answer Choice		Response Percent	Response Total
1	Yes, long-standing health condition or disability	81.7%	67
2	Yes, short-term health condition or disability	4.9%	4
3	No	9.8%	8
4	Prefer not to say	3.7%	3
		answered	82
		skipped	1

Do you have a health condition or disability? Long-standing means anything that has troubled you over a period of at least 12 months or that is likely to affect you for at least 12 months. Short-term is anything less than 12 months.



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of the Local Government Act 1972.

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of the Local Government Act 1972.

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Shopmobility Charges**There will be an increase of charges as from the****April 2024**

	Exempt VAT	Including VAT
Annual Membership	£15.00**	£18.00
Redditch Resident charge per visit*	£4.70	£5.64
Manual Wheelchair	£3.15	£3.78
Non-Resident charge per visit*	£6.25	£7.50
Manual Wheelchair	£4.20	£5.04
Pay as you go (no registration fee)	£7.80	£9.36
Assisted Shopping Charge		
Redditch resident – Shopmobility Equipment (maximum 2 hours assistance)	£12.00 per hour (plus cost of equipment hire)	
Non-resident – Shopmobility Equipment (maximum 2 hours assistance)	£15.00 per hour (plus cost of equipment hire)	

***Battery operated equipment**

****Please note the annual memberships has decreased for 24/25 - Offer for customers who register with both Dial a Ride and Shopmobility of £22.00 (£11 per service)**

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Executive Committee
20243rd Sept**Town Hall Refurbishment Report – September 2024 Update**

Relevant Portfolio Holder	Councillors Joe Baker and Ian Woodall
Portfolio Holder Consulted	Yes
Relevant Heads of Service	Claire Felton, Assistant Director of Legal, Democratic and Property Services Ruth Bamford – Assistant Director of Planning, Regeneration and Leisure Services
Report Author	Pete Carpenter Director of Resources/ Deputy Chief Executive peter.carpenter@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	The proposals detailed in this report have implications for a number of the Council's strategic purposes.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive is asked to RESOLVE that:

- 1) The progress towards the new Town Hall Hub design be noted.
- 2) Revised works to RIBA stage 4 as per this report be agreed as the best route forward.
- 3) Work continues to determine the most effective alternative use of the Towns Funding as set out in this report.
- 4) Members continue to note and approve the consequential risks associated with the revised proposals detailed within this report.
- 5) Authority be delegated to the Interim Director of Finance and Resources and the Head of Legal, Democratic and Property Services to enter the consequential contractual arrangements following consultation with the Leader.

2. BACKGROUND

- 2.1 A detailed report was received and approved by the Executive Committee on the 29th July on the updated direction for the Town Hall Hub and the impact on the Towns Fund initiative of the Library not being part of the Town Hall initiative. That report set out

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-
- The history of setting up the Community Hub
 - The Position as at 29th July
 - The implications of the proposed changes on the Council
 - The implications of the proposed changes on the Towns Fund initiatives

- 2.2 This report updates members on movement since the report presented on the 29th July in terms of
- The updated design, direction and timescales on the delivery of the Town Hall Hub project.
 - The direction of travel in respect of Towns Funding.

3. OPERATIONAL ISSUESTown Hall Update

- 3.1 As set out in the previous report, the Council already have a tenant in respect of the NHS.
- 3.2 That report set out that since the May elections, discussions have been undertaken within the design team on the revised makeup of the building. In summary this work has the following use of space:
- Lower Ground Floor – Commercial End User with RBC Storage/Archive Areas
 - Ground Floor – Reception, Council Chambers, Housing Team and Central Open Plan Space
 - First Floor East Wing – Council Teams
 - Second Floor East and West Wing – Commercial End User
 - Third Floor East and West Wings – RBC Team
- 3.3 That report set out Draft Revised Floor Plans.
- 3.4 Estimated timescales for the work in that report were:
- Prepare demolition and enabling works contract documents and drawings – 4-6 weeks
 - Prepare M&E drawings for safe strip out of M&E related items - 2 weeks
 - Issue Enabling Works package to Main Contractor for pricing - 2 weeks
 - Phase 1 Enabling Works – Provisional commencement on site 9th September 2024 and provisional completion 10-12 weeks
 - Phase 2 works – Design commencement 16th September 2024
 - Completion – April/May 2025

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- 3.5 The Council have checked with the existing Framework Provider used for the appointment of Seddons as the design and build contractor. For the changes to the Town Hall Hub design there will not be the requirement to tender for an alternate provider.
- 3.6 Following more detailed discussions between Council Officers, the Design Team and Seddons, a revised approach has been proposed. This will undertake the project in two stages, with the first stage being the completion of the design details and undertaking of the Enabling Works (demolition and strip out works) under a Pre-Construction Services Agreement and the second works stage being the construction of the new entrance area, creation of the rooms and areas identified on the layout plans and the undertaking of works to create A+ specification finishes to these areas under a Design and Build Contract. This is different to the existing arrangement, as Seddons would be responsible for both the design and build – this is separated at the moment with different contractors responsible for each element.
- 3.7 The new proposals utilise the premises for RBC Departments, Council Chambers and Commercial Users have been developed further into initial layout plans as attached and with the following proposals. This includes layout plans for the West Wing which have been discussed and provisional solutions are included in the attached layout plans. (more detailed plans are attached at Appendix A).
- 3.8 Lower Ground Floor – Commercial End User with RBC Storage/Archive Areas
- Strip out of existing layout back to shell
 - Refurbishment of open plan space to A+ specification
 - Creation of a new RBC Archive Area and new RBC Additional Storage Area
 - Creation of a new WC Block, new Shower Room and new Cleaners Room as a Common Area for shared use
 - Creation of a new fire escape corridor from the Eastern Stair S1 to the new external exit door and from the new RBC Additional Storage Area to the new external exit door, as required to ensure safe escape from the storage areas and from the upper floors to the building
 - Creation of new main entrance doors, new staff entrance doors and installation of new windows/glazing panels to create natural light into the area

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- Future subdivision to suit commercial end user requirements (option to let all space or to subdivide for different commercial end users)

3.9 Ground Floor – Reception, Council Chambers, RBC Team and Central Open Plan Space

- Construction of new two storey entrance extension and new access doors
- Creation of new Reception Area
- Retention of existing Council Chamber, 2 no. Meeting Rooms, Kitchen and Members' Room and complete refurbishment of these retained rooms
- Creation of new Members Room
- Creation of new AV Store
- Creation of new RBC Team areas (Pod 1, Pod 2, Pod 3 and Office) and new Meeting Room
- Creation of new Caretakers Room
- Creation of new Council Telephones area
- Creation of a new WC Block and new Cleaners Room as a Common Area for shared use
- Creation of new open plan middle area – Use still to be determined (Options - Community Space, Business Lounge, Café Area or other multi-use areas, or subdivision to individual areas)
- Refurbishment of open plan space and rooms to A+ specification

3.10 First Floor East Wing – RBC Team

- Strip out of existing layout back to shell
- Refurbishment of open plan space to A+ specification
- Creation of new WC Block
- Future subdivision to suit end user requirements

3.11 Second Floor East and West Wing – Commercial End User

- Strip out of existing layout back to shell
- Refurbishment of open plan space to A+ specification
- Refurbishment of existing WC Blocks and Kitchen
- Future subdivision to suit end user requirements

3.12 Third Floor East and West Wings – RBC Team

- Strip out of existing East Wing layout back to shell
- Adjustment to existing layout to West Wing to suit requirements
- Refurbishment of open plan space and offices to A+ specification

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-
- Refurbishment of existing WC Blocks
 - Creation of new Breakout Space and new Meeting Space
 - Subdivision to suit end user requirements

3.13 General Works

- Refurbishment of Central Stairs and Lift Core
- Replacement of Goods Lift with Passenger Lift
- Improvement to IT systems and Audio/Visual systems
- Improved access to the building at Lower Ground and Ground Floor levels
- Improved natural lighting to Council Chambers and Lower Ground Floor areas

3.14 Further discussions are required to establish the extent of works required to bring the premises up to an EPC (Energy Performance Certificate) rating of 'C' or above, as this will be required from 2025 unless a valid exemption can be established. It would appear sensible to incorporate improvements to the building into this project that would enable the required EPC Rating to be achieved.

3.15 The updated timescales for delivery are as follows. The new projected end date is 4 months later than the existing plan. This will be discussed over the coming month.

- Phase 1 Enabling Works Design – completed August 2024
- Phase 2 RIBA Stage 2 Design and Employer's Requirements – completed August 2024
- ITT issued to Seddon – August 2024
- Phase 1 Enabling Works Cost Plan Return from Seddon – September 2024
- Phase 1 Enabling Works Instruction Through PCSA – September 2024
- Seddon Phase 1 mobilisation and start on site – September 2024
- Phase 2 RIBA Stage 3 to 5 Instruction Through PCSA – September 2024
- Phase 2 Seddon Submission – October 2024 to November 2024 (8 weeks)
- Phase 2 Evaluation of Seddon Submission and Cost Plan - October 2024 to November 2024
- Notification of JCT D&B Contract award decision and appointment – November 2024
- Continued mobilisation, design development and site works – From November 2024
- Completion of works – September 2025.

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- 3.16 To start this process it is proposed that the enabling works of £554,135 are agreed to enable the process to start. The enabling works quotation from Seddons is set out in Appendix B.
- 3.17 There is already delegated authority on this project for officers to approve spending of up to the sum of £6.2m as per the September 2023 Report. As per the timetable, an initial updated cost plan will be provided by Seddons in September. It is expected that, due to the new nature of the project, costs will reduce.

The Town's Fund

- 3.18 There were three aspects to the Towns Funding:
- The Digital Manufacturing and Innovation Centre (DMIC)
 - The Revised Town Square at the old Library Location
 - Public Realm works around the Church Green
- 3.19 As Towns Funding must be spent by the 31st March 2026, it is proposed to continue with the two existing projects **with no change**. At the moment, Government Policy, as per their Officers, is that there will be no time extensions and so the Council needs to ensure that both of these projects are delivered to their existing specifications.
- 3.20 A meeting with DLUHC experts on the 23rd May 2024 identified that, were the Council minded not to proceed with the current library proposal, the following options would need to be considered:
- Invest the £4.2m in the DMIC with better Metrics.
 - Invest in an alternative building that will give similar outputs to the library site.
- 3.21 Either option (or mix of options) would require a DLUHC PAR form to be completed and for any changes to be agreed. Under the existing rules, up to 20% of expenditure could be transferred to other projects without the use of a PAR form. The £4.2m level of changes though is above this threshold. A number of alternatives are being explored for updating the Towns Board and Members in late August / early September. These include:
- Transferring 20% of the overall costs to Public Realm projects.
 - Purchasing the Victorian Block in front of the Station. An updated costing schedule has been produced by Gleeds that...
 - Purchasing Smallwood House from the NHS. This will go on the Market in September at an asking price of circa £1m
 - Adding an additional floor at the DMIC.

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An update on these options is set out in Appendix C.

- 3.22 In parallel to this, our new MP is actively lobbying Government for an extension. An issue with changing the design of the DMIC to take on more funding, and an additional floor would be £1.8m, is that work would not be completed within the current funding deadlines. Therefore, the link to an extension is critical if the funding option of enhancing the DMIC is the chosen route. This is why it is important to continue the present DMIC to ensure funding is spent within the required timelines. From a risk point of view, the Councils preferred route would be investment in public realm with the remainder of funding linked to a decision on if an extension is possible.
- 3.23 As identified within this report, any change to the Towns Fund investment will require the initial approval of the Towns Board. The Board were updated on the options at their meeting on the 21st August and more work is being undertaken for their next meeting on the 19th September.

4. FINANCIAL IMPLICATIONS

- 4.1 The majority of the Town Hall scheme (£5.2m) was expected to be funded from the disposal of the following sites: Far Moor Lane, Easmore Road and Webheath. The additional costs raising the scheme to £6.2m was to be funded from additional commercial income. The present range of all three is £6m, with approximately £1m relating to the Housing Revenue Account (HRA), therefore, roughly in line with original assumptions.
- 4.2 Overall, if the design is to be simplified, this will reduce the £6.2m cost significantly. To get to this point, however, the Council must decide on its final approach to what will be delivered in the Town Hall which is the purpose of this report. Given that sums will also need to be written off (in terms of aborted design costs) it is expected that the Easmore Road Capital Receipt will not be required. Once confirmed, this will be used to reinvest in Temporary Accommodation stock.
- 4.3 Members are advised that in addition to this project, there are other upgrading works being carried out in parallel to enable the building to be updated and futureproofed from an operational and IT perspective. These will not change with the updated design. This involves the following works that are being funded from the Council's annual buildings repairs and maintenance and IT infrastructure budgets.
- Replacement AV Equipment for the Council Suite – whatever the location (£200k)

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- Connectivity (Direct line) for the Palace Theatre (£65k)
- Oakenshaw/Kingfisher enabling works for Council Meetings and Customer Services delivery (£120k)
- Town Hall works undertaken to date including new shelving in the basement (£148k)
- Other Town Hall Works (£246k)
- Total Works - £779k

4.4 These works are being funded from existing resources in 2023/24 and 2024/25 including:

- Capital (existing Buildings) £320k
- Revenue - £459k

4.5 As referred to earlier in this report, there is the requirement to deliver £400k of savings to the Council's Town Hall budget. The existing work that has now been stopped met that target through the use of the space by the NHS, the County Council and its sub tenants. In addition to this, design work that relates to the County Council and their subtenant now has to be written off to revenue as it is not allowable capital expenditure.

4.6 The S151 Officer must at this point in this report warn of the risks to the Council as:

- It had a contract/arrangements in place with the NHS and the County Council that would have delivered a Town Hall Hub and the associated savings required from 2025/26 in the MTFP.
- That as this move will not take place, the savings target will need to be met by other means, and a one off amount of up to £600k will need to be written off to Revenue which will significantly impact the Council's Reserve levels (reducing them by 10%).
- That the decision will be challenged by the Council's external Auditors and has the possibility of the Council receiving a further S24 Statement based on the Governance processes around this decision.

4.7 Given the move of the Library will now not take place, there is the requirement for the Council to reassess how these savings can be made. An initial view of this is set out in **Appendix D**.

4.8 Delegated authority has been given, as per earlier reports, to Officers, in liaison with the Leader, to move works forward. This report sets out what the actual works will be.

5. LEGAL IMPLICATIONS

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

6. OTHER - 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 has already been made in the Town Hall over the past two years including window replacement and the installation of heat pumps.

Equalities and Diversity Implications

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

7. RISK MANAGEMENT

7.1 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.
- Updated Stage 4 design progression.
- Commercial negotiations.
- Reduced Project cost envelope.
- Project governance.
- Programme slippage.
- ICT specification and commercials.
- Macro-economics
- Mitigation of possible Section 24 Statement

8. APPENDICES and BACKGROUND PAPERS

Executive Committee
20243rd Sept

Appendix A – Updated Designs
Appendix B – Exempt Appendix
Appendix C – Exempt Appendix
Appendix D – Exempt Appendix

Background Papers

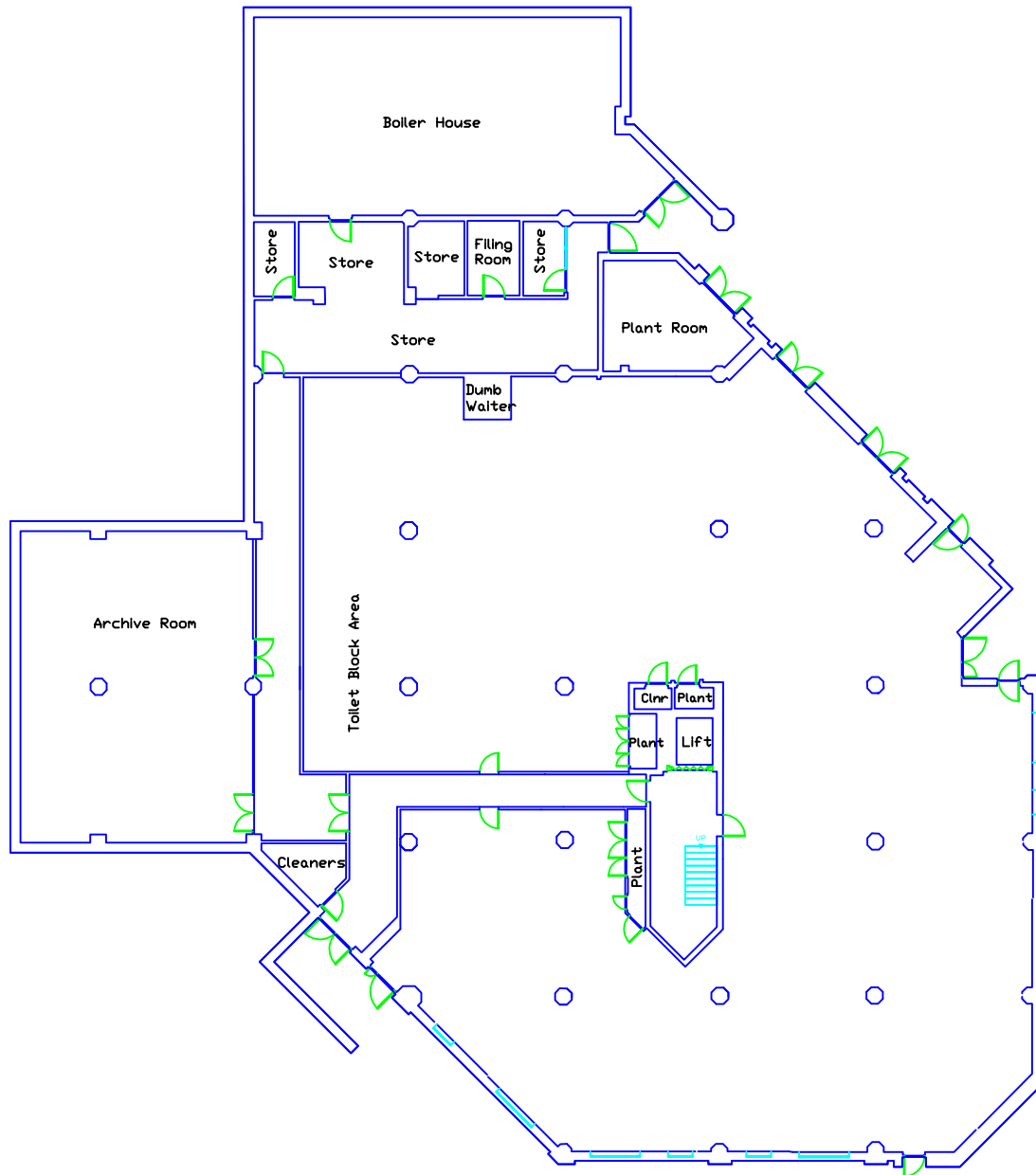
Executive, Redditch Borough Council, 12th July 2022, Future Use of the Town Hall and Customer Access .

Executive, Redditch Borough Council, 11th October 2022, Town Hall Hub.

Cabinet, Worcestershire County Council, 20th July 2023, Relocation of Redditch Library.

Executive, Redditch Borough Council, 12th September 2023, The Town Hall Refurbishment – Final Decision.

Executive, Redditch Borough Council, 29th July 2024 Town Hall Report.



Lower Ground Floor

Notes

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Date	Rev	Details

PROPERTY SERVICES

Town Hall
Walter Stranz Square
Redditch
Worcs
B98 8AH



Making a difference

Property:
Redditch Town Hall
Walter Stranz Square
Redditch
Worcestershire
B98 8AH

Drawing title:
Proposed Lower Ground Floor Layout
Plan

Scale: 1:200@A3 Date: 09.08.2024

Drawn by: MAC Checked by: MAC

Site UPRN: 10009650279

Project Nr:

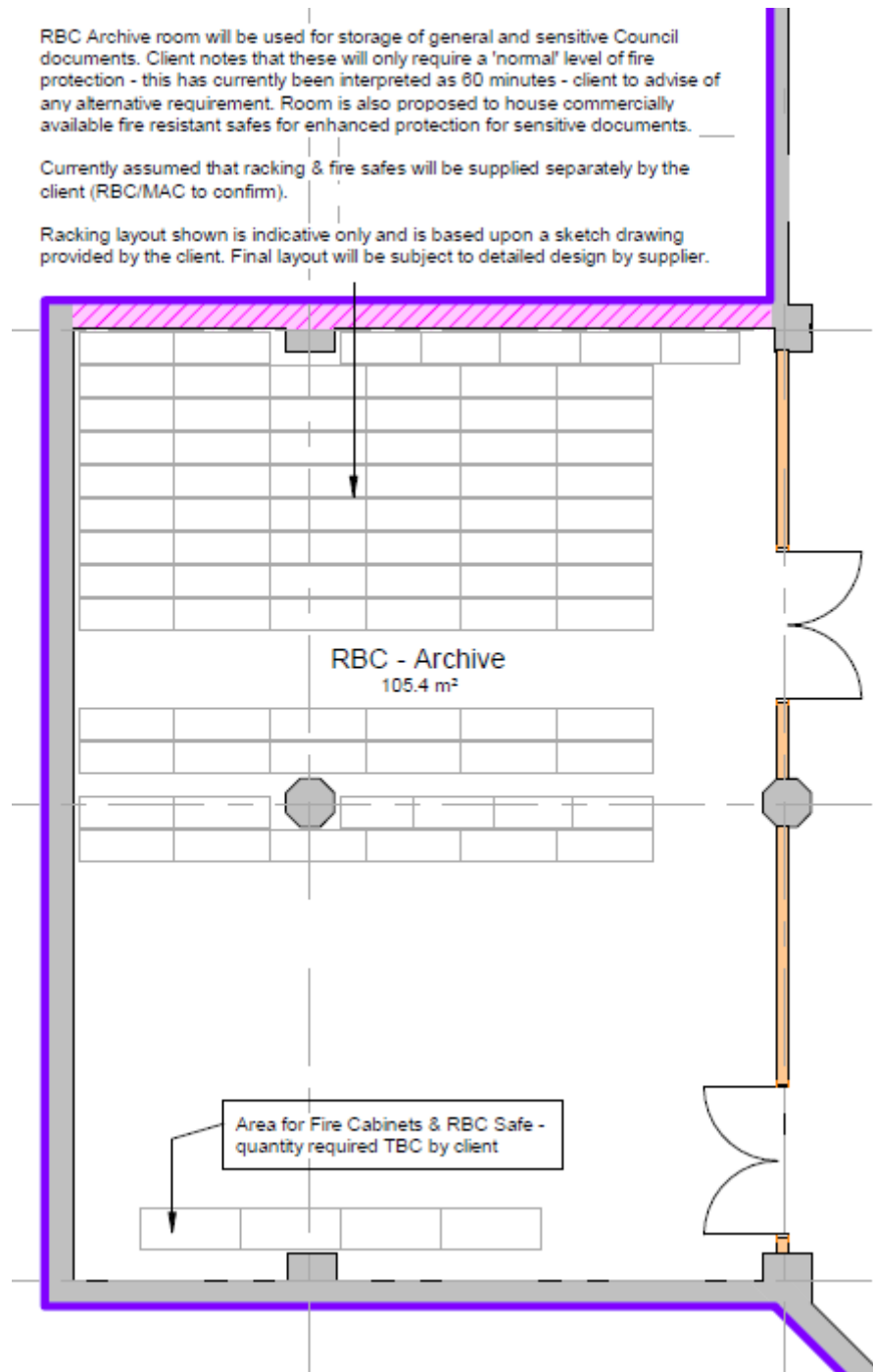
Drawing Nr: MAC/TH00LGP

Lower Ground Floor – Indicative Proposed RBC Archive Area

RBC Archive room will be used for storage of general and sensitive Council documents. Client notes that these will only require a 'normal' level of fire protection - this has currently been interpreted as 60 minutes - client to advise of any alternative requirement. Room is also proposed to house commercially available fire resistant safes for enhanced protection for sensitive documents.

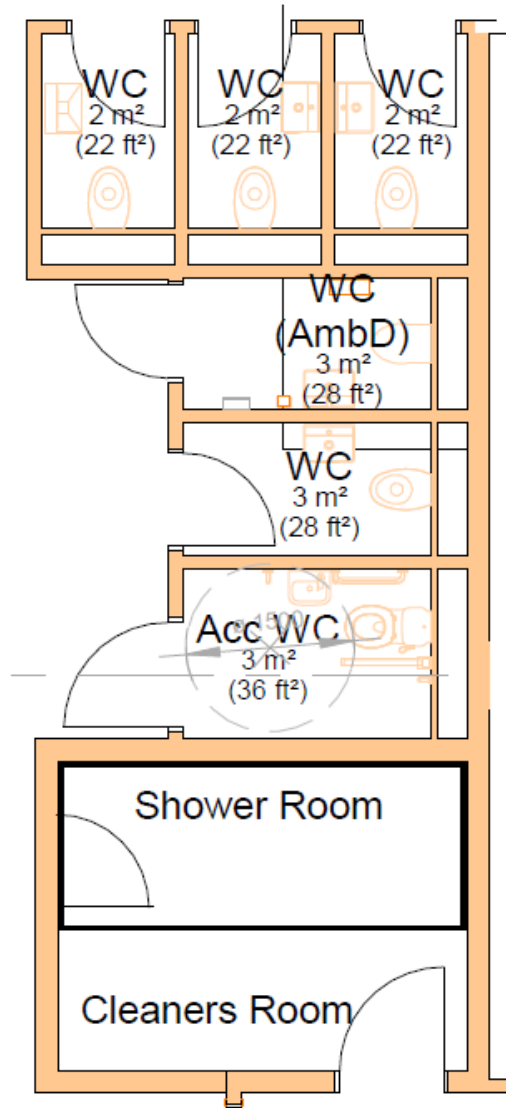
Currently assumed that racking & fire safes will be supplied separately by the client (RBC/MAC to confirm).

Racking layout shown is indicative only and is based upon a sketch drawing provided by the client. Final layout will be subject to detailed design by supplier.

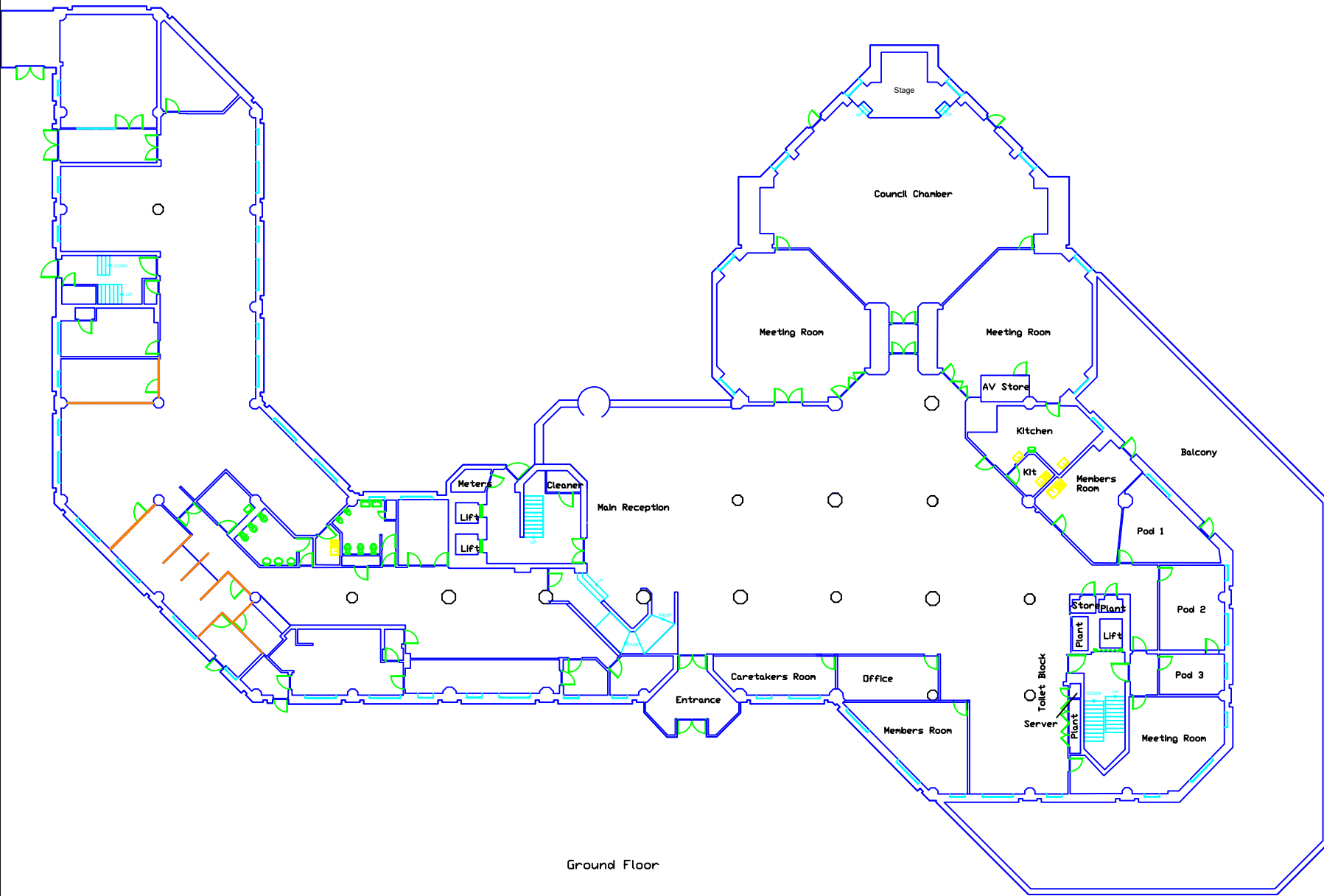


Not to scale - For identification purposes only

Lower Ground Floor – Indicative Proposed Toilet Block Area



Not to scale - For identification purposes only



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Date	Rev	Details

PROPERTY SERVICES

Town Hall
Walter Stranz Square
Redditch
Worcs
B98 8AH

Making a difference

Property:
Redditch Town Hall
Walter Stranz Square
Redditch
Worcestershire
B98 8AH

Drawing title:
Proposed Ground Floor Layout Plan

Scale: 1:250@A3 Date: 02.08.2024

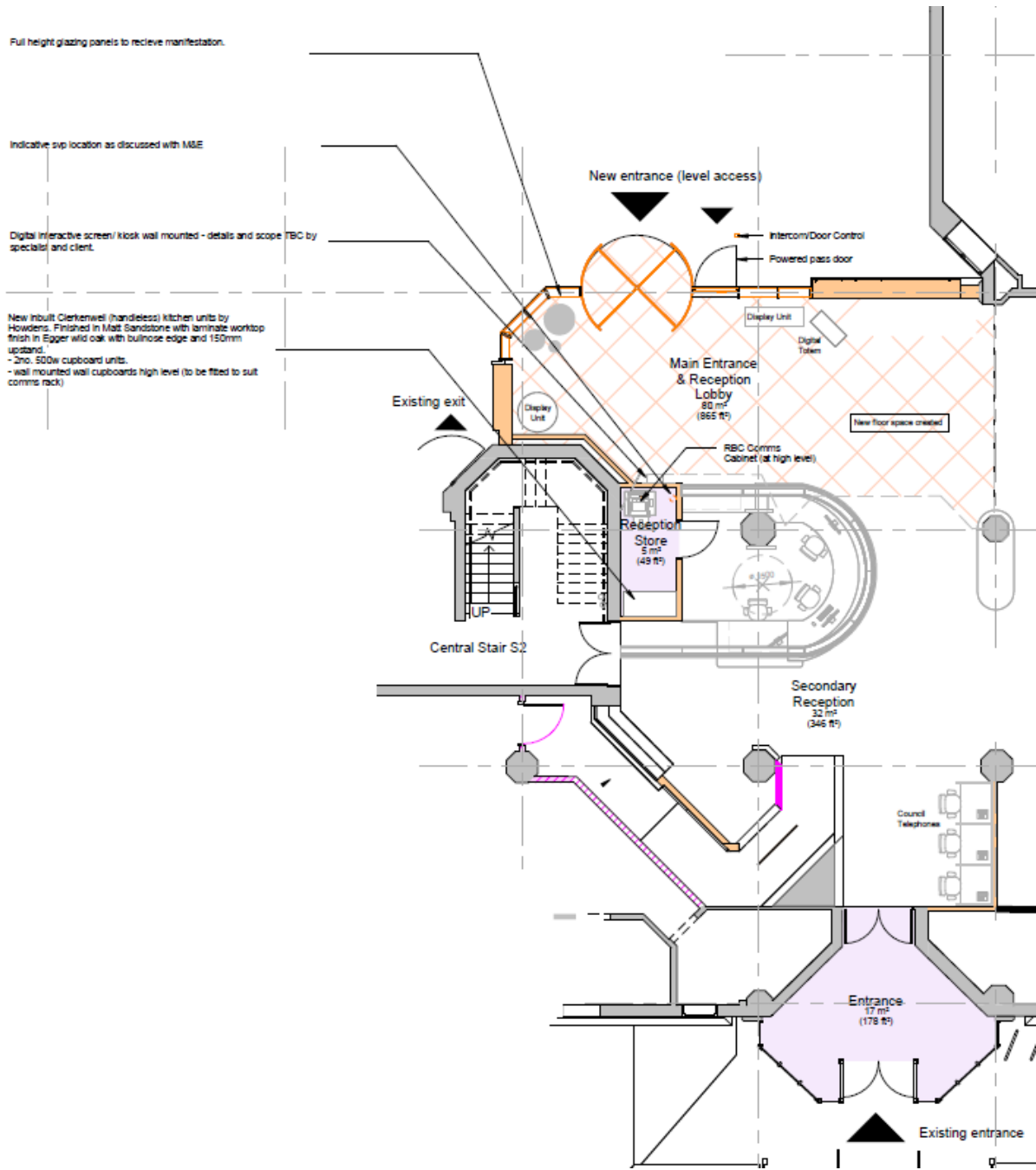
Drawn by: MAC Checked by: MAC

Site UPRN: 10009650279

Project Nr:

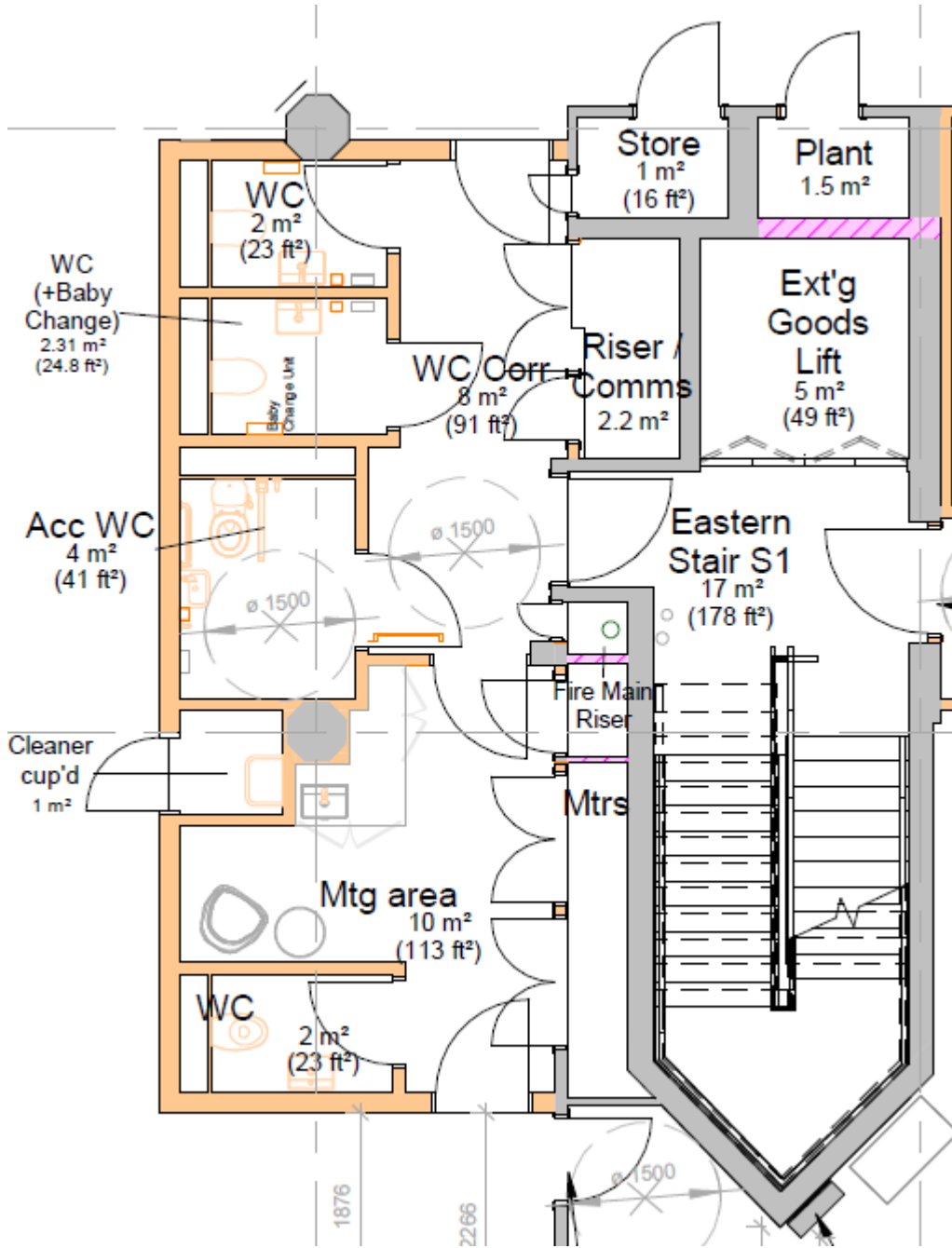
Drawing Nr: MAC/TH00GP Rev1

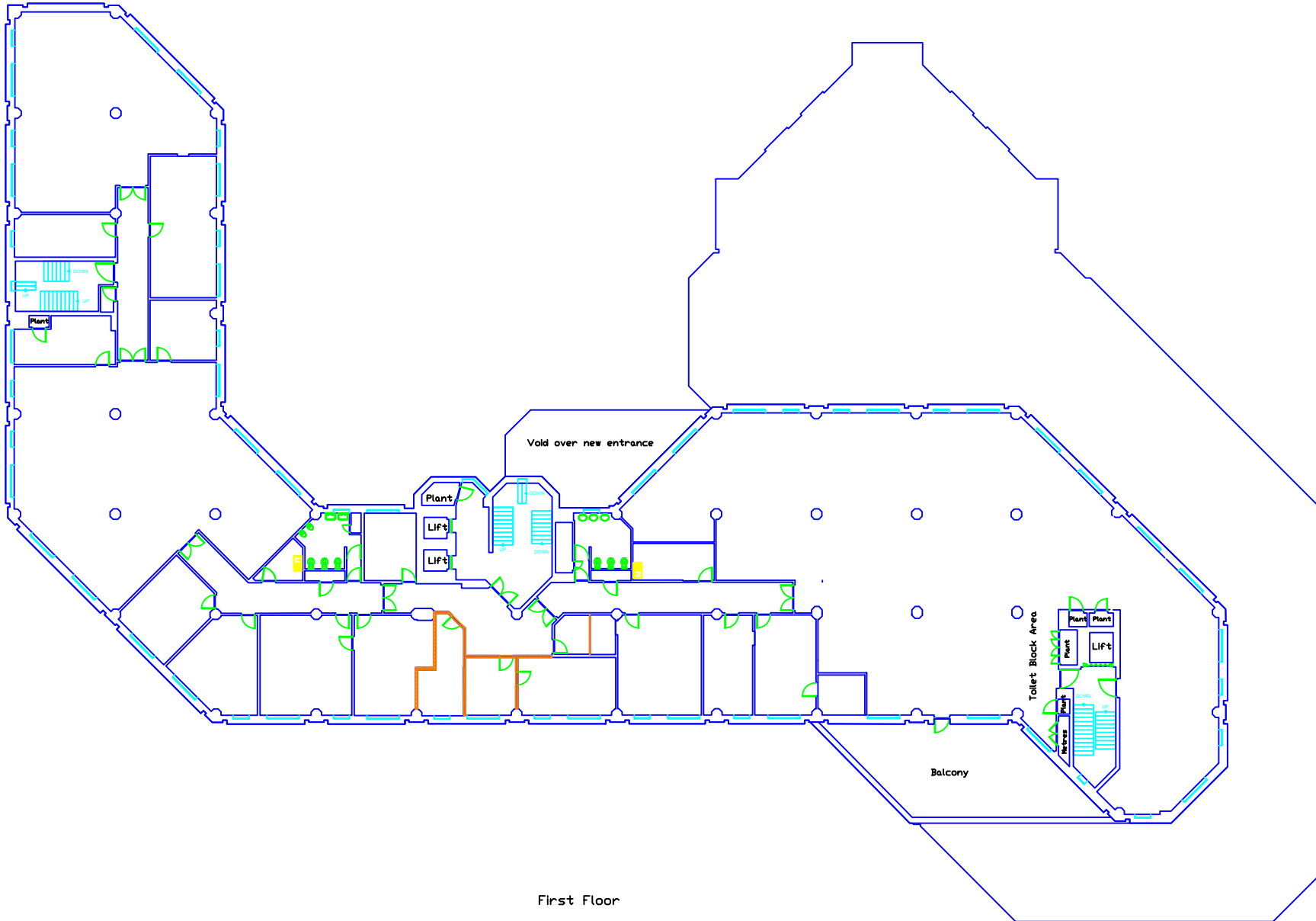
Ground Floor – Indicative Proposed New Entrance and Reception Area



Not to scale - For identification purposes only

Ground Floor – Indicative Proposed New Toilet Block Area





Notes

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Date	Rev	Details

PROPERTY SERVICES

Town Hall
Walter Stranz Square
Redditch
Worcs
B98 8AH



Making a difference

Property:
Redditch Town Hall
Walter Stranz Square
Redditch
Worcestershire
B98 8AH

Drawing title:
Proposed First Floor Layout Plan

Scale: 1:250@A3 Date: 09.08.2024

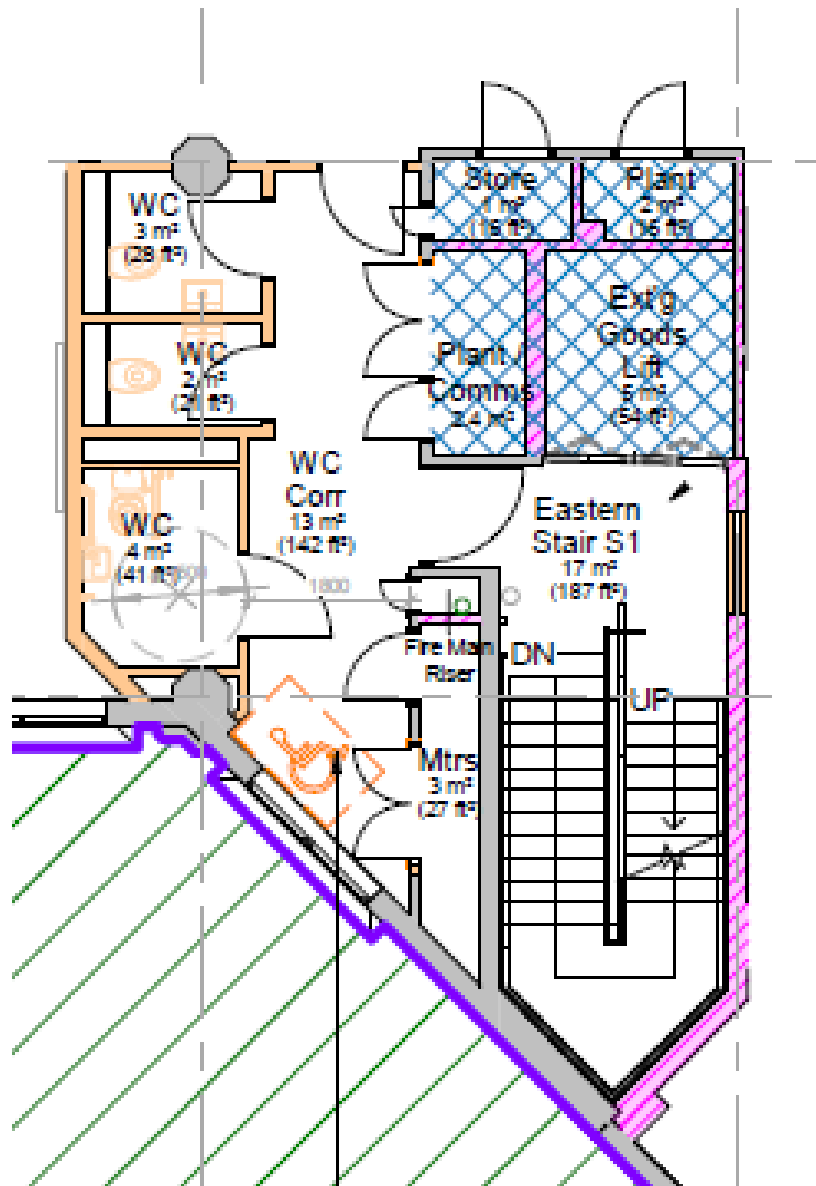
Drawn by: MAC Checked by: MAC

Site UPRN: 10009650279

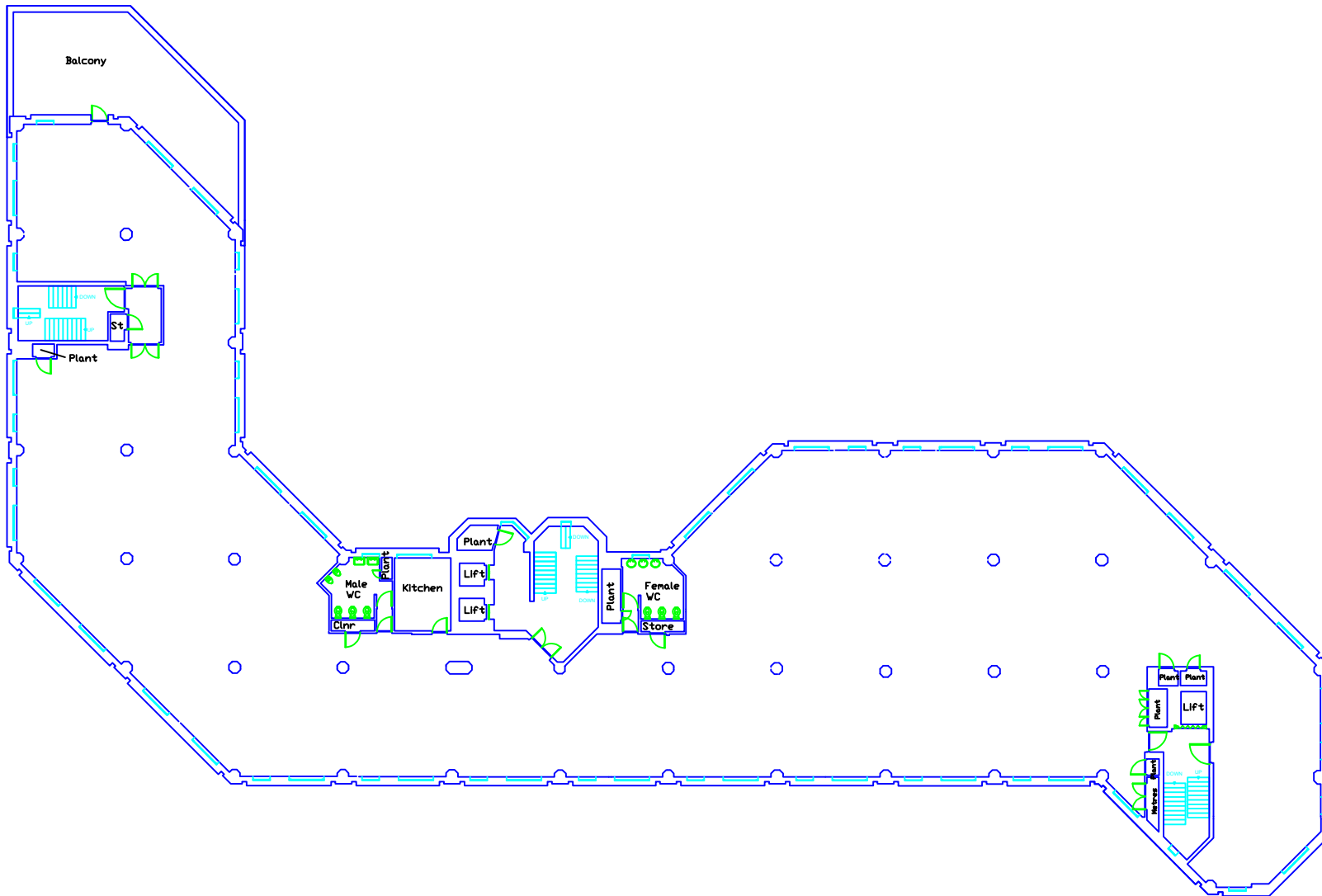
Project Nr:

Drawing Nr: MAC/TH001P

First Floor – Indicative Proposed New Toilet Area. Proposed new Kitchen/Tea Point to be added to design layout



Not to scale - For identification purposes only



Second Floor

Notes

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Date	Rev	Details

PROPERTY SERVICES
 Town Hall
 Walter Stranz Square
 Redditch
 Worcs
 B98 8AH

Making a difference
 Property:
 Redditch Town Hall
 Walter Stranz Square
 Redditch
 Worcestershire
 B98 8AH

Drawing title:
 Proposed Second Floor Layout Plan

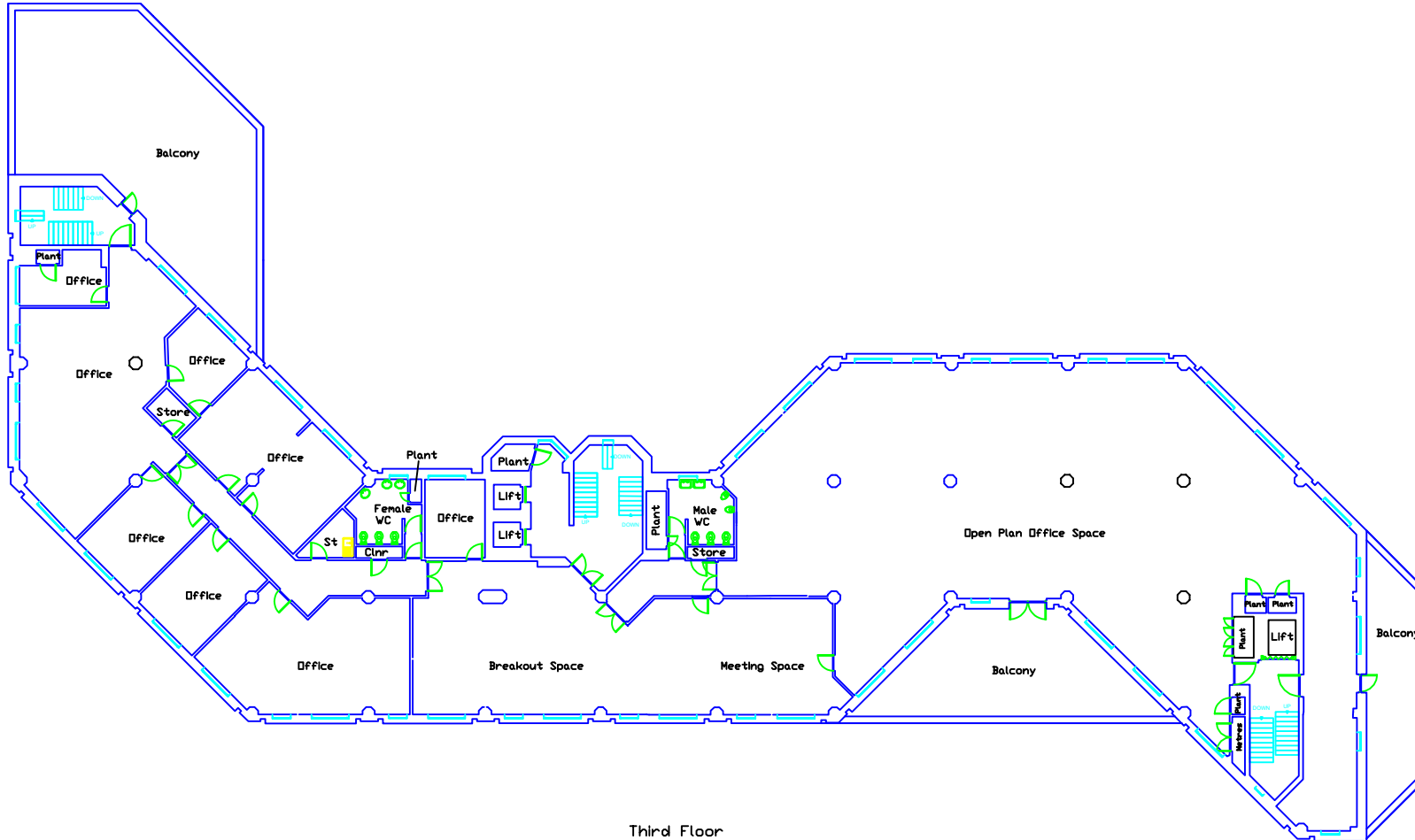
Scale: 1:250@A3 Date: 29.07.2024

Drawn by: MAC Checked by: MAC

Site UPRN: 10009650279

Project Nr:

Drawing Nr: BC/TH002P



Third Floor

Notes

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Date	Rev	Details

PROPERTY SERVICES

Town Hall
Walter Stranz Square
Redditch
Worcs
B98 8AH



Making a difference

Property:
Redditch Town Hall
Walter Stranz Square
Redditch
Worcestershire
B98 8AH

Drawing title:
Proposed Third Floor Layout Plan

Scale: 1:250@A3 Date: 09.08.2024

Drawn by: MAC Checked by: MAC

Site UPRN: 10009650279

Project Nr:

Drawing Nr: MAC/TH003P

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