

## **Executive Committee**

Tuesday, 13th June, 2023

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### **MINUTES**

#### **Present:**

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

#### **Also Present:**

Councillors Joanna Kane, Kerrie Miles and Jane Spilsbury

#### **Officers:**

Matthew Bough, Peter Carpenter, Kevin Dicks, Claire Felton, Sue Hanley and Michelle Howell

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

Jess Bayley-Hill

#### **1. APOLOGIES**

An apology for absence was received on behalf of Councillor Craig Warhurst.

#### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **3. LEADER'S ANNOUNCEMENTS**

The Leader advised that at a meeting of the Overview and Scrutiny Committee held on 8<sup>th</sup> June 2023 Members had pre-scrutinised the Corporate Peer Challenge report, due to be considered at Minute Item No. 5 at the Executive Committee meeting. At the end of their debate, the Overview and Scrutiny Committee had proposed a recommendation on the subject which had been published in a supplementary pack for the consideration of the Executive Committee. Members were urged to consider the Committee's proposals alongside the report.

#### 4. MINUTES

##### RESOLVED that

**the minutes of the meeting of the Executive Committee held on Tuesday 21<sup>st</sup> March 2023 be approved as a true and correct record and signed by the Chair.**

#### 5. CORPORATE PEER CHALLENGE - ACTION PLAN

The Chief Executive presented the Corporate Peer Challenge report and action plans for the Executive Committee's consideration.

The Committee was informed that the Corporate Peer Challenge had been requested at a Bromsgrove Council meeting held in December 2022, following the authority's receipt of a Section 24 Notice from the external auditors, Grant Thornton. The decision had subsequently been taken to invite the Local Government Association (LGA) to undertake a joint Corporate Peer Challenge for Redditch Borough Council and Bromsgrove District Council.

There were a number of key themes that were addressed in all Corporate Peer Challenges undertaken through the LGA but in addition, Councils could ask for the peers to focus on particular areas; for this Corporate Peer Challenge, a request had been made for peers to focus on governance and culture as well as Council finances, due to the points raised in the Section 24 Notices issued to both authorities. The Corporate Peer Challenge team had comprised representatives from a number of different Councils, including elected Member representatives, and their report had been published prior to the local elections in May 2023.

The Corporate Peer Challenge report had contained a number of recommendations and these had already been reviewed by the Corporate Management Team (CMT). In some cases, Officers had identified that action was already being taken to address the points that had been raised. The appendices to the report provided further detail on the action being taken and Members were asked to note the following key points:

- The Corporate Peer Challenge had emphasised that, given the financial challenges for local government, the Council needed to identify clear priorities and to ensure that these informed the content of the authority's Medium Term Financial Plan (MTFP).
- In respect of the governance issues that had been identified, Members were asked to note that there was already a lot of work being undertaken with respect to Member training, as

part of the new Member induction process, as well as the ongoing review of the Council's constitution by the Constitutional Review Working Party (CRWP). In addition, CMT had identified that all Member briefings on particular topics might need to be organised on a case-by-case basis moving forward.

- A lot of work had already been undertaken in respect of the Workforce Strategy, which had previously been approved by Members, and a high-level action plan had been developed. Many of the projects within this plan were complex and required action from Heads of Service and managers and progress with this would be monitored. Some of the priorities underpinning this would be considered by CMT shortly and would thereafter be managed by a Strategy Working Group.
- In respect of the Council's approach to agile working, an Agile Working Policy had been developed following a pilot of agile working arrangements. The policy took into account best practice and staff briefings had been delivered to help communicate the terms of the policy. There was an Agile Working Project Board, which assessed implementation from a strategic perspective, although service managers would be responsible for ensuring that the policy was applied in the most appropriate way to meet the needs of their customers. Residents, tenants and the business would all be prioritised when determining how agile working should apply in practice in different contexts across the organisation and performance management would apply to ensure that services continued to be delivered effectively.
- The Finance Delivery Plan detailed the action that was being taken to address the issues with financial management that had been highlighted in the Section 24 Notice. This included the provision of an Accounting Policies report for consideration at every meeting of the Audit, Governance and Standards Committee, the frequency of which had increased from four to six meetings per year in the 2023/24 municipal year. The report would update the Committee on the progress that was being achieved and any issues with non-compliance.

The Corporate Peer Challenge process usually concluded with a follow up visit by some of the peers to review the progress that had been achieved. Generally, these follow up meetings occurred within six months of the original visit, however, due to the forthcoming departure of the current Chief Executive, it was suggested that Members might wish to review those timescales to involve the new Chief Executive in due course.

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

- The information included in the report regarding community engagement and involving Members in this process. It was noted that the Council needed to try to consult with more than 800 people when undertaking community engagement and that the authority also needed to try to engage with a wider and more representative demographic.
- The possibility of holding residents' forums for engagement on particular issues.
- The potential to improve engagement with more Members in Council business.
- The lack of financial monitoring reports for the period leading up to the Council receiving a Section 24 Notice and the weaknesses with risk management that had been identified in the notice. Officers highlighted that reports received throughout the 2022/23 municipal year had already addressed this issue and would continue to be considered at Committee meetings and that Risk Management had been discussed quarterly at both Executive and Audit, Governance and Standards Committee throughout 2022/23.
- The need for effective systems to enable Members to report casework and to receive responses from Officers more swiftly than the existing ten-day response rate for the Housing Department.
- The potential for Redditch Executive Committee members to hold joint meetings with Bromsgrove Cabinet Members as suggested by the Corporate Peer Challenge team. The Leader explained that he would be supportive of this where the two authorities were considering reports on the same subjects and where it could be demonstrated that this would have a beneficial impact in terms of reducing demands on officer time. However, Members were asked to note that, following the local elections in May 2023, Bromsgrove District Council was exploring various different options which might impact on the potential to work together in this way moving forward.
- Concerns were raised regarding the timeframes in which reports were provided to Members, particularly scrutiny Members, and the need for this to be improved. It was noted that the Council was compliant with the requirement to publish agenda packs at least five clear working days before a meeting and the focus of Overview and Scrutiny in previous years on only pre-scrutinising the Executive reports had impacted on timeframes for scrutiny Members to receive reports, which would be available once published for the Executive Committee meetings. Adopting a different approach to pre-scrutinising issues more holistically, taking into account wider issues than just the Executive Committee's report, could help to address this problem alongside potentially reviewing

- the timing of the Overview and Scrutiny Committee meetings in relation to Executive Committee meetings moving forward.
- The progress that had been made with the works on the Town Hall hub and the extent to which the financial figures identified for this work were “final” in a context in which rates of inflation had increased. Officers explained that the figures had been based on quotes provided in the summer of 2022/23. The exact figures remained to be determined, subject to the outcomes of the library consultation and the subsequent procurement process being undertaken in July – August 2023.
  - The action that had been taken to date with respect to increasing use and upgrading the Council’s Enterprise Resource Planning (ERP) system. Officers explained that staff had attended recent conferences and were in contact with external experts regarding this matter.
  - The members of the Corporate Peer Challenge team were thanked for their hard work and support. Members and Officers who had contributed evidence during the challenge were also thanked for their contributions.

During consideration of this item, Members referred specifically to the Overview and Scrutiny Committee’s pre-scrutiny of the Corporate Peer Challenge report at a meeting held on Thursday 8<sup>th</sup> June 2023. Members commented that there had been a detailed discussion of the report at that meeting and the recommendation that had been made had been based on the evidence that had been considered. There was general consensus that the recommendation proposed sensible action and it was agreed that the recommendation should therefore be endorsed.

#### **RESOLVED that**

- 1) the Local Government Association (LGA) Corporate Peer Challenge (CPC) Feedback report which took place in March 2023 be noted;**
- 2) the Council’s response and supporting action plans be endorsed; and**
- 3) That the following additions be inserted to the Council’s Corporate Peer Challenge Action Plan (response to Peer Challenge recommendations) included at Appendix B to the report:**

***Recommendation 1: “to produce a new engagement plan so that residents have the opportunity to shape new Council policies at the development stage. The plan should be co-produced with residents ensuring a broad***

*selection of people with no political bias are involved in producing the plan.”*

**Recommendation 4: “that the Implementation Plan for Agile working (included at Appendix F) includes the assessment of the needs of residents in accordance with the Council’s Agile Working Policy. This should include undertaking an Equality Impact Assessment (EIA).”**

## **6. RECOMMENDATIONS FROM THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE - BROMSGROVE AUDIT TASK GROUP**

The Portfolio Holder for Finance and Enabling presented recommendations that had been agreed at a meeting of the Audit, Governance and Standards Committee held on 9<sup>th</sup> March 2023. During this meeting, the Committee had considered a report that had been produced by the Bromsgrove Audit Task Group, which had been launched by the Bromsgrove Audit, Standards and Governance Committee, at the request of their Council, in response to their Section 24 Notice. Members were asked to note that the Redditch Audit, Governance and Standards Committee had responded in a different fashion to the Council’s Section 24 Notice, by agreeing to hold more frequent meetings of the Committee than had previously been the case and to receive a regular update at each meeting of the Committee on the Council’s progress in addressing the issues raised in the Section 24 Notice.

The Bromsgrove Audit Task Group had considered hundreds of pages of written evidence and had held eight meetings over a period of 20 hours in February and early March 2023. Based on the evidence gathered, the group had proposed two groups of recommendations; the first group had focused on general lessons learned in respect of areas such as project management, the need for proper minutes of project board meetings and escalation of issues for mitigation whilst the second group of recommendations had focused specifically on the issues arising in relation to the ERP finance system and the implications for closing the Council’s accounts. The Redditch Audit, Governance and Standards Committee had concluded that the recommendations were sensible and that they should therefore be endorsed by the Council. The Committee had also proposed that the Executive Committee should write to the Bromsgrove Audit Task Group to thank them for their hard work.

Since the report had been published, further progress had been achieved with the implementation of the ERP system, although it was anticipated that the backlog in the cash receipting module would not be cleared until the end of the calendar year.

Bromsgrove District Council's Cabinet was also due to consider a report in respect of the project management arrangements at the authority, in line with one of the recommendations in the report.

In concluding the presentation of the report, the Portfolio Holder for Finance and Enabling commented that he had consulted with senior officers concerning the viability of implementing the Bromsgrove Audit Task Group's recommendations. They had indicated that, whilst further work was required to implement some of the recommendations, this would be deliverable and would add value to the Council.

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

- The significant progress that had been achieved by the Council, in terms of addressing the issues identified in the Section 24 Notice.
- The need for lessons to be learned from the challenges that had been encountered during the introduction and implementation of the ERP system.
- The benefits in terms of the Council monitoring the work delivered by third parties on behalf of the authority.
- The need for appropriate Council resources to be allocated to larger projects and for staff positions to be back filled where required.
- The process by which organisations could procure Software as a Service (SAAS) and the implications of this for the organisation. Officers explained that the Council adopted this approach to procuring the ERP system from TechOne and, as a consequence, the onus was on the Council to manage that process, including training and the development of user manuals.
- The difficulties for any organisation arising from being the first to adopt a new module in a system, as had been the case with the cash receipting part of the system.
- The need for the Council to take into account a range of considerations when procuring new software, not just the financial costs involved.

During consideration of this item, Councillor Joe Baker proposed an additional recommendation:

*"That more regular updates and reports on progress with financial compliance should be provided at the Council."*

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

In proposing the recommendation, Councillor Baker commented that this would help to provide Members with assurance that progress was being achieved and that the issues identified in the Section 24 Notice and subsequent Bromsgrove Audit Task Group report were being addressed.

In seconding the recommendation, Councillor Hartnett commented that it would be helpful for the Executive Committee to receive an update on the progress that was being achieved as well as the Audit, Governance and Standards Committee.

Members discussed the recommendation, and in doing so noted that the Audit, Governance and Standards Committee had already agreed to hold extra meetings during the year and were already scheduled to receive updates at every meeting on the progress that was being made as well as any compliance issues. Where areas of concern were identified, or where the Committee agreed that issues needed to be highlighted for the consideration of the Executive Committee, the Audit, Standards and Governance Committee could make recommendations which would be reported for the consideration of the Executive Committee. In this context, it was suggested that the recommendation was unnecessary and Councillor Baker agreed to its withdrawal.

#### **RESOLVED that**

- 1) any improvements arising from the recommendations in the Bromsgrove District Council Audit Task Group Report into the issuing of the Section 24 Statement be adopted by the Executive Committee; and**
- 2) a formal note of thanks be sent to the Bromsgrove District Council Audit Task Group by the Executive Committee.**

#### **7. RENEWAL OF THE ENTERPRISE RESOURCE PLANNING (ERP) CONTRACT**

The Portfolio Holder for Finance and Enabling presented a report in respect of the renewal of the Council's Enterprise Resource Planning (ERP) System contract. The Executive Committee was informed that the existing contract was due to expire at the end of June 2023 and therefore a new contract was required. The Council was aiming to procure the system using a local government framework and the new contract would need to take into account that the Council would not be using the HR and Payroll modules, as had been originally intended. There remained a backlog in respect of cash receipting, but the Council was on track to clear this by the end of the calendar year. The only other option would be to procure another system from an alternative supplier. However, the cash



receipting backlog would still need to be cleared on the existing system prior to transfer and there would be extra implementation time and financial investment required. The contract for the Wincave system, required in relation to cash receipting, was due to expire later in the year but would also need to be renewed. In concluding the presentation of the report, the Portfolio Holder for Finance and Enabling recognised that there had been challenges for the Council in terms of the introduction and implementation of the ERP system but Members were asked to note that the organisation was generally satisfied with how the majority of the system functioned.

After the report had been presented, Members commented on the following matters:

- The length of the report and whether this was sufficient to make a decision, given the difficulties with the implementation of the ERP system and the issues identified in the Section 24 Notice.
- The level of savings that would arise from renewing the ERP system without including the HR and Payroll module. Members were advised that the figures would be subject to the outcomes of the tender process, although it was likely to result in financial savings.
- The potential to recoup funding from the software provider. Officers explained that pricing would be set out in the framework contract, and reductions would be made as not all modules originally purchased (HR and Payroll) would be repurchased. This would be the same framework as that which had originally been used and it was anticipated that this would result in a reduction in the fee by approximately 25 per cent.
- The acronyms and other terminology used in the report and the benefits of providing clarification in these types of reports in respect of such technical terms, particularly where they were referenced in the resolutions or recommendations in a report.
- The implications of postponing taking a decision on this matter after the contract had expired. Officers explained that the current contract would remain in place, as there would be a requirement to continue to work with the existing contractor for at least a further two years to resolve the backlog and have a year of “normal running”. This framework contract duration was two years plus two further one-year extensions.
- The potential for the Leader to provide Members with further clarification on the financial costs to the Council involved in renewing the contract once the tender process had been completed.

- The potential for Members to raise concerns with the relevant Portfolio Holder in respect of the length of reports and detail within specific reports in advance of Executive Committee meetings.

During consideration of this item, the suggestion was made that, due to the subject matter and the issues that had been identified in the Section 24 Notice, the proposals detailed in the report should be referred to Council for determination. However, Officers explained that, as the finances required to pay for the renewal of the system had already been incorporated into the budget framework, a decision was required from the Executive Committee, rather than Council. It was noted that other Members could be involved in the process, through consideration at a meeting of the Budget Scrutiny Working Group and whilst this could not take place now before the Executive Committee determined the matter, there was still time for the group to scrutinise the background to the decision prior to the end of the month and the expiration of the existing contract.

#### **RESOLVED that**

- 1) the Council reprocures TechOne but at a reduced licence fee to reflect that HR and Payroll will not be used and delegate the finer negotiations to the Executive Director of Resources;**
- 2) the AMS contract continues until the Council have confidence that their inhouse resource is capable of delivering all or part of that function; and**
- 3) the Wincave contract is renewed via a tender process in the autumn.**

#### **8. QUARTER 4 PERFORMANCE MONITORING REPORT 2022/23**

The Portfolio Holder for Finance and Enabling presented the Quarter 4 Performance Monitoring Report for the 2022/23 financial year. Members were advised that usually this report would have included financial monitoring data but, to provide time to gather more information, a decision had been taken to report the financial information in July. Progress had been made in a range of areas since the previous update to the Executive Committee, including through a reduction in staff turnover below the national average and an increase in Council Tax collection rates to a level that was better than expected.

The Executive Committee discussed the report and in doing so commented on the delays with respect to the development at Edgeworth Close. Member questioned when the development

would be progressed further and the financial implications of the delay. Officers explained that initially there had been an aim to complete required actions by March 2023, but this had been delayed to August due to a range of issues, including challenges accessing materials.

Reference was made to the graphs and other images that had been included in the report. As Committee agenda packs were always published in black and white, some Members commented that it could be difficult to view the graphs on printed copies of the agenda as they appeared in different shades of grey. However, it was noted that the full report could be viewed quite clearly in the electronic version, as published on the Council's website and which was accessible using the modern.gov app. The Leader urged Members to use the app to access their papers electronically to help address this problem moving forward. The Committee was asked to note that modern.gov app training had recently been provided to Members and further training could be provided if needed.

## **RESOLVED that**

**the Quarter 4 Performance data for the period up to 31<sup>st</sup> March 2023 be noted.**

## **9. QUARTERLY RISK UPDATE**

The Portfolio Holder for Finance and Enabling presented the Quarterly Risk Update for Members' consideration. The Committee was advised that this was the fourth risk update report to be presented for the Committee's consideration since risk monitoring reports had been reintroduced at the Council in 2022. The Council had taken a lot of action in this time to address both the corporate and departmental risks that had been identified and as a consequence, the authority's risk assurance had improved from a limited to a moderate level.

During 2022/23, the number of departmental risks had declined from 119 to 58 by March 2023. The majority of remaining risks related to compliance. The one remaining red flagged risk was in respect of the Revenue and Benefits team's work, where certain tasks had to be undertaken manually and there was a high volume of work involved.

Corporate risks continued to be monitored by the Council, including by CMT. Many of these corporate risks, such as in respect of cyber security, were likely to remain of concern moving forward.

## **RESOLVED that**

**the present list of Corporate and Departmental Risks be considered and noted.**

**10. OVERVIEW AND SCRUTINY COMMITTEE**

Members considered minutes from meetings of the Overview and Scrutiny Committee held on 23<sup>rd</sup> February and 16<sup>th</sup> March 2023. The Leader confirmed that there were no outstanding recommendations due for consideration.

**RESOLVED that**

**the minutes of the meetings of the Overview and Scrutiny Committee held on 23<sup>rd</sup> February and 16<sup>th</sup> March 2023 be noted.**

**11. MINUTES / REFERRALS - OVERVIEW AND SCRUTINY COMMITTEE, EXECUTIVE PANELS ETC - RECOMMENDATION FROM THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

The Leader highlighted that at a meeting of the Audit, Governance and Standards Committee held on 30<sup>th</sup> May 2023, Members had recommended that the Portfolio Holder for Finance and Enabling should write to the appropriate Government minister to request a three-year local government financial settlement in order to provide certainty to the local government sector. This recommendation had been forwarded for the consideration of the Executive Committee.

In considering the recommendation, the Portfolio Holder for Finance and Enabling explained that he did not feel that it would be appropriate to approve this recommendation. Instead, he suggested that the best way to secure a three-year financial settlement for the Council would be through working with the LGA. Members were informed that the Portfolio Holder for Finance and Enabling planned to write to the Chair of the Audit, Governance and Standards Committee to explain his position.

During consideration of this item, reference was made to the content of the extract from the minutes of the Audit, Governance and Standards Committee meeting held on 30<sup>th</sup> May 2023, which had been provided for Members' consideration. Members questioned whether any further clarity had been received regarding the potential increase to the external auditor's fee for auditing the Council's accounts. Officers explained that any increase to the audit fee had to be agreed with the Public Sector Audit Appointments (PSAA) organisation. The level of increase to the audit fee still remained unclear and therefore it could not be

confirmed whether this increase would need to be funded from balances.

Members also questioned the progress that had been achieved in terms of the external auditor's audit of the Council's 2020/21 accounts. The Committee was advised that the external auditors had assured the Council that Redditch Borough and Bromsgrove District Councils would be their priority over the following months. However, Officers had been advised that it could take the auditors up to six months to complete the audits. Despite this, the Council had been assured that, as these delays were not the fault of the authorities, this would not result in further Section 24 Notices being presented to the Councils. Furthermore, Members were asked to note that there was a significant backlog nationally, in terms of external auditors signing off Councils' 2021/22 accounts.

## 12. EXCLUSION OF THE PRESS AND PUBLIC

**RESOLVED that:**

**Under S100 A (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12 of the said act, as amended.**

**Minute Item No. 13 – Compulsory Purchase of a Long-Term Empty Property.**

## 13. COMPULSORY PURCHASE OF A LONG TERM EMPTY PROPERTY

The Strategic Housing Services Manager presented a report on the subject of the compulsory purchase of a long-term empty property.

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

# Executive Committee

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Tuesday, 13th June, 2023

The Meeting commenced at 6.30 pm  
and closed at 8.19 pm