

### **MINUTES**

#### **Present:**

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

#### **Officers:**

Neil Batt, Matthew Bough, Rachel Egan, Rebecca Green, John Leach, Bob Watson and Judith Willis

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

Jess Bayley-Hill

#### **14. APOLOGIES**

There were no apologies for absence.

#### **15. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **16. LEADER'S ANNOUNCEMENTS**

The Leader advised that at a meeting of the Overview and Scrutiny Committee held on 7<sup>th</sup> July 2025 Members had pre-scrutinised the following items due to be debated at the Executive Committee meeting that evening:

- Digital Manufacturing and Innovation Centre (DMIC) – Appointment of Contractor for Stage 4 Designs
- Housing Growth Programme
- Acquisition of Properties report

The Committee had endorsed the proposals detailed in the report but had not agreed any additional recommendations for the Executive Committee's consideration.

Members were also advised that at a meeting of the Budget Scrutiny Working Group held on 3<sup>rd</sup> July 2025, the following items on the Executive Committee's agenda had also been pre-scrutinised:

Chair

- Financial Outturn and Quarter 4 Performance Monitoring Report 2024/25
- Treasury Management Outturn Report 2024/25

The Budget Scrutiny Working Group had not proposed any recommendations in respect of either report for the Executive Committee's consideration.

On behalf of the Executive Committee, the Leader thanked Members of the Overview and Scrutiny Committee and the Budget Scrutiny Working Group for their hard work in reviewing these reports.

**17. DIGITAL MANUFACTURING AND INNOVATION CENTRE (DMIC) – APPOINTMENT OF CONTRACTOR FOR STAGE 4 DESIGNS**

The Regeneration Project Delivery Manager presented the Digital Manufacturing and Innovation Centre (DMIC) – Appointment of Contractor for Stage 4 Designs report for the Executive Committee's consideration.

Members were advised that the project was nearing completion in respect of stage 3 designs and there was a need to move to stage 4 of the process through the appointment of a contractor. A budget of up to £400,000 had been requested for this stage of the process but Members were informed that it was anticipated that the cost would be lower.

Following the presentation of the report, Members commented that the site of the DMIC had not yet started to be developed although demolition works had been completed. In this context, the suggestion was made that it would be helpful to issue communications to the public about proposals for the future development of the site and the timescales for this work. Officers explained that work was in the process of being undertaken in respect of developing draft communications to display on hoardings at the site. As part of these communications, Members commented that it was important to clarify the purpose of the DMIC and the positive impact that this could have on the local economy in the future.

**RESOLVED that**

- 1) Officers procure a Design and Build Contractor (for Stage 4 Design Work Only for the Innovation Centre) in line with the Council's procurement process up to the value of £400,000;**

- 2) authority be delegated to the Deputy Chief Executive (Section 151 Officer) and the Assistant Director for Regeneration and Property to complete the procurement process at resolution 1; and

**RECOMMEND that**

- 3) The contract to be awarded through the procurement exercise detailed at resolution 1 above be funded through the Town Deal Programme.

**18. HOUSING GROWTH PROGRAMME**

The Strategic Housing Services Manager presented a report on the subject of the Housing Growth Programme.

The Executive Committee was reminded that the Council already had a Housing Growth Programme. The Council received funding in this programme through a process of one-for-one receipts when Council houses were sold. Under current rules, the Council had the right of refusal in the first ten years after a resident purchased a former Council house. In recent months, the Government had announced that changes would be made to the rules in respect of Right to Buy. Whilst the legislation which would contain the detail had not yet been issued, the Government had advised that these changes would include giving Councils a right of refusal over sales of Council houses indefinitely. Eligibility amongst Council tenants to apply to purchase a Council property under Right to Buy was also due to be extended from tenants who had lived in a property for three years to those who had lived in a property for five years or more. In addition, the Government was proposing that any new Council houses built by a local authority should not be eligible to sell for 35 years after development.

The Council would not necessarily want to purchase all properties available under the right of refusal process. There was a particular need for more properties that would be suitable to accommodate families. Sometimes, there were challenges that arose in terms of the Council determining whether to purchase properties under the right of refusal process as often estate agents and solicitors did not highlight that a property subject to these rules was due to be sold until a potential purchaser had been identified and the parties were due to complete the sale.

Under the current terms of the Council Housing Growth Programme, there was a capital budget of £3 million per year to spend on developing or purchasing new Council houses. Once this figure was spent, additional funding could not be accessed without agreement from the Executive Committee. Officers were asking for

greater flexibility in the Council Housing Growth Programme to enable expenditure over this level where needed and this would help the Council to respond to opportunities on the open market as they arose in a timely manner.

When developing new properties, Officers were aiming to install materials and to use design methods that would ensure that those properties achieved an Energy Performance Certificate (EPC) A rating. This would have both a positive impact on climate emissions and help to reduce the energy costs that needed to be met by tenants living in those properties.

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

- The need for the Council to issue communications to owner occupiers living in former Council properties about the authority's first right of refusal on the sale of their properties.
- The target number of properties that the Council was aiming to build by 2030 under the Council Housing Growth Programme.
- The potential for the Council to work with other organisations, such as Homes England, to develop further Council house properties in addition to that target figure.
- The social housing units developed by other Registered Providers in the Borough.
- The extent to which the £15 million Council Housing Growth Programme included properties that had already been developed under the scheme. Officers confirmed that this funding was available to support properties that were due to be added to the Council's housing portfolio in the future.
- The reasons why the Council tended to find out that former Council houses were being sold late in the process when the Council had the first right of refusal. Officers explained that there appeared to be a lack of awareness and therefore the Council was liaising with local estate agents to try to raise awareness.
- The impact that the Council Housing Growth Programme had had on the housing waiting list in the Borough. Officers explained that there had been 2,692 households on the housing waiting list in May 2025 and the relatively low numbers of houses that were being built could only provide accommodation to a small number of these people. Members were also asked to note that households were added to the housing waiting list all the time, so the levels of demand were constantly changing.
- The extent to which the Council retained records of former Council houses that had been sold to residents over the years. The Committee was informed that Right to Buy had been introduced in the 1980s and old records were recorded on

microfiche. Later records had been recorded electronically and the Council could refer to this when considering the applicability of right of refusal to a particular property.

- The important role of Right to Buy in terms of enabling tenants to get onto the property ladder.
- The likelihood that indefinite right of refusal would only apply to new properties developed or purchased by Councils and would not apply retrospectively.
- The potential for the Council to change a decision in respect of whether to purchase a former Council property under the right of refusal. Officers clarified that it was understood that once a Council had turned down the opportunity to purchase a property that was up for sale then the right to refusal would end.

## **RESOLVED that**

- 1) The following options for the Council Housing Growth Programme be approved:**
  - a) commissioning the construction of new Housing Revenue Account housing stock;**
  - b) purchasing existing housing properties on the open market;**
  - c) bidding to purchase housing properties provided by developers through the Section 106 process;**
  - d) purchasing properties 'off plan' from new housing developments;**
  - e) purchasing housing stock from other Registered Providers of social housing;**
  - f) regeneration of existing housing stock where additional units are achieved; and**
  - g) buying back former Council house properties under the Council's 'First Right of Refusal';**
- 2) authority be delegated to Deputy Chief Executive and Chief Finance Officer and the Assistant Director of Communities and Housing, following consultation with the Portfolio Holder for Housing and the Portfolio Holder for Finance, to approve the financial and development appraisal of each site in Appendix 1 and future development sites; and**
- 3) the Buy Backs and Acquisitions Policy be approved.**

**The Executive Committee RECOMMEND that:-**

- 4) the budget of no more than £15 million previously approved from the HRA Capital budget for the Housing Growth programme to 2030 be applied to the current capital programme to be used flexibly within the capital expenditure limit;
- 5) properties delivered through the Council Housing Growth Programme are let at social rent levels, where permitted and subject to viability;
- 6) in cases where resolution 2 is unviable, to approve rent levels at:
  - a) 65% of the market rent; or
  - b) in cases where resolution 6(a) is unviable, at affordable rent levels of 80% of the open market rent level; and
- 7) that the Council's rent setting policy be updated as per recommendations 5 and 6 above.

**19. FINANCIAL OUTTURN REPORT AND QUARTER 4  
PERFORMANCE MONITORING REPORT 2024/25**

The Deputy Chief Executive presented the Financial Outturn and Quarter 4 Performance Monitoring Report 2024/25 for the Executive Committee's consideration.

Members were advised that the report contained historic data. The Council had been reporting a £150,000 overspend in quarter 3 but a balanced position had been reached by the end of quarter 4, although there were some variances within departmental budgets. The capital programme had not been spent according to plan, although work on the DMIC was on track. Delays to the Town Hall refurbishment project had had some impact on capital expenditure, but it was anticipated that this would now be progressed.

By quarter 4 of the 2024/25 financial year the Council had just under £8 million in reserves. This was a healthy financial position for a small Borough Council. However, the Council could not be complacent and there remained work to do, particularly with respect to budget management.

The layout of the performance data that was presented in the report had been reviewed and updated for Members' consideration. The aim of the new format was to present performance data in an easy to read, user-friendly manner.

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

- The work that had recently been undertaken to submit the Council's 2024/25 accounts according to deadline.
- The recent changes to rules for procurement in the public sector and the impact that this had had in local government. Members commented that concerns on this subject had been raised by delegates who had attended the recent Local Government Associations (LGA) Conference.
- The concerns that had been raised at the LGA conference that some contractors added a premium cost when bidding for contracts from Councils.
- The work of the Council's Procurement Team to update the Contract Procedure Rules at the Council.
- The need to achieve value for money (VFM) through procurement. Members were asked to note that this did not necessarily mean accepting the cheapest quote as sometimes lower quotes might not be realistic and could place projects at risk.
- The need for appropriate contract management arrangements to be in place alongside officers following the Council's procurement rules.
- The need for suppliers that were awarded Council contracts to have appropriate insurance and to operate in an ethical manner.
- The hard work of the Financial Services team. Members thanked the Financial Services team for their hard work and also asked for their thanks to the Portfolio Holder for Finance to be recorded in the minutes.
- The additional transparency arising from the new approach to reporting performance data that had been adopted at the Council. Members thanked the Policy team for their hard work on introducing the new approach to performance monitoring.
- The fact that performance data had been presented in a way that was grouped around the Council's priorities.
- The benefits arising from the new approach to presenting performance data for Portfolio Holders, who would find it easier to monitor the performance of services within their remit.
- The Council Tax collection data reported in the performance monitoring information and the reasons why the reported 96 per cent collection rate differed from recent reports in the local press. Officers clarified that the Council was aiming to collect 97 per cent of Council Tax as a minimum by the end of the financial year. The figures reported at quarter 3 might have been lower but this did not mean that the Council would not be on track to meet the 97 per cent target by the end of the

financial year. Furthermore, the Committee was informed that Council Tax collection rates were often lower in parts of the country with higher levels of deprivation. In this context, Redditch Borough Council was performing very well in respect of collecting Council Tax.

- The levels of sickness absence that had been reported in the performance data and the extent to which this represented a worrying trend. The Committee was informed that the Council had recently changed the way sickness absence data was recorded and therefore the data could not necessarily be viewed as representing a recent increase in sickness absence. However, sickness absence data was being specifically reviewed and a report would be available to view using Power BI in due course.

## **RESOLVED that**

- 1) the 2024/25 outturn position in relation to revenue budgets be noted as a revenue underspend of £4k and that this excluded the Balance Sheet Monitoring for the Treasury Monitoring Report as this would be taken as a separate report;**
- 2) the proposed carry-forward of Homelessness Prevention Grant funding to fund the Neighbourhood Tenancy Restructure be noted;**
- 3) the 2024/25 outturn position in relation to Capital expenditure was £7.951m against a total approved programme of £20.508m and that this be noted;**
- 4) the outturn position in respect of the General Fund Reserves which was at £7.822m on the 31 March 2025 be noted;**
- 5) the outturn position in respect of Earmarked Reserves be noted;**
- 6) HRA net revenue expenditure was break even after a lower than planned use of balances at year end and that Capital Expenditure was £3.062m more than budget;**
- 7) there was an updated procurements position with any new items over £200k to be included on the forward plan; and**
- 8) the Quarter 4 Performance data for the period January to March 2025 be noted.**



## **20. TREASURY MANAGEMENT OUTTURN REPORT 2024/2025**

The Deputy Chief Executive presented the Treasury Management Outturn Report 2024/25.

The Committee was informed that a Treasury Management Outturn report had to be submitted each year in accordance with Government and CIPFA accountancy rules. The Council did have long-term debts in the Housing Revenue Account (HRA), which was funded through internal borrowing. The authority had not breached any prudential indicators during the year.

It was important to ensure that the Council remained debt free moving forward. This was necessary to make sure that debts were not passed on to the new Unitary Authority/ies. In other parts of the country that were going through Local Government Reorganisation, the level of debts that would be passed on by existing Councils to the new unitary authorities could potentially leave those new Councils in a position where they would need to be declaring debt burdens from the first date of their existence.

When the Council did undertake borrowing, this involved borrowing from the Public Works Loan Board (PWLb). Where the Council borrowed from the general fund to support the HRA, the authority could not borrow to invest.

Following the presentation of the report, Members noted that the Council's financial position was influenced by the macro-economic context in which the authority operated. A reduction in interest rates had had a positive impact on the Council's finances. However, there were no plans to change the Council's approach to investments, which remained cautious and was concentrated on investing in AAA rated assets.

### **RECOMMENDED that**

- 9) the Council's Treasury performance for the financial year 2024/25 be noted; and**
- 10) the position in relation to the Council's Prudential indicators be noted.**

## **21. OVERVIEW AND SCRUTINY COMMITTEE**

The minutes of the meeting of the Overview and Scrutiny Committee held on 9<sup>th</sup> June 2025 were considered. Members noted that there were no outstanding recommendations arising from this meeting that required consideration. However, the minutes had not included reference to Councillor Bill Hartnett, who had been in

attendance, amongst the Portfolio Holders attending the meeting and it was suggested that this typographical error should be addressed in the minutes.

**RESOLVED that**

**subject to the amendment detailed in the preamble above, the minutes of the meeting of the Overview and Scrutiny Committee held on 9<sup>th</sup> June 2025 be noted.**

**22. 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.

**23. TO CONSIDER ANY URGENT BUSINESS, DETAILS OF WHICH HAVE BEEN NOTIFIED TO THE HEAD OF LEGAL, DEMOCRATIC AND PROCUREMENT SERVICES PRIOR TO THE COMMENCEMENT OF THE MEETING AND WHICH THE CHAIR, BY REASON OF SPECIAL CIRCUMSTANCES, CONSIDERS TO BE OF SO URGENT A NATURE THAT IT CANNOT WAIT UNTIL THE NEXT MEETING**

There was no urgent business on this occasion.

**24. MINUTES**

**RESOLVED that**

**the minutes of the meeting of the Executive Committee held on 10<sup>th</sup> June 2025 be approved as a true and correct record and signed by the Chair.**

**25. ACQUISITION OF PROPERTIES**

The Strategic Housing Services Manager presented a report on the subject of the acquisition of properties and in doing so explained that the Council had been approached by a developer regarding 12 shared ownership properties that the developer had been unable to sell. Originally, the developer had invited the Council to purchase the properties at a rate of 20 per cent of market value but the authority had concluded that these properties could be offered as social housing. The Council had had the properties valued and would take this information on board in the process. There was a need for the sale to be completed by October 2025, so the timescales for completion were tight. The properties did correspond

with the type of homes that were in demand on the Council's housing waiting list.

Members discussed the report and in doing so commented that whilst the Council had not originally planned to purchase these properties, this situation demonstrated how opportunities could arise over time that would benefit the Housing Growth Programme and therefore local residents. It was noted that the developer would need to apply for planning permission to convert the properties from shared ownership. The developer would also be responsible for any initial snagging issues as well as during the first 12 months for any defects. Thereafter, a 10-year insurance-backed warranty would apply.

During consideration of this item, Members question whether the difficulties that the developer had experienced when trying to sell these properties as shared ownership units had been specific to that development or were part of a wider issue. Officers explained that this was part of a national issue for smaller developments. Some Registered Providers would only offer to purchase properties in particular locations and this could also have an impact. However, the Council was keen to ensure that there continued to be a balanced housing market in the Borough and this proposed investment would help to support this ambition.

**RESOLVED that**

- 1) the option to acquire a package of twelve affordable housing units from a developer to increase Council housing stock to support the Council Housing Growth Programme be approved;**
- 2) authority be delegated to the Deputy Chief Executive and S151 Officer and the Assistant Director of Communities and Housing, following consultation with the Portfolio Holder for Housing and the Portfolio Holder for Finance, to agree expenditure within the approved budget in the Housing Capital Growth Programme; and**
- 3) the properties be acquired to be let at a social rent commensurate with the Council's Housing Capital Growth Programme.**

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## Redditch Borough Council Housing Growth Programme

### Appendix 1

The packages below are the sites approved for development within the Council Housing Growth Programme. Officers are currently working up schemes for the submission of planning applications. In addition to the below, a planning application has been submitted for 6 dwellings at Loxley Close B98 9JH

<b>Package 1 – Estimated 28 units</b>		
Clifton Close	B98 0HD	5 dwellings
Auxerre Avenue	B98 7QW	20 dwellings
Fladbury Close	B98 7RX	2 dwellings
Greenlands Avenue	B98 7QA	1 dwelling
<b>Package 2 – Estimated 19 Units</b>		
Ibstock Close	B98 0PZ	8 dwellings
Heronfield Close	B98 8QN	3 dwellings
Hawthorn Road	B97 6NQ	2 dwellings
Sandygate Close	B97 5RY	5 dwellings
Foxlydiate Crescent/Rowan Road	B97 6NB	1 dwelling

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