



Executive Committee

Tuesday, 12th September,
2023

MINUTES

Present:

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

Also Present:

Councillors James Fardoe, Sharon Harvey, Kerrie Miles, Jane Spilsbury and Monica Stringfellow

Officers:

Matthew Bough, Peter Carpenter, Claire Felton, Sue Hanley and Kevin Hirons

Principal Democratic Services Officer:

Jess Bayley-Hill

25. APOLOGIES

There were no apologies for absence.

26. DECLARATIONS OF INTEREST

There were no declarations of interest.

27. LEADER'S ANNOUNCEMENTS

The Leader advised that at the latest meeting of the Overview and Scrutiny Committee held on 7th September 2023, Members considered and endorsed recommendations arising from a recent meeting of the Budget Scrutiny Working Group. These recommendations focused on the Financial Outturn Report and the Finance and Performance Quarter 1 Monitoring Report, both of which were due to be considered at the Executive Committee meeting. In addition, the Overview and Scrutiny Committee had pre-scrutinised the Town Hall Hub - Final Report, which was also due to be debated by the Executive Committee. All of these recommendations had been published in a supplementary pack for the Executive Committee meeting and needed to be considered in relation to the relevant items on the agenda.

Chair

28. MINUTES

Reference was made to a request that had been made at the previous meeting for further information about a £5 million loan to the Housing Revenue Account (HRA) and Officers were asked to provide clarification on this point prior to the Council meeting.

RESOLVED that

the minutes of the meeting of the Executive Committee held on Tuesday 25th July 2023 be approved as a true and correct record and signed by the Chair.

29. FUTURE OF BRICK ARCHED FORMER RAILWAY BRIDGE, GREEN LANE, STUDLEY

The Environmental Services Manager presented a report on the subject of the future of the brick arched former railway bridge at Green Lane, Studley. The bridge had been the subject of a number of previous reports considered by the Executive Committee. Warwickshire County Council had since completed a survey of the site and had suggested that there needed to be further, regular inspections in future. Based on the proposed way forward, which would involve retaining the structure for the future, the capital funding required to manage the bridge had reduced in amount and the Council could update the capital programme accordingly. The remaining funding for the bridge would be used to fund any works proposed during future inspections that would be undertaken by Warwickshire County Council.

Following the presentation of the report, the Portfolio Holder for Environmental Services commented that the Council had owned the bridge since 1985. The bridge had recently been offered for sale to a number of local authorities but there had been no interest in the purchase. Consideration had also been given to applying for planning permission to remove the bridge, but ultimately this option had not been pursued. The bridge was located on National Cycle Route 5 and would remain available for the public to use. Whilst the Council would remain financially liable for the upkeep of the bridge, the proposed way forward would result in some savings for the authority.

RECOMMENDED that

- 1) the 2023/24 Capital Programme be reduced by £113,000 to provide a total budget of £80,000, for undertaking remedial works to the bridge structure as highlighted by the Principal Inspection; and**

- 2) A budget of £5,000 for Warwickshire County Council to undertake Principal Inspections on a six-year cycle commencing 2029/30, and a General Inspection on a two-year cycle, commencing 2025/26, be included in the Medium-Term Financial Plan for future years, as shown below.

2025/26 - £5,000	General Inspection
2027/28 - £5,000	General Inspection
2029/30 - £5,000	Principal Inspection
2031/32 - £5,000	General Inspection
2033/34 - £5,000	General Inspection
2035/36 - £5,000	Principal Inspection
2037/38 - £5,000	General Inspection
2039/40 - £5,000	General Inspection

30. FINANCIAL OUTTURN REPORT 2022/23

The Interim Director of Finance and Resources presented the Financial Outturn 2022/23 report, detailing the provisional revenue and capital outturn for that financial year, for Members' consideration. Whilst the Council had been on a finance recovery programme since April 2022, Members were informed that it was important to note that the authority had not yet closed the 2020/21 and 2021/22 accounts and these could impact upon the final 2022/23 position.

From a revenue perspective, the Council had a £10.520 million full year revenue budget which was approved by Council in February 2022. The 2022/23 budget had included a £595,000 cross-cutting efficiency target, which was allocated to services based upon forecast underspends at Quarter 1 predominantly linked to vacancies.

The Finance Team had undertaken a detailed review of the 2022/23 accounts since the end of March 2023, and there were a number of assumptions and manual adjustments that had been made to arrive at the provisional outturn position detailed in the report. They included:

- Anticipated accruals and prepayments,
- Recharges to/from the HRA,
- Grants were applied to known expenditure and remaining balances were carried forward,
- Reserves were applied to expenditure,
- Shared service recharges between Redditch Borough Council and Bromsgrove District Council were manually reflected, and
- Transfers between the Collection Fund and the General Fund.

There was still work to be done to clear the backlog of entries in suspense and any miscoding. Therefore, the provisional position detailed in the report was subject to change and a further update would be provided in due course.

Overall, it was anticipated that the provisional revenue overspend position would be a £685,000 overspend against the £10.520 million budget. This was a £65,000 reduction over the forecast at Quarter 3 which was a £750,000 overspend position.

The 2022/23 pay award - £1,925 pay award across all pay scales – had created a variance against the budget for a number of service areas. In addition to this, income pending reallocation had resulted in unfavourable variances for Community Transport, Shopmobility and Bereavement Services. Overspends were also anticipated within Environmental Services due to a reallocation of stores stock pending in the Depot, increased fuel and fleet maintenance costs in Waste Management and the Place Teams as well as insurance claims in Tree Management.

From a Treasury Management perspective, the Council had no short-term borrowing at the 31st March 2023 and long-term borrowing had not changed from the £103.9 million taken out some time ago. The Council also held £10.6 million in short-term investments.

An updated capital programme totalling £5.431 million was approved in the budget for 2022/23 in March 2023. Of this, £2 million was funded from Council resources whilst £3.4 million was externally funded. The provisional capital outturn expenditure was expected to be £2.137 million against the overall £5.431 million budget. The £3.292 million budget underspend would be rolled forward from 2022/23 to the 2023/24 financial year.

Information had been provided regarding anticipated reserves over the medium term to the 31st March 2026. At the 31st March 2023, it was projected that the Council held £7.5 million of earmarked reserves and the General Fund balance would stand at £2.686 million.

In respect of the HRA, it was anticipated that the Council would outturn with a surplus of £34,000 against the £25.4 million revenue budget. There were a number of variances that had contributed to this surplus including:

- Anticipated efficiencies due to improved work planning,
- Vacant posts and reduced consultancy/professional fees,
- Reduced depreciation per dwelling,

- Greater interest receivable due to increased interest rates,
- Offset by an increase in the bad debt provision due to an increase in arrears.

The HRA capital programme would outturn with a spend of £7.8 million against the £14.2 million budget for 2022/23. The £6.4 million underspend was as a result of delays in project start dates and changes in assumptions regarding housing one-for-one purchases. The £6.4 million budget would be rolled forward to 2023/24.

Following the presentation of the report, Members noted that a number of projects in the capital programme had been delayed and the funding had been rolled over into the 2023/24 municipal year. Questions were raised about the impact that these delays would have on the capital programme and whether the Council was on track to catch up on this work. Officers confirmed that there had been some delays in the procurement process but these had mostly been addressed and the Council was progressing with the necessary works.

Consideration was also given to the financial costs relating to works on the relocation of the library to the Town Hall as well as the new innovation centre in the town. Members commented that, given the increase in projected costs for the Town Hall Hub, there might similarly be increases to costs for these projects and Officers were asked to clarify whether this had been reviewed in recent months. The Committee was advised that the costs for the library had taken into account potential increases already. In terms of the Innovation Centre, the Redditch Town's Deal Board had been reviewing costs. The Council was eligible to receive £1.5 million from funds previously managed by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), which no longer existed and there was a further £8 million fund that had been held by the GBSLEP, and all partners previously in that LEP could bid for funds from that budget. It was confirmed that Birmingham City Council was managing the budget but that local authority could not use those funds for their Council alone and would need to ensure that funding was distributed amongst the previously eight members of the former LEP. Members were advised that the need for this funding to be shared between former partners who had been members of that LEP would also be raised at a meeting of the West Midlands Combined Authority (WMCA) Board.

Reference was also made to the sixth recommendation in the report and Members questioned the purpose of this recommendation. Officers clarified that, due to the importance of income from Council Tax to the Council's finances, it was important to provide Members with assurance that the authority was collecting Council Tax at an

appropriate level. The recommendation aimed to help provide Members with this assurance.

Members also discussed the position of the HRA and noted that Officers were working hard to invest in developing new Council properties as well as to purchase existing properties that could be incorporated into the Council's housing stock. These actions would enable the Council to increase the number of properties in the Council's housing stock and help to meet continuing demand in the local community for social housing.

During consideration of this item, Members noted that the report had been pre-scrutinised at a meeting of the Budget Scrutiny Working Group held on 6th September 2023 and a recommendation had been made on this subject. Members commented that the proposed action detailed in the recommendation would be helpful and therefore it was agreed that the recommendation should be approved. The Portfolio Holder for Finance and Enabling thanked the Budget Scrutiny Working Group for permitting him to attend the meeting and for undertaking thorough scrutiny of the report.

RESOLVED to note

- 1) that the 2022/23 provisional outturn position in relation to revenue budgets would be a projected revenue overspend in the region of £685,000;**
- 2) that the 2022/23 provisional outturn position in relation to Capital expenditure would be £2.137 million against a total approved programme of £5.431 million;**
- 3) the provisional outturn position in respect of the General Fund Reserves;**
- 4) the provisional outturn position in respect of Earmarked Reserves;**
- 5) the HRA net revenue expenditure would be £34,000 better than expected although Capital Expenditure would be £6.4 million less than budget;**
- 6) financial performance in respect of Council Tax and Non Domestic Rates Collection;**
- 7) that at the time of writing the Council was yet to formally close its accounts for the 2020/21 and 2021/22 financial years. This could therefore result in adjustments to actual expenditure and income in those years and could have a consequential impact on the 2022/23 accounts;**

- 8) that work continued to refine the position including addressing the backlog of entries that were in suspense and any miscoding, therefore the provisional position detailed in this report would be subject to change, and a further update would be presented to Members in due course; and
- 9) that Officers be asked to prepare a public statement on the Council's position regarding the submission of the Statements of Accounts to external auditors in order to provide assurance to the public about the Council's financial situation.

31. OVERVIEW AND SCRUTINY COMMITTEE

The Leader confirmed that there were no outstanding recommendations from the Overview and Scrutiny Committee meeting held on 20th July 2023 requiring consideration.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Thursday 20th July 2023 be noted.

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

Members noted that there were no referrals from the Overview and Scrutiny Committee or the Executive Advisory Panels on this occasion.

33. 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 3, and 4 of Part 1 of Schedule 12 of the said act, as amended.

Minute Item No. 34 – Disposal of a Long Lease Interest at 18 – 19 Woodfield Close, Abbeydale, Redditch

Minute Item No. 35 – Housing Development Proposal – Loxley Close, Church Hill

Minute Item No. 36 – The Town Hall Refurbishment - Final Decision

Minute Item No. 37 – Finance and Performance Monitoring Report – Quarter 1 2023/24

34. DISPOSAL OF LONG LEASEHOLD INTEREST AT 18-19 WOODFIELD CLOSE, ABBEYDALE, REDDITCH

The Property Manager presented a report focusing on the proposed disposal of a long leasehold interest in 18 – 19 Woodfield Close, Abbeydale Redditch.

Members were advised that the existing tenant, which had a lease with the Council that was due to expire in the 2020s, had requested a long-term lease on the unit. Officers were proposing that the long lease should be set to expire at a point coterminous with a separate lease for the flat located above the unit.

Following the presentation of the report, Members discussed a number of points relating to this subject:

- The potential value to the community arising from disposing of Council assets and the need to assess each potential asset on a case by case basis.
- The market value of the unit.
- The fact that this was the only retail unit located on the close, which was otherwise surrounded by residential housing.
- The potential benefits to the local built environment arising from the proposed disposal and responsibility for repair and maintenance of the unit under the leasehold arrangements.
- The need for all Council assets to achieve an Energy Performance Certificate (EPC) rating of at least a grade C by the mid-2020s.

RECOMMENDED that

- 1) the Council dispose of the retail unit at 18/19 Woodfield Close, Abbeydale on a long leasehold basis to the current tenant; and**
- 2) the Council's budget is augmented by the capital receipt and reduced by the income as described in Appendix 3.**

(During 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 the

financial and business affairs of any particular person (including the authority holding that information)).

35. HOUSING DEVELOPMENT PROPOSAL - LOXLEY CLOSE, CHURCH HILL

The Strategic Housing Services Manager presented a report focusing on the development of new Council houses at Loxley Close, Church Hill.

The Council was aiming to develop a number of two-bedroom properties at the site. This would mean the loss of land used by current residents for parking and action had been taken to mitigate against this issue through the provision of visitor parking spaces. The properties would help to meet significant demand in the Borough for two-bedroom properties; Members were advised that on the date of the meeting, there were 365 people on the Council's waiting list for this type of property.

The properties would have a number of features designed to enhance the energy efficiency of the buildings, including air source heat pumps, subject to planning permission. The aim was to ensure that these properties all received an EPC A rating.

In order to fund the works, receipts would be used from Council house sales made under right to buy. Tenants would be charged affordable rents and it was anticipated that the Council would be able to cover the costs of the project from this rental income in just over 30 years' time.

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

- The lessons that had been learned from the Council's work developing new Council houses at Edgeworth Close.
- The potential for more Council houses to be developed by the authority in future years.
- The possibility that the Council could request support from the WMCA's Housing and Land Delivery Board for the development of Council houses in the Borough.
- The location of the new houses in Loxley Close near to a flood plain and the implications of this for residents' house insurance. Officers explained that the houses would be built outside the flood plain.
- The financial costs involved for tenants in operating air source heat pumps using electricity. Officers explained that research indicated that annual costs of heating associated with using air source heat pumps was between £670 and £720 per year per

household compared to in excess of £1,000 per year per household using conventional heating methods.

- The reason why tenants would be charged an affordable rent for leasing these properties rather than a standard social rent. Officers explained that this was a legal requirement, arising from the Council's use of receipts from the sales of Council houses under the right to buy process.
- The differences between social rents, affordable rents and market rents. The Committee was informed that social rents were approximately between 45 and 50 per cent of market rents whilst affordable rents were around 60 per cent of the rate of market rents.
- The attempts that had been made to develop Loxley Close in previous years and the difficulties that had been caused in relation to concerns about potential flooding at the site.
- The design features that had been incorporated into the properties to help mitigate against the risk of flooding.

During consideration of this item, an amendment was proposed by Councillor Joe Baker to the second proposal detailed in the report. This amendment was as follows:

“Authority is delegated to the Head of Community and Housing Services and Head of Finance and Customer Services to spend the approved budget *following consultation with the ward Councillors.*”

This amendment was proposed by Councillor Baker and seconded by Councillor Bill Hartnett.

In proposing the amendment, Councillor Baker commented that he felt that ward Councillors understood their communities best. Through requiring officers to consult with ward Members when spending the approved budget, Councillor Baker suggested that this would ensure that best value was achieved for the local community.

Members discussed the proposed amendment and in doing so considered the following points:

- The extent to which it was appropriate for Members to be involved at the level detailed in the amendment.
- The strategic focus of the Executive Committee and Council in respect of setting the budget for the proposed works.
- The potential for the decision-making process to be delayed through the involvement of all ward Councillors in this process.
- The collective decision-making arrangements for the Executive Committee at the Council and the fact that individual Members did not have decision-making powers.

- The potential for Officers to act on their delegated authority following consultation with the relevant Portfolio Holder.

On being put to the vote the amendment was defeated.

RECOMMENDED that

- 1) **the HRA capital budget be updated as described in exempt Appendix 2 to undertake all development works for the proposal at Loxley Close;**

RESOLVED that

- 1) **authority be delegated to the Head of Community and Housing Services and Head of Finance and Customer Services to spend the approved budget;**
- 2) **authority is delegated to the Head of Community and Housing Services to submit the development proposal for planning permission;**
- 3) **subject to planning permission authority be delegated to the Head of Community and Housing Services to tender for the construction of the site through a design and build contract and other specialist consultants and surveyors to act for, or advise the Council and the commissioning of necessary reports all subject to the Council's Standing Orders and Financial Regulations; and**
- 4) **the properties to be let as affordable rent capped to local housing allowance (LHA) levels for Redditch.**

(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 the financial and business affairs of any particular person (including the authority holding that information)).

36. THE TOWN HALL REFURBISHMENT - FINAL DECISION

The Interim Director of Finance and Resources presented the Town Hall Hub Refurbishment – Final Decision Report for the Committee's consideration.

Members were advised that the report updated the Executive Committee on progress on the movement of the Town Hall to a Community Hub since the previous report on this subject was considered on 11th October 2022. The report requested approval

for spending to increase by £1 million to reflect the final design, with this to be financed through the Public Works Loans Board (PWLB) and funded from savings over and above the £400,000 requirement in the Medium Term Financial Plan for the 2025/26 financial year.

The report detailed:

- Progress on the NHS Space,
- Final design RIBA Stage 3 drawings,
- Updated costs based on these RIBA Stage 3 designs, and
- That moving the Town Hall to a “Community Hub” was in line with Government guidance to “collect” public services in one place.

The NHS had been working on site since the start of 2023. They were now running through their final snagging process and services were expected to start operating from the site towards the end of October 2023. The NHS had invested significant sums for the delivery of Mental Health services from the hub. Handover was expected to take place on the 25th September 2023.

For the remainder of the space in the basement, ground and first floors, the Council had been in negotiations with Worcestershire County Council. This had been in parallel with the Library consultation that the County Council had undertaken. Worcestershire County Council had approved the move at their Cabinet meeting held in July 2023.

Significant work had been undertaken with Worcestershire County Council and their subtenants to ensure the design delivered to their existing requirements and at RIBA Stage 3 all partners had signed off that the design met their requirements. There was no reduction of space or facilities for the Library or the Department for Work and Pensions (DWP), with ongoing revenue costs being no higher than existing 2022/23 revenue costs for running the existing library site. Any requirements over and above the core existing services were chargeable. An example of this was a separate lobby for the DWP which was up for negotiation.

There was significant additional documentation in the appendices, with the greatest change for the Council being the movement of the Civic Suite from the Ground Floor to the Second floor. Planning permission for the changes was agreed on the 27th July 2023. A remaining key change that would be needed would be an improvement to access to the building from the disabled parking bays in the Town Hall car park.

Costs of the detailed design had increased from the estimated £5.2 million, as reported to the Executive Committee in October 2022, to £6.2 million.

Redditch Borough Council and Worcestershire County Council had signed:

- Reciprocating Heads of Terms
- Reciprocating 125 year leases

Work was proceeding on assessing locations and the scale of interim arrangements for Council and Committee meetings and staff decanting.

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

- The move of the civic suite to the second floor of the Town Hall and whether the pillars in that part of the building would obstruct the view of some meeting participants. Officers noted that there were challenges with the conversion of this part of the building and these had been discussed with group leaders throughout the process.
- The appearance of the new Council Chamber on the second floor of the Town Hall and the extent to which the Council would be investing in new fixtures and fittings.
- The potential for the final Heads of Terms documents with Worcestershire County Council to be shared with Members.
- The financial costs arising from the move of the library to the Town Hall and the extent to which Redditch Borough Council would be liable to cover some of these costs.
- The ICT support requirements for the civic suite in the Town Hall and what this would entail. Officers explained that this related to video conferencing and live streaming equipment and software and Members would need to determine in due course whether to invest in a more professional audio visual system than the current arrangements in place at the Council.
- The need for the Council to future proof hybrid meeting arrangements to take into account potential changes to local government meeting arrangements in future.
- The additional works required in respect of the remodelling of the disabled parking bays in the Town Hall car park and the extent to which there were particular risks arising for wheelchair users.
- The use of indicative plans at this stage in the process and how these should be interpreted.
- The purpose of the street walkway referred to in one of the plans.

- The additional support required by the DWP and the likely costs arising from these requirements, which would be subject to negotiation.
- The extent to which a sensory room, which had been referenced at an early stage of the process, would be provided in the children's section of the library. Members were advised that the choice as to whether to include a sensory room in the library would need to be made by Worcestershire County Council's Library Services.
- The asset valuations referred to in the report and whether these were likely to change in light of changes to inflation. Officers explained that higher and lower prices had been factored into the costings and there would be a threshold below which sales would not be made.
- The views that had been expressed by the public on social media with regard to the move of the library from its current site in the town centre to the Town Hall Hub.
- The debate that had been held at the Planning Committee meeting earlier in the year in respect of an application for the Town Hall Hub.
- Previous proposals for the redevelopment of the Town Hall.

During consideration of this item, Members noted that the report had been pre-scrutinised at a meeting of the Overview and Scrutiny Committee held on 7th September 2023. At that meeting, scrutiny Members had agreed a recommendation on the subject of the Town Hall Hub. Members discussed this recommendation, and concerns were raised that the action proposed in the recommendation would delay progress with the project. It was acknowledged that projected financial costs had increased since October 2022, but Members also noted that the figures presented the previous year had been based on the best estimates available at that time. In this context, it was noted that the Overview and Scrutiny Committee's recommendation on this subject would not be accepted.

An alternative proposal to the second recommendation in the report was subsequently proposed by Councillor Joe Baker as follows:

"That the Council does not agree to the £1 million loan and instead Officers are asked to amend plans to reduce the costs, and the hub be reduced in size, so that the library is not included in the hub and the project can then be delivered for £5.2 million."

This alternative recommendation was proposed by Councillor Baker and seconded by Councillor Bill Hartnett.

In proposing the alternative recommendation, Councillor Baker explained that it took into account the proposal that had been made

at the Overview and Scrutiny Committee. He expressed concerns that an additional £1 million would need to be invested in order to accommodate the needs of the library. By not including the library in the hub, Councillor Baker suggested that the financial costs involved in delivering the project would be reduced but the town would still retain a valuable community hub from which various public services could be accessed.

In seconding the alternative recommendation, Councillor Hartnett commented that he was concerned about the impact that the additional funding would have on the Council's finances moving forward. Members were asked to consider halting this expenditure and reviewing their plans at this stage, whilst there was still a chance to make a change. Councillor Hartnett also questioned whether this additional investment would represent value for money for Redditch Borough Council, given Library Services were the responsibility of Worcestershire County Council.

The Committee subsequently discussed the proposed alternative recommendation and in doing so commented on the following points:

- The additional income that the Council could expect to receive as a result of taking the action proposed in the report and how this would offset the additional £1 million costs in a relatively short period of time.
- The extent to which the proposed additional £1 million funding had been reported for the consideration of the Council's auditors. Officers confirmed that the Council's external auditors were provided with copies of Council reports for consideration and no feedback had been received from the auditors expressing concerns about this project.
- The potential for the financial costs involved in delivering a large project such as this to rise over time due to the impact of inflation, changes to the availability of resources and other unexpected pressures.
- The impact that not moving the library into the Town Hall would have on Council income and the extent to which this would have a negative impact on the Council's financial position moving forward.

On being put to the vote, the alternative recommendation was defeated.

RECOMMENDED that

- 1) the Town Hall Refurbishment Capital Budget be increased to £6.2 million;**

- 2) **the £1 million difference from the original approved budget be funded through PWLB debt financed via the additional income, over and above what is in the Medium Term Financial Plan, being delivered; and**
- 3) **authority be delegated to the Interim Director of Finance and Resources to enter into the consequential contractual arrangements.**

(During the consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to the financial and business affairs of any particular person (including the authority holding that information). However, there is no exempt information in this record of the debate).

37. FINANCE AND PERFORMANCE MONITORING REPORT - QUARTER 1 2023/24

The Interim Director of Finance and Resources presented the Finance and Performance Monitoring Report – Quarter 1 2023/24.

Members were advised that the report detailed the following Council positions in the first quarter of the 2023/24 financial year:

- the Council's forecast outturn revenue position for the year,
- an update on the Council's capital programme for the year,
- the procurement pipeline, and
- the organisation's performance measures against its strategic priorities.

From a revenue perspective, the Council had a £10.7 million budget for 2023/24 which was approved by Council in February 2023. Overall, the Council was currently forecasting a revenue overspend against the first quarter budget totalling £139,000. This was due to the anticipated 2023/24 pay award, which was yet to be ratified. If this was extrapolated upwards for the full year, it was anticipated that the Council would overspend in the region of £557,000.

It was estimated that utilities increases were running at 70 per cent but in the 2023/24 budget a 100 per cent increase in budget was assumed and a reserve was set up for the same amount. Given the forecast overspend linked to the anticipated 2023/24 pay award and that the Council had not experienced the increases in utility costs anticipated, it was proposed that £557,000 of the utilities reserve for 2023/4 should be released to offset the overspend position. This pay issue would need to be addressed in the 2024/5 budget which would leave the utilities reserve for 2024/5 and 2025/6 untouched.

There was a small underspend of £4,114 against the £100,000 grants to voluntary bodies budget. The report requested approval to allocate the underspend to the Citizens Advice Bureau (CAB) Redditch branch to gain a physical presence back in Redditch and enable residents to access face to face appointments.

From a capital perspective, the Council had a capital programme of £12.6 million which was approved in the budget in February 2023. Of this, £10.6 million was externally funded whilst £2.0 million was Council funded. As noted from the Financial Outturn 2022/23 report, there was £3.292 million budget slippage from 2022/23 which would be added to this budget. At Quarter 1, the actual spend against the original 2023/24 capital budget was £583,000.

There were a number of capital programme changes detailed in the report including:

- reprofiling of Ipsley Church Lane cemetery budget from 2023/24 to 2024/25,
- increased fleet replacement costs totalling £611,000,
- the leisure changing places budget totalling £21,750 to provide a state of the art toilet facility for visitors to Redditch town centre.

As approved by Executive in July 2023, a list of procurements estimated at a value of over £200,000, and which were delegated for approval to the Executive Committee or to Officers over the following year, were detailed in Appendix D. Whilst Appendix E detailed all procurement estimated at a value of between £50,000-£200,000. Appendix F of the report detailed procurement that impacted on Redditch but which was procured by Bromsgrove district Council due to the shared nature of some of the Councils' services.

At Quarter 1 on the HRA, it was anticipated that there would be budget underspends against repairs and maintenance and supervision and management due to vacancies in some parts of the service. This resulted in an overall projected surplus on services totalling £488,000, which would be contributed to HRA reserves. In addition to this, there was currently a £100,000 projected underspend against the £11.725 million capital programme.

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

- The slippage of the budget for Ipsley church Lane Cemetery to 2024/25 and the extent to which this meant that there would be a delay to the works at the site. Members were advised

that there had been a delay in respect of the planning process and Officers agreed to provide further clarification as to whether this would result in delays for the introduction of the cemetery.

- The budgets held in reserves and the changes arising to the council's reserves following a review in January 2023. Officers explained that the review had been conducted as a number of reserves had not been spent for many years.
- The inclusion of Covid reserves in the Council's budget. Members were advised that some of this funding remained unspent and there was some uncertainty as to whether the government would require this to be returned.
- The utilities reserve, which had been incorporated into the Medium Term Financial Plan when it was agreed in February 2023, as inflation rates had been significantly higher at that time. The council would need to review this reserve moving forward and whether it needed to be retained.
- The situation with regards to empty retail units in the town, which Members commented had deteriorated further since the report was published.
- The increase in homelessness figures and those in crisis within housing in the Borough, which was in line with national trends. Members were asked to note that the term "crisis", as detailed in the report, referred to residents who were experiencing a housing crisis, rather than suggesting that the council was in crisis.
- The impact of increasing rental fees at a time when median earnings for Redditch residents had reportedly fallen by £4,500 per annum.

During consideration of this item, reference was made to the recommendations on this subject that had been made at a meeting of the Budget Scrutiny working Group when the report had been pre-scrutinised. Members noted that the recommended action would add value and therefore these recommendations were accepted.

RESOLVED that

- 1) the current overspend position in relation to Revenue and Capital Budgets for the period April to June and the full year overspend position of £557,000 be noted;**
- 2) those procurements over £200,000 due to be delivered during 2023/4 be added to the forward plan;**
- 3) the Quarter 1 Performance data for the Period April to June 2023 be noted;**

- 4) a review of how the Council secures external grants and trust funding to be undertaken at the end of this financial year;
- 5) a review all grant spending commitments to be undertaken as a matter of urgency, to include considering risk relating to inflation and the Local Authority's overspend this year;

RECOMMENDED to Council

- 6) allocating £557,000 from the Utilities Reserve to mitigate the overspend position in 2023/4;
- 7) changes to the Capital Programme with an ongoing revenue cost of £101,000, £2,000 Leisure Changing Places and £99,000 Fleet replacement;
- 8) approving the £18,200 increase to the Engineering Services base budget from the General Fund and £4,900 increase from the HRA in 2023/4 from reserves and including this change in the 2024/25 Medium Term Financial Plan;
- 9) approving the £23,000 increase to the Bereavement Services base budget in 2023/4 from reserves and including this change in the 2024/25 Medium Term Financial Plan;
- 10) that the underspend of £4,114 from the Grants to Voluntary Bodies scheme be allocated to Citizens Advice Bureau Redditch and Bromsgrove to fund the costs of room hire to enable residents to access face to face appointments.

(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 the financial and business affairs of any particular person (including the authority holding that information) and information relating to consultations and negotiations, including contemplated consultations and negotiations, in respect of labour relations matters. However, there is no exempt information in this record of the debate).

Executive Committee

Tuesday, 12th September, 2023

The Meeting commenced at 6.30 pm
and closed at 8.44 pm