



# Executive Committee

Mon 24 Feb  
2025  
6.30 pm

Oakenshaw Community  
Centre, Castleditch  
Lane, B98 7YB



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

Town Hall, Walter Stranz Square, Redditch, B98 8AH  
Tel: (01527) 64252 (Ext. 3072)  
e.mail: [jess.bayley-hill@bromsgroveandredditch.gov.uk](mailto:jess.bayley-hill@bromsgroveandredditch.gov.uk)

## **GUIDANCE ON FACE-TO-FACE MEETINGS**

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Please note that this is a public meeting.

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

### **Notes:**

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

# Executive

Monday, 24th February, 2025

6.30 pm

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 - 14)

### 5. Local Development Scheme (Pages 15 - 24)

### 6. Council Tax Resolutions 2025/2026 (To Follow)

### 7. Medium Term Financial Plan 2025/26 to 2027/28 Tranche 2 (Following Consultation) (Pages 25 - 52)

As this report was considered at the previous meeting of the Executive Committee, held on 4<sup>th</sup> February 2025, only the covering report and Appendix A to the report, which has not previously been circulated, will be provided for consideration for this item.

The covering report is attached to this agenda for information. Appendix A to the report will follow in a supplementary pack.

This report is due to be pre-scrutinised at a meeting of the Budget Scrutiny Working Group scheduled to take place on 18<sup>th</sup> February 2025, after the publication of the main agenda for this meeting. Any recommendations arising from the meeting of the group will be reported for the Executive Committee's consideration in a supplementary pack for this meeting.

### 8. Overview and Scrutiny Committee (Pages 53 - 60)

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## **9. 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.

## **10. To consider any urgent business, details of which have been notified to the Assistant Director of Legal, Democratic and Procurement 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**



## **Executive Committee**

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Tuesday, 4th February,  
2025

### **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

#### **Officers:**

Peter Carpenter and Sue Hanley

#### **Principal Democratic Services Officer:**

Jess Bayley-Hill

#### **71. APOLOGIES**

There were no apologies for absence.

#### **72. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **73. LEADER'S ANNOUNCEMENTS**

The Leader advised that the Budget Scrutiny Working Group had pre-scrutinised the Medium Term Financial Plan (MTFP) 2025/26 to 2027/28 Tranche 2 report at a meeting held on 31<sup>st</sup> January 2025. No recommendations had been made at this meeting for the consideration of the Executive Committee. However, the group had determined that they would scrutinise the report a further time at a meeting due to take place prior to the Council meeting scheduled to take place on 24<sup>th</sup> February 2025. Any recommendations arising from that meeting would be reported to the Executive Committee meeting that was due to take place immediately before the Council meeting. On behalf of the Executive Committee, the Leader thanked the Budget Scrutiny Working Group for their hard work.

The Executive Committee was informed that Appendix A to the MTFP 2025/26 to 2027/28 Tranche 2 report had not been received in time for consideration at the meeting, as originally anticipated. The Deputy Chief Executive and Section 151 Officer would address the reasons for this situation when presenting the report and

Chair

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Members would have an opportunity to consider the content of this appendix at the following meeting of the Executive Committee.

## 74. MINUTES

**RESOLVED that**

**the minutes of the meeting of the Executive Committee held on 14<sup>th</sup> January 2025 be approved as a true and correct record and signed by the Chair.**

## 75. PAY POLICY 2025/26

The Deputy Chief Executive and Section 151 Officer presented the Pay Policy Statement 2025/26.

The Executive Committee was advised that Councils were required by the Localism Act to report on the pay awarded to staff on an annual basis, by the end of March each year. The purpose of the report was to provide transparency in respect of the Council's approach to setting pay as well as in respect of the remuneration of senior staff employed by the authority. At Redditch Borough Council, staff pay comprised grades 1 to 11, Hay grade managerial posts and senior officer positions, for staff employed at a Corporate Leadership Team (CLT) and Senior Leadership Team (SLT) level. Staff posts at grades 1 to 11 were subject to job evaluation whilst more senior posts, including Hay grade posts, were job evaluated by external recruitment advisers. There were spinal points in each grade and employees progressed up those spinal points over time.

Performance related pay was not paid to staff employed by the authority, including at a senior level. The pay was, however, reviewed and negotiations were undertaken nationally with representatives of the trades unions each year. The outcomes of these negotiations and the pay award tended to be announced in the autumn, with back pay awarded to staff in line with pay awards.

For the first time in the Pay Policy Statement, information about the division of costs for salaries had been extended to include contributions from the Housing Revenue Account (HRA) where applicable. This was relevant to three senior officer posts where staff had a role managing Housing Services. All of the senior officers employed at CLT and SLT levels managed shared services and the contribution from Redditch Borough Council towards their pay had been listed in the report.

Following the presentation of the report, Members discussed the content of the Pay Policy Statement and in doing so questioned whether there were other posts, in addition to the three senior

positions listed in the report, where funding for the role was charged to the HRA. Officers confirmed that there were other roles at the Council where contributions were made through the HRA. In total, the overall recharge budget to the HRA was £4.2 million. The recharge arrangements and the rationale for this needed to be clear and would be reviewed by the external auditors.

Reference was also made to the lowest salary paid at the Council, of £23,653 per annum, and questions were raised about whether this reflect the minimum or national living wage. The Executive Committee was advised that this wage was set at a level above both the current national living wage and the national minimum wage.

Consideration was given to the pay awarded to apprenticeships and Members questioned how this related to the pay awarded to other staff. Officers clarified that the Council was trying to link apprenticeships to pay grades.

**RECOMMENDED that**

**the Pay Policy Statement 2025/26 be approved.**

**76. MEDIUM TERM FINANCIAL PLAN - TRANCHE 2 BUDGET INCLUDING FEES AND CHARGES (FOLLOWING CONSULTATION)**

The Deputy Chief Executive and Section 151 Officer presented the MTFP 2025/26 to 2027/28 Tranche 2 report for the Executive Committee's consideration.

In opening the presentation of the report, the Section 151 Officer explained that Appendix A to the report was not yet available to share with Members. The Government had not provided clarification on the Local Government Settlement until the day before the Executive Committee meeting and this had provided insufficient time to update the Appendix for the meeting. Officers were also continuing to review information arising as a result of the recent closure of the Council's accounts for 2020/21, 2021/22, 2022/23 and 2023/24 and this would be incorporated into the final version of the appendix. A copy of that appendix would be made available for Members' consideration at the following meeting of the Executive Committee, scheduled to take place on 24<sup>th</sup> February 2025.

A verbal update was provided to the Committee on the content of the Local Government Settlement for the Council. Members were advised that figures in relation to National Insurance rises had been provided and these were roughly equivalent to the level of funding

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that had been anticipated for the authority. By contrast, Bromsgrove District Council would be receiving £200,000 less than anticipated for National Insurance increases and this would need to be addressed in that authority's budget.

The local government settlement had been anticipated to increase core spending power for local authorities by 6 per cent. However, like most District Councils, Redditch Borough Council had received a 0 per cent increase on core spending power. Only 30 District Councils in the country had received an increase in core spending power and as a consequence, core spending power for District Councils had only been increased by 0.3 per cent. In order to break even, Officers were proposing that the Council would have to increase Council Tax by the maximum level permitted, without holding a referendum, of 2.99 per cent.

The Council would be receiving some grant funding in the budget valued at £1.061 million and comprising a range of different grants. The Council's revenue grant position would remain roughly stable at £10.94 million. The Government had awarded a one year settlement but from 2026/27 onwards, three year settlements were anticipated for local government and the Council needed to ensure that the authority engaged in any consultation processes relating to the funding calculations.

There had been some changes to budget projections since the MTFP Tranche 1 report was considered by the Executive Committee. This included:

- A proposal to increase Council Tax by 2.99 per cent.
- The Actuaries for the Worcestershire Pension Scheme were suggesting that there would not be a need for the increases to employer contributions that had previously been anticipated.
- Budgets relating to salaries for 2024/25 had been adjusted to take into account the staff pay award.
- The earmarked reserve for Financial Services had been reviewed and linked to the one-year growth item in that area.
- There was a proposed uplift to fees and charges for Worcestershire Regulatory Services (WRS) to take into account the impact of inflation on costs. The same standard increase of just under 4 per cent on fees and charges for the service had been suggested for partner authorities.
- The Local Government Settlement costs had been incorporated into the figures.
- Funding for the agreed increases to Members' allowances from 1<sup>st</sup> April 2025 onwards had been incorporated into the budget.
- The introduction of Councillor ward budgets would be a new addition to the budget and funded from reserves.



The proposals detailed in the MTFP would result in a surplus of £30,000 in year one of the plan moving to a deficit of £345,000 at the end of the three-year period.

Whilst the Council's accounts for 2020/21, 2021/22 and 2022/23 had been closed, they had not yet been audited. It was unlikely that external auditors, Grant Thornton, would audit these accounts or that the new auditors would do so. However, there was greater certainty regarding figures in the budget as a consequence of submitting the accounts. This included clarification that the Council had £7.3 million in the general fund, representing 15 – 20 per cent of the gross budget. Members were asked to note that the Government recommended that this level should be at least 5 per cent, so this was a positive situation. There were also confirmed to be £14.5 million in earmarked reserves and work would need to be undertaken to review these.

In terms of Rubicon Leisure Limited, any overspends would be addressed using funding from reserves allocated to the costs associated with the company. The Council was also proposing to increase the management fee for Rubicon Leisure Limited.

The Treasury Management Strategy had been included in the papers. This was an important document relating to financial management of the Council. In particular, Members were urged to consider the content of the first section of the strategy, which provided further details about economic conditions and the implications for the Council moving forward.

The HRA for the following three years had also been included in the budget. The Council was anticipating a gross income of £29.5 million rising to £32 million for the HRA and there were £2.5 million in balances. Earmarked reserves were in a strong position for the HRA and could not be subsidised by the General Fund. There was also an HRA Capital Programme. Expenditure on the HRA Capital Programme was anticipated to fall from £11 million in year one to £7 million in year three.

Overall, the Council was compliant with legal requirements in respect of setting a balanced budget and in the management of balances and reserves. However, there remained uncertainties that could impact on the budget moving forward. In particular, there was uncertainty with respect to local government devolution. However, it was recognised that Members would wish to leave a legacy.

There were risks that could impact on the budget position. This included:

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- The impact of a 0 per cent increase in the local government settlement on the Council's finances.
- The likelihood that the three sets of disclaimer accounts for the Council would remain unaudited.
- The uncertainty with regard to the expenditure that the external auditors would determine as needing to be written off following changes to plans for the Town Hall hub.
- Pay to staff and future increases. Members were asked to note that staff pay represented 50 per cent of Council costs.
- The impact of inflation.
- Uncertainty over the local government settlement for 2026/27 onwards.

The Section 151 Officer confirmed that he was confident that the estimates provided in the MTFP report were robust. There were pressures on the budget, including future pay awards and the costs arising from the introduction of a food waste collection service. However, the costs associated with the food waste collection service could be covered for now using reserves.

In the future, it was suggested that improvements could be made to the budget consultation process. Evidence arising from a similar consultation exercise carried out at Wyre Forest District Council indicated that there would be greater levels of feedback from the public where Members actively engaged in promoting the consultation process.

The Budget Scrutiny Working Group had considered the content of the report at a meeting held on 31<sup>st</sup> January 2025. During this meeting, Members had raised the following points:

- Questions with regards to the reasons for the move from a surplus to a deficit position over the three-year period covered by the MTFP.
- A briefing paper had been requested clarifying the reasons why additional funding was needed for the Digital Manufacturing and Innovation Centre (DMIC).
- Background information had been requested in respect of funding for the athletics club.
- Similarly, background information had been requested in respect of funding for temporary accommodation.
- Additional details in respect of the public consultation exercise had been requested.

The additional information that had been requested by the Budget Scrutiny Working Group would be presented for Members' consideration at a forthcoming meeting of the group.

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Following the presentation of the report, Members discussed the content of the budget papers in detail and in doing so commented on a number of points:

- The inevitable need to increase Council Tax by the full 2.99 per cent permitted in order to break even, due to it being included as part of the 0 per cent increase on the local government settlement.
- The additional clarity that had been provided in respect of the Council's earmarked reserves and balances arising from the submission of three sets of Council accounts.
- The risks to the Council as well as a future unitary authority that would arise if the Council did not invest additional funding in the DMIC. Members commented that this could have resulted in the Council accruing significant levels of debt.
- The impact that Councillor Ward budgets would have in communities.
- The need for robust criteria to be applied in respect of the ward Councillor budgets and Members questioned whether this had been reviewed. Officers confirmed that criteria, based on Worcestershire County Council and Bromsgrove District Council Ward Member Schemes, had been developed and would be presented for Members' consideration at a forthcoming meeting of the Executive Committee.
- The date when the Councillor Ward Budget Scheme would be launched. The Executive Committee was informed that Officers were aiming to introduce this scheme from 1<sup>st</sup> April 2025 onwards.
- There would be a need for robust business cases to be completed and considered in order to fund any legacy projects that might be proposed by Members.
- The reintroduction of the outdoor market in March 2025.
- The recruitment of area wardens, which had been addressed in the budget.
- The financial support that would be provided to local businesses arising from the UK Shared Prosperity Funding (UKSPF) scheme.
- The need to upgrade the Council's asset stock to ensure that this was fit for purpose moving forward.
- The potential for a summary of budget consultation responses to be provided for Members' consideration. Officers clarified that a detailed summary was in the process of being prepared and would be shared with Members shortly.

In concluding their discussions in respect of this matter, Members thanked the Financial Services team and the Section 151 Officer, for their hard work in preparing the report.

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**RECOMMENDED that**

- 1) the Tranche 2 growth proposals be approved;
- 2) the additional funding to the Council, as per the Local Government Settlement on the 18th December 2024, including the estimated levels for 2026/7 and 2027/8, be incorporated into Medium Term Financial Plan (MTFP) revenue and capital budgets 2025/26 to 2027/28;
- 3) the Tranche 2 savings proposals, including an increase of Council Tax of 2.99%, be approved;
- 4) the Worcestershire Regulatory Services fee increases for 2025/26 be approved;
- 5) the updated five year Capital Programme 2025/26 to 2029/30 along with its ongoing revenue costs be approved;
- 6) the current levels of Earmarked Reserves be carried forward into 2025/26, 2026/27 and 2027/28
- 7) a new Earmarked Reserve for the Digital Manufacturing and Innovation Centre of £600k be created.
- 8) an Earmarked Members' Ward Budget Reserve of £2k per Member (£54k per year) over the 3 year MTFP period be created;
- 9) the Housing Revenue Account (HRA) budget is approved;
- 10) Members note any feedback from the Tranche 2 consultation process undertaken;

**RESOLVED to note**

- 11) the implications set out in the Section 151 Officer's Robustness (Section 25) Statement of the 2025/26 to 2027/28 Medium Term Financial plan in moving the Council to financial sustainability; and
- 12) the need for accelerated business cases to be worked up to enable upgrades of infrastructure to the Borough for consideration in line with work set out in paragraph 3.20 for completion prior to vesting day.

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## 77. OVERVIEW AND SCRUTINY COMMITTEE

The minutes of the meeting of the Overview and Scrutiny Committee held on 13<sup>th</sup> January 2025 were considered. The Leader confirmed that all of the recommendations contained in the minutes had been considered at the previous meeting of the Executive Committee.

### **RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on 13<sup>th</sup> January 2025 be noted.**

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

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

The Meeting commenced at 6.30 pm  
and closed at 7.26 pm

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**Redditch Borough Council – Local Development Scheme 2025**

Relevant Portfolio Holder	Councillor Joe Baker
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford
Report Author Mike Dunphy	Job Title: Strategic Planning and Conservation Manager email: m.dunphy@bromsgroveandredditch.gov.uk Contact Tel: 01527 881325
Wards Affected	All
Ward Councillor(s) consulted	Yes via Planning Advisory Panel
Relevant Council Priorities	Housing and Environment
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. RECOMMENDATIONS**

**The Executive recommend to Council that:-**

- 1) Appendix A: Redditch Borough Council Local Development Scheme 2025 is approved as the Council's programme for plan-making, effective as of 24<sup>th</sup> February 2025.**
- 2) Delegated authority be granted to the Assistant Director for Planning and Leisure Services, following consultation with the Portfolio Holder for Planning, Regeneration and Governance, to approve updates to the Local Development Scheme as required.**

**2. BACKGROUND**

- 2.1 On the 30<sup>th</sup> July 2024 the Government published a consultation titled '*Proposed reforms to the National Planning Policy Framework and other changes to the planning system*'. Following this consultation on the 12<sup>th</sup> December 2024 a new version of the National Planning Policy Framework (NPPF) was published.
- 2.2 The proposed changes to the NPPF and the Council's response were discussed at length the Executive meeting held on the 15<sup>th</sup> October 2024, and prior to this at the Planning Advisory Panel (PAP) held on the 27<sup>th</sup> August. The final changes to the NPPF were also discussed at the PAP on the 22<sup>nd</sup> January 2025.

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- 2.3 The issues raised by the new NPPF will be addressed through the development of the Local Plan, this report only addresses the new timetable which is required as a result of the new NPPF.
- 2.4 The following statement accompanied the publication of the NPPF: *'areas must commit to timetables for new plans within 12 weeks of the updated NPPF or ministers will not hesitate to use their existing suite of intervention powers to ensure plans are put in place.'*
- 2.5 In order to meet the requirement outlined para 2.4 above, a new Local Development Scheme (LDS) has been produced which can be seen at appendix A. The LDS is the timetable for the Planning Policies which the Council intend to produce. The timetable was also discussed at PAP meeting on the 23<sup>rd</sup> January 2025.
- 2.6 The LDS outlines the likely path the Borough of Redditch Local Plan will take to adoption. It has been drafted to take into account the introduction of a new plan making system later in 2025. With that in mind, until the final details of the new system are known, the stages of plan making identified for 2026 and beyond are considered by officers to be the likely process, these stages may need to be amended at a later date. To enable amended versions of the LDS to be approved without delay, a delegation to the Portfolio Holder has been included in the recommendations associated with this report. It is envisaged that any new timetables will also be discussed at a PAP meeting as per normal practice.
- 2.7 The significant element to note on the timetable is the publication of an Issues and Options document for wide ranging public and stakeholder consultation in April or May this year. The details of the Issues and Options document and also the approach to engagement and consultation will be covered in further reports in due course.

**3. FINANCIAL IMPLICATIONS**

- 3.1 None at this stage an agreed budget exists to prepare the Local Plan.

**4. LEGAL IMPLICATIONS**

- 4.1 The Local Development Scheme is produced under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended). The legislation states that Councils must prepare and maintain a Local Development Scheme specifying:



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- the Local Development Documents (LDDs) which are to be Development Plan Documents (DPDs);
- the subject matter and geographical area of each Development Plan Document;
- which Development Plan Documents (if any) are to be prepared jointly with one or more other local planning authorities;
- any matter or area in respect of which the authority has agreed (or propose to agree) to the constitution of a joint committee; and,
- the timetable for the preparation and revision of the Development Plan Documents.

4.2 Endorsing this LDS ensures that the Council meets the requirement of the above legislation.

**5. COUNCIL PRIORITIES - IMPLICATIONS****Relevant Council Priorities**

Whilst the Local Development scheme has little impact on the Council's priorities the Local Plan will have potential implications on all of the Council's Priorities, these will be highlighted in due course.

**Climate Change Implications**

5.2 It is not considered that the LDS will have any climate change implications. The Local Plan will have climate change implications and they will be detailed in future reports.

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

6.1 There are not considered to be any customer/equality or diversity implications.

**7. RISK MANAGEMENT**

7.1 A significant risk associated with this report is if the Local Development Scheme is not adopted. The Council will not have an up to date timetable for plan production as per the requirement stated at para 2.4 above. Not

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having a timetable in place may lead to intervention by the Ministry of Housing Communities and Local Government (MHCLG).

- 7.2 In addition to having a timetable in place, it is also a requirement of the MHCLG that plan making needs to continue at pace. To that end, one of the changes made as part of the recent reforms is to add clarity to the intervention criteria by which MHCLG judge whether to intervene if plan making doesn't progress.

*'Decisions on intervention will be taken in line with relevant legal tests and should have regard to plan progress and local development needs. The Secretary of State may also consider other matters that they deem relevant to the case, including sub regional or regional or national development needs.'*

- 7.3 The paragraph above is taken from the Planning Practice Guidance (PPG) and clearly identifies that a plan's progress, and meeting local development needs are going to be considered alongside wider sub regional, regional and national development needs when considering whether or not to intervene in a local authority's plan making process. Any attempt to delay plan making or not meet identified needs is likely to end in intervention.

**8. APPENDICES and BACKGROUND PAPERS**

Appendix A: Redditch Borough Council – Local Development Scheme 2025

## Contents

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## Introduction

The Local Development Scheme (LDS) is a project plan for the production and review of the planning policy documents that will make up the Development Plan for Redditch Borough. This LDS for Redditch which covers the period from February 2025 – July 2028

Redditch Borough Council is required to produce a LDS in order to comply with Section 15 of the Planning and Compulsory Purchase Act 2004. It provides residents and stakeholders information on the documents that will make up the Development Plan, the timescales they can expect for the preparation of these documents and the opportunities for involvement. Local Planning Authorities may revise their LDS at a time they consider appropriate or when directed to do so by the Secretary of State.

The Borough of Redditch Local Plan No 4 (BORLP4) was adopted in January 2017. Since 2017 there have been numerous changes to the planning system and revisions to the National Planning Policy Framework including the government's approach to calculating housing need. As a result BORLP4 plan is now out of date and therefore a new plan need to be prepared.

The timetable for the preparation of the Development Plan can be found on page 6. It sets out the key opportunities for public and stakeholder involvement in plan production as well as periods of evidence gathering and plan preparation.

## **Borough of Redditch Planning Policy Framework**

### **Current Planning Policy Documents**

The planning policy documents listed below make up the current planning policy framework for the Borough of Redditch.

### **Borough of Redditch Local Plan No.4 (2011-2030)**

The Local Plan includes a vision and strategic objectives for the future development of the Borough, strategic policies which include site allocation policies to meet the development needs of Redditch. It also contains Development Management policies to guide decision making on planning applications. The key diagram and policies map visually represent the policies and site allocations.

BORLP 4 was adopted in 2017 and the Government requires all Local Plans to be reviewed within five years of adoption with the aim for all Councils to have up to date plans in place by 2023.

### **Adopted Local Development Documents**

The Council has adopted a number of planning policy documents, which can be used as material considerations in the determination of planning applications, including:

- High Quality Design SPD (2019)
- Open Space Provision (2007)
- Planning Obligations for Education Contributions Supplementary Planning Document (2007)
- Employment Land Monitoring Supplementary Planning Guidance (2003)

### **Neighbourhood Planning**

Under the Localism Act 2011, Neighbourhood Plans can be produced by a Parish Council or a designated Neighbourhood Forum, to provide more detailed planning guidance on specific local issues. Neighbourhood Plans are subject to independent examination and local referendum at which if approved then the Neighbourhood Plan is “made” and the Council must then bring this into force as part of the Local Development Framework. However, it is for Parish Councils or Neighbourhood Forums to decide whether to bring forward a Neighbourhood Plan and therefore the LDS does not specify when or how they will be produced.

## Delivering the Development Plan

### **Evidence Base**

A range of technical studies and research will inform the preparation of the Development Plan Review. These will be progressed as the plan progresses and will be published alongside the plan as part of the consultation and engagement process.

### **Adoption of Planning Policy Documents**

All planning policy documents are taken to Executive Committee and Full Council to obtain Member approval. In the case of the Development Plan, this is subsequently submitted to the Planning Inspectorate (PINS) for examination. PINS will report back to the Council after the examination to report on the document's legal compliance and soundness for adoption.

### **Monitoring**

The Council will regularly monitor and review the progress of the Development Plan against the LDS timetable (set out on page 4). Monitoring will be set out in the Annual Monitoring Report which is publicly available.

# Timetable

The timetable for the key stages of the Borough of Redditch Local Plan Review is set out below. Any changes to the timetable will be advertised on the Council website. This timetable has been informed by the proposed changes to the plan making system, which require plans to be prepared in 30 months, once enacted should these reforms require a change to the timetable the Council will seek to update this LDS. In order to progress plan making in a timely manner the council will begin its formal stages of plan making with an issues and options consultation in spring 2025.

2025				2026								2027								2028																		
A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J
Issues and options consultation				Notice of start of plan making under 30 month system				Gateway 1 (Advisory)				Public consultation (8 weeks)				Gateway 2 (Advisory)				Public consultation (6 weeks)				Gateway 3 (Stop/Go)				Examination						Finalisation and adoption				
				4 months' notice				23 months																							6 months						1 month	
					1	2	3	4	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

**Summary Profile of Redditch Local Plan Review**

<b>Redditch Local Plan Review</b>	
Role and Content	<p>Will review, update and extend the time horizon for the Local Plan up to 2043, setting out the vision, spatial strategy and policies and core policies for the spatial development of the Borough.</p> <p>Will include site allocations to accommodate Redditch's outstanding local development needs to 2043</p> <p>A Policies Map will need to accompany the BORLP, which will illustrate geographically the policies in the plan and replace the current Policies Map associated with the existing BORLP4.</p>
Status	Development Plan Document
Position in chain of conformity	General conformity with National Planning Policy Framework
Geographic coverage	Borough wide



**MEDIUM TERM FINANCIAL PLAN 2025/6 TO 2027/8 – Tranche 2**

Relevant Portfolio Holder	Cllr. Ian Woodall, Finance Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Assistant Director Finance & Customer Services email: Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. SUMMARY OF PROPOSALS**

- 1.1 The Council has set its budget in two Tranches this year as it did in the 2024/5 Medium Term Financial Plan (MTFP) process. The initial Tranche was published in November 2024 and approved initial pressures and increases at Council in January. This second Tranche is being considered now that the final Local Government Settlement figures are known. The final budget will be approved at Council in February.

**2. RECOMMENDATIONS**

The Executive Committee previously **RECOMMENDED** to Council on 4<sup>th</sup> February that:

- 1 The Tranche 2 growth proposals be approved.
- 2 The additional funding to the Council, as per the Local Government Settlement on the 18th December 2024, including the estimated levels for 2026/7 and 2027/8, be incorporated into Medium Term Financial Plan (MTFP) revenue and capital budgets 2025/26 to 2027/28.
- 3 The Tranche 2 savings proposals, including an increase of Council Tax of 2.99%, be approved.
- 4 The Worcestershire Regulatory Services fee increases for 2025/26 be approved.
- 5 The updated five year Capital Programme 2025/26 to 2029/30 along with its ongoing revenue costs be approved.
- 6 The current levels of Earmarked Reserves be carried forward into 2025/26, 2026/27 and 2027/28.

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- 7 That a new Earmarked Reserve for the Digital Manufacturing and Innovation Centre of £600k be created.
- 8 That an Earmarked Members' Ward Budget Reserve of £2k per Member (£54k per year) over the 3 year MTFP period be created.
- 9 The Housing Revenue Account (HRA) budget is approved.
- 10 Members note any feedback from the Tranche 2 consultation process undertaken.

The Executive Committee previously RESOLVED on 4<sup>th</sup> February 2025 to note:

11. the implications set out in the Section 151 Officer's Robustness (Section 25) Statement of the 2025/26 to 2027/28 Medium Term Financial plan in moving the Council to financial sustainability.
12. the need for accelerated business cases to be worked up to enable upgrades of infrastructure to the Borough for consideration in line with work set out in paragraph 3.20 for completion prior to vesting day.

### 3. Background

#### Introduction

- 3.1 The Council sets a 3-year Medium Term Financial Plan every year, with the final Council Tax Resolution being approved by Council in February. This year's process has been more difficult due to the following factors:
- The starting point from the 2024/5 MTFP is positive with respective neutral balances at the starting points for both years.
  - That this is the first budget of a new National Government and will be for only 1 year in duration. The Government have indicated that resources are tight which has been reflected in the Provisional Local Government Settlement in December.
  - The present cost of living crisis which continues to impact our most vulnerable residents.
  - Three years accounts (2020/21 to 2022/23) delivered with a "disclaimer Opinion" and 2023/24 Accounts also likely to have a similar opinion. In this instance, the reason for this will be the limitation of scope imposed by statute (not by the local authority). A disclaimer due to the backstop does not of itself indicate a local authority failing but the ongoing implications are still not clear.
  - The continued uncertainty of the existing movement of the Government to funding projects for specific outcomes and the movement of this from a bidding process to an "allocations" process.

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- Uncertainty over the final mode of working for the Council and what will be required by the new Government, our residents and our Members.
- Loss of key personnel, present vacancies rates (although only half the national average), and staff retention – linked to the Workforce Strategy.
- Business Rates and Council Tax Income – and associated collection rates and reliefs linked to the “cost of living” crisis and C-19 grants working their way through our system.
- Inflation is now moving towards to the Government target of 2%.

As such, it is prudent to split the budget process into two tranches,

- Having an initial Tranche which seeks to close as much of the deficit as possible using information known as at the end of October and seeking approval for those savings to be implemented at Council in January,
- Having a second Tranche after the Christmas break, for which approval will be sought in February, that takes account of the Local Government Settlement whose final detail will not be known until late January.

3.2 This report will set out:

- The approved Tranche 1 Position including base assumptions.
- The impact of the Local Government Settlement.
- Council Priorities
- Strategic Approach
- The final Tranche 2 three year balanced budget, including updated assumptions.
- Impact of Tranche 2 on Reserves and Balances.
- The 5 year Capital Programme.
- The Housing Revenue Account budget.
- The Risk Assessment
- The S151 Officers Robustness Statement
- Consultation Details.

### **The approved Tranche 1 Position including base assumptions**

3.3 It is important to set out the base assumptions under which the budget is constructed. These assumptions can then be stress tested for various scenarios to test the robustness of the overall budget. The Tranche 1 base assumptions were:

- Council Tax – Figures assume the full 1.99% allowable increase overall years of the 3 year MTFP. There are no increases in numbers of houses.
- Business Rates Increases – business rates assume growth based on Pooling with the other Districts and the County Council.
- New Homes Bonus/Government Grants – It is assumed that levels would be the same as previous years.
- Pension Fund assumptions takes account of the latest triennial valuation which was received in September 2022. It was noted that there is a

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significant risk is that the next revaluation will be actioned in 2026 and as such the 2026/7 figure could well change pending the outcome of that exercise.

3.4 The following “generic” pressures and savings were included in Tranche 1:

- The Pay Award is increased from 2% to 3% for 2025/6. This would be an additional £100k cost.
- Pension Fund Actuarial Triennial Revaluation. Although the fund continues to perform well we are concerned on the reducing numbers of live members in the scheme and so have included an amount from 2026/7 of £200k as a potential risk.
- Fees and Charges assumed an increase of 2%. However, given 50% of fees and charges costs link to staff costs and these possibly will increase at 5% for the 2024/5 financial year, to keep pace this this increase of costs it is proposed that a 4% increase is made.
- The largest change however will link to upcoming Waste Requirements. The Council is required to implement these proposals from April 2026. The impact on Council budgets is significant in terms of both Revenue and Capital with an ongoing £500k revenue cost, £44K Capital costs and one off implementation costs of £100k.
- Additional inflation on contracts is included at 5% which is £125k.
- A review has been undertaken of Corporate Budgets (Council Tax/Business Rate, Investment Income and Debt) against expected numbers and due to a number of factors there is a positive position.
- The Council had 3% in to cover staff inflation in 2024/5. This pay award is now circa 5% and so this adjustment has also been made in the corporate budgets.

3.5 Departmental changes, due to contract pressures and demographics have also been taken into account. These departmental changes result in an overall £1.309m revenue pressure in the 2025/6 financial year and then £912k by 2027/8. The overall Tranche 1 Position is summarised in the following two tables, the first taking account of “Corporate” issues, the second then adding on the “Departmental” issues.

	2025/6 £000	2026/7 £000	2027/8 £000
<b>Opening Position</b>	<b>-16</b>	<b>-17</b>	<b>-17</b>
<b>Changes</b>			
Increase Pay Award to 3% (from 2%)	100	100	100
Pension Revaluation (addn costs)		200	200
Increase Fees and Charges to 4% from 2%	-142	-142	-142
Increased Waste Interest costs (Capital)	10	20	20
Increased Waste MRP costs (Capital)		24	24
Waste Project costs (capitalised)		20	20
Increased Waste Revenue costs		500	500
Contract Inflation	125	125	125
No Council Tax Freeze in 2025/6	-144	-144	-144
Improvements in Corporate Budgets	-450	-450	-450
2% Additional 23/4 Payoll cost over Budget	200	200	200
<b>Net Additional Costs</b>	<b>-301</b>	<b>453</b>	<b>453</b>
<b>Initial View of Additional Costs</b>	<b>-317</b>	<b>436</b>	<b>436</b>

	2025/6 £000	2026/7 £000	2027/8 £000
<b>Position after Corporate Items</b>	<b>-317</b>	<b>436</b>	<b>436</b>
<b>Departmental Items</b>	<b>1,309</b>	<b>949</b>	<b>912</b>
<b>Position after Departmental Items</b>	<b>992</b>	<b>1,385</b>	<b>1,348</b>

**Table 1 – Tranche 1 Budget Position**

- 3.6 At Tranche 1, there is a £1m deficit to be closed which rises to an ongoing £1.3m problem in 2027/8. £0.6m of this amount from 2026/7 onwards is linked to the impact of the changes to Waste Regulations

### **The impact of the Local Government Financial Settlement**

- 3.7 The Chancellors Autumn Statement that was made on the 30<sup>th</sup> October had the following impacts on Council budgets:
- A 3.2% real-terms increase in Core Spending Power (CSP) for the whole sector in 2025-26. This will include £1.3b additional grant funding, of which at least £600m will be directed to social care.
  - The Budget was silent on council tax referendum limits, but the DCN expectation is that referendum principles will stay at 2.99% for districts.
  - £233m new funding for homelessness prevention. This will be in addition to the £1.3b grant funding mentioned above.
  - £1b to extend the Household Support Fund and Discretionary Housing Payments into 2025/26.

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- £1.1b new funding through implementation of the Extended Producer Responsibility scheme for recycling.
- Right to Buy: councils will be permanently allowed to retain 100% of receipts locally and discount levels will revert to pre-2012 levels from 21st November 2024.
- Business Rates support to the retail, hospitality and Leisure sector, although it is not known the route of compensation yet for Councils.
- A £500m increase to the Affordable Homes Programme in 2025/26.
- UK Shared Prosperity Fund has been extended for 2025/26 at a reduced level of £900m, a 40% decrease on the current year. It is not yet clear whether this funding will continue.
- Employer national insurance (NI) contributions will increase by 1.2% to 15% from April 2025 but councils are expected to be reimbursed for this. The impact of this on Redditch if this is not funded is £144k.
- The National Living Wage will increase by 6.7% to £12.21. Minimum wage for 18- to 20-year olds will increase by 16% to £10 per hour.

3.8 The Provisional Local Government Settlement was made on the 18<sup>th</sup> December 2024. In that settlement the Councils Core Sending Power is unchanged at £10.94m. However, this zero increase in spending power masks a significant change in funding with Councils expected have a 2.99% increase in Council Tax to get to that Break Even position, with “Other Grants” reducing by a corresponding amount. As the Council (as other Councils, already assume) maximises Council Tax increases in their existing forward plans this is settlement with no inflation built in. This is reflected in the following table:

	2025/6	2024/5	Difference	Difference
	£m	£m	%	£m
Settlement Fund				
Assessment	2.569	2.504	2.6%	0.065
Assumed Council Tax	7.31	7.095	3.0%	0.215
Other Grants	1.061	1.341	-20.9%	-0.28
Total	10.94	10.94	0.0%	0

**Table 2 – Local Government Settlement**

3.9 As set out in 3.7 above, the Government have however given specific targeted Grant Funding for a number of initiatives. This funding is single year, as Local Government Funding is being significantly changes for the 2026/7 settlement. However, the impacts on the Council for this targeted funding is:

- £700m additional grant funding – Redditch has received £326k of this one off Recovery Funding for 2025/26 only.
- Council Tax in Tranche 2 will be increased from 1.99 to 2.99%.
- £233m additional Homelessness Prevention Grant. Redditch has received £648k, which is £233k more than the level approved in December.

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- £1.1b new funding through implementation of the Extended Producer Responsibility scheme for recycling. Redditch has received £814k which has been allocated as part of the Tranche 2 Budget.
- Right to Buy changes are applicable for Redditch as it has a HRA.
- Business Rates support to the retail, hospitality and Leisure sector is expected to be neutral and Government Funded.
- UK Shared Prosperity Fund has been extended for 2025-26 at a reduced level of £900m. Redditch has received £818k which is split £667k Revenue and £151k Capital.

3.10 In addition to those items set out above, following the World Climate Conference in December there are likely to be ongoing targets in this area. Councils have already declared “Climate Emergencies” and have challenging carbon reduction targets to deliver by 2030, 2040 and 2050. At the moment plans are within existing budgets, but as we move through the next three-year period there will be the requirement for the prioritisation of resources and approval of additional funding on a scheme by scheme basis. These will need to be taken account of in future budgets, although a significant part of this budget spend will be Capital in nature.

3.11 There are a number of other significant factors in looking at the 2024/25 budget which are linked to the Local Government Finance Market. Presently:

- There are a number of Local Authorities who have now issued S114 Statements.
- Although Redditch is now up to date with its accounts, these accounts have “Disclaimer Opinions” and it is likely that the Council will receive “Disclaimer Opinions” for at least the 2023/24 and 2024/25 Accounts. The ramifications of these “disclaimer Opinions” on the wider Local Government Sector and individual Councils is not clear. There will be circa 600 of these “Disclaimer Opinions” across English Councils.
- The Government Devolution Bill and the reorganisation of two tiered areas to unitary authorities by the end of this Governments first term. This will have significant impact on Worcestershire Councils.

3.12 Significant Grant levels not set out in 3.9 above are:

- Housing Benefit Administration Subsidy - £207,786
- Discretionary Housing Payments - £79,296
- Discretionary Housing Payments Administration - £18,023
- New Burdens Funding (UC) £4,321
- Revenue Support Grant £145,000
- New Homs Bonus £23,000
- Domestic Abuse Safe Accommodation Grant £36,000
- Funding Floor (formally Funding Guarantee) £201,000
- S31 Grant Funding for Business Rates Subsidy (RHL) will be re-imbursed linked to numbers in the NNDR1 Return
- National Insurance Contribution – allocation method at moment is by 2023/24 RO Form.

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- Housing Benefit Subsidy £14,567,304 (2024/25 level – 2025/26 level not known)
- Disabled Facilities Grant - £1,185,745 (up from £1,038,806) – Capital
- Capital DEFA allocation for Food Waste Bins/Vehicles £766,498- Capital

3.13 As part of the Budget process the following reports have been approved in the January 2025 Cycle of meetings:

- The Council Tax Base for 2025/26.
- The final Council Tax Support Scheme for 2025/26.

The following reports linked to the budget were updated in the 2024/25 MTFP and have not changed since that time:

- The Discretionary Council Tax Reduction Policy.
- Council Tax – Empty Homes Discounts and Premiums.
- Non Domestic Rates – Discretionary Rates Relief Policy.

3.14 Tranche 2 options will be presented to Executive on the 4<sup>th</sup> February and the full Budget approved by Council on the 24<sup>th</sup> February.

### **Council Strategic Priorities**

3.15 The new Leader and Portfolio Holders with the support of the Corporate Management Team will set out new Corporate Objectives for the Council, based on the Manifesto used to gain control in the 2024 elections.

3.16 Redditch Borough Council's current priorities, linked to the previous administration, are underpinned by a set of key themes. These are set out in the current Council Plan 2019 – 2023 [here](#) and in the Council Plan Addendum 2022/23. These priorities will change but for the purposes of this report the 5 existing themes will be used. These are:

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

3.17 The Council's vision, priorities and themes are connected using a 'green' thread:

"To enrich the lives and aspirations of all our residents, businesses and visitors through the provision of efficiently run and high-quality services, ensuring that all in need receive appropriate help, support and opportunities".

3.18 Following consultation in 2023, and taking other information on board, the Council's priorities are presently:

- Housing
- Parks & Green Spaces



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- Economy & Regeneration
- Community Safety

- 3.19 The Council cannot deliver all priorities on its own. In some cases it can support, influence, or work collaboratively with other partner agencies to persuade them to take a particular course of action/undertake a particular project. Considerable support and input from partner organisations will be needed for priorities, to be successfully achieved.
- 3.20 We talk in the Risk section about the impending Devolution of powers in Local Government and the setting up of Unitary Councils in existing 2 tier areas before the close of this Parliament. This will have a significant impact on the Council. In light of this, the Council is reviewing schemes that can be delivered and completed within the next three years to ensure that a legacy of a sustainable attractive Redditch is transferred on vesting day with infrastructure and amenities reflecting stakeholder requirements to make a difference to the residents of Redditch's lives. Initiatives under review for inclusion and approval following updated business cases are:
- Full funding of the 10 year play strategy agreed by Council in 2024 (only 5 years are in the present capital programme)
  - Assigning a fund for purchasing of Temporary Accommodation units which is an acute issue in the borough.
  - Assigning a fund for the ongoing improvement of Forge Mill.
  - Upgrading the kitchen facilities at Arrow Valley Country Park in order to attract even more visitors.
  - Upgrading the district centres.
  - Investment in Community Assets (Community Centres).
  - Refurbishing of Southcrest Memorial Gardens.

**Strategic Approach**

- 3.21 The Council has come into the 2025/26 budget process with a number of conflicting issues. These include:
- An ongoing in year 2024/25 deficit at Q2 of a £299k deficit to close.
  - The requirement to fund future pay award which are circa 50% of costs. Over the past 3 years these pay awards have been significantly higher than "normal". Although nationally agreed, these have not been funded.
  - Increases in Council Tax are limited at 2.99%, which is significantly lower than the present rates of inflation.
  - The fact that Local Government Finance will change significantly in the 2025/6 settlement which is not known at the moment and which is multi year.
  - That over the course of this Parliament all 2 tier areas, such as Worcestershire will be converted into Unitary Authorities.
- 3.22 The next section sets out the Tranche 2 position. In it the Council moves to a considered sustainable position over the 3 year planning period. One significant factor that has been taken account of is the fact that Local Government funding will change significantly in 2026/27 and so in this budget it is prudent to minimise any savings pending the upcoming funding review.

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- 3.23 The level of reserves and balances presently held suggest that although significantly more is held than the suggested 5% recommended level for the General Fund, that any calls on this amount for a significant emergency situation would reduce levels by possibly 50%.
- 3.24 The Council must adapt how it operates to take advantage of customer requirements, technology, available resources, and the economic and environmental conditions to remain a sustainable viable organisation. To ensure this happens there will be the need for future investment, efficiencies and possibly the requirement to fund redundancy (both from reserves and balances).
- 3.25 As set out later in the Robustness Statement, in compiling Tranche 1 of the budget, assumptions were based on the best information held then. Issues the Council is facing are not unique, they are being faced by almost all councils. Tranche 2 of the budget has adjusted for any funding that the Government will provide but primarily sets out other options to close the Tranche 1 deficit.

**The final Tranche 2 three year balanced budget, including updated assumptions**

- 3.26 The Council started Tranche 2 of the Budget with the following financial deficits to close:

	2025/6	2026/7	2027/8
	£000	£000	£000
<b>Position after Corporate Items</b>	<b>-317</b>	<b>436</b>	<b>436</b>
<b>Departmental Items</b>	<b>1,309</b>	<b>949</b>	<b>912</b>
<b>Position after Departmental Items</b>	<b>992</b>	<b>1,385</b>	<b>1,348</b>

**Table 3 Opening Tranche 2 Position**

- 3.27 The financial settlement, as set out in paragraphs 3.8 and 3.9 above had no increase in overall funding and a number of areas of specific targeted funding:
- 3.28 The Council has assessed a number of other options to move to what it believes is a considered sustainable position over the 3 year planning period. This process has the following additional Income
- **Council Tax** – The Government expects as part of the Local Government Settlement for all Councils to increase Council Tax levels by the maximum 2.99%. The Council assumed a 1.99% increase in Tranche 1 and so this increases that level by £73k to come in line with Government expectations
  - **Actuarial Changes from 2026**. Following a conversation with the new Actuary and the Worcestershire Treasurers at the end of November, expectations are now that in the 2026 Triennial Revaluation there will be minimal increases. This saves £150k.

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- **ERP Funding Allocations** – the Council have received £814k in ERP Funding. As per the table below, this will be allocated over the three year funding period with £250k allocated for specific marketing initiatives to move the initiative forward across all sectors.
- **2024/25 Salary Adjustment** – Now that actual salary increases have been allocated for 2024/25 as part of the December payroll, this savings can be made.
- **Capitalisation of Salaries** – The Council should be allocating staff costs to capital projects. It has not done this in the past. At the moment an assumption of a 5% recharge has been made – this needs to be sustainable over time. These capitalisation amount have been added to the capital programme.
- One off funding from the Finance Reserve. There are finance specific items in the departmental pressures that are one off in nature. These can be funded from the Earmarked Finance Reserve.
- Departmental Efficiencies – to balance the overall budget, there is the requirement for departmental efficiencies to be made. These are highlighted in the following table:

<b>Service</b>	<b>Net Budget</b>	<b>Savings 250</b>
RBC Regulatory	560	11
Business Transformation & OD	1,842	37
Housing and Community Services	1,819	36
Environmental Services	2,523	50
Finance & Customer Services	2,332	46
Legal Democratic & Property	860	17
Planning, Regen and Leisure	1,042	21
Rubicon Client	777	15
Regeneration and Property	804	16
<b>Totals</b>	<b>12,559</b>	<b>250</b>

**Table 4 – Departmental Efficiency Splits**

- Savings on the VM Ware Contract – it was expected that this contract would have a 10 fold increase with a change of supplier but in December the Council was able to limit the increase to a far smaller increase.
- Given that Local Government Re-organisation will take place within the next three years, it would not be appropriate to invest in a new telephony system. This would save £90k in the initial year and then an ongoing amount of £55k a year. All ICT systems requiring investment need to be reviewed with this in mind.

And the following additional costs

- WRS Uplift for Inflation – these are the agreed increases approved at the WRS Board in November 2024.

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- Local Government Settlement Costs – these now reflect the changes to funding in the 2025/26 Local Government Financial Settlement. The most significant is the £352k reduction in Government Grants.
- Increasing Members Allowances by the same as staff pay increases of 4% - significantly less than the IRP recommendation of 16% at an ongoing cost of £13k.
- Set up a specific budget for Community Consultation of £25k a year to link into Manifesto promises.

3.29 The net effects of these changes is summarised in the table below. Overall there is a net £30k surplus in 2025/26, rising to a deficit of £435k in 2026/27, before reducing to £345k in 2027/28. This is an overall call on general fund reserves of £750k.

Year	2025/6 £000	2026/7 £000	2027/8 £000
<b>Position after Departmental Items</b>	<b>992</b>	<b>1,385</b>	<b>1,348</b>
Additional 1% Council Tax	-73	-73	-73
Adjustment for Actuaries figures		-150	-150
Allocation of ERP Funding from Reserve		-271	-271
Updated ERP Adjustment	-100	-85	-85
ERP Spend on Communications (TBC)	100	100	50
Neighbourhood Wardens	100	100	100
Salary Adjustment	-100	-100	-100
Capitalisation at 2.5%	-200	-200	-200
Capitalisation to 5.0%		-200	-200
Finance Reserve	-319		
CMT £250k Efficiencies	-250	-250	-250
VM Ware Contract Savings	-120	-120	-120
WRS Agreed Uplifts	36	36	36
Increased Council Tax Budget	-70	-72	-75
Reduced Government Grant	26	352	352
Do not renew telephony system	-90	-55	-55
Increased Members Allowances	13	13	13
New Community Consultation Budget	25	25	25

<b>Updated Totals</b>	<b>-30</b>	<b>435</b>	<b>345</b>
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<b>Additional Grant Allocations</b>			
UK Shared Prosperity Fund - Revenue	667		
UK Shared Prosperity Fund - Capital	151		

ERP Allocation - 1 Year only to Reserve	814		
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**Table 5 – Tranche 2 Position**

3.30 **Appendix A** sets out the Departmental Budgets.

### **Updated Fees and Charges**

3.31 In addition, updated Worcestershire Regulatory Service Charges are set out for approval in **Appendix B**. These are increased in line with increases in the service across the County which are at the 4% level unless set by statute.

### **Impact of Tranche 2 on Reserves and Balances**

- 3.32 The existing 2024/25 MTFP saw general fund balances at a break even position over the three year planning moving the Council towards sustainability. In the 2023/24 budget, the Council was prudent and reviewed all its earmarked Reserves and reallocated a substantial amount to the General Fund and also a newly formed Utilities Reserve due to the significant pressure on budgets in that area. As we have moved into 2024/25 there have been additional inflationary pressures linked to significant unfunded nationally agreed staffing increases. This has been partly offset by the Utilities Reserves. Years 2 and 3 of this reserve are not now required and have been transferred to the General Fund to bolster its position.
- 3.33 The projected 2025/6 to 2027/7 position, at Tranche 1, had £3,695k of pressures to mitigate. This has been mitigated down in Tranche 2 to a £750k overall pressure over the three years with an ongoing issue of £345k a year to resolve in 2027/28 onwards. This is a slightly different approach to the previous two MTFP's where the Council has moved to a "sustainable position" over the three year period but reflects that fact that Local Government will have a new 3 year settlement from the 2026/7 financial year and with those allocation methods only being consulted on in the Spring of 2025 it would not be prudent to balance the budget by reducing services when the new Settlement might have those services as a priority area.
- 3.34 Presently, the General Fund sits at a value of £7.312m (taking account of the Tranche 2 position) at the 31<sup>st</sup> March 2028. This sum is approximately 5% of gross expenditure which is on the 5% benchmark quoted by the Government as being a minimum requirement. If Housing Benefit payments, which are passported through the Council are ignored than this percentage rises to 7% of expenditure.

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- 3.35 The Council has now closed its accounts up to the 2023/24 financial year and has received “Disclaimer Opinions” up to 2022/23. Because those years are now closed there is certainty over the Earmarked Reserve balances which at the 31st March 2028 sit at a value of £14.868m.
- 3.36 Specific Reserves will be set up for the following purposes
- This reserve is to ensure that the first two years losses of the Digital Manufacturing & Innovation Centre (DMIC) at £600k are covered and do not link to ongoing revenue expenditure. This is the updated model and the venture is projected to make a profit from year three and be in overall profit over the 8 year initial period. The initial model assumed a £500k loss which would have needed to be accounted for.
  - £100K for a review of the Property function
  - An ERP Reserve of £814 K to transfer the grant funding for ERP schemes and release it over the three year MTFP period.
- 3.37 Any Rubicon overspend, apart from the normal contractual increases of the management Fee will be covered by the Rubicon Reserve which sits in the Group Accounts.
- 3.38 This Earmarked Reserves level of £14.966m assumes the creation and spending of Ward budgets at £2k a Member over the 3 year MTFP period. The Ward budgets are set over the three year “pilot period” are funded from the Financial Services Reserve. The detailed position in respect of Reserves is set out in Appendix C.

**The 5 Year Capital Programme**

- 3.39 The Council over the past number of years has not spent its capital programme allocations in year. A review has been carried out of
- All schemes that have not started (both from 2022/23 and from previous years)
  - Schemes that have started
- To assess deliverability and links to revised strategic priorities.
- 3.40 Present rationale is for any scheme not yet started (unless grant or S106 funded) to rebid for funds as part of the 2024/25 budget process. The summary Capital Programme is set out in the following Table.

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Year	Total Programme		Council Funded	Grant Funded
2024/5	20,114,366	32,428,717	4,792,886	15,036,480
Carry Fwd	12,314,351			
2025/6	8,082,320		3,176,213	4,906,107
2026/7	3,923,362		3,217,498	705,864
2027/8	2,559,172		1,853,308	705,864
2028/9	2,064,490		1,364,490	700,000
2029/30	2,496,248		1,790,384	705,864

**Table 6 – Draft Capital Programme**

3.41 The priority in capital terms is for the Council to spend its grant funding. It has the following:

- Towns Funding of £17.2m
- UK Shared Prosperity Funding of £2.4m

This funding is time limited and must all be spent by 2026 (with UKSPF being 2025). The Government, in the Local Government Settlement have given an additional year of funding for just the 2025/6 financial year which will need to be spent within that year

3.42 **Appendix D** sets out the present capital programme.

3.43 A number of capital bids were approved in Tranche 1 of the budget. These changes were:

- An additional Year of the rolling Capital budgets (as per last year)
  - Car Park Maintenance - £150k
  - Footpaths - £75k
  - Public Buildings - £250k
  - Wheely Bin Purchases \_£100k
  - HMO Grants - £25k
  - Home Repairs Assistance - £40k
  - ICT Network Upgrades - £50k
  - Server Replacement Programme - £60k
  - Laptop Replacement Programme - £30k
- Updates from Tranche 1 are
  - Additional investment in Abavus software for Environmental Services (£30k works, £10.2k licensing).
  - Improvements to the Council Firewall (£16k).
  - Upgrade of the Athletics Track Surface (£300k)
  - Fire Compartmentalisation work in Public Buildings (£250k a year for 3 years)
  - Energy Performance Certificate Work (£100k a year for 3 years)
  - Refurbishment of the Abbey Stadium Roof (£250k)
  - Refurbishment of Abbey Valley Stadium indoor Changing Rooms and Toilets (£300k)
  - Installation of a new outdoor Kiosk and Toilet refurbishment at Forge Mill (£90k)

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- Refurbishing the Male changing rooms and 2<sup>nd</sup> Green at PitcherOak (£30k)
  - A bid of £15k for Fly tipping cameras – run by Worcestershire Regulatory Services.
  - The other updates are:
    - DFG amounts reflect the grant totals highlighted earlier in this report.
    - Play Audits profile reflect the profile agreed in January 2024.
    - An additional £766k is added, grant funded by Defra, for the implementation of the food waste service.
    - Inclusion of the capitalisation of salaries
- 3.44 The significant Council spending continues to be the Fleet Replacement Programme although it is slipping into the future as we await the Government's final Environment Bill and confirmation of the type of vehicles required after 2030.
- 3.45 Given that the Culture application was rejected in the budget, there is the requirement for an extension to the Arrow Valley building to increase kitchen size and provide rooftop terrace at £750k. This is referred to in 3.20 about and will be subject to further business cases.
- 3.46 There will be the need to reprofile both the Town Hall Community Hub and Digital Manufacturing and Innovation Centre as the majority of their delivery will be in the 2025/26 financial year.
- 3.47 The Council is undertaking a review of all its assets, linked to the requirement of Council buildings to be at Level C Energy Efficiency. A report is expected early in 2025 setting the Council's fixed asset approach.
- 3.48 The Capital Programme is very closely linked to the Asset Strategy, Treasury Management Strategy, Minimum Revenue Provision Policy and Asset Investment Strategy. These Strategies set out how the Council can invest and borrow funds and to whom. They are set out in Appendices E, F, G and H. These Strategies will be Recommended to Council by Audit, Governance and Standards Committee on the 30<sup>th</sup> January 2025.

**The Housing Revenue Account Budget**

- 3.49 The 2025/6 Housing Revenue Account (HRA) budget has been constructed using the following assumptions:
- The Consumer price index assumed at 1.5% from 2026/27 onwards.
  - Retail price inflation is assumed to be 3% in 2025/26 and 2% then after
  - Pay inflation assumed to be 3% in 2025/26 and 2% then after.
  - - No additional borrowing assumed in this Medium Term Financial Plan.
  - - The Interest rate applied to Housing Revenue Account balances is 1.56%.
  - Rental Income assumes:



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- An average rent of £165.36 and £106.16 on a 48 weeks basis for affordable and social rent properties respectively.
  - New tenants will pay target/Formula rent which will increase by September CPI(1.7%) plus 1% in 2025/26.
  - Rent increase of 2.7% in 2025/26 in line with Government guidance and 2.5% (CPI +1%) thereafter.
  - Rent Loss from voids is assumed to be 1.2% of rental income per year.
  - Provision for bad debts assumed to be 1.75% of rental income per year.
  - A minimum HRA revenue reserve of £400 per property (£2.1m) will help to mitigate the risk of unforeseen circumstances. A prudent level of HRA balance reserve will be determined annually as part of the budget setting process.
  - Right to Buy (RTB) levels are assumed to be 10 sales per year due to the reduction in discounts (far less than last years assumption of 40).
  - Capital charges of £4.2m based on HRA total debt of £122.2m, this includes £98.9m taken out on a fixed interest only basis in 2012 to cover the self-financing settlement payment.
  - No debt repayment is assumed in this plan.
- 3.50 Self-financing placed a limit (Debt Cap) on borrowing for housing purposes at the closing position for 2011/12 at £122.2 million, however, the removal of the cap means that the HRA can borrow (within prudential limits) to pay for investment in our existing stock and provide new homes.
- 3.51 These assumptions result in the following revenue budgets with sums being transferred to Earmarked Reserves:

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	2024/25	2024/25	2024/25	2025.26	2026.27	2027.28	2028.29
	Budget	Revised budget	Forecast Outturn	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME</b>							
Dwelling Rents	27,443	27,443	27,448	28,169	28,981	29,817	30,678
Non-Dwelling Rents	613	613	519	534	547	561	575
Tenants' Charges for Services & Facilities	618	618	675	695	713	730	749
Contributions towards Expenditure	124	124	155	155	159	163	167
<b>Total Income</b>	<b>28,798</b>	<b>28,798</b>	<b>28,797</b>	<b>29,553</b>	<b>30,400</b>	<b>31,272</b>	<b>32,169</b>
<b>EXPENDITURE</b>							
Repairs & Maintenance	6,992	6,992	7,155	7,844	8,019	8,198	8,382
Supervision & Management	8,877	8,877	8,703	9,249	9,439	9,634	9,833
Rent, Rates, Taxes & Other Charges	576	576	448	576	588	601	614
Provision for Bad Debts	576	576	576	517	532	547	563
Depreciation & Impairment of Fixed Assets	6,487	6,487	6,487	7,296	7,579	7,778	7,982
Interest Payable & Debt Management Costs	4,179	4,179	4,182	4,179	4,179	4,179	4,179
<b>Total Expenditure</b>	<b>27,687</b>	<b>27,687</b>	<b>27,551</b>	<b>29,661</b>	<b>30,337</b>	<b>30,938</b>	<b>31,553</b>
<b>Net Operating Expenditure</b>	<b>-1,110</b>	<b>-1,110</b>	<b>-1,246</b>	<b>108</b>	<b>-63</b>	<b>-334</b>	<b>-616</b>
Interest Receivable	-234	-234	-234	-211	-166	-143	-129
Transfer to/(from) general reserves				110	0	0	0
Transfer to/(from) Earmarked Reserves	1,344	1,344	1,480	0	228	477	745
<b>(Surplus)/Deficit on Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HOUSING REVENUE ACCOUNT BALANCE</b>							
Forecast Balance as at beginning of year**	3,176	3,176	2,399	2,399	2,509	2,509	2,509
Surplus/(deficit) for year	0	0	0	110	0	0	0
Forecast Balance as at end of year	<b>3,176</b>	<b>3,176</b>	<b>2,399</b>	<b>2,509</b>	<b>2,509</b>	<b>2,509</b>	<b>2,509</b>

Table 7 HRA Revenue Budgets

- 3.52 The HRA Capital investment ensures that existing HRA dwelling are kept to a descent home plus standard. In 2025/26, £11.5m will be spent on improvements to existing dwellings and £23.3m in the following 3 years of the plan.

	Outturn 2024/25	1 2025.26	2 2026.27	3 2027.28	4 2028.29
	£	£	£	£	£
<b>Major Repairs Reserve</b>					
Internal Refurbishment	2,500,000	3,000,000	2,500,000	2,500,000	2,500,000
Boiler Replacements	650,000	720,000	750,000	750,000	750,000
High Trees Project	1,200,000	800,000	0	0	0
External Refurbishment	650,000	500,000	700,000	700,000	700,000
Electrical Upgrades	175,000	200,000	100,000	100,000	100,000
Door Entry and Security Upgrades	150,000	350,000	100,000	75,000	75,000
Smoke Detection Upgrades	110,000	200,000	300,000	100,000	100,000
Balcony Replacements	400,000	300,000	300,000	200,000	200,000
Major Voids	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Energy Efficiency	1,000,000	1,000,000	750,000	750,000	750,000
Disrepair Cases	200,000	100,000	50,000	50,000	50,000
Fire Compartmentation	1,000,000	1,500,000	250,000	250,000	250,000
Garage Improvement Works		300,000	250,000	250,000	250,000
Structural Repairs	450,000	15,000	75,000	75,000	75,000
Asbestos General	125,000	125,000	100,000	100,000	100,000
Capitalised Salaries	640,000	750,000	750,000	750,000	750,000
Lift Replacement	150,000	150,000			
Window Replacement		500,000			
	<b>10,400,000</b>	<b>11,510,000</b>	<b>7,975,000</b>	<b>7,650,000</b>	<b>7,650,000</b>
<b>Capital Receipts</b>					
Disabled Adaptations	650,000	500,000	250,000	250,000	250,000
HRA Stock - Remodelling	50,000	275,000	100,000	100,000	100,000
Estate & Environmental Improvements	50,000	100,000	250,000	250,000	250,000
Estates Parking and Paving			150,000	150,000	150,000
Stock Condition Survey Fees	125,000	150,000	150,000	150,000	150,000
HRA - Vehicles Renewal programme		300,000	300,000		
Housing Management System	250,000				
	<b>1,125,000</b>	<b>1,925,000</b>	<b>1,800,000</b>	<b>300,000</b>	<b>300,000</b>
<b>New Build/Acquisitions</b>	1,700,000	3,000,000	3,000,000	3,000,000	3,000,000
	<b>13,225,000</b>	<b>16,435,000</b>	<b>12,775,000</b>	<b>11,550,000</b>	<b>11,550,000</b>
<b>Financed by</b>					
Major Repairs Reserve	10,400,000	11,510,000	7,975,000	7,650,000	7,650,000
Capital Receipts	1,125,000	1,925,000	1,800,000	300,000	300,000
Capital Receipts earmarked for acquisition	1,700,000	3,000,000	1,500,000	1,500,000	1,500,000
HRA Capital Reserve	0	0	1,500,000	1,500,000	1,500,000
HRA - Borrowing					
	<b>13,225,000</b>	<b>16,435,000</b>	<b>12,775,000</b>	<b>11,550,000</b>	<b>11,550,000</b>

Table 8 HRA Capital Programme

3.53 Capital investment in our existing homes if funded primarily from the Major Repairs Reserve, which holds the yearly depreciation amount charged to the HRA and can be used purely to finance investment in existing stock and the repayment of HRA debt.

3.54 Capital receipts from Right to buy sales can also be used to finance the HRA capital investment programme, although some of these receipts can only be used to finance new homes to replace those that have been sold. Borrowing, which is no longer capped, can also be used to finance the capital programme providing that it is affordable and complies with the Prudential Code for

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Capital Finance in Local Authorities. No additional borrowing is assumed in the medium term.

- 3.55 Revenue surplus generated by the HRA is transferred to an earmarked capital reserve and this usable reserve is currently used as match funding for the new homes program but can also be used to repay HRA debt. Overall HRA Reserves are shown in the following Table:

	2024/25	2025.26	2026.27	2027.28	2028.29
	£	£	£	£	£
<b>Major Repairs Reserve</b>					
Balance 1st April	10,434,000	6,727,651	2,223,918	1,448,388	1,196,480
Contributions in year	6,693,651	7,006,266	7,199,470	7,398,092	7,602,290
Applied in year	-10,400,000	-11,510,000	-7,975,000	-7,650,000	-7,650,000
<b>Balance 31st March</b>	<b>6,727,651</b>	<b>2,223,918</b>	<b>1,448,388</b>	<b>1,196,480</b>	<b>1,148,770</b>
<b>Capital Receipts</b>					
Balance 1st April	4,093,430	4,091,028	3,004,732	2,060,356	2,033,234
Contributions in year	1,122,598	838,704	855,624	872,878	890,478
Applied in year	-1,125,000	-1,925,000	-1,800,000	-900,000	-900,000
<b>Balance 31st March</b>	<b>4,091,028</b>	<b>3,004,732</b>	<b>2,060,356</b>	<b>2,033,234</b>	<b>2,023,711</b>
<b>Capital Receipts earmarked for replacement homes</b>					
Balance 1st April	7,774,765	6,993,254	4,679,467	3,879,523	3,093,695
Contributions in year	918,489	686,213	700,056	714,173	728,573
Applied in year	-1,700,000	-3,000,000	-1,500,000	-1,500,000	-1,500,000
<b>Balance 31st March</b>	<b>6,993,254</b>	<b>4,679,467</b>	<b>3,879,523</b>	<b>3,093,695</b>	<b>2,322,268</b>
<b>HRA Capital Reserve</b>					
Balance 1st April	11,770,765	13,250,765	13,250,765	11,979,231	10,956,301
Contributions in year	1,480,000	0	228,466	477,070	744,735
Applied in year for capital	0	0	-1,500,000	-1,500,000	-1,500,000
<b>Balance 31st March</b>	<b>13,250,765</b>	<b>13,250,765</b>	<b>11,979,231</b>	<b>10,956,301</b>	<b>10,201,036</b>
	8,580,826	4,475,784	1,836,153	1,322,434	1,172,625
	4,092,229	3,547,880	2,532,544	2,046,795	2,028,473
	7,384,010	5,836,361	4,279,495	3,486,609	2,707,982
	12,510,765	13,250,765	12,614,998	11,467,766	10,578,669
<b>Average Balances in year</b>	<b>32,567,829</b>	<b>27,110,790</b>	<b>21,263,190</b>	<b>18,323,605</b>	<b>16,487,748</b>

**Table 9 HRA Reserves**

- 3.56 Based on current assumption the HRA Medium Term Financial plan ensures:

- Adequate level of balance reserves is maintained to help manage risk and mitigate the impact of unforeseen circumstances.
- A robust capital programme that is fully funded from available resources within the HRA.
- Surpluses are generated and transferred to a capital reserve and used to match fund the costs of replacement homes.
- The council complies with the legal requirements and does not set a deficit budget for the HRA.

**The Risk Assessment**

3.57 As set out in this Report we are budgeting in a time of extreme uncertainty:

- There having been a change of National Government and this being their first year of being the administration since 2010.
- The 2025/6 Local Government Financial Settlement is only for one year and overall have a £352k reduction in central grants – once the 2025/6 Recovery Funding comes out.
- There will be a new financial settlement formula in 2026/7, which will be for three years, but the make-up of this settlement formula will only start to be consulted on in the spring of 2025.
- The Government have also announced significant reorganisation of the Local Government Sector with Worcestershire which is 2 tier moving to a Unitary setup by the end of this Parliament. At the present time, the format of Unitary Councils in Worcestershire is unclear as are the rules in relation to use of Reserves and Balances in the intermediate period and the obvious impact on the Councils Staff, Members and present Stakeholders.
- The status of Councils with “Disclaimer Opinions” on their accounts. It is understood there will be over 500 of these opinions across English Councils.
- The ongoing issue of Funding, with the care element of Local Government taking more over the “overall” resource pot on a yearly basis leaving less for other services we provide to the public.
- The Council still has to fund any abortive works on the Town Hall linked to the original Library concept.

3.58 As per the Risk Reports that are reported to Audit, Governance and Standards and Committee there are the following specific Risks linked to finance:

- Resolution of the approved budget position.
- Financial process rectification (in relation to the 2020/21 Accounts and subsequent years not being approved – which is close to some sort of resolution with the “Disclaimer Opinions”).
- Decisions made to address financial pressures and implementing new projects that are not informed by robust data and evidence.
- Adequate workforce planning.

3.59 In addition, in this time of uncertainty the Council will also need to embed a new Chief Executive and Deputy Chief Executive/Director of Resources, both of whom have been appointed in January 2025 and will start after their respective notice periods.

3.60 There are the core risks of implementation of any Council financial plan in that:

- Any savings proposal must pass the S151 Officers tests for robustness and delivery. If items are not deliverable or amounts not obtainable, they cannot be included.

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- Implementation of savings to time and budget – there must be full implementation processes documented to ensure implementation within timescales.
- Non delivery is a high risk - Savings are tracked and reviewed on a quarterly basis at the Audit Standards and Governance Committee to ensure implementation happens based on the plans and the assumptions will become part of the Council's core processes.
- Loss of key personnel will be crucial, especially given the impending Local Government Reorganisation and mitigation plans will need to be drawn up which in themselves will require resources to administer and deliver.
- Change of corporate direction/priorities given the upcoming changes in the sector.

**The S151 Officers Robustness Statement**

- 3.61 For Tranche 2, the opinion of the Interim Director of Finance is that the risks contained in the 2025/26 budget estimates have been minimised as far as is possible.
- 3.62 In the past two years the Council have moved to the delivery of sustainable budgets however these have been impacted by three years of Pay Awards far in excess to those ever seen in Local Government. This, given the fact that staffing costs are approaching 50% of overall costs, has had a significant impact on council budgets over this period leading to in year overspend positions and has required subsequent mitigation in following years budgets.
- 3.63 Although inflation is reducing in the UK, given wider economic events and changes in other countries Governments and the move to more nationalistic policies it is not clear if inflation in particular will move back to being consistently within the Government's 2% target. This impacts Council costs but also those who have the requirement to use our services.
- 3.64 Employee budgets are almost 50% of the Council's costs. Over the past 18 months there has been a significant move to fill establishment positions. However, the Council is still running at levels of vacancy of around 100 against an overall joint establishment of 850 and using considerable agency resource to ensure services are maintained. This attracts additional short term cost and the Workforce Strategy, implemented in 2023, is starting to mitigate this. This is shown in the Council's staff turnover figure being 50% of the National average at just over 7%. However, this remains the most significant financial risk to the Council.
- 3.65 The next most significant financial risk was the fact that that the Council had not been able to present its 2020/21, 2021/22 and 2022/23 Accounts for Audit, and the possible inaccuracy of opening balances used in budgetary data. These three years have now been completed under the new "backstop" regulations, but because of the national audit Issues the Council has received "Disclaimer Opinions" for all three years. There are circa 500 of these

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opinions for English Councils and it is not clear of the implications of this on Councils and the wider sector. What the closure process has highlighted, now it has been completed for these years, is that the Council is in a stronger position in terms of reserves than was the started position. The 2023/4 Accounts have also now been completed and presented for Audit.

- 3.66 The revenue budget and capital programme have been formulated having regard to several factors including:
- Funding available.
  - Inflation.
  - Risks and Uncertainties.
  - Priorities.
  - Service Pressures.
  - Commercial Opportunities.
  - Operating in a Post C-19 environment.
- 3.67 The MTFP highlights that the current financial position has moved, following the Local Government Settlement, to a position of requiring £0.750m of funding from General Fund Reserves over the three year period. This is a departure from the previous two years where the Council has tried to move to a more ongoing sustainable position. The reason for this movement in the short term is that
- In year three 2027/28, the ongoing deficit to close going forward is £345k which is not a significant sum to close.
  - That the Local Government Financial Settlement methodology will significantly change in 2026/27, and it would not be sensible to make savings where those services might need to be re-instated.
  - That the general fund will still be at a level – at £7.312m after allowing for this support which is over 15% of gross turnover.
- 3.68 The Council has reviewed its position in line with the CIPFA Resilience Index. The data for the resilience index is obtained from the Revenue Expenditure and Financing England Outturn Report 2023-24 ('RO Forms') and reflects figures submitted by Local Authorities to MHCLG, published on 12 December 2024. The Council in comparison to its nearest neighbours and levels of risk:
- Has higher risk in terms of levels of reserves – although with the accounts now being closed this will change
  - Has higher risk in terms of levels of interest payable and debt but this is all linked to the HRA transfer.
  - Has a slightly lower than average fees and charges to Services and Council tax requirement to net expenditure.
- 3.69 In line with Section 25 of the Local Government Act 2003, this report of the Chief Financial Officer (CFO) sets out the robustness of estimates included in the budget and the adequacy of the Council's reserves.

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

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- 3.70 Relevant budget holders are responsible for individual budgets and their preparation. All estimates are then scrutinised by Financial Services staff and the Corporate Management Team prior to submission to Members.
- 3.71 The two tranche 2025/26 budget process has ensured that all budget assumptions have been reviewed and reconsidered by Officers, and then Members, through the Finance and Budget Scrutiny Working Group, Executive and Council.
- 3.72 The budget has a £750k call on General Fund Reserves over the three year period but by year 3 does start to move to a more sustainable position. More work will need to be done to embed changes to ensure financial sustainability is embedded across the organisation, especially with the change coming forward for Local Government in terms of Funding and Structure.

**Adequacy of Reserves**

- 3.73 Budget and MFTP proposals forecast the level of General Fund balances at £7.312m as at 31st March 2028 which is well above the recommended 5% of net level as set out in the Reserves section.
- 3.74 The present positive medium term financial position, takes into account the updated position in terms of accounts now being closed to the 2023/24 financial year however the “Disclaimer Opinions” still give the potential of possible issues with Opening Balances. It is prudent for the Council to build reserves as they are the Council’s single source of funding for business change initiatives.
- 3.75 Further work will be undertaken to ensure that expenditure levels are sustainable and matched by income over the medium to long term. Plans are therefore in place to continue to review budgets and identify and accelerate further savings opportunities.

**Collection Fund and Precepts**

- 3.76 The Council Tax collection fund is anticipated to be in surplus based on December data by £1.006m, which will be distributed amongst the major preceptors using the prescribed formulae. The Council’s share of the surplus payable as a one-off sum in the following financial year 13% of the total which amounts to £125k.
- 3.77 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 8th February. This will enable the Council to set the Council Tax on 26th February 2024. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Council on 26th February.

**Consultation Details**



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- 3.78 The Council, as part of the Tranche 1 budget undertook a complete consultation as part of its quarterly consultation process. This budget consultation opened on Thu 5 December 2024. An email invite was sent to the Redditch Community Panel. The survey was also promoted on a variety of social media channels.
- 3.79 The survey closed at 12 noon on Thursday 2 January 2025. The response rate for the community panel was 44%. There were a total of 322 valid responses received.
- 3.80 Question 2 gives a split of the consultation responses by location with the highest percentage of returns coming from Webheath, Batchley and Headless Cross.
- 3.81 Question 17 gives the splits of Age Ranges of the people who filled out the questionnaire. The vast majority were over 50.
- 3.82 The survey asked respondents to rank the three most important services they felt the Council should invest in. These were:
- Community Safety (49.2.% of respondents).
  - Maintenance of the Landscape and Environment (46.1.% of respondents)
  - Housing (42.1.% of respondents).
- 3.83 Each question had the following Questions asked had the following possible responses.
- Strongly Agree
  - Agree
  - Neither Agree or Disagree
  - Disagree
  - Strongly Disagree
- 3.84 In those questions, 8 had responses well over 50% agreeing or strongly agreeing, and only one had a response lower than 50%:
- Do you support fees and charges (such as hire costs) rising by 4% to keep them in line with inflation and rising staffing costs at a 47.7% approval rate.
- 3.85 The highest approval rating, at 84.1% was the question - Do you agree that the Council should invest in its land and assets to ensure they are safe and fit for the future e.g. dealing with trees affected by ash die back?
- 3.86 Two further questions were asked on what level of increase to Redditch Borough Council's proportion of Council Tax do you support?
- 61.7% agreed of strongly agreed with a 1.99% increase.
  - This dropped to 37.8% at 2.99%.
- 3.87 There were 2 free test questions:
- Please let us know your suggestions for investing in the borough to increase prosperity and enhance appeal for residents and businesses alike?

## REDDITCH BOROUGH COUNCIL

Executive Committee

24<sup>th</sup> February 2025

- There were 182 responses to this question.
- Responses to this question provided many suggestions and comments regarding the borough. The top four themes were:
  - Town Centre
  - Environment (natural, maintenance & waste management)
  - Supporting businesses
  - Infrastructure (including roads & public transport)
- These themes had many cross overs, from the impact of development, encouraging a diverse range of businesses into the borough and reducing costs to visitors and businesses alike. Suggestions included:
  - Reducing business rates / relief
  - Support start-ups
  - Prioritise local businesses & inward investment
  - Reducing parking costs
  - Supporting independent retailers
  - Bringing in diverse range of retailers- understanding offer on High Street- too many charity shops, cafes, fast food restaurants
  - Bring back some key major retailers
  - Utilise empty shops
  - Develop the outside market- specific themed markets
  - Promote Redditch and the benefits of living/doing business here- develop attractions, promote heritage, encourage visitors, challenge negative perceptions
  - Improve the night-time economy & expand the current offer
  - Improve the appearance & maintenance of the borough- in particular the town centre outside of the Kingfisher Centre & shop frontages
  - Review grass & hedge cutting
  - Protect green spaces
  - Subsidised health & fitness
  - Increase enforcement activities & fines e.g. fly tipping & littering
  - Ensure there are enough council houses
  - Ensure council housing is well maintained, repaired & accessible
  - Improved public transport
  - Address community safety issues
  - Engage with communities, particularly young people
  - Support young people into work- skills, training & apprenticeships
  - Support the voluntary sector & greater volunteering opportunities
  - Access grants wherever possible
  - Ensure a borough-wide view- including the district-centres
- Please let us know any other comments on the budget or ideas for reducing costs or increasing income to ensure Council services remain sustainable?
  - There were 132 responses to this question.

## REDDITCH BOROUGH COUNCIL

Executive Committee

24<sup>th</sup> February 2025

- Of the responses to this question, the largest category fell into the theme of efficiency and value for money. Other popular themes included exploring commercial activities/opportunities, housing, the environment and the town centre. Suggestions included:
  - Reviewing Council workforce & salaries
  - More staff working at the Town Hall
  - Explore alternative methods of delivery e.g. partnerships, private sponsorship
  - Reduce use of consultants
  - Review fees & charges
  - Rubicon to generate more income
  - Commercial opportunities e.g. hiring out Council spaces; selling logs; sell off small pieces of land for parking
  - Turn off lights
  - Promote events better to increase revenue & bring in visitors
  - Explore camping at Arrow Valley & Morton Stanley
  - Better offer at the Palace Theatre
  - Support youth activities & skills
  - Focus litter picking in areas around people's homes & businesses
  - Increase enforcement activities & fines e.g. fly tipping & littering
  - Encourage biodiversity in green & open spaces
  - Support the voluntary sector & greater volunteering opportunities
  - Work with the Kingfisher Centre on offer & costs
  - Reducing business rates / relief
  - Consider impact of cross border development on Redditch infrastructure

The consultation spreadsheet sets out the overall summary and a breakdown by question is shown as **Appendix I**.

3.88 Tranche Two of the budget will be consulted on following its publication on the 27<sup>th</sup> January. Any comments will be fed into Executive and Council on the 27<sup>th</sup> February 2025.

3.89 The Council will raise awareness of the budget proposals via use of social media.

#### 4. **IMPLICATIONS**

##### **Financial Implications**

4.1 Financial implications are set out in section 3.

##### **Legal Implications**

4.2 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an

## REDDITCH BOROUGH COUNCIL

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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 Council's statutory function.

**Service / Operational Implications**

- 4.3 Monitoring will be undertaken to ensure that income targets are achieved.

**Customer / Equalities and Diversity Implications**

- 4.4 The implementation of the revised fees and charges will be notified in advance to the customer to ensure that all users are aware of the new charges and any concessions available to them.
- 4.5 Initial Equalities Impact Assessments will be taken where required.

**5. RISK MANAGEMENT**

- 5.1 There is a risk that if fees and charges are not increased that income levels will not be achieved, and the cost of services will increase. This is mitigated by managers reviewing their fees and charges annually.

**6. APPENDICES**

Appendix A – Budgets by Department  
Appendix B – WRS Fees and Charges  
Appendix C – Reserves  
Appendix D – 5 Year Capital Programme  
Appendix E – 2025/6 Capital Strategy  
Appendix F – 2025/6 Treasury Management Strategy  
Appendix G – 2025/6 MRP Statement  
Appendix H – 2025/6 Investment Strategy  
Appendix I – Budget Consultation Results

*(Appendices B – I have previously been circulated for Members' consideration at the Executive Committee meeting held on 4<sup>th</sup> February 2025. Appendix A has not previously been circulated and therefore will be published in a supplementary pack for consideration at the Executive Committee meeting scheduled to take place on 24<sup>th</sup> February 2025.)*

**6. BACKGROUND PAPERS**

None.



# Overview and Scrutiny Committee

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Monday, 3rd February, 2025

## MINUTES

### Present:

Councillor Matthew Dormer (Chair), Councillor Craig Warhurst (Vice-Chair) and Councillors William Boyd, Andrew Fry, Joanna Kane, Sachin Mathur, David Munro and Rita Rogers

### Officers:

Sue Hanley

### Democratic Services Officers:

M Sliwinski

### 71. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillor Wren.

### 72. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of party whip.

### 73. MINUTES

It was requested that a typographical error identified in the minutes record (Minute No. 64, third paragraph down) be corrected, replacing the incorrect word 'affray' with 'avoid'.

It was agreed by the Committee that, subject to this correction, the minutes of Overview and Scrutiny Committee of 13<sup>th</sup> January 2025 be approved as a correct record.

### RESOLVED that

**the minutes of the Overview and Scrutiny Committee meeting held on 13<sup>th</sup> January 2025 be approved as a true record and signed by the Chair, subject to the correction as stated in the preamble above.**

Chair

# Overview and Scrutiny Committee

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Monday, 3rd February, 2025

## 74. PUBLIC SPEAKING

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

## 75. DRAFT OVERVIEW AND SCRUTINY ANNUAL REPORT 2024-25

The draft Overview and Scrutiny Annual Report was presented for Members' consideration. During discussion, it was requested that a section should be added to the Annual Report providing current progress updates in respect of key items that had been discussed by the Performance Scrutiny Working Group and at meetings of Overview and Scrutiny Committee throughout the year. This included topics such as the PowerBI Performance Dashboard and progress on Town Hall Hub.

Subject to the addition of the section above, the draft Overview and Scrutiny Annual Report was approved for presentation to Council.

### **RESOLVED that**

**the draft Overview and Scrutiny Annual Report 2024-25 be approved.**

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

The following items from the latest Executive Work Programme (1<sup>st</sup> March to 30<sup>th</sup> June 2025) were added to the Overview and Scrutiny work programme (as pre-scrutiny items):

- Future Cemetery Provision (17<sup>th</sup> March)
- UK Shared Prosperity Fund 2025/26 (17<sup>th</sup> March)
- Housing Regulator Tenant Satisfaction Measures (9<sup>th</sup> June)
- Housing Regulator Self-assessment Complaint Handling Code (9<sup>th</sup> June)
- Voluntary Sector Grants Scheme 2026/27 to 2029/30 (9<sup>th</sup> June)
- Redevelopment of the Anchorage, Smallwood (1<sup>st</sup> September)

It was noted that the Shareholders' Committee Annual Report was already included as an item for Overview and Scrutiny to consider.

# Overview and Scrutiny Committee

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A correction was requested in relation to an item currently listed on Executive Work Programme as 'Redditch Strategic Plan'. It was clarified that this should be referred to as 'Redditch Council Plan' and the lead officer should be the Chief Executive. The Committee Officer undertook to correct this.

It was agreed that as there were no items selected for scrutiny for the meeting of Overview and Scrutiny on 18<sup>th</sup> February 2025, that meeting would be cancelled.

A written update on the meeting of Budget Scrutiny Working Group, to be held on 17<sup>th</sup> February 2025, would be provided to Members of Overview and Scrutiny via email, and Overview and Scrutiny Members would have the chance to comment prior to full Council meeting.

## **RESOLVED that**

**The Overview and Scrutiny Work Programme be updated with items from the Executive Committee's Work Programme as per the pre-amble above.**

## **77. OVERVIEW AND SCRUTINY WORK PROGRAMME**

The Overview and Scrutiny Work Programme was submitted for Members' consideration. Members discussed the items that were marked as 'to be confirmed' on the work programme. It was explained that in respect of the item on 'Decarbonisation of the Council's Capital Programme' there would be a written update circulated to Members, and in respect of 'Report on WMCA Constituent Membership Process', the report would no longer be applicable to Redditch due to significant changes in national policy as a result of the Government's devolution 'white paper'.

In respect of the item on 'Parking Enforcement – Management of Contract', Members expressed significant concerns with respect to parking enforcement in Redditch. It was commented by Members that the current enforcement provided was felt to be ineffective. It was noted that Worcestershire County Council (WCC) currently had no plans to allocate additional income into parking enforcement. During discussion, it was suggested that Overview and Scrutiny set up a task group investigation to look at this topic.

Stakeholders that could be invited to meetings of such task group into parking enforcement were suggested. The Committee Officer stated that a task group into this matter could be launched once one

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of the currently ongoing task group investigations had been finalised. It was noted that Fly Tipping and Bulky Waste Task Group was due to be concluded at its next meeting in February and there would then be capacity to launch a task group into parking enforcement. It was agreed by Members that subject to a terms of reference and membership being approved at the next meeting of Overview and Scrutiny, the Parking Enforcement Task Group should be launched.

## **RESOLVED that**

- 1) The Overview and Scrutiny Work Programme be updated with items from the latest Executive Work Programme, as agreed (and detailed at Minute No. 76).**
- 2) The Parking Enforcement Task Group be set up, subject to submission of a terms of reference (scoping document) and selection of membership at a future meeting of Overview and Scrutiny Committee.**

## **78. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - UPDATE REPORTS**

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

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

Apologies were submitted by the Chair, Councillor Warhurst, to the last meeting of Budget Scrutiny on 31<sup>st</sup> January, and the update was provided by Councillor Dormer who chaired the meeting in Councillor Warhurst's absence.

Councillor Dormer reported that on 31<sup>st</sup> January the Tranche 2 Medium Term Financial Plan (following consultation) report was discussed in detail. It was reported that during detailed discussion, Members of Budget Scrutiny requested clarification and further detail in respect of a number of budget lines, and there would be a follow-up meeting of Budget Scrutiny for Members to consider the report again.

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

Councillor Warhurst reported that the last meeting took place on 8<sup>th</sup> January. The areas looked at by the Working Group over the



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current municipal year to date were summarised, with topics such as PowerBI performance dashboard, and the work of the Council's Place Teams in road cleansing, upkeep of verges, and tree maintenance having been scrutinised.

Councillor Warhurst further reported that Members were awaiting updates in respect of when the performance dashboard would be launched. It was underlined that during the Working Groups, updates were provided in respect of improved systems and workstreams such as the embedding of the Abavus software into operations across Environmental Services and improved communications with residents on tree maintenance, including through direct communications (leaflets and direct conversations) when tree works were taking place in an area.

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

It was reported that the next meeting would take place on Wednesday (5<sup>th</sup> February). The Task Group was close to finalising its investigation.

- d) Post-16 Education Task Group – Chair, Councillor Warhurst

Councillor Warhurst stated that the Task Group had met with a lot of relevant stakeholders to date, including the Chamber of Commerce, the Local Enterprise Partnership, the Heart of Worcestershire College, and West Midlands Combined Authority, in respect of discussions around skills and post-16 education and vocational training provision. It was reported that the Task Group required a further two to three meetings before concluding its investigation.

## **RESOLVED that**

**the Task Groups, Short Sharp Reviews and Working Groups Update Reports be noted.**

## **79. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS**

Updates on the meetings of External Scrutiny Bodies were provided by the representatives as follows:

- a) West Midlands Combined Authority (WMCA) Overview and Scrutiny Committee – Council Representative, Councillor Kane

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Councillor Kane provided a written report summarising the matters discussed at the meeting of 20 January 2025. Councillor Kane reported that during the meeting it was felt that devolution proposed in the white paper would provide the WMCA Overview and Scrutiny, and oversight committees more generally, with more power in the future, however, the WMCA Overview and Scrutiny wanted more detail on how this would be taken forward. It was added that English Devolution White Paper would be a standing item at meetings of this external body.

It was reported that no matters of direct relevance to Redditch were discussed at the last meeting.

- b) West Midlands Combined Authority (WMCA) Transport Delivery Overview and Scrutiny – Council representative, Councillor Munro

Councillor Munro reported that no matters of relevance to Redditch were discussed at the last meeting of Transport Delivery Overview and Scrutiny.

- c) Worcestershire Health Overview and Scrutiny Committee (HOSC) – Council representative, Councillor Munro

Councillor Munro reported that the last meeting took place on 8<sup>th</sup> January where access to dental services in the county was the main topic on the agenda. In respect of delivering dental services, there were two main challenges in Worcestershire: the national NHS contract for dentistry and shortage of dentists.

Councillor Munro reported that the national dental contracting framework set by the NHS had not been reviewed since 2006 and most dentists now regarded basic fees in that framework as inadequate to cover their costs. Across Worcestershire, it was reported that over 40,000 dental units were voluntarily handed back to Herefordshire and Worcestershire Integrated Care Board (ICB) as dentists were unable to cope with the financial costs of providing NHS dentistry, with by far the most contracts handed back in Evesham. It was reported that at the time of the report there were no reported contract handbags in Redditch but that situation could have changed by now.

Councillor Munro reported in terms of data that Redditch had a fairly high incidence of dental decay in under five-year-olds. Under the NHS dental recovery plan, Redditch was one of the priority areas,

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and premium rate was paid to dentists for each unit of dental activity in Redditch. It was further reported that £5m was being reinvested in dental services across Worcestershire and Herefordshire as part of the recovery plan.

**RESOLVED that**

**the External Scrutiny Bodies be noted.**

The Meeting commenced at 6.30 pm  
and closed at 7.15 pm

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