



# Council

Mon 24 Feb  
2025

7.00 pm (or, if later, as soon as the meeting of the Executive Committee immediately prior to this Council meeting has finished.)

Oakenshaw  
Community Centre,  
Castleditch Lane,  
Redditch B98 7YB



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

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

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

[Link to the live stream of the Council meeting - 24th February 2025](#)

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 and for any such items the live stream will be suspended and that part of the meeting will not be recorded.

# Council

Monday, 24th February, 2025

7.00 pm

Oakenshaw Community Centre

## Agenda

### Membership:

Cllrs:	Juma Begum (Mayor)	Wanda King
	Joanna Kane (Deputy Mayor)	Alan Mason
	Joe Baker	Sachin Mathur
	Juliet Barker Smith	Gemma Monaco
	William Boyd	David Munro
	Brandon Clayton	Rita Rogers
	Claire Davies	Gary Slim
	Matthew Dormer	Jen Snape
	James Fardoe	Jane Spilsbury
	Andrew Fry	Monica Stringfellow
	Bill Hartnett	Craig Warhurst
	Sharon Harvey	Ian Woodall
	Chris Holz	Paul Wren
	Sid Khan	

### 1. Welcome

### 2. Apologies for Absence

### 3. Declarations of Interest

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

### 4. Minutes (Pages 7 - 22)

### 5. Announcements

To consider Announcements under Procedure Rule 10:

- a) Mayor's Announcements
- b) The Leader's Announcements
- c) Chief Executive's Announcements.

### 6. Executive Committee

**Minutes from the Executive Committee meeting held on 4th February 2025**

#### 6.1 Pay Policy 2025-2026 (Pages 33 - 42)

## **6.2 Medium Term Financial Plan - Tranche 2 Budget Including Fees and Charges (following consultation) (Pages 43 - 140)**

Note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation at a budget decision meeting of the Council.

The covering report and Appendices B – I have been included in the main agenda for this meeting. Appendix A to the report will be published in a supplementary pack.

The Executive Committee is due to consider this report again, including Appendix A to the report, at a meeting of the Executive Committee scheduled to take place on 24<sup>th</sup> February 2025. Any additional recommendations arising from that meeting on the subject of the Medium Term Financial Plan will be considered when debating this item.

### **6.2.1 Alternative Budget (If Any)**

Note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation, including in respect of any alternative budgets that are proposed, at a budget decision meeting of the Council.

## **Recommendations from the Executive Committee meeting due to take place on 24th February 2025**

### **6.3 Local Development Scheme (Pages 141 - 150)**

### **6.4 Council Tax Resolutions 2025 - 2026 (Report to Follow)**

Under Section 106 of the Local Government Finance Act 1992, any Councillor who is 2 or more months in arrears with their Council tax payments cannot participate in any item at the Council meeting concerning the budget.

Note that under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, the Council is required to take a named vote when a decision is made on Council tax at a budget decision meeting of the Council.

## **7. Overview and Scrutiny Annual Report 2024 - 2025 (Pages 151 - 178)**

## **8. Urgent Business - Record of Decisions (Pages 179 - 182)**

To note any decisions taken in accordance with the Council's Urgency Procedure Rules.

There has been one urgent decision taken since the last Council meeting on the subject of the Worcestershire Promoting Independent Living (PIL) Service.

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

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

## **9. Urgent Business - general (if any)**

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

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

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## Council

Monday, 27th January, 2025

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### MINUTES

#### Present:

Councillor Joanna Kane (Deputy Mayor in the Chair), and Councillors Joe Baker, Juliet Barker Smith, William Boyd, Brandon Clayton, Claire Davies, Matthew Dormer, James Fardoe, Andrew Fry, Bill Hartnett, Sharon Harvey, Chris Holz, Sid Khan, Wanda King, Alan Mason, Sachin Mathur, Gemma Monaco, David Munro, Rita Rogers, Gary Slim, Jen Snape, Jane Spilsbury, Monica Stringfellow, Craig Warhurst, Ian Woodall and Paul Wren

#### Officers:

Peter Carpenter, Claire Felton, Sue Hanley and Becky Talbot

#### Principal Democratic Services Officer:

Jess Bayley-Hill

#### 54. APOLOGIES FOR ABSENCE

An apology for absence was received on behalf of Councillor Juma Begum.

In the absence of the Mayor, the Deputy Mayor chaired the meeting.

#### 55. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 56. MINUTES

**RESOLVED that**

**the minutes of the meeting of Council held on 11<sup>th</sup> November 2024 be approved as a true and correct record and signed by the Mayor.**

#### 57. ANNOUNCEMENTS

The following announcements were made at the meeting:

Chair

a) The Mayor's Announcements

The Deputy Mayor read out a statement on behalf of the Mayor at the meeting:

"My apologies for not being able to attend and chair this meeting. In my absence, I am grateful that the Deputy Mayor is able to deputise for me.

Happy New Year to everyone, and welcome back. I am sure we all recognise the number of challenges and changes we will face this year as a Council and as Councillors. Nevertheless, we must persevere and continue working for the residents of Redditch.

Since we last met as a Council, I have attended a number of events. However, I believe it is important to highlight yesterday's event, where our town and council came together to mark 80 years since the Holocaust. People from diverse backgrounds gathered at the Holocaust Memorial marker, including representatives from the Council, the community, and fellow Councillors.

In the hope of building a better future, we must continue to promote diversity, love, respect, and kindness. As Councillors, what we write and share on social media carries significant influence over how people perceive and react. It is, therefore, our moral responsibility to ensure we promote facts over fiction. As the Mayor of Redditch, I urge you to think carefully before commenting or posting online.

I want to express my gratitude to everyone who came together yesterday, standing united against the minority who spread hate and fear. A special thank you to the Council officers and the Holocaust Committee for their excellent arrangements for the event, and to Councillor Hartnett for his remarkable work in making sure the event reflected the dignity and solemnity it deserves in our pursuit of a "Better Future."

Additionally, I wish to highlight the contributions of our two guest speakers: Mirsad Solakovic, a survivor of the Bosnian War who, at just 13 years old, endured unimaginable suffering, including torture by a Serbian soldier who turned out to be his schoolteacher; and Simon Winston, a Polish Holocaust survivor. Their stories deeply moved us all, reminding us of the importance of learning from the past to ensure a brighter and more inclusive future.



Thank you for listening, and I hope you have a productive and meaningful meeting.”

b) The Leader’s Announcements

The Leader advised that since the previous Council meeting he had attended a meeting of the West Midlands Combined Authority (WMCA) Board alongside the Assistant Director of Regeneration and Property Services.

There had been a number of meetings of Worcestershire Leaders’ Board, which the Leader had attended alongside the Chief Executive. The subjects of devolution and the County Council elections had been discussed at these meetings.

The Leader had attended a number of civic events alongside the Mayor of the Borough of Redditch. This had included attending a number of carol concerts in the community prior to Christmas as well as the Holocaust Memorial Day commemorations on Sunday 26<sup>th</sup> January 2025.

During consideration of this item, Members had a robust debate regarding the Holocaust Memorial Day commemorations. Members noted that the event had been thought provoking and very emotional.

c) The Chief Executive’s Announcements

The Chief Executive advised Members that forms had been circulated prior to the meeting relating to the external audit process. Members were urged to complete a copy of this form, if they had not already done so, and to return this to the Section 151 Officer.

**58. QUESTIONS ON NOTICE (PROCEDURE RULE 9)**

The following Question on Notice was submitted by Councillor Brandon Clayton in advance of the meeting for the consideration of the Leader:

“Is the leader of the council in favour of the government devolution white paper which would mean Redditch losing its identity?”

In responding to the Question, the Leader commented that English devolution would be introduced across Local Government over the following years in line with the Government’s English Devolution White Paper. The purpose of the proposed Local Government Reorganisation was to provide greater powers and control to the

local level. As Redditch Borough Council operated in a two-tier authority area, the Council would be impacted by these changes. However, the full implications, including the local government arrangements that would be introduced in the area in the long-term, remained to be confirmed by the date of the Council meeting.

The Leader confirmed that he had been attending regular meetings on this subject, alongside senior officers, partner organisations and sector representatives. Further information was anticipated from the Government on this subject at the end of the month. Once more information was available, Members would consider the implications and the aim would be to ensure that the best arrangements possible were introduced to meet the needs of Redditch residents.

In concluding his response, the Leader urged Members to support him in his proposal for a North Worcestershire Unitary Authority, rather than a Worcestershire Unitary Authority, to be introduced for Redditch.

Councillor Clayton subsequently asked a supplementary question, in which he asked the Leader whether he was in favour of the Government's English Devolution White Paper.

The Leader commented that he had already answered this question in his previous response. Members were asked to note that the Leader would continue to work with officers to ensure that the Council retained its sovereignty when making decisions on this subject. The Leader also made a further plea to Members to support his proposal to introduce a North Worcestershire Unitary Authority to represent the people of Redditch.

#### **59. MOTIONS ON NOTICE (PROCEDURE RULE 11) (TO FOLLOW)**

The following Motion on Notice was presented by Councillor Craig Warhurst at the meeting:

“Council notes that:

- Redditch and its surrounding villages have a proud history of supporting farmers and a deep connection to the land they farm.
- Inheritance Tax reliefs like Agricultural Property Relief (APR) and Business Property Relief (BPR) have been essential in helping farmers pass on their farms to the next generation after a death, allowing the farms to stay within the family, and preserving agricultural production and stewardship of the countryside.

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- The Labour Government's recent 2024 Autumn Budget changes to Inheritance Tax relief will impose an effective 20% tax on agricultural assets valued over £1 million, introducing what has been termed the "Family Farm Tax."

Council notes that the family farm taxes risk:

- Reducing land availability for farming across the Borough and damaging the ability for farmers to pass their farms to their children;
- Making food production at competitive prices more difficult for the Borough.

Council resolves:

- That the Leader writes on behalf of the Council to the Secretary of State for Environment, Food and Rural Affairs and the 6 Worcestershire MPs, outlining the Council's dismay at the decision to restrict APR and urging the Government to halt the Family Farm Tax.
- To ask the Executive to consider engaging with local farmers and community representatives to assess how the Council can provide practical support during this challenging period.
- To call for a detailed list of affected farms to better understand and address the impact of these changes."

The Motion was proposed by Councillor Warhurst and seconded by Councillor Matthew Dormer.

In proposing the Motion, Councillor Warhurst commented that farmers had a proud history in the UK. Tax relief had enabled farmers to pass down farms from generation to generation, thereby ensuring that farms remained sustainable businesses. However, Councillor Warhurst expressed concerns that new national taxation rules relating to farmers would place family farms at risk, which would also place at risk the country's food security. Members were asked to note that the Motion called for the Leader to write to the Secretary of State for the Environment, Food and Rural Affairs as well as the six MPs in Worcestershire and Councillor Warhurst suggested that this was something that came within the remit of the Council.

In seconding the Motion, Councillor Dormer highlighted his concerns about the potential damage to farming that would arise from the changes to taxation for farms. In particular, concerns were raised that many farming families would feel unable to afford to pass their farms on to their children and this would result in land being sold that might be purchased by developers. As a

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consequence, there would be potentially more housing development on green belt land.

In responding to the Motion, the Leader highlighted his family's history in the farming community. Members were asked to note that there had been many changes at a national level over the years that had impacted on farming. It was suggested that the Executive Committee would be willing to engage with the farming community and to work to identify the number of local farms that might be impacted. However, the taxation changes formed part of the country's wider taxation policy and Members were asked to note that it would not be appropriate for the Council to lobby on behalf of just one part of the business sector. For this reason, the Leader suggested that he could not support the proposal to write the letter as detailed in the Motion.

Following the presentation of the Motion, Members discussed a number of points relating to the subject in detail:

- The number of farms and farmers, both locally and nationally, that would be impacted by the taxation changes.
- The financial costs arising from supermarket practices for the farming industry.
- The rural parts of the Borough and the extent to which the proposed taxation changes would have an impact in these locations.
- The potential for farmers to pass farms on to their children during their lifetimes.
- The risk that farmers could sell land in the green belt to developers regardless of the changes in taxation.

During consideration of this item, Councillor Dormer requested a recorded name vote and names were recorded as follows:

Members Voting FOR the Motion:

Councillors Brandon Clayton, Matthew Dormer, Chris Holz, Gemma Monaco and Craig Warhurst (5).

Members voting AGAINST the Motion:

Councillors Joe Baker, Juliet Barker Smith, William Boyd, Bill Hartnett, James Fardoe, Andrew Fry, Sharon Harvey, Joanna Kane, Sid Khan, Wanda King, Alan Mason, Sachin Mathur, David Munro, Rita Rogers, Gary Slim, Jen Snape, Jane Spilsbury, Monica Stringfellow, Ian Woodall and Paul Wren (20).

Members voting to ABSTAIN on the Motion:

Councillor Claire Davies (1).

On being put to the vote the Motion was therefore defeated.

## **60. EXECUTIVE COMMITTEE**

The Deputy Mayor highlighted that recommendations from two recent meetings of the Executive Committee were due to be considered at the Council meeting. These Executive Committee meetings had been held on 26<sup>th</sup> November 2024 and 14<sup>th</sup> January 2025 respectively.

In considering the recommendations, Members were asked to note that the recommendation arising from the Medium Term Financial Plan (MTFP) Tranche 1 report, pertaining to a feasibility study for Matchborough, Winyates and Woodrow District Centres had been made at both meetings. To ensure efficiency in the decision-making process, it was suggested that this recommendation should be considered once only during the Council debate.

### Carbon Reduction Strategy and Implementation Plan

Members considered the Carbon Reduction Strategy and Implementation Plan. Officers were thanked for their hard work in developing the content of the strategy and action plan and the Overview and Scrutiny Committee was thanked for scrutinising the content of the report in detail.

During consideration of this item, clarification was requested from officers regarding an apparent discrepancy in the implementation plan. The plan reported that staff mileage claims had increased in the previous three years but that agile working had also contributed to a reduction in staff mileage across the Council. Officers undertook to provide a response in writing to Members in respect of this matter after the meeting.

### Revenue and Performance Monitoring Quarter 2 2024/25

The Revenue and Performance Monitoring Report for the second quarter of the 2024/25 financial year was considered.

During consideration of this item, reference was made to the redevelopment of the Town Hall as a community hub and questions were raised about whether the plans for the hub would be changing following publication of the Government's English Devolution White Paper. Clarification was provided that the current plans for the community hub remained in place and would proceed as previously planned.

Reference was also made to the decision, taken earlier in the year, not to relocate the library into the Town Hall and questions were raised about the financial implications of this for the Council. The Section 151 Officer explained that it was not possible to provide an exact figure of the costs involved at this stage and this information would become more apparent through the external audit process.

Questions were also raised about the potential impact of Local Government Reorganisation on Council revenue streams, particularly in relation to partner organisations that had hired space in the community hub on the understanding that there would be a local government presence. Members were advised that the MTFP was in the process of being reviewed and regeneration projects had been reset. Savings had been identified alongside pressures as part of this process. It was also noted that many of the facilities that would be installed could be used for other purposes.

#### Food Waste Business Case and Associated Waste Related Issues

The report in respect of the Food Waste Business Case and associated waste related issues was considered at the meeting. Members noted that there remained some areas of uncertainty that still needed to be addressed but approval of the business case would help the authority to progress with the project according to Government deadlines.

During consideration of this item, reference was made to the Overview and Scrutiny Committee's recent discussion of the content of the report. Members of the Overview and Scrutiny Committee were thanked for reviewing the business case and for supporting the proposals detailed in the report.

Members highlighted that under existing route optimisation arrangements, Wychavon District Council collected some waste on behalf of Redditch Borough residents. Questions were raised as to whether this would continue when the Food Waste Collection service was introduced. The Chief Executive clarified that no impacts on existing service delivery had been identified in the proposals that had been presented concerning the introduction of a Food Waste Collection service.

#### Damp and Mould Additional Resources

Members considered a report relating to establishing a Council team to manage issues with damp and mould reported in Council properties. The benefits of introducing an inhouse team for this purpose were highlighted as:

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- Helping to build expertise within the Council in terms of tackling issues with damp and mould.
- Reducing response times to reports of damp and mould in properties.
- Providing an opportunity to test various devices and equipment to tackle damp and mould issues. There was no independent research in respect of the equipment that was available on the market to tackle damp and mould, so testing would be helpful in this context.

Council was advised that there were a range of properties in the Council's housing stock which had been built over time using different materials and to different designs. Consequently, properties in the housing stock had different vulnerabilities to damp and mould issues.

Alongside the work of the team, it was acknowledged that action would need to be taken to educate tenants about the causes of damp and mould and action that could be taken to avoid or to minimise the potential for this problem to occur.

Members commented that all tenants had the right to live in safe and clean homes. The introduction of a Damp and Mould team at the Council would help the authority to support tenants in achieving this objective. The Council had responsibilities as a landlord and Members took this responsibility seriously.

Reference was made to the work of the Damp and Mould team and the extent to which this would cross over with ongoing work to improve the energy efficiency of properties in the housing stock. Officers clarified that the Damp and Mould team would be working alongside other officers in the Housing Property Directorate. Officers in this department would make sure that schemes were aligned and that teams worked together where appropriate. The Climate Change Working Group would also have an opportunity to review and make suggestions moving forward.

Consideration was given to the potential need for external service providers to be asked to provide support to the Council's Damp and Mould team in the future. Officers clarified that the aim was to develop internal expertise in this area but the potential need to refer to external experts for additional support could not be completely excluded.

## Final Council Tax Support Scheme 2025/26

Members considered the content of the final Council Tax Support Scheme 2025/26 and in doing so noted that the only change to the scheme was to increase rates in line with the level of interest. The

Council's scheme had been in place for a while and had proved successful. A number of Councils were now replicating the authority's approach.

#### Council Tax Base 2025 – 2026

Council considered a report detailing the Council Tax Base for 2025 - 2026. It was noted that this was a report that had to be prepared every year, prior to setting the Council Tax for the authority for the following financial year. The content was based on factual information relating to Band D equivalent properties.

#### Independent Remuneration Panel Recommendations 2025/26

The Leader presented the Independent Remuneration Panel's (IRP's) report in respect of proposed allowances payable to Members in the 2025/26 financial year. The IRP had reviewed Members' allowances and, based on their findings, recommended that the basic allowance should increase to £5,826. Whilst the IRP had reported this to represent a 5.58 per cent increase to Members' allowances, it would have in fact represented a 19.6 per cent increase for Redditch Councillors because Members had not approved previous increases proposed by the IRP. The Executive Committee had concluded that a 19 per cent increase could not be justified during a cost of living crisis and were therefore proposing a more modest increase of 2.9 per cent to the basic allowance.

The IRP had also made specific proposals in respect of the Special Responsibility Allowances (SRAs) paid to certain Councillors in particular positions of responsibility, such as Committee Chairs. The Leader advised that he felt that these proposals would take the Council backwards from the position currently in place. Therefore, the Executive Committee was proposing that there should be no changes to the existing SRAs in the Council's Members' Allowances Scheme.

In addition to the basic allowance and SRAs, the IRP had made recommendations in relation to travel expenses, carer's allowance, subsistence allowance, and travel and subsistence allowances for Parish Councillors. The Executive Committee were proposing that those recommendations from the IRP should be approved.

Following the presentation of the report, Members discussed the proposals that had been made by the Executive Committee. Members noted that by not approving the IRP's proposals in respect of increases to the basic allowance, Redditch Borough Council would fall further behind other District Councillors in Worcestershire in terms of allowances that were paid. Over time, the gap between what the IRP felt Members should be paid and the



actual allowance that was paid to Members would grow wider and at some point, this would need to be addressed.

Medium Term Financial Plan (MTFP) Tranche 1 (Including Fees and Charges)

Council considered the content of the MTFP Tranche 1 (Including Fees and Charges) report. Members acknowledged that since the report was initially drafted, three sets of accounts had been submitted by the Council which had created greater clarity in respect of the outturn position as well as in relation to earmarked reserves, which were better than had been anticipated.

The Council was due to have a £299,000 overspend position. The main pressures in the budget included:

- The impact of inflation on costs.
- The staff pay award.

There remained challenges that would need to be addressed moving forward during the remainder of the 2024/25 financial year.

Reference was made to the proposed funding in respect of the feasibility study for Matchborough, Winyates and Woodrow District Centres. Members noted that this was being undertaken in a context in which there was a need for investment in these District Centres. Concerns were raised about the need to ensure that the feasibility studies resulted in concrete action to address issues in the District Centres.

Consideration was also given to the feedback that had been received from the public in a consultation exercise that had been held in respect of the budget. Members welcomed the responses that had been received from local residents.

The financial contribution in respect of New Homes Bonus (NHB) funding was also briefly discussed. Clarification was provided that the Council would be receiving £25,000 in NHB funding in 2025/26. This had not been anticipated when the report was drafted but would be reflected in the final MTFP Tranche 2 report.

During consideration of this item, Members thanked the Deputy Chief Executive and Section 151 Officer, the Assistant Director of Finance and Customer Services and the Financial Services team for their hard work in preparing the budget papers. In particular, Members praised Officers for their hard work on submitting three sets of local authority accounts in relatively tight timescales.

Housing Revenue Account (HRA) Rent Setting 2025/26

Members considered the content of the HRA Rent Setting 2025/26 report and in doing so noted that there was a requirement for the Council, as landlord, to set the rents for Council Houses on an annual basis. The Council managed over 5,000 Council House properties, with some tenants paying an affordable rent.

Historically, the Council had included service charges for Council tenants in the annual fees and charges report to Council but for the first time this information had been included in the HRA Rent Setting report. Service charges would begin to be fully charged in the 2025/26 financial year. This included fees for core cleaning, health and safety and cleansing checks and services delivered in communal areas. A dedicated team would be established to provide these services.

Council was informed that Council tenants in receipt of Universal Credit and Housing Benefit would have their rent costs met in the benefits they received. Members were asked to note that it was anticipated that 83 per cent of the Council's tenants were in receipt of either Universal Credit or on Housing Benefits.

The suggestion was being made that a hardship fund should be established. This would improve properties in the Council's housing stock, helping to both enhance the quality of the houses as well as the cleanliness of communal areas.

Members noted that a significant proportion of the cases that were referred to them as part of their ward work related to housing matters raised by Council tenants. Whilst Members recognised the importance of addressing these issues as soon as possible for tenants, it was acknowledged that negative feedback could be demoralising for hard working staff. Members were therefore urged to ensure that they also notified senior officers of any positive feedback that was received, so that this could also be shared with staff.

During consideration of this item, Members noted that the report had been pre-scrutinised by the Budget Scrutiny Working Group. It was acknowledged that, unfortunately, some of the papers contained in the report had been issued to the group at short notice and an apology was extended to the members of the group for this situation. Members thanked the group for their hard work in reviewing the papers.

Questions were raised regarding the 15 per cent management fee that had been referenced in the report, concerning the purpose of

this fee. Clarification was provided that this related to a standard administration charge to cover internal costs.

**RESOLVED that**

**the minutes of the meetings of the Executive Committee held on Tuesday, 26<sup>th</sup> November 2024 and Tuesday 14th January 2025 be approved and all recommendations adopted.**

**61. STATUTORY OFFICER APPOINTMENTS - NOMINATIONS TO THE POSITIONS OF CHIEF EXECUTIVE AND HEAD OF PAID SERVICE AND DEPUTY CHIEF EXECUTIVE AND SECTION 151 OFFICER**

Members considered a report from the Joint Appointments Committee which detailed the process in respect of recruitment of a new Chief Executive and Head of Paid Service and a new Deputy Chief Executive and Section 151 Officer respectively.

The Joint Appointments Committee had appointed Members representing both Redditch Borough and Bromsgrove District Councils to serve on a Joint Appointments Sub-Committee. This sub-Committee had acted as a joint recruitment panel, undertaking final interviews on 16<sup>th</sup> and 18<sup>th</sup> December 2024 with shortlisted candidates. The Joint Appointments Sub-Committee had been advised by representatives of the recruitment consultants, GatenbySanderson, as well as the current Chief Executive and the Human Resources and Organisational Development Manager.

At the end of the interview process, the Joint Appointments Sub-Committee had recommended the nomination of John Leach to the position of Chief Executive and Head of Paid Service and Robert Watson to the position of Deputy Chief Executive and Section 151 Officer. In both cases, these nominations had been agreed unanimously. The Joint Appointments Committee had endorsed these nominations at a meeting held on 8<sup>th</sup> January 2025.

The nominations were subject to approval by both Councils. Bromsgrove District Council had already considered and approved the nominations, at a meeting of their Council held on 22<sup>nd</sup> January 2025. Should the recommendations also be approved at the Redditch Council meeting, the two candidates would be appointed subject to the following further conditions:

- Right to work verification checks
- DBS criminal record checks
- Medical clearance

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- Satisfactory reference checks

Council was reminded that there was a legal requirement for the authority to have officers in post in the statutory positions of Head of Paid Service and Section 151 Officer respectively. It was confirmed that the current Chief Executive and Head of Paid Service and the current Deputy Chief Executive and Section 151 Officer would remain in post until the new officers commenced employment with the Councils, to ensure continuing compliance.

During consideration of this item, Members expressed their thanks to the current Chief Executive and Head of Paid Service for her hard work over the preceding 18 months as Chief Executive as well as her lengthy career at a senior level in local government. Members also recorded their thanks to the current Deputy Chief Executive and Section 151 Officer for his hard work, particularly with regard to managing the Council's finances and submission of three sets of accounts.

In discussing the report, Members commented that the Joint Appointments Committee was recommending the recruitment of two strong candidates. Members expressed the view that they would be well placed to steer the Council through a likely period of uncertainty, given the context of devolution and local government reorganisation.

Reference was made in the debate to the reasons why both candidates had applied for the positions and the extent to which local government devolution could have ramifications for the recruitment process. Council was informed that both candidates were ambitious and dynamic. They were both keen to work with Members to support the organisation and welcomed challenges as opportunities. Members were reminded that despite devolution, local government services needed to continue to be delivered.

## **RESOLVED that**

- 1) to note the Joint Appointments Committee has completed a rigorous selection process to recruit a new Chief Executive and Head of Paid Service and a new Deputy Chief Executive and Section 151 Officer;**
- 2) to approve the appointment of John Leach as Chief Executive and Head of Paid Service, subject to satisfactory reference and eligibility checks;**

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- 3) to note that the salary agreed for the Chief Executive and Head of Paid Service is within the range approved by Redditch Borough Council's Pay Policy as the employing authority;
- 4) subject thereto, John Leach to be made available under the shared services arrangements with Bromsgrove District Council to perform such duties as are required in his capacity as Chief Executive and Head of Paid Service for Bromsgrove District Council;
- 5) subject to agreement of resolution 2 above, John Leach be appointed as the Returning Officer and Electoral Registration Officer for Redditch Borough Council;
- 6) subject to the prior approval by Bromsgrove District Council as employing authority, to approve the appointment of Robert Watson as Deputy Chief Executive and Section 151 Officer, to fulfil the purposes of Section 151 of the Local Government 1972, subject to satisfactory reference and eligibility checks;
- 7) to note that the salary agreed for the Deputy Chief Executive and Section 151 Officer is within the range approved by Bromsgrove District Council's Pay Policy as the employing authority;
- 8) the current Chief Executive and Head of Paid Service and Deputy Chief Executive and Section 151 Officer to remain in post until John Leach and Robert Watson have commenced employment with the authorities; and
- 9) the current Chief Executive and Head of Paid Service to remain the authority's Returning Officer and Electoral Registration Officer until the new Chief Executive commences employment with the authority.

**62. WAIVER REPORT**

The Deputy Mayor confirmed that this report had been withdrawn and would not therefore be debated at the meeting.

**63. URGENT BUSINESS - RECORD OF DECISIONS**

The Deputy Mayor confirmed that no urgent decisions had been taken since the previous meeting of Council.

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**64. URGENT BUSINESS - GENERAL (IF ANY)**

There was no urgent business for consideration on this occasion.

The Meeting commenced at 7.00 pm  
and closed at 9.18 pm



## Executive Committee

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

# Executive Committee

Tuesday, 4th February, 2025

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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

# Executive Committee

Tuesday, 4th February, 2025

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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.

# Executive Committee

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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.

# Executive Committee

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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.

# Executive Committee

Tuesday, 4th February, 2025

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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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**Executive**

4 February 2025

**PAY POLICY STATEMENT 2025/26**

Relevant Portfolio Holder		Councillors Joe Baker, Leader of Redditch Borough Council
Portfolio Holder Consulted		
Relevant Assistant Director		Pete Carpenter
Report Author	Job Title: HR & OD Manager	
Becky Talbot	Contact email: <a href="mailto:becky.talbot@bromsgroveandredditch.gov.uk">becky.talbot@bromsgroveandredditch.gov.uk</a>	
		Contact Tel: 01527 64252 ext:3385
Wards Affected		
Ward Councillor(s) consulted		
Relevant Council Priority		
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

**1. RECOMMENDATIONS**

**The Committee is asked to RECOMMEND to Council that the Pay Policy as detailed in Appendix 1 to the report be approved.**

**2. BACKGROUND**

The Localism Act requires English and Welsh local authorities to produce a Pay Policy statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31<sup>st</sup> March each year for the subsequent financial year. The Pay Policy Statement for the Council is included at Appendix 1.

The Statement must set out policies relating to-

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between-
  - (i) The remuneration of its chief officers, and
  - (ii) The remuneration of its employees who are not chief officers.

The provisions within the Localism Act bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.

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**3. OPERATIONAL ISSUES**

There are no implications in relation to this report

**4. FINANCIAL IMPLICATIONS**

All financial implications have already been included as part of the budget setting process and posts are fully budgeted for.

**5. LEGAL IMPLICATIONS**

The legal implications are contained within the report.

**6. OTHER - IMPLICATIONS**

There are no implications in relation to this report

**Climate Change Implications**

There are no specific climate change implications.

**Equalities and Diversity Implications**

There are no implications in relation to this report

**7. RISK MANAGEMENT**

There are no implications in relation to this report

**8. APPENDICES and BACKGROUND PAPERS**

Appendix A – Pay Policy 2025/26

**APPENDIX 1****REDDITCH BOROUGH COUNCIL  
PAY POLICY STATEMENT****Introduction and Purpose**

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2025 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
  - a. the methods by which salaries of all employees are determined;
  - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
  - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

**Legislative Framework**

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

**Pay Structure**

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Managers, Assistant Director 1, Assistant Director 2, Director WRS, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Bromsgrove District Council.

6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 43, the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. The Council's Pay structure is set out below.

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	2	2	23,656	23,656
2	2	5	23,656	24,790
3	5	9	24,790	26,409
4	9	14	26,409	28,624
5	14	19	28,624	31,067
6	19	24	31,067	34,314
7	25	30	35,235	39,513
8	30	34	39,513	43,693
9	34	37	43,693	46,731
10	37	40	46,731	49,764
11	40	43	49,764	52,805
Manager Hay	Hay Evaluated	38%	55,407	57,645
Manager Hay Grade 1	Hay evaluated	43%	64,112	66,640
Manager Hay Grade 2	Hay evaluated	45%	66,618	69,293
Assistant Director 1	Hay evaluated	51%	75,679	78,685
Assistant Director 2	Hay evaluated	61%	90,074	93,668
Director of WRS	Hay evaluated	68%	100,622	104,230
Executive Director	Hay evaluated	74%	110,738	115,013
Deputy Chief Executive & 151	Hay evaluated	80%	117,305	121,814

Chief Executive	Hay evaluated	100%	145,807	153,750
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7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the "Gauge" Job Evaluation process.
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
10. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
11. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band.

### **Senior Management Remuneration**

12. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1<sup>st</sup> April 2025 (assuming no inflationary increase for these posts).

13. Redditch Borough Council is managed by a senior management team who manage shared services across both Bromsgrove District and Redditch Borough Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

<b>Title</b>	<b>% of Chief executive salary</b>	<b>Pay range (minimum) £</b>	<b>Pay range (maximum) £</b>	<b>Incremental points</b>	<b>Cost to Redditch Borough Council £</b>
Chief Executive	100%	145,807	153,750	3	50%
Deputy Chief Executive & S151	80%	117,305	121,814	3	50%
Executive Director Environment and Communities	74%	110,738	115,013	3	35%
Director Worcestershire Regulatory Services	68%	100,622	104,230	3	<i>This is a shared post across 6 district Authorities. Redditch equates to 17.68%</i>
Assistant Director Finance and Customer Services	61%	90,074	93,668	3	50%
Assistant Director Planning and Leisure Services	61%	90,074	93,668	3	50%
Assistant Director Transformation, Organisational Development	61%	90,074	93,668	3	50%

and Digital Services					
Assistant Director Legal, Democratic and Election Services	61%	90,074	93,668	3	50%
Assistant Director Environmental and Housing Property Services	61%	90,074	93,668	3	35%
Assistant Director Community and Housing Services	61%	90,074	93,668	3	35%
Assistant Director Regeneration & Property Services	61%	90,074	93,668	3	50%

### Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing

the relevant service. The Council does not currently have any Chief Officers under such arrangements.

### **Performance-Related Pay and Bonuses – Chief Officers**

16. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

### **Additions to Salary of Chief Officers (applicable to all staff)**

17. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
  - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
  - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service and having completed 40 years service.
  - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
  - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
  - f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
  - g. market forces supplements in addition to basic salary where identified and paid separately;
  - h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
  - i. attendance allowances.

### **Payments on Termination**

18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early



Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
20. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

### **Publication**

21. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:
  - a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
  - b. Any bonuses so paid or receivable by the person in the current and previous year;
  - c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
  - d. Any compensation for loss of employment and any other payments connected with termination;
  - e. Any benefits received that do not fall within the above.

### **Lowest Paid Employees**

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1<sup>st</sup> April 2025 this is £23656 per annum.
23. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
24. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
25. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of

Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

26. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

### **Accountability and Decision Making**

28. In accordance with the Constitution of the Council, the Council is responsible for setting the policy relating to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. Decisions about individual employees are delegated to the Chief Executive.
29. The Appointments Committee is responsible for recommending to Council matters relating to the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer, Section 151 Officer and Chief Officers as defined in the Local Authorities (Standing Orders) Regulations 2001 (as amended);
30. For the Head of Paid Service, Monitoring Officer and the Chief Finance Officer, the Statutory Officers Disciplinary Action Panel considers and decides on matters relating to disciplinary action.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE COMMITTEE****4<sup>th</sup> February 2025****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**

**Executive are asked to RECOMMEND to Council 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.**

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- 6 The current levels of Earmarked Reserves be carried forward into 2025/26, 2026/27 and 2027/28.**
- 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.**

**Executive Committee is asked to RESOLVE 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**

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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.
- 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:

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- 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 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.

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	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.

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- £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.
- £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:

	<b>2025/6</b>	<b>2024/5</b>	<b>Difference</b>	<b>Difference</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>	<b>£m</b>
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:



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- £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.
- £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

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- 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.
  
- 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.

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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
- 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:

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- 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.
- 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 Tranche1 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:

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	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.
- **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>Net</b>	<b>Savings</b>
<b>Service</b>	<b>Budget</b>	<b>250</b>
RBC Regulatory	560	11

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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.
- 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.

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<b>Year</b>	<b>2025/6 £000</b>	<b>2026/7 £000</b>	<b>2027/8 £000</b>
<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>

<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**

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- 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.
- 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 31<sup>st</sup> 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



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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.

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

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- 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)
  - 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

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- 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:
    - 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.

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- 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><u>INCOME</u></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><u>EXPENDITURE</u></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><u>HOUSING REVENUE ACCOUNT BALANCE</u></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.

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	<b>Outturn 2024/25</b>	<b>1 2025.26</b>	<b>2 2026.27</b>	<b>3 2027.28</b>	<b>4 2028.29</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<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>1,325,000</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	1,325,000	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,

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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 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.

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- 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



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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.
  - 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

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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 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:

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- 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**

- 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.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE COMMITTEE****4<sup>th</sup> February 2025****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**

- 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

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- 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?
    - 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

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- 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.
    - 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

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- 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 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.

**REDDITCH BOROUGH COUNCIL****EXECUTIVE COMMITTEE****4<sup>th</sup> February 2025****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

**6. BACKGROUND PAPERS**

None.

**7. KEY**

None



**REDDITCH BOROUGH COUNCIL****EXECUTIVE COMMITTEE**4<sup>th</sup> February 2025**Appendix A – Budgets by Department**

To follow

**Appendix B – WRS Fees and Charges**

ENVIRONMENTAL SERVICES		2023/24	2024/25	2025/26
Stray Dogs	Fine (statutory)	£25.00	£25.00	£25.00
	Out of hours charge	£47.00	£50.00	£52.00
	Repeat offender penalty	£42.00	£45.00	£47.00
	Administration Charge	£17.00	£18.00	£19.00
	Kennelling per dog, per day	£18.00	£20.00	£21.00
	Kennelling of dangerous dogs - per dog, per day (by temperament or breed)	£26.00	£28.00	£29.00
	Vet's fees	At cost	At cost	At Cost
	Treatment Costs (wormer, flea treatment etc.)	£12.00	£13.00	£13.50
	Return charge (during office hours when resource available)	£42.00	£45.00	£47.00
	Penalty charge for non-compliance of Microchipping regulations (not microchipped or contact details out of date) or Control of Dogs Order 1992 (no owner contact details on collar or tag)	New	£15.00	£16.00
Environmental Information Regulations request	Where request relates to 'contamination of the land' charge applied to locate and provide the information requested.	£46.00 per hour to collate information (as estimated at time of request)	£49.00 (flat fee)	£51.00
Littering - Fixed Penalty Notice for Depositing Litter (section 87/88 - Environmental Protection Act 1990)	Reduced Fine (Paid within 10 days)		£50.00	£60-100
	Full Fine Amount		£80.00	£100-£150
Fixed Penalty Notice for Failure to produce authority (Waste Carrier's Licence) (Section 5/5B Control of Pollution (Amendment) Act 1989) Reduced Fine (Paid within 10 days)	Reduced Fine (Paid within 10 days)		£200.00	£210.00
	Full Fine Amount		£300.00	£325.00

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Fixed Penalty Notice for Failure to produce documentation ( <b>Waste Transfer Notes</b> ) (Section 34(5) and regulations made under it 34(6)/34A Environmental Protection Act 1990) Reduced Fine (Paid within 10 days)	Reduced Fine (Paid within 10 days)		£200.00	£210.00
	Full Fine Amount		£300.00	£325.00
Fixed Penalty Notice for <b>Breach of Waste Duty of Care</b> (section 34 Environmental Protection Act 1990)	Reduced Fine (Paid within 10 days)			£120-£200
	Sliding scale		£100-£300	£150-£400
<b>Fltipping</b> - Fixed Penalty Notice for Depositing Controlled Waste (Section 34(1)(a) and Section 33(Z)(a) Environmental Protection Act 1990)	Reduced Fine (Paid within 10 days)			£150-£250
	Full Amount sliding scale		£150-£400	£300-£500
Training Certificates	Health / Export	<b>£95 + VAT</b>	<b>£100 + VAT</b>	<b>£ 104 + vat</b>
	Annual specific export inspection Certificate	<b>£428 + VAT</b>	<b>£457 + VAT</b>	<b>£475.00 + vat</b>
	Per hour (minimum 1 hour)	<b>£50.00</b>	<b>£54.00</b>	<b>£56.00</b>
FHRS (Food Hygiene Rating Scheme) re-rating		<b>£178.00</b>	<b>£190.00</b>	<b>£198.00</b>
Food Advisory Visits		<b>£150.00</b>	<b>£160.00</b>	<b>£166.00</b>
Private Water Supplies	Risk Assessment per hour (minimum 1 hour)	<b>£59 per hour</b>	<b>£63 per hour</b>	<b>£66.00 per hour</b>
	Investigation per hour (minimum 1 hour)	<b>£59 per hour</b>	<b>£63 per hour</b>	<b>£66.00 per hour</b>
	Granting an Authorisation per hour (minimum 1 hour)	<b>£59 per hour</b>	<b>£63 per hour</b>	<b>£66.00 per hour</b>
	Sampling Visit per hour (minimum 1 hour)	<b>£59 per hour</b>	<b>£63 per hour</b>	<b>£66.00 per hour</b>
	Sample analysis per sample taken	<b>£59.00 per hour plus laboratory charges</b>	<b>£63.00 per hour plus laboratory charges</b>	<b>£66.00 per hour plus laboratory charges</b>
	Sample taken during check monitoring	<b>£59.00 per hour plus laboratory charges</b>	<b>£63.00 per hour plus laboratory charges</b>	<b>£66.00 per hour plus laboratory charges</b>
	Sample taken during audit monitoring	<b>£59.00 per hour plus laboratory charges</b>	<b>£63.00 per hour plus laboratory charges</b>	<b>£66.00 per hour plus laboratory charges</b>

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<b>LICENSING FEES AND CHARGES</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>TAXI AND PRIVATE HIRE</b>			
Hackney Carriage Vehicle Licence	£277.20	£296.60	£308.50
Private Hire Vehicle Licence	£277.20	£296.60	£308.50
Temporary Hackney Carriage Vehicle Licence	£207.90	£222.50	£231.40
Temporary Private Hire Vehicle Licence	£207.90	£222.50	£231.40
Private Hire Operator Licence (5 year)(1 - 3 vehicles)	£637.00	£681.60	£708.90
Private hire operator licence (per additional vehicle)	£17.00	£18.20	£18.90
Dual Hackney carriage / Private Hire driver licence (3 years)	£157.50	£168.50	£175.20
Private hire driver licence (3 years)	£157.50	£168.50	£175.20
Knowledge Test	£24.20	£25.90	£26.90
Administration Charge - new applications	£38.90	£41.60	£43.30
Replacement vehicle licence plate	£24.20	£25.90	£26.90
Replacement driver's licence	£13.70	£14.70	£15.30
Amendment to paper licence e.g. change of address	£12.60	£13.50	£14.00
Transfer of ownership of a licensed vehicle	£53.60	£57.40	£59.70
Criminal Record (DBS) Check	£58.80	£62.90	£65.40
Replacement hackney carriage / private hire door signs (per sign)	£12.50	£13.40	£13.90
<b>ANIMAL ACTIVITY LICENCES</b>			
<b>arranging the provision of boarding for cats or dogs and selling animals as pets</b>			
Application fee	£329.00	£355.00	£365.70
Licence fee (1 year)	£184.00	£199.00	£205.00
Licence fee (2 years)	£364.00	£393.00	£404.80
Licence fee (3 years)	£546.00	£590.00	£607.70
Application to vary a licence	£240.00	£259.00	£266.80
Veterinary fees (if applicable)	Recovered at cost		
Local authority inspection (on request of licence holder)	£164.00	£177.00	£182.30
<b>Keeping or training animals for exhibition (only)</b>			
Application fee	£219.00	£237.00	£244.10
Licence fee (3 years)	£300.00	£324.00	£333.70
Application to vary a licence	£158.00	£170.00	£175.10
Veterinary fees (if applicable)	Recovered at cost		
Local authority inspection (on request of licence holder)	£163.00	£177.00	£182.30
<b>ACUPUNCTURE, COSMETIC PIERCING, SEMI-PERMANENT SKIN COLOURING, TATTOOING, ELECTROLYSIS</b>			
Fee to register a premises	£142.80	£152.80	£158.90
Fee to register a practitioner	£93.50	£100.00	£104.00

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<b>GAMBLING ACT 2005 (inc. SMALL LOTTERIES)</b>			
<b>Small society lotteries</b>			
Fee to register a small society lottery	£40.00	£40.00	£40.00
Small society lottery annual maintenance fee	£20.00	£20.00	£20.00
<b>Application for the grant of a premises licence</b>			
Betting (excluding tracks)	£1,945.70	£2,081.90	£2,165.20
Betting Tracks	£1,945.70	£2,081.90	£2,165.20
Bingo	£2,279.60	£2,439.20	£2,536.80
Adult Gaming Centres	£1,302.00	£1,393.10	£1,448.80
Family Entertainment Centres	£1,302.00	£1,393.10	£1,448.80
<b>Premises licence annual fees</b>			
Betting (excluding tracks)	£389.60	£416.90	£433.60
Betting Tracks	£389.60	£416.90	£433.60
Bingo	£671.00	£718.00	£746.70
Adult Gaming Centres	£671.00	£718.00	£746.70
Family Entertainment Centres	£619.50	£662.90	£689.40
<b>Application to vary a premises licence</b>			
Betting (excluding tracks)	£972.30	£1,040.40	£1,082.00
Betting Tracks	£972.30	£1,040.40	£1,082.00
Bingo	£1,139.30	£1,219.10	£1,267.90
Adult Gaming Centres	£671.00	£718.00	£746.70
Family Entertainment Centres	£671.00	£718.00	£746.70
<b>Application to transfer a premises licence</b>			
Betting (excluding tracks)	£779.10	£833.60	£866.90
Betting Tracks	£779.10	£833.60	£866.90
Bingo	£782.30	£837.10	£870.60
Adult Gaming Centres	£1,302.00	£1,200.00	£1,200.00
Family Entertainment Centres	£651.00	£696.60	£724.50
<b>Application for a provisional statement</b>			
Betting (excluding tracks)	£1,945.70	£2,081.90	£2,165.20
Betting Tracks	£1,945.70	£2,081.90	£2,165.20
Bingo	£2,279.60	£2,439.20	£2,536.80
Adult Gaming Centres	£1,302.00	£1,393.10	£1,448.80
Family Entertainment Centres	£1,302.00	£1,393.10	£1,448.80

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<b>Application for the grant of a premises licence (provisional statement holders)</b>			
Betting (excluding tracks)	£779.10	£833.60	£866.90
Betting Tracks	£779.10	£833.60	£866.90
Bingo	£782.30	£837.10	£870.60
Adult Gaming Centres	£782.30	£837.10	£870.60
Family Entertainment Centres	£651.00	£696.60	£724.50
<b>Application for reinstatement of a premises licence</b>			
Betting (excluding tracks)	£782.30	£837.10	£870.60
Betting Tracks	£782.30	£837.10	£870.60
Bingo	£782.30	£837.10	£870.60
Adult Gaming Centres	£782.30	£837.10	£870.60
Family Entertainment Centres	£638.40	£683.10	£710.40
<b>Premises licence fees (miscellaneous)</b>			
Copy of a premises licence (all types)	£25.00	£25.00	£25.00
Notification of a change in respect of a premises licence (all types)	£50.00	£50.00	£50.00
<b>Licensed Premises Gaming Machine Permits</b>			
Application for grant of a permit	£150.00	£150.00	£150.00
Application for variation of a permit	£100.00	£100.00	£100.00
Application for the transfer of a permit	£25.00	£25.00	£25.00
Annual permit fee	£50.00	£50.00	£50.00
Change of name shown on a permit	£25.00	£25.00	£25.00
Request for a copy of a permit	£15.00	£15.00	£15.00
<b>Licensed Premises Gaming Machines (Automatic)</b>			
Fee to serve notification	£50.00	£50.00	£50.00
<b>Club Gaming Permits</b>			
Application for grant of a permit	£200.00	£200.00	£200.00
Application for grant of a permit (Club premises certificate holders)	£100.00	£100.00	£100.00
Application for variation of a permit	£100.00	£100.00	£100.00
Application for renewal of a permit	£200.00	£200.00	£200.00
Application for renewal of a permit (club premises certificate)	£100.00	£100.00	£100.00
Annual permit fee	£50.00	£50.00	£50.00
Request for a copy of a permit	£15.00	£15.00	£15.00
<b>Club Machine Permits</b>			
Application for grant of a permit	£200.00	£200.00	£200.00
Application for grant of a permit (Club premises certificate holders)	£100.00	£100.00	£100.00
Application for variation of a permit	£100.00	£100.00	£100.00
Application for renewal of a permit	£200.00	£200.00	£200.00
Application for renewal of a permit (club premises certificate)	£100.00	£100.00	£100.00
Annual permit fee	£50.00	£50.00	£50.00
Request for a copy of a permit	£15.00	£15.00	£15.00

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<b>Family Entertainment Centre Gaming Machine Permit</b>			
Application for grant of a permit	£300.00	£300.00	£300.00
Application for renewal of a permit	£300.00	£300.00	£300.00
Change of name shown on a permit	£25.00	£25.00	£25.00
Request for a copy of a permit	£15.00	£15.00	£15.00
<b>Prize Gaming Permits</b>			
Application for grant of a permit	£300.00	£300.00	£300.00
Application for renewal of a permit	£300.00	£300.00	£300.00
Change of name shown on a permit	£25.00	£25.00	£25.00
Request for a copy of a permit	£15.00	£15.00	£15.00
<b>Temporary Use Notices</b>			
Fee to serve a Temporary Use Notice	£325.50	£348.30	£362.20
Fee for a copy of a Temporary Use Notice	£16.80	£18.00	£18.70
<b>STREET TRADING</b>			
Annual street trading consent - food - initial	£1,519.40	£1,625.80	£1,690.80
Annual street trading consent - food - renewal	£1,393.40	£1,490.90	£1,550.50
Annual street trading consent - non-food - initial	£1,267.40	£1,356.10	£1,410.30
Annual street trading consent - non-food - renewal	£1,139.30	£1,219.10	£1,267.90
<b>SCRAP METAL DEALERS LICENCES</b>			
Application for a new site licence	£296.00	£311.00	£320.30
Fee per additional site	£153.00	£160.00	£164.80
Application for renewal of a site licence	£245.00	£257.00	£264.70
Fee per additional site	£153.00	£170.00	£175.10
Application for a new collectors licence	£148.00	£155.00	£159.70
Application for renewal of a collectors licence	£97.00	£102.00	£105.10
Variation of a licence	£67.00	£70.00	£72.10
Request for a copy of a licence (if lost or stolen)	£26.00	£27.00	£27.80
<b>ZOO LICENCES</b>			
Application for grant or renewal of a licence	£250.00	£267.50	£278.20
Secretary of state inspector and veterinary fees	Recovered at cost		
<b>DANGEROUS WILD ANIMALS (DWA)</b>			
Application for grant or renewal of a licence	£235.00	£251.50	£261.60
Veterinary inspection fees	Recovered at cost		
<b>SEX ESTABLISHMENTS</b>			
Application for grant or renewal of a licence	£1,020.00	£1,091.40	£1,135.10
Application for transfer of a licence	£500.00	£535.00	£556.40
Application for variation of a licence	£1,020.00	£1,091.40	£1,135.10
<b>PAVEMENT LICENCES</b>			
Application for grant of licence (6 month licence)	£100.00	£100.00	£0.00
Application for a new pavement licence - 2 years			£500.00
Application for a renewal pavement licence - 2 years			£350.00
<b>HYPNOTISM</b>			
Application for authorisation	£50.00	£53.50	£55.60

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<b>LICENSING ACT 2003 - FEES SET BY CENTRAL GOVERNMENT - SAME FOR ALL DISTRICT COUNCILS</b>	
<b>Temporary Event Notices</b>	
Fee to serve a Temporary Event Notice (TEN)	<b>£21.00</b>
Copy of a TEN (if lost or stolen)	<b>£10.50</b>
<b>Personal licences</b>	
Application for the grant of a personal licence	<b>£37.00</b>
Fee for a replacement personal licence (if lost or stolen)	<b>£10.50</b>
Fee to notify a change of name or address on a personal licence	<b>£10.50</b>
<b>Applications for new premises licences or club premises certificates</b>	
Applications for the grant of a premises licence or club premises certificate	
Band A (NDRV 0 - 4300)	<b>£100.00</b>
Band B (NDRV 4301 - 33000)	<b>£190.00</b>
Band C (NDRV 33001 - 87000)	<b>£315.00</b>
Band D (NDRV 87001 - 125000)	<b>£450.00</b>
Band E (NDRV 125001 +)	<b>£635.00</b>
premises is used exclusively or primarily for the supply of alcohol for consumption on the premises)	
Band A (NDRV 0 - 4300)	<b>£100.00</b>
Band B (NDRV 4301 - 33000)	<b>£190.00</b>
Band C (NDRV 33001 - 87000)	<b>£315.00</b>
Band D (NDRV 87001 - 125000)	<b>£900.00</b>
Band E (NDRV 125001 +)	<b>£1,905.00</b>
Additional fees for grant of a premises licences (for large venues with capacities over	
5000 - 9999	<b>£1,000.00</b>
10000 - 14999	<b>£2,000.00</b>
15000 - 19999	<b>£4,000.00</b>
20000 - 29999	<b>£8,000.00</b>
30000 - 39999	<b>£16,000.00</b>
40000 - 49999	<b>£24,000.00</b>
50000 - 59999	<b>£32,000.00</b>
60000 - 69999	<b>£40,000.00</b>
70000 - 79999	<b>£48,000.00</b>
80000 - 89999	<b>£56,000.00</b>
<b>Applications to vary premises licences and club premises certificates</b>	
Applications to vary a premises licence or club premises certificate	
Band A (NDRV 0 - 4300)	<b>£100.00</b>
Band B (NDRV 4301 - 33000)	<b>£190.00</b>
Band C (NDRV 33001 - 87000)	<b>£315.00</b>
Band D (NDRV 87001 - 125000)	<b>£450.00</b>
Band E (NDRV 125001 +)	<b>£635.00</b>

**REDDITCH BOROUGH COUNCIL****EXECUTIVE COMMITTEE****4<sup>th</sup> February 2025**

Applications to vary a premises licence (where the premises is used exclusively or primarily for the supply of alcohol for consumption on the premises)	
Band A (NDRV 0 - 4300)	<b>£100.00</b>
Band B (NDRV 4301 - 33000)	<b>£190.00</b>
Band C (NDRV 33001 - 87000)	<b>£315.00</b>
Band D (NDRV 87001 - 125000)	<b>£900.00</b>
Band E (NDRV 125001 +)	<b>£1,905.00</b>
Application for a minor variation of a premises licence or club premises certificate	<b>£89.00</b>
<b>Annual maintenance fees</b>	
Annual premises licence or club premises certificate fee	
Band A (NDRV 0 - 4300)	<b>£70.00</b>
Band B (NDRV 4301 - 33000)	<b>£180.00</b>
Band C (NDRV 33001 - 87000)	<b>£295.00</b>
Band D (NDRV 87001 - 125000)	<b>£320.00</b>
Band E (NDRV 125001 +)	<b>£350.00</b>
Annual premises licence (where the premises is used exclusively or primarily for the supply of alcohol for consumption on the premises)	
Band A (NDRV 0 - 4300)	<b>£70.00</b>
Band B (NDRV 4301 - 33000)	<b>£180.00</b>
Band C (NDRV 33001 - 87000)	<b>£295.00</b>
Band D (NDRV 87001 - 125000)	<b>£640.00</b>
Band E (NDRV 125001 +)	<b>£1,050.00</b>
Additional annual fees premises licences (for large venues with capacities over 5000)	
5000 - 9999	<b>£500.00</b>
10000 - 14999	<b>£1,000.00</b>
15000 - 19999	<b>£2,000.00</b>
20000 - 29999	<b>£4,000.00</b>
30000 - 39999	<b>£8,000.00</b>
40000 - 49999	<b>£12,000.00</b>
50000 - 59999	<b>£16,000.00</b>
60000 - 69999	<b>£20,000.00</b>
70000 - 79999	<b>£24,000.00</b>
80000 - 89999	<b>£28,000.00</b>
<b>Other applications and notifications</b>	
Application to transfer a premises licence	<b>£23.00</b>
Application to vary a premises licence to nominate a premises supervisor	<b>£23.00</b>
Fee to change name or address of the holder of a premises licence	<b>£10.50</b>
Fee to change the name or address of a designated premises supervisor on a premises	<b>£10.50</b>
Fee for a replacement premises licence or club premises certificate (if lost or stolen)	<b>£10.50</b>
Fee to notify licensing authority of a property interest in a premises	<b>£21.00</b>
Notification of change or club name or alteration to club rules	<b>£10.50</b>
Notification of change of registered address of club	<b>£10.50</b>
Interim authority notice following death, incapacity or insolvency of licence holder	<b>£23.00</b>
Application for grant of a provisional statement	<b>£315.00</b>
<b>Pavement Licenses</b>	
Every 6 months	<b>£100.00</b>



# REDDITCH BOROUGH COUNCIL

## EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

### Appendix C – Reserves Position

	01-Apr-22	2022/23	2022/23	31-Mar-23	2023/24	2023/24	31-Mar-24		2024/25	2024/25	31-Mar-25	2025/26	2025/26	31-Mar-26	2026/27	2026/27	31-Mar-27	2027/28	2027/28	31-Mar-28
	£000	£000	£000	£000	£000	£000	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>General Fund Balances</b>	<b>11,526</b>	<b>3,321</b>	<b>(5,923)</b>	<b>8,924</b>	<b>823</b>	<b>(2,526)</b>	<b>7,221</b>	<b>1,140</b>		<b>(299)</b>	<b>8,062</b>	<b>30</b>		<b>8,092</b>		<b>(435)</b>	<b>7,657</b>		<b>(345)</b>	<b>7,312</b>
<b>General Fund:</b>																				
Business Rates Retention Scheme	4,560	0	0	4,560	0	0	4,560	0	0	0	4,560	0	0	4,560	0	0	4,560	0	0	4,560
Community Development	74	0	0	74	0	0	74	0	0	0	74	0	0	74	0	0	74	0	0	74
Community Safety	860	0	(649)	211	0	0	211	0	0	0	211	0	0	211	0	0	211	0	0	211
Corporate Services	4,652	0	0	4,652	0	(2,058)	2,594	(550)	0	0	2,044	0	(880)	1,164	0	0	1,164	0	0	1,164
Customer Services	93	90	0	183	0	0	183	0	0	0	183	0	0	183	0	0	183	0	0	183
Economic Growth	538	180	0	718	0	0	718	0	0	0	718	0	0	718	0	0	718	0	0	718
Electoral Services	49	14	0	63	0	0	63	0	0	0	63	0	0	63	0	0	63	0	0	63
Environmental Vehicles	29	0	0	29	0	0	29	0	0	0	29	0	0	29	0	0	29	0	0	29
Equipment replacement	25	0	0	25	0	0	25	0	0	0	25	0	0	25	0	0	25	0	0	25
Financial Services	149	0	0	149	0	0	149	(149)	0	0	(1)	0	0	(1)	0	0	(1)	0	0	(1)
Human Resources Backlog								75	0	0	75	0	0	75	0	0	75	0	0	75
ICT Backlog								74	0	0	74	0	0	74	0	0	74	0	0	74
General Risk reserve	45	0	0	45	0	0	45	0	0	0	45	0	0	45	0	0	45	0	0	45
Housing Benefit Implementation	270	0	0	270	0	0	270	0	0	0	270	0	0	270	0	0	270	0	0	270
Housing Support	1,535	0	0	1,535	0	0	1,535	0	0	0	1,535	0	0	1,535	0	0	1,535	0	0	1,535
Land Drainage	129	0	0	129	0	0	129	0	0	0	129	0	0	129	0	0	129	0	0	129
Planning Services	512	180	0	692	0	0	692	0	0	0	692	0	0	692	0	0	692	0	0	692
Sports Development	77	0	(95)	(18)	0	0	(18)	0	0	0	(18)	0	0	(18)	0	0	(18)	0	0	(18)
Town Centre	7	0	0	7	0	0	7	0	0	0	7	0	0	7	0	0	7	0	0	7
Warmer Homes	16	0	0	16	0	0	16	0	0	0	16	0	0	16	0	0	16	0	0	16
Transformational Growth	123	0	0	123	0	0	123	0	0	0	123	0	0	123	0	0	123	0	0	123
Pensions	201	0	0	201	0	0	201	0	0	0	201	0	0	201	0	0	201	0	0	201
Regeneration Income	273	329	0	602	0	0	602	0	0	0	602	0	(300)	302	0	0	302	0	0	302
Restart Grants	0	2,900	0	2,900	0	0	2,900	0	0	0	2,900	0	0	2,900	0	0	2,900	0	0	2,900
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DMIC Start Up										600	0	0	0	600	0	(300)	300	0	(300)	0
Ward Budgets	0	0	0	0	0	0	0	0	0	0	0	180	(60)	120	0	(60)	60	0	(60)	(60)
Property Services Review											0	100	(100)	0			0			0
EPR Funding Allocation											0	814	(100)	714		(356)	358		(356)	(356)
Covid-19 (General)	580	0	0	580	1,426	0	2,006	(590)	0	0	1,416	0	0	1,416	0	0	1,416	0	0	1,416
Covid-19 (Collection Fund)	2,955	0	(2,900)	55	0	0	55		0	0	55	0	0	55	0	0	55	0	0	55
<b>TOTALS</b>	<b>17,769</b>	<b>3,693</b>	<b>(3,644)</b>	<b>17,818</b>	<b>1,426</b>	<b>(2,058)</b>	<b>17,186</b>	<b>(1,140)</b>	<b>0</b>	<b>0</b>	<b>16,046</b>	<b>1,694</b>	<b>(1,440)</b>	<b>16,300</b>	<b>0</b>	<b>(716)</b>	<b>15,584</b>	<b>0</b>	<b>(716)</b>	<b>14,868</b>

# REDDITCH BOROUGH COUNCIL

EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

## Appendix D – Capital Programme

Cap Proj	Description	Carry Forward to 24/5	2024/25 Budget £	2024/25 Total £	Spend 2024/25 Total £	2025/26 Total £	2026/27 Total £	2027/28 Total £	2028/29 £	2029/30 £	Council 24/25 £	Council 25/26 £	Council 26/27 £	Council 27/28 £	Council 2028/29 £	Council 2029/30 £	3rd Party 24/25 £	3rd Party 25/26 £	3rd Party 26/27 £	3rd Party 27/28 £	4th Party 2028/29 £	3rd Party 2029/30 £	
	<b>Large Schemes</b>																						
	<b>Towns Fund</b>																						
200053	- Innovation Centre	2,317,551	4,000,000	6,317,551	18,166	1,000,000											4,000,000	1,000,000					
	- Innovation Centre			0		1,948,000											0	1,948,000					
200054	- Library	2,409,389	1,700,000	4,109,389	1,788,755	0											1,700,000	0					
200055	- Public Realm	2,777,926	1,000,000	3,777,926	0												1,000,000	0					
	- Public Realm		439,000	439,000							439,000	0											
100102,100108-11	Town Hall Redevelopment	592,818	5,100,000	5,692,818	427,046																		
	UK Shared Prosperity																5,100,000	0					
100100	- Capital Element			0													0	0					
	- Revenue Element			0													0	0					
	- Remainder (to be)	607,294	1,591,109	2,198,403	177,094												1,591,109	0					
	<b>Schemes Agreed to Continue in Tranche 1</b>																						
100004	Car Park Maintenance	137,721	150,000	287,721	178,963	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000							
110036	Footpaths	8,556	75,000	83,556	80,270	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000							
100007	Disabled Facilities Grant	42,784	1,038,806	1,081,590	542,396	1,185,745	700,000	700,000	700,000	700,000							1,038,806	1,185,745	700,000	700,000	700,000	700,000	
100008	Energy & Efficiency Installs.	154,345	55,000	209,345	0	0	0	0	0	0													
100009	GF Asbestos	37,467	38,000	75,467		0	0	0		0	55,000	0											
100014	Improved Parking Scheme (includes locality funding)	400,000	0	400,000		0	0	0		0	38,000	0											
100026	Morton Stanley Play, Sport and Open Space Improvements (General)	0	8,000	8,000	0	0	0	0		0	0	0											
100027	New Finance Enterprise	0	0	0		0	0	0		0							8,000	0					
100032	Public Building	25,903	250,000	275,903	40,754	250,000	250,000	250,000	250,000	250,000							0	0					
	Increased Buildings Maintenance	0	150,000	150,000	0						250,000	250,000	250,000	250,000	250,000	250,000							

# REDDITCH BOROUGH COUNCIL

## EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

Cap Proj	Description	Carry Forward to 24/5	2024/25 Budget £	2024/25 Total £	Spend 2024/25 Total £	2025/26 Total £	2026/27 Total £	2027/28 Total £	2028/29 £	2029/30 £	Council 24/25 £	Council 25/26 £	Council 26/27 £	Council 27/28 £	Council 2028/29 £	Council 2029/30 £	3rd Party 24/25 £	3rd Party 25/26 £	3rd Party 26/27 £	3rd Party 27/28 £	4th Party 2028/29 £	3rd Party 2029/30 £	
100035	Fleet Replacement new line	1,263,500	1,100,000	2,363,500	81,092	0	1,150,000	0		0	1,100,000	0	1,150,000	0		0							
100037	Removal of 5 weirs through Arrow Valley Park	414,000	0	414,000	0	0	0	0		0	0	0											
100040	Sports Contributions to support improvements to Outdoor facilities at Terry	0	3,000	3,000	0	0	0	0		0							3,000	0					
100043	Wheelie Bin purchase	89,342	100,000	189,342	39,751	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000							
100088	Improvement Holly trees childrens centre	0	6,000	6,000	0	0	0	0		0							6,000	0					
100010	Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP	0	5,864	5,864	0	5,864	5,864	5,864		5,864							5,864	5,864	5,864	5,864		5,864	
100011	Hedgerow Mitigation measures by restoration and hedge laying with associated fencing and gates at AVP SHM and	0	21,500	21,500	0	0	0	0		0							21,500	0					
100012	HMO Grants	36,500	25,000	61,500	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000							
100013	Home Repairs Assistance	80,000	40,000	120,000	0	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000							
100018	Improvement to original Pump Track at AVCP	0	60,606	60,606	3,942	0	0	0		0							60,606	0					
100045	Replacing 3 fuel pumps and upgrading tank monitoring equipment	25,000	0	25,000		0	0	0		0		0											
110018	Cisco Network Update	5,934	0	5,934	0	47,339	50,000	50,000	50,000	50,000	0	47,339	50,000	50,000	50,000	50,000							
110019	Server Replacement Est(Exact known Q2 2022)	0	177,500	177,500	0	18,500	60,000	60,000	60,000	60,000	177,500	18,500	60,000	60,000	60,000	60,000							
110020	Laptop Refresh	13,497	150,000	163,497	17,372	5,000	30,000	30,000	30,000	30,000	150,000	5,000	30,000	30,000	30,000	30,000							
	Cyber Capital Works	0	0	0	0						0												
	Cyber Security Updats	0	25,000	25,000	0						25,000												
	Morgan Stanley Footpaths	0	16,500	16,500	0						16,500												
110021	New Cemetary Provision	317,963	125,000	442,963	2,000	195,000	0	0		0	125,000	195,000											

# REDDITCH BOROUGH COUNCIL

## EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

Cap Proj	Description	Carry Forward to 24/5	2024/25 Budget £	2024/25 Total £	Spend 2024/25 Total £	2025/26 Total £	2026/27 Total £	2027/28 Total £	2028/29 £	2029/30 £	Council 24/25 £	Council 25/26 £	Council 26/27 £	Council 27/28 £	Council 2028/29 £	Council 2029/30 £	3rd Party 24/25 £	3rd Party 25/26 £	3rd Party 26/27 £	3rd Party 27/28 £	4th Party 2028/29 £	3rd Party 2029/30 £
New	Provide the Crossgate Depot site with a new and Compliant Deisel Fuel	112,000		112,000		0	0	0		0												
100097	Widen access road to Arrow Valley Country park	0	26,634	26,634	34,500	0	0	0		0		0										
	Lifeline Improvements	0	120,000	120,000	0	0	0	0		0							26,634					
	PRS Housing ICT System	0	30,000	30,000	0	0	0	0		0	120,000											
	Play Areas - Surface Replacement	0	10,000	10,000	0	10,000	7,500	0		0	30,000											
	AVCP - Parking Bays near Visitor Centre	0	12,000	12,000	0	0	0	0		0	10,000	10,000	7,500									
	Arrow Valley Car Park	0	95,000	95,000	107,000						12,000											
	Arrow Valley park Visitor Centre Improvements	0	450,000	450,000	88,418	0	0	0		0	450,000	0	0									
110007	Forge Mill and Bordelsey Open Space	2,859	3,000	5,859	0	0	0	0		0							3,000	0				
	Hedge and Shrub REmoval	0	40,000	40,000	0																	
110009	MUGA at Greenlands Sports Pitches.	22,078	21,000	43,078	0	0	0	0		0							21,000	0				
110012	Play Area improvements at Birchfield Road/Headless Cross Rec Ground. 1700737/FUL	0	7,575	7,575	0	0	0	0		0							7,575	0				
110013	Play area (£34,583.39). Open space (£12,001.36) and Sport (£8,516) improvements at Mayfields Park. 11019/FUL	1,172	0	1,172		0	0	0		0							0	0				
	Play Area Changes - Pre Audit	227,000	155,000	382,000	0												155,000					
	Play Audit funding	0	263,386	263,386	0	191,447	137,399	144,054	174,290	411,094												
											191,447	137,399	144,054	174,290	411,094		263,386					

# REDDITCH BOROUGH COUNCIL

## EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

Cap Proj	Description	Carry Forward to 24/5	2024/25 Budget £	2024/25 Total £	Spend 2024/25 Total £	2025/26 Total £	2026/27 Total £	2027/28 Total £	2028/29 £	2029/30 £	Council	Council	Council	Council	Council	Council		3rd Party	3rd Party	3rd Party	3rd Party	4th Party	3rd Party
											24/25 £	25/26 £	26/27 £	27/28 £	2028/29 £	2029/30 £	24/25 £	25/26 £	26/27 £	27/28 £	2028/29 £	2029/30 £	
100020	Improvement to Sports Pitches infrastructure in Morton Stanley Park	0	25,000	25,000	0	0	0	0										25,000	0				
100112	Fire compartmentation works in Corporate	191,752	0	191,752	0	250,000	250,000	250,000															
	New Food Waste Collection - DEFRA					766,498						250,000	250,000	250,000									
	Abavus Software					30,000	30,000					30,000	30,000										
	Abavus Licensing					10,200	10,200	10,200	10,200			10,200	10,200	10,200	10,200								
	Update Town Hall Fire Replacement Track - Abbey Stadium					16,250						16,250											
	Energy Performance Certificate Requirements					300,000						300,000											
	Abbey Stadium Roof Replacement					100,000	100,000	100,000				100,000	100,000	100,000									
	Abbey Stadium - refurbish indoor Changing Rooms and Toilets					250,000						250,000											
	Forge Mill - New outdoor Kiosk and Toilet					300,000						300,000											
	PitcherOak, refurbish Male Changing and rebuild 2nd Green					90,000						90,000											
	Salary Capitalisation					90,000						90,000											
						200,000	400,000	400,000	400,000	400,000		200,000	400,000	400,000	400,000	400,000							
	<b>Total</b>	<b>12,314,351</b>	<b>20,114,366</b>	<b>32,428,717</b>	<b>3,627,519</b>	<b>8,082,320</b>	<b>3,923,362</b>	<b>2,559,172</b>	<b>2,064,490</b>	<b>2,496,248</b>	<b>4,792,886</b>	<b>3,176,213</b>	<b>3,217,498</b>	<b>1,853,308</b>	<b>1,364,490</b>	<b>1,790,384</b>	<b>0</b>	<b>15,046,480</b>	<b>4,906,107</b>	<b>705,864</b>	<b>705,864</b>	<b>700,000</b>	<b>705,864</b>

**Appendix E – RBC Capital Strategy Report 2025/26**

**Introduction**

- 1.1 This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.2 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

**Capital Expenditure and Financing**

- 1.3 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 1.4 In 2025/26, the Authority is planning capital expenditure of £4.9m for General Fund projects £12.0m for HRA work and £2.9m for regeneration work, most of which is related to Towns Fund grant. This ss summarised below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

	<b>2023/24 actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget *</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
General Fund services	1.1	6.8	4.9	3.3	2.0

## REDDITCH BOROUGH COUNCIL

### EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

Council housing (HRA)	10.3	11.7	12.0	11.5	11.1
Regeneration	0.7	13.8	2.9	0.7	0.1
<b>TOTAL</b>	12.1	32.3	19.8	15.5	13.2

- 1.5 The main General Fund capital projects include Towns Fund regeneration schemes (Innovation Centre, Town Square and Public Realm) totalling £16m to be spent by 2026 and UK Shared Prosperity Funding to be spent by 2025. Following a change in the Prudential Code, the Authority no longer incurs capital expenditure on investments.
- 1.6 The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately.
- 1.7 **Governance:** Service managers bid annually in January to include projects in the Authority's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully externally financed). The Audit Standards and Governance Committee and then the Cabinet appraises all bids based on a comparison of strategic priorities against financing costs and makes recommendations to Council. The final capital programme is then presented to Cabinet in February and to Council in February each year.
- For full details of the Authority's capital programme, including the project appraisals undertaken, see Tranche 2 of the 2025/26 Medium Term Financial Plan.
- a. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

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Table 2: Capital financing in £ millions

	2023/24 actual	2024/25 forecast	2025/26 budget *	2026/27 budget	2027/28 budget
External sources	0.9	15.0	4.9	0.7	0.7
Own Resources	11.2	4.8	3.0	2.8	1.5
Debt	0	12.5	11.9	12.0	11.0
<b>TOTAL</b>	12.1	32.3	19.8	15.5	13.2

- 1.9 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned [MRP / repayments] and use of capital receipts are as follows:

Table 3: Replacement of prior years' debt finance in £ millions

	2023/24 actual	2024/25 forecast	2025/26 budget *	2026/27 budget	2027/28 budget
Minimum revenue provision	0.9	0.9	1.0	1.1	1.2
Capital Receipts	0.2	3.3	4.2	1.7	1.7

- The Authority's full minimum revenue provision statement is available within the body of this report.
- 1.10 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The



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CFR is expected to increase by £1.9m during 2025/26. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
General Fund & Regeneration	6.7	10.9	12.5	10.5	10.5
HRA	146	147	147.3	147.7	147.7
<b>TOTAL CFR</b>	152.7	157.9	159.8	158.2	158.2

1.11 **Asset management:** To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. Within this strategy, individual properties and associated land will be further evaluated to determine:

- The operational necessity and benefit.
- Projected costs of ensuring all elements of the buildings continue to meet legislative requirements and performance standards.
- Planned and cyclical maintenance costs for elements nearing the end of their 'life' expectancy, ensuring service provision is maintained without unnecessary interruption. Costs associated with meeting future EPC rating minimum requirements.
- Rent levels (and net costs for each building) and revised leases.
- Alternative or rationalised portfolio or joint enterprises for service delivery.

By evaluation of all factors cited above, informed decisions can be made to determine which assets are:

- No longer cost effective to run, where outlay exceeds earning potential
- No longer viable for effective service delivery

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- Surplus to requirements

Asset considerations will be presented to Cabinet on a half yearly basis for approval for disposal, unless there is an urgent requirement for a decision.

- 1.12 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Authority is currently also permitted to spend capital receipts “flexibly” on service transformation projects until 2029/30 although nothing is presently planned. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £4.2m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2023/24 actual	2024/25 forecast	2025/26 budget *	2026/27 budget	2027/28 budget
Asset sales	0.2	3.3	4.2	1.7	1.7
Loans etc repaid	0	0	0	0	0

### Treasury Management

- 1.13 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
- 1.14 Due to decisions taken in the past, the Authority currently has no external long term (over 1 year) borrowing and £16.5m treasury investments at an average rate of 4.8%.

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- 1.15 **Borrowing strategy:** The Authority's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 1.16 The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 1.17 Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

Gross Debt	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
HRA (incl. PFI & leases)	103.9	103.9	105.4	105.8	106.2
General Fund (incl. PFI & leases)	0.9	8.1	17.5	18.9	19.1
Capital Financing Requirement	152.7	157.9	159.8	158.2	158.2

- 1.18 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term.
- 1.19 **Liability benchmark:** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £2m at each year-end. This benchmark is currently £5.6m and is forecast to rise to £6.6m over the next three years.

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Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2024 actual	31.3.2025 forecast	31.3.2026 budget	31.3.2027 budget	31.3.2028 budget
Forecast Outstanding borrowing - GF	0.9	8.1	17.5	18.9	19.1
Liability benchmark	-23.0	-15.8	-6.4	-5.0	-4.8

- 1.20 The table shows that the Authority expects to remain borrowed below its liability benchmark. This is because cash outflows to date have been below the assumptions made when the loans were borrowed.
- 1.21 **Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

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Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2024/25 limit £m	2025/26 limit £m	2026/27 limit £m	2027/28 limit £m
Authorised limit – borrowing	185	190	190	195
Authorised limit – PFI and leases	1.5	1.5	1.5	1.5
Authorised limit – total external debt	<b>186.5</b>	<b>191.5</b>	<b>191.5</b>	<b>196.5</b>
Operational boundary – borrowing	175	180	180	185
Operational boundary – PFI and leases	1.5	1.5	1.5	1.5
Operational boundary – total external debt	<b>176.5</b>	<b>181.5</b>	<b>181.5</b>	<b>186.5</b>

- 1.22 **Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 1.23 The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external

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fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury management investments in £millions

	2023/24 actual	2024/25 forecast	2025/26 budget *	2026/27 budget	2027/28 budget
Near-term investments	42	35	20	20	25
Long-term investments	0	0	0	0	0
<b>TOTAL</b>	42	35	20	20	25

➤ Further details on treasury investments are in the Treasury Management Strategy part of this appendix.

1.24 **Risk management:** The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

- The treasury management prudential indicators are in the treasury management strategy which are part of these appendices.

1.25 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury management activity are presented to Cabinet. The Audit, Standards and Governance Committee is responsible for scrutinising treasury management decisions.

### Investments for Service Purposes

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- 1.26 The Authority makes investments to assist local public services, including making loans to local service providers, local small businesses to promote economic growth, and the Authority's subsidiaries that provide services to stakeholders. Total investments for service purposes are currently valued at £0m.
- 1.27 **Risk management:** In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs. A limit of £2.5m is placed on total investments for service purposes to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.
- 1.28 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme. The relevant service director and the Director of Finance are responsible for ensuring that adequate due diligence is carried out before investment is made.

Further details on service investments are in the Treasury Management Strategy

### Liabilities

- 1.29 In addition to debt of £104m detailed above, the Authority has set aside £0.47m to cover risks of Insurance Claims and £0.64m for Business Rates Appeals.
- 1.30 **Governance:** Decisions on incurring new discretionary liabilities are taken by Heads of Service in consultation with the Director of Finance. The risk of liabilities crystallising and requiring payment is monitored by the corporate finance team and reported biannually to Cabinet. New liabilities exceeding £0.5m are reported to full council for approval/notification as appropriate.

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### Revenue Budget Implications

- 1.31 In addition to debt of £104m detailed above, the Authority is committed to making future payments to cover its pension fund deficit. It has also set aside £0.64m for Business Rates Appeals via a reserve.

*Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream*

	2023/24 actual	2024/25 forecast	2025/26 budget *	2026/27 budget	2027/28 budget
Financing costs (£m)	1.1	1.1	1.2	1.4	1.5
Proportion of net revenue stream	9.80%	9.10%	11.50%	12.40%	12.90%

- 1.32 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because of the Medium Term Financial Plan (MTFP) forecasts which show that the Council is financially sustainable over that period.

### Knowledge and Skills

- 1.33 The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance and Head of Service are qualified accountants with significant experience. The Authority pays for junior staff to study towards relevant professional qualifications including CIPFA and AAT.
- 1.34 Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers and Bruton



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Knowles as property consultants. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

- Further details on staff training can be found in the HR Employee Development section of the website.

**Appendix F – RBC Treasury Management Strategy Statement 2025/26**

**Introduction**

- 2.1 Treasury management is the management of the Authority’s cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority’s prudent financial management.
- 2.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority’s legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 2.3 Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

**External Context**

**Economic background:**

- 2.4 The impact on the UK from the government’s Autumn Budget, slower expected interest rate cuts, a short-term boost to but modestly weaker economic growth over the medium term, together with the impact from President-elect Trump’s second term in office and uncertainties around US domestic and foreign policy, will be major influences on the Authority’s treasury management strategy for 2025/26.
- 2.5 The Bank of England’s (BoE) Monetary Policy Committee (MPC) held Bank Rate at 4.75% at its December 2024 meeting, having reduced it to that level in November and following a previous 25bp cut from the 5.25% peak at the August MPC meeting. At the December meeting, six Committee members voted to maintain Bank Rate at 4.75% while three members preferred to reduce it to 4.50%.
- 2.6 The November quarterly Monetary Policy Report (MPR) expected Gross Domestic Product (GDP) growth to pick up to around 1.75% (four-quarter GDP) in the early period of the BoE’s forecast horizon before falling back. The impact from the Budget pushes GDP higher in 2025 than was expected in the previous MPR, before becoming weaker. Current GDP growth was shown to be zero (0.0%) between July and September 2024 and 0.4% between April and June 2024, a further downward revision from the 0.5% rate previously reported by the Office for National Statistics (ONS).

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- 2.7 ONS figures reported the annual Consumer Price Index (CPI) inflation rate at 2.6% in November 2024, up from 2.3% in the previous month and in line with expectations. Core CPI also rose, but by more than expected, to 3.6% against a forecast of 3.5% and 3.3% in the previous month. The outlook for CPI inflation in the November MPR showed it rising above the MPC's 2% target from 2024 into 2025 and reaching around 2.75% by the middle of calendar 2025. This represents a modest near-term increase due to the ongoing impacts from higher interest rates, the Autumn Budget, and a projected margin of economic slack. Over the medium-term, once these pressures ease, inflation is expected to stabilise around the 2% target.
- 2.8 The labour market appears to be easing slowly, but the data still require treating with some caution. The latest figures reported the unemployment rate rose to 4.3% in the three months to October 2024 and economic inactivity fell to 21.7%. Pay growth for the same period was reported at 5.2% for both regular earnings (excluding bonuses) and for total earnings. Looking ahead, the BoE MPR showed the unemployment rate is expected to increase modestly, rising to around 4.5%, the assumed medium-term equilibrium unemployment rate, by the end of the forecast horizon.
- 2.9 The US Federal Reserve has continued cutting interest rates, bringing down the Fed Funds Rate by 0.25% at its December 2024 monetary policy meeting to a range of 4.25%-4.50%, marking the third consecutive reduction. Further interest rate cuts are expected, but uncertainties around the potential inflationary impact of incoming President Trump's policies may muddy the waters in terms of the pace and magnitude of further rate reductions. Moreover, the US economy continues to expand at a decent pace, rising at an (upwardly revised) annual rate of 3.1% in the third quarter of 2024, and inflation remains elevated suggesting that monetary policy may need to remain more restrictive in the coming months than had previously been anticipated.
- 2.10 Euro zone inflation rose above the European Central Bank (ECB) 2% target in November 2024, hitting 2.2% as was widely expected and a further increase from 2% in the previous month. Despite the rise, the ECB continued its rate cutting cycle and reduced its three key policy rates by 0.25% in December. Inflation is expected to rise further in the short term, but then fall back towards the 2% target during 2025, with the ECB remaining committed to maintaining rates at levels consistent with bringing inflation to target, but without suggesting a specific path.
- Credit outlook:**
- 2.11 Credit Default Swap (CDS) prices have typically followed a general trend downwards during 2024, reflecting a relatively more stable financial period compared to the previous year. Improved credit conditions in 2024 have also led to greater convergence in CDS prices between ringfenced (retail) and non-ringfenced (investment) banking entities again.
- 2.12 Higher interest rates can lead to a deterioration in banks' asset quality through increased loan defaults and volatility in the value of capital investments. Fortunately, the rapid interest rate hikes during this monetary tightening cycle, while putting some

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strain on households and corporate borrowers, has not caused a rise in defaults, and banks have fared better than expected to date, buoyed by strong capital positions. Low unemployment and robust wage growth have also limited the number of problem loans, all of which are positive in terms of creditworthiness.

- 2.13 Moreover, while a potential easing of US financial regulations under a Donald Trump Presidency may aid their banks' competitiveness compared to institutions in the UK and other regions, it is unlikely there will be any material impact on the underlying creditworthiness of the institutions on the counterparty list maintained by Arlingclose, the authority's treasury adviser.
- 2.14 Overall, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

### **Interest rate forecast (December 2024):**

- 2.15 The Authority's treasury management adviser Arlingclose expects the Bank of England's MPC will continue reducing Bank Rate through 2025, taking it to around 3.75% by the end of the 2025/26 financial year. The effect from the Autumn Budget on economic growth and inflation has reduced previous expectations in terms of the pace of rate cuts as well as pushing up the rate at the end of the loosening cycle.
- 2.16 Arlingclose expects long-term gilt yields to remain broadly at current levels on average (amid continued volatility), but to end the forecast period modestly lower compared to now. Yields will continue remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will be short-term volatility due to economic and (geo)political uncertainty and events.
- 2.17 A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 2.18 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 4.6%%, and that new long-term loans will be borrowed at an average rate of 5.8%.

### **Local Context**

- 2.19 On 7<sup>th</sup> January 2025, the Authority had no borrowing and £13m of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

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Table 1: Balance sheet summary and forecast

	31.3.24 Actual £m	31.3.25 Estimate £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Capital financing requirement	6.7	10.9	12.5	10.5	10.5
Less: External borrowing **	0	12.5	24.4	36.4	47.4
<b>Internal borrowing</b>	6.7	-1.6	-11.9	-25.9	-36.9
Less: Usable Reserves	-17.0	-17.0	-15	-14.0	-12.0
Less: Working Capital	-4.9	-4.9	-4.9	-4.9	-4.9
<b>Treasury investments</b>	15.2	23.5	31.8	44.8	53.8

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

- 2.20 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 2.21 The Authority has an increasing CFR due to the capital programme, but minimal investments but will be funding the programme through internal borrowing.
- 2.22 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2025/26.
- 2.23 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £0.2m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 2.24 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

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Table 2: Prudential Indicator: Liability benchmark

	31.3.24 Actual £m	31.3.25 Estimate £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Loans CFR	6.7	10.9	12.5	10.5	10.5
Less: Usable Reserves	-17.0	-17.0	-15	-14.0	-12.0
Less: Working Capital	-4.9	-4.9	-4.9	-4.9	-4.9
<b>Net loans requirement</b>	-15.2	-11.0	-7.4	-8.4	-6.4
Plus: Liquidity allowance	2.0	2.0	2	2.0	2.0
<b>Liability benchmark</b>	-13.2	-9.0	-5.4	-6.4	-4.4

- 2.25 Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £2m average a year, minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year.

### Borrowing Strategy

- 2.26 The Authority currently holds £104 million of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £7.4m in 2025/26. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £60 million.
- 2.27 **Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 2.28 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past but are expected to fall in the coming year

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and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Authority's interest rate exposure within the limit set in the treasury management prudential indicators, see below.

- 2.29 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of [internal / short-term] borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 2.30 The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 2.31 In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.
- 2.32 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - National Wealth Fund Ltd (formerly known as UK Infrastructure Bank Ltd)
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Local Government Pension Scheme)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

- 2.33 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
- 2.34 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
- 2.35 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).
- 2.36 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

**Treasury Investment Strategy**

- 2.37 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £1 and £18.5 million, and similar levels are expected to be maintained in the forthcoming year.



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- 2.38 **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 2.39 **Strategy:** As demonstrated by the liability benchmark above, the Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 2.40 The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 2.41 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 2.42 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 2.43 **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

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*Table 3: Treasury investment counterparties and limits*

<b>Credit rating</b>	<b>Banks unsecured</b>	<b>Banks secured</b>	<b>Government</b>	<b>Corporates</b>	<b>Registered Providers</b>
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3 m 5 years	£3m 20 years	£3m 50 years	£3m 20 years	£1m 20 years
AA+	£3m 5 years	£3m 10 years	£3m 25 years	£3m 10 years	£1m 10 years
AA	£3m 4 years	£3m 5 years	£3m 15 years	£3m 5 years	£1m 10 years
AA-	£3m 3 years	£3m 4 years	£3m 10 years	£3m 4 years	£1m 10 years
A+	£3m 2 years	£3m 3 years	£3m 5 years	£3m 3 years	£1m 5 years
A	£3m 13 months	£3m 2 years	£3m 5 years	£3m 2 years	£1m 5 years
A-	£3m 6 months	£3m 13 months	£3m 5 years	£3m 13 months	£1m 5 years
None	£1.5m 6 months	n/a	£3m 25 years	£1m 5 years	£500k 5 years
<b>Pooled funds and real estate investment trusts</b>		£2.5m per fund or trust			

- 2.44 **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

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- 2.45 For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
- 2.46 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 2.47 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 2.48 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 2.49 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 2.50 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 2.51 **Strategic pooled funds:** Bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date

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but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 2.52 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 2.53 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and unsecured loans to companies and universities. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 2.54 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2.0m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 2.55 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 2.56 **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 2.57 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 2.58 **Investment limits:** The Authority's revenue reserves available to cover investment losses are forecast to be £17 million on 31<sup>st</sup> March 2025 and £15 million on 31<sup>st</sup> March 2026. In order that no more than 42% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 2.59 Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £2m in operational bank accounts count against the relevant investment limits.
- 2.60 Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

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	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£5m per country
Registered providers and registered social landlords	£2.5m in total
Unsecured investments with building societies	£2.5m in total
Loans to unrated corporates	£1m in total
Money market funds	£20m in total
Real estate investment trusts	£2.5m in total

- 2.61 **Liquidity management:** The Authority uses detailed spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.
- 2.62 The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

#### Treasury Management Prudential Indicators

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

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Credit risk indicator	Target
Portfolio average credit [rating / score]	A

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

Liquidity risk indicator	Target
Total cash available within 3 months	£2.5m

- 2.66 **Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£500,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£500,000

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

- 2.68 **Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

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- 2.69 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment
- 2.70 **Long-term treasury management investments:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2025/26	2026/27	2027/27	No fixed date
Limit on principal invested beyond year end	£1.0m	£0.5m	£0m	£0m

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

### Related Matters

- 2.72 The CIPFA Code requires the Authority to include the following in its treasury management strategy.
- 2.73 **Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 2.74 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 2.75 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in



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the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

- 2.76 In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 2.77 **Markets in Financial Instruments Directive:** The Authority has retained retail client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a smaller range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance believes this to be the most appropriate status.

#### Financial Implications

- 2.78 The budget for investment income in 2025/26 is £203.6k based on an average investment portfolio of £4.5 million at an interest rate of 4.5%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.
- 2.79 Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

#### Other Options Considered

- 2.80 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance, having consulted the Cabinet Member for Finance and Enabling, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

**Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2024**

**Underlying assumptions:**

- As expected, the Monetary Policy Committee (MPC) held Bank Rate at 4.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.
- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.
- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.
- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.
- CPI inflation rates have risen due to higher energy prices and less favourable base effects. The current CPI rate of 2.6% could rise further in Q1 2025. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over target in 2026.
- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.
- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges.

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### Forecast:

- In line with our forecast, Bank Rate was held at 4.75% in December.
- The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2025, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.
- Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.
- This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.
- The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.

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	Current	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
<b>Official Bank Rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
<b>3-month money market rate</b>													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Central Case	4.90	4.60	4.35	4.10	3.90	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	-0.25	-0.25	-0.50	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
<b>5yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.34	4.30	4.20	4.10	4.00	3.90	3.90	3.95	4.00	4.05	4.05	4.05	4.05
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
<b>10yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.56	4.55	4.45	4.30	4.20	4.20	4.20	4.20	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
<b>20yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	5.05	5.00	4.90	4.80	4.70	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80
<b>50yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Central Case	4.52	4.70	4.60	4.50	4.40	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.65	-0.65	-0.70	-0.70	-0.75	-0.75	-0.80	-0.80	-0.80	-0.80

PWLB Standard Rate = Gilt yield + 1.00%  
 PWLB Certainty Rate = Gilt yield + 0.80%  
 PWLB HRA Rate = Gilt yield + 0.40%  
 National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

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## Appendix B – Existing Investment & Debt Portfolio Position

	20/01/2025 Actual Portfolio £m	20/01/2025 Average Rate %
<b>External borrowing:</b>	103.9	3.59
<b>Total external borrowing</b>	<b>103.9</b>	<b>3.59</b>
<b>Treasury investments:</b>		
Banks, MMF & building societies (unsecured)	6.5	4.9
Government (incl. local authorities)	10.0	4.7
<b>Total treasury investments</b>	<b>16.5</b>	<b>4.8</b>
<b>Net Debt</b>	<b>87.4</b>	

**Appendix G – RBC Annual Minimum Revenue Provision Statement 2025/26**

- 3.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in April 2024.
- 3.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.
- 3.3 The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP, but does not preclude the use of other appropriate methods. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
- 3.4 MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Expenditure in Local Authorities*, 2021 edition.
- For unsupported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate of 4%, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
  - For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
  - Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

- For capital expenditure on loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.
- There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.
- Where the council makes a capital contribution or loan to another entity or where responsibility for a council asset with borrowing attached is transferred to a third party, then no MRP will be set aside if:
  - the payments are appropriately covered by assets
  - there are detailed plans demonstrating that all the expenditure will be recovered in an appropriately short time frame
- To ensure that this remains a prudent approach the Council will review the expenditure and income regularly to determine if the income or asset values have decreased to the point that MRP needs to be provided for. Should evidence emerge which suggests the expenditure will no longer be recovered, MRP will be provided for.
- Where the council uses internal borrowing and receipts of rental income are greater than the MRP calculated then as there are sufficient revenues to repay the capital cost, no MRP will be set aside.

**3.5 Capital loans**

- For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.



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- For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.
- For capital loans made on or after 7<sup>th</sup> May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.
- For capital loans made before 7<sup>th</sup> May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

3.6 Capital expenditure incurred during 2024/25 will not be subject to a MRP charge until 2025/26 or later.

3.7 Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31<sup>st</sup> March 2025, the budget for MRP has been set as follows:

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	<b>31.03.2025 Estimated CFR</b>	<b>2025/26 Estimated MRP</b>
	<b>£m</b>	<b>£m</b>
Capital expenditure before 01.04.2008		
Supported capital expenditure after 31.03.2008		
Unsupported capital expenditure after 31.03.2008	0	0.926
Leases and Private Finance Initiative		
Transferred debt		
Loans to other bodies repaid in instalments		
Voluntary overpayment (or use of prior year overpayments)		
<b>Total General Fund</b>	<b>0</b>	<b>0.926</b>
Assets in the Housing Revenue Account	24.1	
HRA subsidy reform payment	98.9	
<b>Total Housing Revenue Account</b>	<b>123.0</b>	
<b>Total</b>	<b>123.0</b>	<b>0.926</b>

### 3.8 Capital receipts

Proceeds from the sale of capital assets are classed as capital receipts, and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.

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- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.

Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.

**Appendix H – RBC Investment Strategy Report 2025/26**

**Introduction**

- 4.1 The Authority invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
  - to support local public services by lending to or buying shares in other organisations (**service investments**), and
  - to earn investment income (known as **commercial investments** where this is the main purpose).
- 4.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.
- 4.3 The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

**Treasury Management Investments**

- 4.4 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is

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invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £2m and £15m during the 2025/26 financial year.

- 4.5 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 4.6 **Further details:** Full details of the Authority's policies and its plan for 2025/26 for treasury management investments are covered in a separate document, the treasury management strategy, which is part of these appendices.

### Service Investments: Loans

- 4.7 **Contribution:** The Council will lend money to its subsidiaries, local businesses, local charities and housing associations to support local public services and stimulate local economic growth.
- 4.8 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

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Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2024 actual			2025/26
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit £m
Subsidiaries	0	0	0	1.0
Local businesses	0	0	0	0.5
Local charities	0	0	0	0.5
Housing associations	0	0	0	1.0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3.0</b>

- 4.9 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 4.10 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by using specialist advice to understand the market and the potential future demands of the market and the customers in it. It will also use benchmarking data from the market to determine future potential risks which need to be planned for. External advice is only sought from credible sources eg acknowledged experts in their fields and officers ensure that they fully understand any information given to them before decision or advice is taken.

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### Commercial Investments: Property

- 4.11 **Contribution:** The Authority invests via Regeneration schemes such as Levelling Up Fundings via the Government in property with the intention of making a profit that will be spent on local public services. Levelling Up funding in being invested in regenerating the Market Hall site and clearing the existing Fire Station site for future regeneration.

Table 2: Property held for investment purposes in £ millions

Property [type]	Actual	31.3.2024 actual		31.3.2025 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
N/A	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 4.12 **Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.
- 4.13 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2024/25 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- 4.14 *Where value in accounts is below purchase cost:* The fair value of the Authority's investment property portfolio is no longer sufficient to provide security against loss, and the Authority is therefore taking mitigating actions to protect the capital invested.

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- 4.15 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments by involving specialist advisors with expertise in the type of property being purchased, looking at historic data and speaking to other councils undertaking similar activities.
- 4.16 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council ensures that properties purchased are in an active market where there is demonstrable demand to ensure that the authority does not purchase assets which it will not be able to sell on at a later date.

#### Loan Commitments and Financial Guarantees

- 4.17 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

#### Proportionality

- 4.18 The Council does not plan to become dependent on profit generating investment activity to achieve a balanced revenue budget.

#### Borrowing in Advance of Need



- 4.19 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council would only not follow this guidance if interest rate forecasts and treasury advisor guidance set out that it was more cost effective, **in terms of significantly reduced debt interest charges**, for the Council to borrow for the **approved 3 year capital programme** at a point of time rather than when that expenditure is taking place over that 3 year period. It is unlikely that this will happen however the option should not be closed off. Funds would be invested. The Council's policies in investing the money borrowed, including management of the risks, would be as per normal short term Treasury Investments.

**Capacity, Skills and Culture**

- 4.20 **Elected members and statutory officers:** Member training will take place annually as part of the induction process. External advisors will provide reports to support investment decisions with officers ensuring that they fully understand them and can relate them to the strategic objectives and risk profile of the Council.
- 4.21 **Commercial deals:** Significant work has been undertaken using external advisors and relevant training courses have been attended to ensure that officers are fully aware of the code and statutory requirements of a local authority which is investing.

KPMG have developed a modelling tool for the Council to use when assessing potential purchases as a precursor to engaging with external consultants to ensure that potential purchases are likely to make sense from the perspective of the authority before incurring advisor costs. However, following an internal review of the policy, it has been decided that the Council may wish to make purchases which do not make a financial return or may indeed make a loss in the short term. On these occasions a business case will be developed which specifies the non-financial benefits of the investment. These are likely to be regenerative schemes for the greater good of the area with an intended long term impact. The regenerative and redevelopment benefits which will flow from the investment will be taken into account in the development of the business case, so if the net investment yield falls below 0.75% it can still proceed if these benefits are deemed to outweigh the lower than target yield.

- 4.22 **Corporate governance:** when investment decisions are to be made, they are to be led by the Council's Director of Finance in consultation with the Corporate Management Team. They will assess the potential investment opportunity using the KPMG finance appraisal model and should they decide it presents a strong opportunity for the Council and complies with the relevant criteria a conditional offer can be made. A business case will then be developed and presented ensuring that once greater detail is included, it makes a satisfactory income yield and/or economic redevelopment and regeneration impact. When the business case is completed, if it is still compliant with the Council criteria, it will be presented to Cabinet for approval before purchase is completed. Once a purchase has been made the Director of Finance will provide quarterly reports in line with financial and monitoring reports on the status of the investment.

**Investment Indicators**

- 4.23 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.
- 4.24 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

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Table 3: Total investment exposure in £millions

Total investment exposure	31.03.2024 Actual	31.03.2025 Forecast	31.03.2026 Forecast
Treasury management investments	10	11	13
Service investments: Loans	0	0	0
Commercial investments: Property	0	0	0
<b>TOTAL INVESTMENTS</b>	<b>10</b>	<b>11</b>	<b>13</b>
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
<b>TOTAL EXPOSURE</b>	<b>10</b>	<b>11</b>	<b>10</b>

- 4.25 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

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Table 4: Investments funded by borrowing in £millions

<b>Investments funded by borrowing</b>	<b>31.03.2024 Actual</b>	<b>31.03.2025 Forecast</b>	<b>31.03.2026 Forecast</b>
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
<b>TOTAL FUNDED BY BORROWING</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 4.26 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 5: Investment rate of return (net of all costs)

<b>Investments net rate of return</b>	<b>2023/24 Actual</b>	<b>2024/25 Forecast</b>	<b>2025/26 Forecast</b>
Treasury management investments	5.2	4.9	4.6
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
<b>ALL INVESTMENTS</b>	<b>5.2</b>	<b>4.9</b>	<b>4.6</b>

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## **Appendix I – Results of the Budget Consultation**

<b>Redditch Borough Council - Budget Consultation for 2025/26</b>				
<p>The 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.</p> <p>The survey closed at 12noon on Thursday 2 January 2025. The response rate for the community panel was 44%. There were a total of 322 valid responses received.</p>				
Q no.	Question	Responses	Total Responses	%
Q1 (321)	<b>Are you a resident of Redditch Borough and/or have a business based here?</b>	Resident of Redditch Borough	320	99.7%
		Have a business based here	21	6.5%
Q2 (319)	<b>Please tell us where you live or where your business is located.</b>  (Please note, if you live and have a business in the Borough, please only tell us where you live)	Abbeydale	7	2.2%
		Abbey Park	3	0.9%
		Astwood Bank	12	3.8%
		Batchley	27	8.5%
		Brockhill	7	2.2%
		Callow Hill	11	3.4%
		Church Hill North	10	3.1%
		Church Hill South	11	3.4%
		Crabbs Cross	8	2.5%
		Enfield	2	0.6%
		Feckenham	3	0.9%
		Greenlands	17	5.3%
		Headless Cross	26	8.2%
		Hunt End	10	3.1%
		Ipsley	4	1.3%
Lakeside	6	1.9%		

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		Lodge Park	10	3.1%
		Matchborough East	16	5.0%
		Matchborough West	10	3.1%
		Oakenshaw	5	1.6%
		Oakenshaw South	7	2.2%
		Riverside	5	1.6%
		Smallwood	2	0.6%
		Southcrest	16	5.0%
		St. Georges	0	0.0%
		Town Centre	10	3.1%
		Walkwood	6	1.9%
		Webheath	31	9.7%
		Winyates East	11	3.4%
		Winyates Green	9	2.8%
		Winyates West	7	2.2%
		Wire Hill	1	0.3%
		Woodrow North	5	1.6%
		Woodrow South	4	1.3%
Q3 (321)	<p><b>Which services do you think it is important for the Council to invest in?</b></p> <p><b>Please note that Highways are not included as this is a Worcestershire County Council function</b></p> <p><b>Please pick your top 3 most important.</b></p>	Community and Voluntary Sector	46	14.3%
		Community Parks and Open Spaces	130	40.5%
		<b>Community Safety</b>	<b>158</b>	<b>49.2%</b>
		Environmental sustainability	50	15.6%
		Events and Arts Activities	42	13.1%
		<b>Housing</b>	<b>135</b>	<b>42.1%</b>
		Local Economic Development and Employment	111	34.6%
		<b>Maintenance of the Landscape and Environment</b>	<b>148</b>	<b>46.1%</b>
	Waste and Recycling	98	30.5%	

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		Welfare and Financial Support	80	24.9%
Q4 (320)	<b>Do you agree that the Council should reinvest in technology in order to make services more secure, effective and efficient and to be digital by default?</b>	Strongly agree	74	23.1%
		Agree	116	36.3%
		Neither agree nor disagree	87	27.2%
		Disagree	36	11.3%
		Strongly disagree	7	2.2%
Q5 (321)	<b>Do you agree that the Council should invest in economic development in order to support local businesses, support start-ups and prioritise local skills?</b>	Strongly agree	88	27.4%
		Agree	159	49.5%
		Neither agree nor disagree	57	17.8%
		Disagree	13	4.0%
		Strongly disagree	4	1.2%
Q6 (321)	<b>Do you agree that the Council should be investing in events e.g. Christmas lights?</b>	Strongly agree	45	14.0%
		Agree	124	38.6%
		Neither agree nor disagree	91	28.3%
		Disagree	47	14.6%
		Strongly disagree	14	4.4%
Q7 (320)	<b>Do you agree that the Council should invest more in our front-line services to cover increases in fuel and utility costs e.g. fleet and bereavement services?</b>	Strongly agree	52	16.3%
		Agree	153	47.8%
		Neither agree nor disagree	89	27.8%
		Disagree	22	6.9%
		Strongly disagree	4	1.3%
Q8 (320)	<b>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?</b>	Strongly agree	84	26.3%
		Agree	185	57.8%
		Neither agree nor disagree	41	12.8%
		Disagree	7	2.2%

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		Strongly disagree	3	0.9%
Q9 (321)	<b>Do you agree that the Council needs to involve young people more in decision making and local democracy?</b>	Strongly agree	74	23.1%
		Agree	137	42.7%
		Neither agree nor disagree	76	23.7%
		Disagree	31	9.7%
		Strongly disagree	3	0.9%
Q10 (320)	<b>Do you agree that the Council should invest in Rubicon (the company which provides leisure services for the Council e.g. Abbey Stadium and Arrow Valley Countryside Centre) in order to deliver better services for the community, increase income and ultimately reduce costs for the Council?</b>	Strongly agree	76	23.8%
		Agree	155	48.4%
		Neither agree nor disagree	52	16.3%
		Disagree	25	7.8%
		Strongly disagree	12	3.8%
Q11 (320)	<b>Do you agree that the Council should invest in greater data and systems support in order to improve services and decision making?</b>	Strongly agree	45	14.1%
		Agree	122	38.1%
		Neither agree nor disagree	110	34.4%
		Disagree	33	10.3%
		Strongly disagree	10	3.1%
Q12 (321)	<b>Do you support fees and charges (such as hire costs) rising by 4% to keep them in line with inflation and rising staffing costs?</b>	Strongly agree	44	13.7%
		Agree	109	34.0%
		Neither agree nor disagree	71	22.1%
		Disagree	61	19.0%
		Strongly disagree	36	11.2%



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Q13	<b>In order to maintain services, what level of increase to Redditch Borough Council's proportion of Council Tax do you support?</b>			
Q13a (266)	<b>Increase of 1.99%</b>	Agree strongly	72	27.1%
		Agree	92	34.6%
		Neither agree nor disagree	46	17.3%
		Disagree	25	9.4%
		Disagree strongly	31	11.7%
Q13b (246)	<b>Increase of 2.99%</b>	Agree strongly	45	18.3%
		Agree	48	19.5%
		Neither agree nor disagree	28	11.4%
		Disagree	41	16.7%
		Disagree strongly	84	34.1%
Q14 (182)	<b>Please let us know your suggestions for investing in the Borough to increase prosperity and enhance appeal for residents and businesses alike.</b>	This was an open question and the comments will be analysed separately		
Q15 (132)	<b>Please let us know any other comments on the budget or ideas for reducing costs or increasing income to ensure Council services remain sustainable.</b>	This was an open question and the comments will be analysed separately		

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<u>About You</u>				
<p>Answering these questions is optional. Any answers are completely anonymous and confidential. The reason why we ask you these questions is so we can:</p> <ul style="list-style-type: none"> <li>- Make our council services open to everyone in the district</li> <li>- Treat everyone fairly and appropriately when they use our services</li> <li>- In consultations, make sure that we have views from all across the district</li> </ul> <p>The Equality Act 2010 makes these aims part of our legal duties. Your answers help us check that we have met the law and help improve our services.</p>				
Q16 (315)	<b>What is your current housing status?</b>	Owner	157	49.8%
		Mortgaged	87	27.6%
		Part rent/part buy	2	0.6%
		Private renting	14	4.4%
		Council tenant	40	12.7%
		Social housing	5	1.6%
		Living with relatives	4	1.3%
		Private renting	5	1.6%
		Other (please specify)	1	0.3%
Q17 (316)	<b>Which of the following best describes your age?</b>	16-19yrs	0	0.0%
		20-29yrs	6	1.9%
		30-39yrs	35	11.1%
		40-49yrs	47	14.9%
		50-59yrs	79	25.0%
		60-69yrs	58	18.4%
		70-79yrs	72	22.8%
		80+ years	13	4.1%
		Prefer not to say	6	1.9%
		Yes	105	33.2%

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Q18 (316)	<b>Do you have any long-standing health condition or disability?</b> (The Equality Act 2010 defines disability as 'a physical or mental impairment that has a substantial and long-term adverse effect on your ability to carry out normal day-to-day activities')	No	191	60.4%
		Prefer not to say	20	6.3%
Q19 (316)	<b>Which best describes your gender?</b>	Male	141	44.6%
		Female	157	49.7%
		Prefer not to say	13	4.1%
		Other (please specify)	5	1.6%
Q20 (315)	<b>Which best describes your ethnicity</b>	White English, Welsh, Scottish, Northern Irish, British	282	89.5%
		Any other White background	5	1.6%
		Mixed or Multiple ethnic groups	2	0.6%
		Asian or Asian British	4	1.3%
		Black, African, Caribbean or Black British Arab	0	0.0%
		Prefer not to say	20	6.3%
		Other ethnic group	2	0.6%
Q21 (316)	<b>Which best describes your religion or belief?</b>	Atheist	35	11.1%
		Buddhist	1	0.3%
		Christian	166	52.5%
		Humanist	3	0.9%
		Hindu	1	0.3%
		Jewish	0	0.0%
		Muslim	2	0.6%
		Pagan	1	0.3%
		Sikh	1	0.3%
		No religion/belief	79	25.0%
		Prefer not to say	23	7.3%

## REDDITCH BOROUGH COUNCIL

### EXECUTIVE COMMITTEE

4<sup>th</sup> February 2025

		Other (please specify)	4	1.3%
Q49 (314)	<b>Which of the following best describes your sexual orientation?</b>	Bisexual	11	3.5%
		Heterosexual	261	83.1%
		Lesbian or Gay	7	2.2%
		Prefer not to say	29	9.2%
		Other (please specify)	6	1.9%

**Executive  
2025**

**24<sup>th</sup> February**

**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



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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

**Redditch Borough Council**  
**Overview and Scrutiny Committee**  
**Annual Report**  
**2024 – 2025**



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## Chair's Foreword

It is my pleasure to introduce the Overview and Scrutiny Annual Report for 2024-25, which highlights the work undertaken by the Committee over the past year. This report reflects the Committee's role in ensuring transparency, accountability, and constructive challenge within Redditch Borough Council's decision-making process.

Over the past year, the Committee has undertaken detailed scrutiny of key local issues, including post-16 education provision, fly tipping and bulky waste services, and the closure of Hillcrest Ward. We have also pre-scrutinised significant policies, such as the Carbon Reduction Strategy, housing initiatives, and budget planning, ensuring that decisions are robust and well-informed. Through task groups and working groups, we have examined long-term challenges and sought to influence policy in a way that benefits residents.

Scrutiny works best when it is collaborative and fully engaged, and I want to thank all Committee Members for their dedication and willingness to contribute. However, for scrutiny to be truly effective, it requires open discussion, constructive challenge, and independent thinking. As Chair, I encourage all Members to take an active role in debate, voice their perspectives, and ensure that scrutiny continues to be a driving force for positive change. The Committee is a vital space where decisions can be tested, policies shaped, and accountability strengthened—its impact depends on the commitment of all involved.

Looking forward, the Committee will continue to play a vital role in holding decision-makers to account, shaping policies, and ensuring that the services delivered meet the needs of our community. I encourage all Councillors and residents to take an active interest in the scrutiny process, as it is a key part of good governance and democratic accountability.

Councillor Matt Dormer  
Chair, Overview and Scrutiny Committee  
Redditch Borough Council

This annual report outlines the work undertaken by Redditch Borough Council's Overview and Scrutiny Committee in the 2024 – 2025 municipal year.

## The Role of Overview and Scrutiny

The role of overview and scrutiny is an important one in the Council's governance structure, providing challenge and driving improvement. It is often referred to as the "critical friend" of the Council and can review any issues of concern or interest to local residents.

The Overview and Scrutiny Committee has a number of roles within the Council. These include:

- Holding the Executive Committee to account by scrutinising their decisions, either by:
  - 'calling-in' decisions after they have been made by the Executive Committee, requesting that the original decision is reviewed (only used in exceptional circumstances as there has to be a substantial legal/procedural reason before this procedure can be activated);
  - pre-scrutinising items prior to a decision being made on them by the Executive Committee.
- Acting as a 'critical friend' to the Executive Committee by reviewing Council policies and strategies, making recommendations where appropriate.
- Performance and financial monitoring, to ensure the Council's services are sustainable and delivered to the highest possible standard.
- Commissioning reviews of services/topics that impact on the Council or on the lives of Redditch residents.
- Setting up Task Groups to focus on specific subjects and recommend ways to improve existing practices within the Council and community as a whole.

The Council's scrutiny scoping form, which should be submitted before Overview and Scrutiny for their agreement prior to the Task Group being set up, can be found at Appendix A.

## Membership

The Committee appoints individual Members at the Annual Council meeting to oversee the work of Overview and Scrutiny. Membership in 2024/25 is as follows:



Cllr Matthew Dormer (Chair)



Cllr Craig Warhurst (Vice-Chair)



Cllr William Boyd



Cllr Andrew Fry



Cllr Joanna Kane



Cllr Sachin Mathur



Cllr David Munro



Cllr Rita Rogers



Cllr Paul Wren  
(from Nov 2024)



Cllr Claire Davies  
(May – Oct 2024)

## Activities and Outcomes in 2024-25

The Overview and Scrutiny Committee held a scrutiny training and work programme planning session at the start of the municipal year in June 2024. This session was held at the Oakenshaw Community Centre and provided an opportunity for both existing and new Members of the Committee to understand the importance of the scrutiny process and the function of the Committee. During the session, topics of interest were identified for the Overview and Scrutiny Committee to consider throughout the 2024/25 municipal year. These 'overview' items were chosen based on what Members identified as concerns expressed by residents in the Borough.

These topics have been considered in various forms as part of the Committee's work programme. In addition, the Committee has scrutinised items from the Executive's Work Programme (pre-scrutiny items). Lastly, Overview and Scrutiny has been carrying out two task group investigations, into post-16 education in Redditch and fly tipping and bulky waste.

### Live Streaming / Remote Meetings

Although all meetings of Overview and Scrutiny are held in person, there continues to be an option for officers to attend meetings remotely (on Microsoft Teams) to present reports to the Committee – this is dependent on agreement of the Chair of Overview and Scrutiny Committee on a case-by-case basis. The public can also request a link to attend meetings remotely. They can do this by contacting democratic (committee) services – contact information are provided on each agenda and are also available on the Council's website.

Meetings of Overview and Scrutiny continue to be live streamed where a significant local interest has been identified in the items on the meeting's agenda. Other meetings of Overview and Scrutiny are not live streamed. Meetings of scrutiny Task Groups and Working Groups continue to be held remotely; these meetings are private and not available to the public.

### Recommendations submitted to the Executive Committee

Overview and Scrutiny Committee monitors the impact of all recommendations it makes to the Executive Committee. A summary of reports considered by Overview and Scrutiny and its sub-groups to date is given in the "[Summary of Overview and Scrutiny Meetings](#)" section.

Recommendations from Budget Scrutiny and Performance Scrutiny (details of these given in a section below) are also submitted to the Executive via Overview and Scrutiny Committee. This municipal year so far there had been three recommendations made to the Executive, of which one has been accepted, one accepted in part, and one rejected. These are shown in the relevant parts of the "[Summary of Overview and Scrutiny Meetings](#)" section.

### Pre-Scrutiny of Executive Reports by Overview and Scrutiny Committee

To date in 2024-25, the Overview and Scrutiny Committee has pre-scrutinised the following Executive Committee items:

- Productivity Plans (8<sup>th</sup> July)
- Update Report on the Town Hall Hub (25<sup>th</sup> July)
- Award of a Contract to Upgrade the Town Hall and Update on Towns Fund (29<sup>th</sup> August)
- Shopmobility Future Options (2<sup>nd</sup> September)
- Contaminated Land Inspection Strategy (14<sup>th</sup> October)
- Carbon Reduction Strategy and Implementation Plan Annual Review (25<sup>th</sup> November)
- Independent Remuneration Panel Recommendations (13<sup>th</sup> January 2025)
- Damp and Mould Additional Resources (13<sup>th</sup> January)
- Food Waste Business Case and Associated Waste Related Issues (13<sup>th</sup> January)
- Housing Ombudsman's Findings Report (13<sup>th</sup> January)

### Overview items considered by Overview and Scrutiny Committee

In addition to pre-scrutiny of the Executive Committee Work Programme items, the following 'overview' items of consideration have been considered at meetings of Overview and Scrutiny to date:

- Overview and Scrutiny Training Event – Consideration of Items Suitable for Scrutiny (8<sup>th</sup> July)
- Motion on Notice Concerning Acute Mental Health Services – Referral from Council (2<sup>nd</sup> September)
- Proposed Reconfiguration of Adult Mental Health Inpatient and Rehabilitation Services and Closure of Hillcrest Ward in Redditch (14<sup>th</sup> October)
- Health Inequalities – Review of Previous Discussions by Redditch Councillors (25<sup>th</sup> November)
- Redditch Borough Play Audit and Investment Strategy – Update Report (13<sup>th</sup> January 2025)

Portfolio Holders for the relevant reports are invited to each meeting of the Committee in order to answer questions and to feed back to the Executive Committee on the comments raised by the Overview and Scrutiny Members as well as any recommendations.

### Crime and Disorder Scrutiny Panel

Membership: Councillor Craig Warhurst (Chair) and Councillors Claire Davies, Andy Fry, Joanna Kane, and Rita Rogers

Local authorities are required to have a committee designated with responsibility of reviewing and scrutinising the work of the local Crime and Disorder Reduction Partnership. In Redditch this role is undertaken by the Crime and Disorder Scrutiny Panel, which is a permanent sub-committee of the Overview and Scrutiny Committee. The Panel is responsible for holding the North Worcestershire Community Safety Partnership (NWCSP) to account for its work in Redditch.

This year the Crime and Disorder Scrutiny Panel met on 3<sup>rd</sup> December 2024. At the meeting, Members received an update in respect of the work of the Partnership in the Borough. This included a report outlining the role of the NWCSP and its updated priorities from 2024 and an update on community safety programmes and schemes delivered by NWCSP from March to November 2024. Information was also provided in respect of tools and powers used to tackle Anti-Social Behaviour and the work undertaken by the Community Safety Team in order to carry out one of the priorities of the NWCSP.

### Working Groups

The Overview and Scrutiny Committee has two permanent scrutiny working groups (sub-groups), the Budget Scrutiny Working Group, and the Performance Scrutiny Working Group.

#### Budget Scrutiny Working Group

Membership: Councillor Craig Warhurst (Chair) and Councillors Matthew Dormer, Chris Holz, Joanna Kane, and David Munro

The Budget Scrutiny Working Group has held 4 meetings so far in 2024-25 with 3 more meetings scheduled to take place. To date, the Group has pre-scrutinised the following finance and budget-related Executive reports:

- Combined Financial Outturn and Q4 Revenue Monitoring 2023-24 (5<sup>th</sup> July 2024)
- Q4 Performance Monitoring Report (5<sup>th</sup> July)
- Q1 Revenue and Performance Monitoring Report (30<sup>th</sup> August)
- Financial Recovery Programme Update (30<sup>th</sup> August)
- Q2 Revenue and Performance Monitoring 2024/25 (21<sup>st</sup> November)
- Medium Term Financial Plan – Tranche 1 Budget including Fees and Charges (prior to consultation) (21<sup>st</sup> November)
- Council Tax Base 2025-26 (9<sup>th</sup> January 2025)
- Final Council Tax Support Scheme 2025-26 (9<sup>th</sup> January)

- Housing Revenue Account (HRA) Rent Setting 2025-26 (9<sup>th</sup> January)
- Medium Term Financial Plan 2024-25 to 2026-27 – Tranche 1 (following consultation) (9<sup>th</sup> January)

The outcomes of discussions at Budget Scrutiny are relayed to Overview and Scrutiny Members through updates provided by the Chair of Budget Scrutiny at each meeting of Overview and Scrutiny Committee.

#### Performance Scrutiny Working Group

Membership: Councillor Craig Warhurst (Chair) and Councillors Matthew Dormer, Chris Holz, Joanna Kane, and Rita Rogers

The Performance Scrutiny Working Group (a sub-group of Overview and Scrutiny looking at performance across council service areas) has held 4 meetings to date in the municipal year 2024/25. It looked at 'overview' topics chosen by Members of the Group to date in 2024/25, and has not looked at any Executive Committee reports. The topics discussed by the Group were:

- Demonstration of the Council's Performance Measures Dashboard (16<sup>th</sup> July)
- Place Team operational update with focus on Upkeep of Verges (16<sup>th</sup> October)
- Place Team operational update with focus on Street Cleansing (18<sup>th</sup> December)
- Tree Team operational update with focus on Tree Management (8<sup>th</sup> January 2025)

The outcomes of discussions at Performance Scrutiny are relayed to Overview and Scrutiny Members through updates provided by the Chair of Budget Scrutiny at each meeting of Overview and Scrutiny Committee.

#### Task Groups Established by Overview and Scrutiny

Task Groups are established by the Overview and Scrutiny Committee in order to conduct an in-depth review of any service, policy or issue that affects the Borough. During the 2024-25 municipal year, one Task Group review has been launched and one review is due to be finalised by spring 2025.

#### Fly Tipping and Bulky Waste Task Group

Membership: Councillor Matthew Dormer (Chair), and Councillors William Boyd, Brandon Clayton, and Gary Slim

This Task Group review carried on from the 2023-24 municipal year. Among the main aims of the review, as stated in the Council motion of November 2022, is to consider the costs, consequences, and benefits of a pre-booked, free household bulky waste



collection service for those Redditch residents who are low paid, elderly, disabled or in receipt of benefits.

Before the commencement of this review in the 2023/24 municipal year, the Overview and Scrutiny Committee received a detailed presentation on fly tipping and bulky waste collections (2<sup>nd</sup> February 2023). The presentation enabled Members to better understand the Council's current position on these issues.

The first meeting of the Task Group took place on 24<sup>th</sup> October 2023. There were five meetings of the Task Group in 2023/24 with a further two meetings held over the current municipal year 2024/25 with the current members in place.

The Task Group is due to submit its final report to the Overview and Scrutiny Committee in March 2025.

#### Post-16 Education Task Group

Membership: Councillor Craig Warhurst (Chair) and Councillors William Boyd, Matthew Dormer, Sachin Mathur, and Paul Wren

This Task Group was launched in October 2024 municipal year, with the aim of reviewing the range of post-16 education provision in Redditch, focusing on what vocational courses for post-16 learners are available in the Borough.

The Task Group has also decided to focus on how colleges, training providers and businesses in Redditch can work to ensure that post-16 courses can deliver better employability opportunities for people of Redditch and that skill-sets are developed through courses that match the needs of employers in the Redditch area.

The Group has met three times to date, holding discussions with stakeholders including the Herefordshire and Worcestershire Chamber of Commerce, the Local Enterprise Partnership, Worcestershire County Council, Heart of Worcestershire College and the West Midlands Combined Authority.

The Group is expected to submit its final report and recommendations in April 2025 or at the start of next municipal year.

#### Speeding and Road Safety Task Group

The Committee agreed to establish this Task Group at its meeting on 3<sup>rd</sup> February 2022. On 1<sup>st</sup> December 2022, the Committee agreed to prioritise the undertaking of Fly Tipping and Bulky Waste Task Group. Following the conclusion of that Task Group, the Committee will be asked to decide if this Task Group remains necessary.



### Health Inequalities in Redditch

The Committee agreed to establish this Task Group at its meeting on 5<sup>th</sup> September 2022. At the meeting on 25<sup>th</sup> November 2024, the Committee agreed to receive a briefing note on the issue, produced in partnership with public health consultants at Worcestershire County Council, before deciding further on whether a review is necessary.

### External Scrutiny Bodies

The Council's representatives on external scrutiny bodies have provided regular updates to Overview and Scrutiny Committee on the work undertaken by these regional bodies.

### West Midlands Combined Authority (WMCA) Overview and Scrutiny Committee – Council representative, Councillor Joanna Kane

During the year Councillor Kane provided written and verbal updates on the work of this WMCA committee that were of relevance to Redditch. During those updates, the importance of WMCA as a regional partner for Redditch Borough Council (the Council was a non-constituent member) was underlined as well as the lessons that could be learned from WMCA in terms of applying best practice in areas such as public works. The WMCA was also highlighted as an example of devolution to regional areas that may be followed by two-tier county areas such as Worcestershire in the near future.

### Worcestershire Health Overview and Scrutiny Committee (HOSC) – Council Representative, Councillor David Munro

The Committee had received regular updates from Councillor Munro about the work of the Worcestershire Health Overview and Scrutiny Committee (HOSC), highlighting matters pertinent to the Borough, for example relating to health inequalities and health provision facilities within Redditch. Some of the issues highlighted through the updates have been discussed as agenda items at separate agenda items at meetings of Overview and Scrutiny Committee, for example:

- Proposed reconfiguration of adult mental health inpatient and rehabilitation services and closure of Hillcrest ward in Redditch
- Health inequalities in Redditch and plans to address these inequalities in Redditch by Worcestershire County Council's Public Health through targeted initiatives.

The updates provided useful information of the scrutiny undertaken at the county and regional level that were of relevance to Redditch. The Committee was thankful for the time taken by Councillors Kane and Munro to prepare these updates.

## Progress update on Key Topics discussed by Committee

This section provides short updates on the progress in some key areas looked at by the Committee during this municipal year to date.

### Performance Measures Dashboard

The Corporate Dashboard is being developed for Redditch Council using an interactive data visualisation and business intelligence software, Microsoft PowerBI. Demonstration of the system, including progress in the development of measures, was provided to Members of Performance Scrutiny Working Group in July 2024. The aim of the project is to have a full set of strategic performance measures, organised by department, available for public view on the Council's website. Currently, Members are updated on Council's performance via quarterly finance and performance monitoring reports that are reported to Executive Committee (and scrutinised by Budget Scrutiny Working Group). These reports are publicly available.

### Towns Deal Programme

The Town Deal Programme includes the Redditch Digital Manufacturing Centre (DMIC), and development of Redditch Public Realm. Following the cancellation of the Library project, a Project Adjustment Request (PAR) has been submitted to Ministry of Housing, Communities and Local Government (MHCLG) in order to utilise the £4.2m underspend. The proposal is to spend the majority of this funding (£3.963m) on the development of the DMIC in order to enlarge the building and thereby significantly improve the operational business model, alongside increased business support benefits. As part of the PAR process, an extension has been requested for completion of the DMIC to the end of March 2027. The Public Realm works are scheduled for completion by the end of March 2026. £263k from the library underspend will be used to contribute to the completion of this project. We have worked closely with MHCLG who are supportive of the proposal to utilise the underspend resulting from the cancellation of the library project in this way and a formal decision is expected before the end of February 2025.

### Street Cleansing and Tree Maintenance

The council has a very willing and able group of workers within both the tree and place teams, and, in many ways, what was needed was a fresh look at all aspects of the council existing processes. In the last 6 months, with a new management team in place, several developmental adaptations and overall improvements to both the street cleansing and the tree management process have been implemented.

For the street cleansing these include the final phasing in of Abavus, our environmental management software, to enable a swifter management of sweeper routes an increase in training of suitable drivers , a push on working in partnership with Worcestershire Regulatory Services (WRS) to tackle fly-tipping, a better use of communications starting with improving updates with elected members and the investment in modern much more effective sweepers to meet the growing demand on the teams.

For tree management, developments have been undertaken which include a new tree management policy, a new Ash Dieback Strategy, work towards a Tree Protection Order (TPO) tree pack which will include guides on how to create a new TPO, how to

manage an existing TPO and a definition for Councillors and public awareness and communications.

Furthermore, the council was working towards a new tree planting strategy, the completion of a new procurement process to set up a range of contractors for larger tree works and a sub section set aside specifically for Ash Dieback works, and improved communications around any tree management works to include a wider catchment area. For those works there would be notifications within the specific community, increased social media, QR codes directing visitors back to the website with explanations around diseases, management techniques, forestry commission approvals etcetera.

A new tree management software package is in phase 2 of development which will map all trees with species, locations and status that will feed into the tree planting strategy.

#### Updates on other key topics

Updates on some other key topics, such as Town Hall hub, are provided regularly through reporting at main Committee meetings and correspondence with Members in between regular meetings of the Committee. Members of Overview and Scrutiny have designated for written updates to be provided directly to Members on some topics, such as the actions Council was taking to decarbonise the Council's capital scheme programmes.

## Summary of Overview and Scrutiny Meetings

The section below provides a summary of the main items considered at each meeting of the Overview and Scrutiny Committee in 2024-25 to date. Further information on the agendas and minutes from these meetings can be found using the link below:

[Overview and Scrutiny Committee Meetings - 2024-2025](#)

### 8<sup>th</sup> July 2024

#### Productivity Plans – Pre-Decision Scrutiny

A report on Productivity Plan, which showed how the Council had improved productivity to date and how it planned to improve productivity in the future, was presented for Members' consideration. It was stated that the Productivity Plan before Members would need to be submitted to the Department for Levelling Up, Housing and Communities – now Ministry of Housing, Communities and Local Government (MHCLG) – and published on the Council's website by 19th July 2024 and would assist Government in understanding what worked well across local government sector as well as identify any gaps.

Following discussion, Members endorsed the recommendation as printed in the report to the Executive Committee.

#### Overview and Scrutiny Training Event – Consideration of Items Suitable for Scrutiny

The Committee considered items of business discussed at the Overview and Scrutiny training session in June 2024 that would be suitable for scrutiny at meetings of the Committee in the 2024-25 municipal year.

The following items were selected as suitable for scrutiny, either at meetings of Overview and Scrutiny, or in alternative formats (stated in brackets):

- Modelling financial implications of various decisions relating to Redditch Library
- Decarbonisation of the Council's Capital Programme (written update to be circulated to Members)
- Play and Parks Provision
- Review of Health Inequalities – revisiting previous discussions by Redditch Members
- Parking Enforcement – Management of Contract (Executive report on this to be pre-scrutinised when it becomes available)
- Road maintenance and cleanliness (to be considered by the Performance Scrutiny Working Group)
- Upkeep of verges (to be considered by the Performance Scrutiny Working Group)

- Pension fund investments: strategies for divestment from carbon-intensive investments (Approach the Chairman of Pensions Investment Sub-Committee at Worcestershire County Council for a briefing paper on the current position)

During consideration of this item, a recommendation was proposed as follows:

*RECOMMENDED that*

*the Executive Committee further review the Council's constitution with a further check on policy to enable past Executive Members to participate in Overview and Scrutiny when they were previously involved in Executive decisions.*

The Executive considered this recommendation at its meeting on 9<sup>th</sup> July 2024 (Minute No. 11 refers). The Executive had received legal advice from the Council's Principal Solicitor for Governance and the Centre for Governance and Scrutiny (CfGS) in respect of this recommendation. Following discussion of the advice that had been offered, the Executive Committee rejected the above recommendation.

## 25<sup>th</sup> July 2024

### Update Report on the Town Hall Hub - Pre-Scrutiny

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

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

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

need to write off as revenue expenditure amounts that had already been spent on the existing design to allow the library and their subtenant to move into the building, which were presently capital in nature.

Discussions had been held with the former Department for Levelling Up, Housing and Communities (DLUHC) about the options available to the Council moving forward in terms of using Town's Funding previously allocated to Redditch for the project. The Council had been advised about the following options if the Council were not to proceed with the library relocation:

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

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

Members debated this item in detail. A motion was proposed to not endorse the recommendations as printed in the report based on there being too great a risk with the Town Hall hub programme if Redditch Library did not move into the community hub. In supporting this motion, it was commented that there were too many risks and uncertainties associated with the revised proposals for the Town Hall hub project, including the need to undertake detailed negotiations with the Towns Deal Board and the potential considerable funding gap.

On being put to the vote, the above motion was lost.

The motion proposed to endorse the recommendations as printed in the report was put to the vote and agreed.

## **29<sup>th</sup> August 2024**

### Award of a Contract to Upgrade the Town Hall and Update on Towns Fund – Pre-Scrutiny

The Committee was advised that, following the Executive Committee's decision to endorse the proposals detailed in the previous report on the subject of the Town Hall Hub, which had been considered in July 2024, Officers had completed a number of actions. This had included notifying Worcestershire County Council that the library would no longer be moving into the Town Hall Hub.

A significant portion of the Towns Funding that had been allocated to Redditch had been due to be allocated to the move of the library into the Town Hall. As this would no longer be happening, alternative potential uses of that funding needed to be considered. A number of options had been considered and use of a portion of the funds on public realm works had been identified as a potential suitable route forward. As part of this process, Members were asked to note that up to 20 per cent of the Towns Funding could be allocated to public realm works without the need for further Government approval.

Other options that had been suggested by the former Department of Levelling Up, Housing and Communities (DLUHC) had been:

- To invest the £4.2 million funding in the Digital Manufacturing and Innovation Centre (DMIC).
- To invest in a building that would result in similar outputs to those that had been intended when the library had been due to move into the Town Hall Hub.

The Towns Board was in the process of considering the available options. Members were represented on this Board by Councillor Bill Hartnett. Consideration was being given to requesting an extension for use of the funding and the MP for Redditch was liaising with DLUHC in respect of this matter.

Following a detailed debate, Members considered and voted on each of the recommendations detailed in the report in turn. Whilst discussing these recommendations, an alteration was proposed to the wording of the fourth recommendation detailed in the report. This alteration was proposed as follows:

*“Members continue to note and approve the consequential risks associated with the revised proposals detailed within the report, subject to more action being taken to mitigate those risks.”*

On being put to the vote, the alteration was defeated.

The recommendations as printed in the report were then considered and on being put to the vote agreed.

## **2<sup>nd</sup> September 2024**

### Motion on Notice Concerning Acute Mental Health Services – Referral from Council

The following referral from Council to Overview and Scrutiny Committee was considered: “That the Council asks Herefordshire and Worcestershire Health and Care

NHS Trust to reconsider the proposed closure of Hillcrest Ward in Redditch and the consequential transfer of all adult mental health inpatient treatment to the Elgar Unit at the Worcester Royal Acute Hospital site.”

When this Motion was discussed at the Council meeting on 29<sup>th</sup> July 2024, the following was added to the start of the Motion:

“Council asks the Overview and Scrutiny Committee to scrutinise the proposals for Reconfiguration of Adult Mental Health Inpatient and Rehabilitation services.”

At the invitation of the Chairman, Councillor Munro explained that he had proposed the Motion on Notice, following his attendance at the Worcestershire HOSC meeting held on 8<sup>th</sup> May 2024, whereby discussions as detailed in the preamble above had taken place.

Councillor Munro stated that questions needed to be asked as to what was happening / going to happen. Had the decision already been made to close Hill Crest Ward, which was another erosion of services in the Borough. The nearest adult mental health services would be in Worcester or Hereford. A recent Care Quality Commission (CQC) review of mental health services was quite damaging. The Council had no statutory powers to compel health bodies to attend meetings in order to provide evidence or to consider any recommendations the Council may make. However, questions needed to be asked and residents of Redditch needed to be reassured that the Council would be asking questions, as follows:-

- Suitability of the building. Were there structural issues with the building?
- Was only the secure acute inpatient services closing?
- Would outpatient services be retained at Hill Crest Ward?
- Would Community Mental Health Services continue?
- What acute adult mental health services would be provided for the residents of Redditch, who used or needed to access services?
- Were there staffing issues at Hill Crest Ward?
- How would future Adult Mental Health Inpatient and Rehabilitation Services look / be funded for Redditch?
- Where would the nearest secure facility be located for anyone sectioned under the Mental Health Act 1983?

Whilst Members acknowledged that service delivery and organisational arrangements for the NHS Acute Health Trusts were out of the Council's remit, Members agreed that questions should be asked; and that further information was needed. Members were of the opinion that no real consultation had taken place and people should be held accountable for reducing / cutting services in the Borough without any consultation.



Members were in agreement that the quickest way to achieve answers would be to invite the Chair of Worcestershire HOSC and the relevant representative(s) from Hereford and Worcestershire Health and Care NHS Trust to a meeting of the Overview and Scrutiny Committee; with regards to questions being asked on the future of Adult Mental Health Inpatient and Rehabilitation Services for the Borough.

*RESOLVED that*

*the Overview and Scrutiny Committee investigate the subject of the reconfiguration of Adult Mental Health Inpatient and Rehabilitation Services Redditch, and the closure of Hill Crest Ward, by inviting the Chairman of Worcestershire HOSC and the relevant representative from Hereford and Worcestershire Health and Care NHS Trust to attend a meeting with Members of the Overview and Scrutiny Committee; for the reasons as detailed in the preamble above.*

#### Shopmobility Future Options – Pre-Scrutiny

The report was presented and the Committee was informed that the Redditch Shopmobility Service customer visits had declined since Covid-19 and had never fully returned to the 15,000 customer visits each year that the service used to have; the customer visits now were approximately 3,000 per year.

Members' attention was drawn to the 5 possible future operating models for the service, that Officers had considered; with a 6<sup>th</sup> option of no longer providing the service, as detailed on pages 8 and 9 of the additional papers 1 agenda pack. The Vice-Chair commented that the opportunity to move the control of the service to Kingfisher Shopping Centre had been considered quite a while ago, why was this not Option 1 now?

The Assistant Director Community and Housing Services referred to Option 4 – The service was to transition to Kingfisher Shopping Centre and the one-off cost implications, of £54,000, to transfer the service. To move the service to a retail unit provided the opportunity to promote and expand the service. The other risk associated would be that the Council would lose control of the service and that Kingfisher Shopping Centre could decide that they did not want the service. The Vice-Chair queried as to where was the public consultation, and that only 83 people had completed the survey, which was not deemed to be a public consultation. With regards to the survey, 69% of respondents said maybe or no, when asked 'If the location of Redditch Shopmobility was to move to be within the Kingfisher Centre, would this help make the service more accessible?'.

Members referred to the cost implications, as detailed in the report, of moving the service to a retail unit within the Kingfisher Shopping Centre, as follows: -

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

In comparison the report showed that Kingfisher Shopping Centre would require the Council to purchase 5 new scooters, this would equate to a one-off cost to the Council of £54,000 if the service were to transition to Kingfisher Shopping Centre; as detailed in Option 4 (page 9 of the additional papers 1 agenda pack).

Following a debate the Vice-Chair proposed an Alternative Recommendation in that Members considered Option 4 - The service was to transition to Kingfisher Shopping Centre; this was seconded by the Chair.

On being put to the vote, the Alternative Recommendation was lost.

The recommendations as printed in the report were then considered and on being put to the vote it was agreed that Option 3 – To move to a site within the Kingfisher Retail Unit – 9 George Walk – be recommended to the Executive. It was therefore recommended that:

- 1) Redditch Borough Council provide the Shopmobility service from a rented retail unit within the Kingfisher Centre as set out as Option 3 in the report; and
- 2) The caveats / conditions as detailed in the preamble above, be included.
- 3) The additional costs of £46,835 the Shopmobility Service in 2024/25 are met from balances; and
- 4) The ongoing position be integrated with the Medium-Term Financial Plan (MTFP) 2025/26 process to reflect the additional ongoing costs of £28,835 thereafter.

At the meeting of Executive Committee, on 3<sup>rd</sup> September 2024, these recommendations were accepted (Minute No. 33 refers).

## 14<sup>th</sup> October 2024

### Contaminated Land Inspection Strategy – Pre-Scrutiny

It was noted, however, that the Redditch Borough review was the first area to undertake such a review due to the number of contaminated land sites within the Borough.

During the presentation of the report the following was highlighted:

- Part 2A of the Environmental Protection Act 1990 placed a duty on local authorities to review and assess risks through the contaminated land regime.

On occasions, local authorities could cause their area to be inspected in order to ensure that this regime was being adhered to. The term 'Contaminated Land' covered a range of sites including petrol stations, factories, depots and launderettes. The presence of a harmful substance did not mean that land would meet the definition of "contaminated land". However, it was reported that a very high bar must be met in order to deem it as not contaminated.

- Statutory guidance stated that action under contaminated land legislation should only be used when there was no other appropriate alternative. These included the planning and development control processes, as well as voluntary action taken by landowners to minimise the unnecessary burdens placed on taxpayers, businesses, and individuals.
- The new strategy had been amended in order to reflect the gradual reduction and withdrawal of central Government funding for Local Authority contaminated land work. It also outlined the inspection process, and the methodology applied.
- The strategy did not change the statutory responsibilities, and local authorities still had to adhere to the current statutory guidance.
- There were nine thousand three hundred contaminated land sites across Worcestershire and seven hundred and fifty of these were located in Redditch. This would necessitate a large number of inspections and investigations being carried out.

The recommendations as submitted in the report to Executive were endorsed.

#### Proposed Reconfiguration of Adult Mental Health Inpatient and Rehabilitation Services and Closure of Hillcrest Ward in Redditch

Following on from the resolution agreed at the 2<sup>nd</sup> of September 2024 meeting, the Chairman of Worcestershire Health Overview and Scrutiny Committee (HOSC) and the representative from Herefordshire and Worcestershire Health and Care NHS Trust (H&W NHS Trust) have attended the meeting for this item to discuss the subject of the reconfiguration of Adult Mental Health Inpatient and Rehabilitation Services, Redditch, and the closure of Hill Crest Ward.

The HOSC Chairman explained that the Worcestershire County Council's Health Overview and Scrutiny (HOSC) was the only committee within Worcestershire which the different NHS organisations were required by law to consult when any changes to health services were planned. HOSC could request the relevant health professionals to attend its meetings to explain the change of service. It was reported that in relation to the topics of the reconfiguration of Adult Mental Health Inpatient and Rehabilitation Services, Redditch, and the closure of Hill Crest Ward, health professionals have appeared before HOSC on a number of occasions.

It was noted that the Hill Crest Mental Health ward was for acute care designed to admit people experiencing mental health difficulties, including patients detained under the Mental Health Act, for a period not exceeding one month.

The Trust's Director of Nursing provided background information into the situation at Hill Crest ward. The Trust's Director Strategy and Partnerships explained that in light of inherent building and staffing layout challenges at Hill Crest, it was proposed to relocate the acute mental health unit to a vacant Athlon Ward located on Elgar Unit on the Worcestershire Royal Hospital site. This was deemed the most effective and safest option as the Athlon ward was well designed and able to be adapted to most modern standards. The remaining acute mental health beds in Worcestershire were also located at the Worcestershire Royal Hospital site, and the Athlon ward was located next to a psychiatric intensive care unit, which provided additional back-up staff support when required.

It was highlighted that acute mental health provision at Hill Crest was a county-wide service and there were people from across the county accessing Hill Crest the unit. From October 2023 to the end of September 2024, 144 individuals had been admitted to the Hill Crest ward, of which 39 were Worcester residents at the time of admission, 24 from Redditch Borough, and 14 from Herefordshire. It was reiterated that the advantages of putting all beds into one campus area were that of safety and the ability to respond to emergency situations. It was highlighted that local mental health provision remained unaffected as a result of this change. Community, children and adolescent mental health provision would remain in Redditch, with mental health crisis team operating from the Town Hall.

Following a detailed debate of this item by Members, the Committee thanked the NHS officers for attending the meeting and asked that an update be provided on the repurposing of the space vacated at Hill Crest when this became available.

#### Post-16 Education Task Group

The Terms of Reference for this Task Group were agreed by the Committee.

## **25<sup>th</sup> November 2024**

#### Carbon Reduction Strategy and Implementation Plan Annual Review – Pre-Scrutiny

The Carbon Reduction Strategy was introduced two years' previously. At the time the strategy was introduced, Members had agreed that progress should be monitored on an annual basis and that a new strategy should be presented every three years. The new strategy was due to be introduced in 2025-26.

During the presentation, the recent actions and updates from the review of the Carbon Reduction Implementation Plan were covered in detail with information highlighted including on the use of low carbon fuels (HVO) by the Council's fleet, works to improve the energy efficiency of Council's housing stock, and works on introducing electric vehicle charging points in the Borough.

Members then held a discussion around matters such as helping businesses across the Borough adopt cleaner technologies, recycling rates, and locations and timescales for installation of electric charging stations across the Borough.

The recommendation as contained in the report to the Executive was endorsed by the Committee.

#### Health Inequalities – Review of Previous Discussions by Redditch Councillors

A report on the previous decisions of Overview and Scrutiny with respect to Health Inequalities Task Group was presented to Members.

During discussion, the Council's Representative on the Worcestershire County Council's Health Overview and Scrutiny Committee (HOSC) reported that the County Council's Public Health was investigating the possibility of delivering intensive small area community development in areas (LSOAs) suffering from high health inequality, including those in Redditch. This would begin with exploration of key causes of poor health outcomes in those areas and would involve work with a number of agencies.

Some Members highlighted that the County Council was responsible for public health budget, and Borough Councillors ultimately had no decision-making role in how that budget was spent. The role of Borough Councillors was therefore to raise and highlight specific concerns that required funding intervention to the County Council. It was noted that there was a role of Borough Councillors in terms of advising the County Council's Public Health team about local groups in each of those areas and how any funding that might become available for health interventions may best be spent in those areas. A concern was raised in this regard by some Members about potential inequalities in funding provided by the County Council to Redditch, as compared with other parts of the county.

Overview and Scrutiny resolved that a briefing note on health inequalities in Redditch be provided, following consultation with Worcestershire County Council's Public Health team.

**13<sup>th</sup> January 2025**

### Independent Remuneration Panel Recommendations – Pre-Scrutiny

The Independent Remuneration Panel (IRP) report in respect of recommendations for Members' allowances for 2025-26 was presented. It was noted that the Council was required to consider the recommendations of the Panel, however, it was not obliged to agree with them. The Council could choose to implement the Panel's recommendations in full or in part, or not to accept them. It was noted that the IRP had recommended a basic allowance of £5,826 which represented a 5.58 per cent increase from its recommendation last year. However, since the Council did not accept last year's IRP recommendation concerning the basic allowance, the current proposal to the basic allowance would represent a 19.6 per cent increase, if approved.

During Members' discussion, it was noted that over the past 6-7 years there were some years when the Council had chosen not to increase the basic allowance in line with IRPs recommendation. And this year, as the IRP recommendation was not accepted last year, the percentage gap between the level of basic allowance set and the IRP recommendation for the next year had become larger.

During consideration of the item, a recommendation was proposed in respect of this item to the effect that the basic allowance and Special Responsibility Allowances (SRAs) should be increased approximately in line with the rate of inflation at the time of the Council making a decision on this matter for 2025-26. On being put to the vote, this recommendation was carried and it was:

*RECOMMENDED that the basic allowance and the special responsibility allowances (SRAs) should be increased by approximately the rate of inflation.*

The Executive Committee considered this recommendation at its meeting on 14<sup>th</sup> January 2025 and following consideration accepted in part the recommendation of the Overview and Scrutiny in that it recommended to Council that the current Basic Allowance should be increased by 2.9% for 2025-26 (approximately in line with inflation), whilst deciding to recommend that there should be no change to the current Special Responsibility Allowances in 2025-26.

The final decision on this matter is due to be made by full Council at its meeting on 27<sup>th</sup> January 2025 (after this Annual Report has been published).

### Damp and Mould Additional Resources – Pre-Scrutiny

The report was presented in respect of the additional resources proposed for the Council to deal with damp and mould issues in its capacity as a social housing provider.

The Council's Housing Property Services had made significant efforts to minimise the problem of damp and mould in council homes over the last few years acting with the

limited resources available. However, in light of the new legislation, the Council did not have sufficient resources to further improve its delivery of repair services and ensure action was compliant with the appropriate timescales set out in legislation. Accordingly, the report proposed that a dedicated “Damp and Mould” team be established to address the prevalent issue of mould and dampness in council homes and to ensure that the council could meet the challenging timescales to investigate and remedy issues that had been set out in Awaab’s Law.

The recommendations as contained in the Executive report submitted were endorsed. It was recommended that the contents of the Damp and Mould Business Case be approved and the Damp and Mould team be established. It was further recommended to Executive that they recommend to Council that £115,770 be released from the HRA budget for the financial year 2024/25 to cover the costs of the new team and that thereafter the costs summarized at paragraph 4.3 of the report of £463,078 be met from the Housing Revenue Account (HRA) budget.

#### Redditch Borough Play Audit and Investment Strategy Update Report

An update on progress in implementing the play audit and investment strategy proposals was provided to the Committee. Members were informed that the Play Audit and Investment Strategy was adopted on 9th January 2024, following consideration by both the Overview and Scrutiny and Executive Committees.

The play area locations where repair and refurbishment works were due to be carried out in 2025 and 2026 were outlined, as well as play area that was earmarked for creation and those that were marked for removal. It was highlighted that for areas where these actions were proposed, consultation with ward members and local community was scheduled. It was noted that decisions about locations of play areas and their ongoing suitability were carried out based on Redditch Play Accessibility Model, which considered accessibility (walking distance, safety of access) of play provision at local and neighbourhood levels across the Borough. It also took account the health deprivation and factors in locations across the Borough when considering decisions about play areas in the Borough.

The update was noted by the Committee.

#### Food Waste Business Case and Associated Waste Related Issues – Pre-Scrutiny

The report concerning the introduction of a food waste collection service was presented. It was noted that the Government had set a new statutory duty under the Environment Act 2021 to introduce a dedicated separate weekly collection of food waste from all households by 31st March 2026.

A range of options was outlined for Members based on the issues encountered when dealing with introduction of the food waste service in the Borough. Taking into account

existing pressures and uncertainties, Officers were proposing that the Council should procure the food waste collection service through a private sector company (for a period of 8 years). Ideally, the Council would have aimed to deliver the service inhouse, but this was not considered to be feasible at this stage. The proposal was to procure the service for a period of up to eight years.

To maximise interest in this opportunity within the private sector, Redditch Borough Council would aim to procure this service jointly with Bromsgrove District Council and Wyre Forest District Council. There was no guarantee that the procurement exercise would be successful. However, if the procurement process was unsuccessful, the Council could report back to the Department of Environment, Food and Rural Affairs (DEFRA) highlighting the issues that had been experienced and a request could then be submitted to extend the deadline for the introduction of the service in the Borough.

The recommendations as set out in the Executive report were endorsed by Overview and Scrutiny for onward recommendation to the Executive Committee.

#### Housing Ombudsman's Findings Report – Pre-Scrutiny

The Overview and Scrutiny Committee were asked to note the findings, orders and recommendations from the Housing Ombudsman, relating to severe maladministration in the Council's response to damp and mould and reports of a ticking noise and regarding maladministration in the Council's response to repairs and complaint handling. It was noted that the orders and recommended actions had been completed and the case was closed by the Housing Ombudsman on 13<sup>th</sup> November 2024.

The Officers present provided sincere apology on behalf of the Council for the circumstances and the failings in this case. It was noted that the Council had reviewed causes of the failing in this case and was taking actions to improve matters. An apology and a compensation had been provided to the affected resident in line with the Housing Ombudsman's decision. Following this review and the Ombudsman's orders and recommendations to the Council, the Council had been taking a number of actions to ensure improvement in its handling of customer enquiries and complaints, which were highlighted at the meeting. The Committee noted the report.

### **Remaining Meetings in 2024/25**

The Overview and Scrutiny Committee is due to hold a further three meetings in 2024-25 on the 3<sup>rd</sup> of February 2025, 18<sup>th</sup> of February 2025, and the 17<sup>th</sup> of March 2025. At these meetings, the Committee will consider the remaining items on its work programme:



- Consideration of recommendations arising from Budget Scrutiny Working Group in relation to the Medium Terms Financial Plan
- Redditch Partnership Annual Update
- Report on Health Inequalities in specific wards in Redditch (TBC)

Overview and Scrutiny may also consider further items from the Executive Committee's work programme, subject to Members' selecting further Executive reports for pre-scrutiny at future meetings of the Committee.

## Conclusion

This year the Committee has carried out detailed scrutiny of issues of high relevance to the Borough, including on such topics as the closure of the Hillcrest mental health ward. The Committee has pre-scrutinised a number of Executive reports of interest and where necessary made recommendations and comments for consideration by the Executive. In addition, there are two ongoing task groups undertaking investigations into post-16 education in Redditch and fly tipping and bulky waste. There are two permanent working groups of Overview and Scrutiny looking at the Council's budget and finance issues (Budget Scrutiny) and issues relating to Council's performance in carrying out its functions (Performance Scrutiny). Further work, including final reports of the two task groups, are expected to be published over the last quarter of 2024-25 municipal year.

**The Chair of Overview and Scrutiny Committee expresses his thanks to all Members of the Overview and Scrutiny Committee, recognising in particular the valuable contribution made by Members through Task Group investigations and on the Budget and Performance Scrutiny Working Groups.**

For any background information on the work of Overview and Scrutiny Committee in Redditch, please visit <https://www.redditchbc.gov.uk/council/the-council.aspx>

Democratic Services, Redditch Borough Council, Town Hall, Walter Stranz Square, Redditch, B98 8AH  
Tel: 01527 64252 Ext 3095 email: [democratic@bromsgroveandredditch.gov.uk](mailto:democratic@bromsgroveandredditch.gov.uk)

## Appendix A – Task Group Investigation Proposal Scoping Document

(This form should be completed by sponsoring Member(s), Officers and / or members of the public when proposing an item for Scrutiny).

**Note:** The matters detailed below have not yet received any detailed consideration. The Overview and Scrutiny Committee reserves the right to reject suggestions for scrutiny that fall outside the Borough Council's remit.

Proposer's name and designation		Date of referral	
Proposed topic title			
Link to local priorities including the strategic purposes			
Background to the issue			
Key Objectives Please keep to SMART objectives (Specific, Measurable, Achievable, Relevant and Timely)			
How long do you think is needed to complete this exercise? (Where possible please estimate the number of weeks, months and meetings required)			

Please return this form to: Democratic Services, Redditch Borough Council, Town Hall, Walter Stranz Square, Redditch, B98 8AH

Email: [democratic@bromsgroveandredditch.gov.uk](mailto:democratic@bromsgroveandredditch.gov.uk)

## REDDITCH BOROUGH COUNCIL

RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES

**SUBJECT:** Worcestershire Promoting Independent Living Service Tender

**BRIEF STATEMENT OF SUBJECT MATTER:**

At its meeting on 9 July 2024, Executive Committee approved the following in respect of a County-wide Promoting Independent Living service :

- 1) *approval be given to recommission the Promoting Independent Living Service;*
- 2) *authority be delegated to the Head of Community & Housing Services, in consultation with the Head of Legal, Equalities & Democratic Services and following consultation with the Portfolio for Housing to agree the final process, timetable and evaluation model for the appointment of a new contractor to deliver the Home Improvement Agency service; and*
- 3) *to award the contract to the successful provider(s)*

**REDACTED**

**DECISION:**

**EXECUTIVE COMMITTEE RESOLVE that**

**the current contract award decision in respect of the Worcestershire Promoting Independent Living Service be withdrawn and that the Procurement be abandoned.**

**(Executive decision)**

**GROUND FOR URGENCY:**

There is a need to inform the organisations that submitted tenders of the decision to abandon the procurement as soon as possible

**REDACTED**

DECISION APPROVED BY:

CHIEF EXECUTIVE

EXECUTIVE DIRECTOR FINANCE & RESOURCES

*(if financial implications)*

.....  
 (Signature) (Sue Hanley - (CX)  
 (Or Deputy CEO in her absence)

.....  
 (Signature) (Peter Carpenter)

Date: January 2025

PROPOSED ACTION SUPPORTED <i>(amend as appropriate)</i>				
..... (Signature)	..... (Signature)	..... (Signature)	..... (Signature)	..... (Signature)
<i>(Block Capitals)</i>	<b>CLLR HARTNETT</b>	<b>CLLR BAKER</b>	<b>CLLR DORMER</b>	<b>CLLR DORMER</b>
<b>MAYOR *</b>	<b>PF HOLDER</b>	<b>LEADER</b>	<b>LDR of the CONSERVATIVE Group</b>	<b>CHAIR O&amp;S Committee</b>
Date:	Date:	Date:	Date:	Date:

Notes:

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

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

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