

MINUTES

Present:

Councillors Salman Akbar (Mayor), Karen Ashley (Deputy Mayor), Imran Altaf, Joe Baker, Juliet Barker Smith, Joanne Beecham, Juma Begum, Brandon Clayton, Luke Court, Matthew Dormer, James Fardoe, Peter Fleming, Andrew Fry, Lucy Harrison, Bill Hartnett, Sharon Harvey, Joanna Kane, Sid Khan, Anthony Lovell, Emma Marshall, Kerrie Miles, Gemma Monaco, Timothy Pearman, Jane Spilsbury, Monica Stringfellow, Craig Warhurst and Ian Woodall

Officers:

Peter Carpenter, Nicola Cummings, Claire Felton and Sue Hanley

Democratic Services Officers:

Jess Bayley-Hill and J Gresham

50. WELCOME

The Mayor welcomed all present to the meeting.

51. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Alex Fogg and Chris Holtz.

52. DECLARATIONS OF INTEREST

There were no declarations of interest.

53. MINUTES

Councillor Sharon Harvey raised a point relating to accuracy of the minutes at minute number 44(a), stating that the phrase referring to the Mayor apologising was inaccurate as he had not done so. The Monitoring Officer reminded members that the minutes were a summary of the meeting and not a verbatim record, but undertook to revisit the recording of the meeting and to amend them as necessary to improve their accuracy.

RESOLVED that

the minutes of the meeting of the Council held on Monday 13th November 2023 be approved as a true and correct record and signed by the Mayor subject to the deletion of the words 'and apologised' in minute number 44(a) relating to the Mayor's Announcements and changing the word 'stating' to 'stated'.

54. STATUTORY OFFICER POSTS - APPOINTMENTS

Mrs Susan Hanley, the Interim Head of Paid Service and Mr Peter Carpenter, Interim Director of Finance and S151 Officer left the room prior to consideration of this item.

Council considered a report setting out proposals in respect of the fixed term appointment of Mrs Susan Hanley to enable her to continue in post as the Council's Interim Head of Paid Service, Returning Officer and Electoral Registration Officer. In addition, the report proposed the fixed term appointment of Mr Peter Carpenter to the post of Interim Section 151 Officer and Deputy Chief Executive. Council was also asked to note the resignation of Mrs Hanley from the Board of Rubicon Leisure Limited, the wholly owned Council company that delivered leisure services on behalf of the Council.

Members were reminded that following the retirement of the former Head of Paid Service a recruitment exercise had been carried out for the post of Head of Paid Service and Section 151 Officer but neither post had been filled. It was proposed in the report to extend the fixed term contract of Mrs Hanley and Mr Carpenter. Mrs Hanley had indicated her intention to resign from her substantive post of Deputy Chief Executive and it was proposed to appoint Mr Carpenter to that role when the post became vacant, and Director of Resources (including the S151 Statutory Officer role) on an interim basis. This would enable a recruitment exercise to be undertaken, and in the meantime provide stability in the senior management of the council.

During debate on this item the following were the main points raised:

- It was suggested that the Leaders of this Council and Bromsgrove District Council had chosen not to conclude the recruitment exercise which had resulted in the Council needing to consider this report and that more detail about this should have been provided for members. It was noted that it would not be appropriate for details of the recruitment process to be shared in public. Following a short adjournment of the meeting, it was agreed that there would be a slight amendment to

wording in the report to acknowledge that the recruitment process resulted in the Council not being able to recruit on this occasion.

- Members thanked Mrs Hanley and Mr Carpenter for their continued hard work, dedication and support to the Council as a whole and individual Councillors. Members also paid tribute to Michelle Howell, Head of Finance and Customer Services, who would be leaving the Council.
- It was suggested that the Council should be provided with details of the cost of the recruitment process so far and any lessons learned.
- Concern was expressed about capacity in the Finance team and potential pressure as a result of the s151 officer carrying out this and the Deputy Chief Executive role, especially in the light of the challenges faced by the Council in dealing with its accounts. The Monitoring Officer responded that she understood recent recruitment to the Finance team would sustain its capacity to support the function.

RESOLVED that

- 1) Mrs Susan Hanley continue to be appointed as the Interim Head of Paid Service, Returning Officer and Electoral Registration Officer for Redditch Borough Council on a fixed term basis until 30th November 2024 or, if the date is later, until such time as a new permanent Head of Paid Service has commenced employment with the Council.**
- 2) Subject thereto, Mrs Susan Hanley to be made available under the shared services arrangements with Bromsgrove District Council to perform such duties as are required in her capacity as Interim Head of Paid Service for Bromsgrove District Council.**
- 3) Following Mrs Hanley's resignation from her substantive position as Deputy Chief Executive, Members note that, subject to Bromsgrove District Council as employer agreeing to the appointment of Mr Peter Carpenter as Deputy Chief Executive and Director of Resources (Section 151 Officer) on a fixed term basis until 30th November 2024, he will be made available under the shared services arrangements to perform such duties as are required by his post for Redditch Borough Council.**
- 4) For the purposes of Section 151 of the Local Government 1972, Mr Peter Carpenter be appointed as Section 151 officer for Redditch Borough Council.**

- 5) Members note that Mrs Susan Hanley is formally standing down as a Director of Rubicon Leisure Limited with immediate effect.**

55. JOINT AUDITORS 2020-2021 AND 2022-2023 ANNUAL REPORT

The Council considered a recommendation from a meeting of the Executive Committee which had been held immediately preceding the Council meeting on 5th December 2023 about consideration and receipt of the External Auditor's report 2020-2021 and 2022-2023. The report had also been considered and endorsed at a meeting of the Audit, Governance and Standards Committee held on 23rd November 2023 and an extract from the minutes of that meeting had been published for consideration.

The Leader of the Council confirmed that the Executive Committee meeting immediately preceding the Council meeting had endorsed the recommendation from the Audit, Governance and Standards Committee that Council accept the Section 24 Statutory Recommendation and that Council review the recommendation and endorse the actions included in the management responses which formed the rectification process required by legislation.

The Council had received the Interim Auditor's Annual Report from its External Auditors Grant Thornton for 2021/22 and 2022/23. The report set out progress since the 2020/21 Report and contained an updated Statutory Recommendation with the key reason being the non-delivery of the 2020/21 and subsequent financial statements.

In introducing the item, Councillor Luke Court, Portfolio Holder for Finance and Enabling, outlined the background to the contents of the Auditor's report. The Council had received a Section 24 Statutory Recommendation, 6 Key Recommendations and 13 Improvement Recommendations in the 2020/21 Interim Auditor's Annual Report. The Section 24 Statutory Recommendation was due to the issues the Council encountered in the implementation of a new financial system in February 2021 and its knock-on effect in terms of staff retention, delivery of the 2020/21 and subsequent Accounts, delivery of 2021/22 in year monitoring, and delivery of Government Returns.

In the 2022-23 Report, the Auditors had noted progress being made by the Council towards delivering the 2020/21 accounts. The Portfolio Holder referred to other examples of improvements since 2020/21, including the cash receipting system and reconciliations relating to this due to be completed by the end of the year, and the rollout of finance training. A Task Group had been set up in Bromsgrove to identify the underlying issues for the delivery of the Section 24 Statutory Recommendation in February 2023. The Task

Group's Report was reviewed, and its recommendations accepted by the Redditch Audit, Governance and Standards Committee.

However, the Section 24 Recommendation around the delivery of the 2020/21 accounts was still in place and had been extended to the subsequent accounting periods now outstanding. Of the 6 Key Recommendations in the 2020/21 report, one serious weakness remained in relation to opening balances linked to the budget. Of the 13 2020/21 Improvement Recommendations, 9 had been fully or partially addressed.

There was one new Key Recommendation linked to Organisational Capability and Capacity. The Council was working to mitigate this through the implementation of the Workforce Strategy and £150k of funding had been allocated to this.

Councillor Court thanked the Finance team and the Audit, Governance and Standards Committee for their work in dealing with the actions coming from the Notice and Recommendations in the report.

Councillor Ian Woodall, the Chair of the Audit, Governance and Standards Committee, reported on that Committee's consideration of the report. In doing so he also praised the Finance team for its work in addressing the actions required from the Section 24 notice and the Auditor's report.

Councillor Woodall stated that he considered there were risks to the whole Council if the Auditors decided to issue qualified accounts, and that the Auditors had suggested that the Council was financially exposed in the medium to long term, especially in terms of the capital budget. He made suggestions about how the Council could address the main concerns that he had about the situation. These included considering a moratorium of capital projects and a review of current committed capital in terms of potential risk; setting up a cross party working group to review the introduction of the Tech One system and ensure progress was made with its implementation, and that the Executive Committee should consider a regular 'State of the Council' report to maintain close monitoring of the Council's financial position, including implications arising from increasing homelessness.

During consideration of the Auditor's report, the following were the main items discussed:

- Other members thanked the Finance team for their hard work in undertaking the actions identified from the Auditor's report.
- Although progress had been made in addressing the late submission of accounts an implication of them not being

completed was that the Council could not be certain of its balances when making financial plans.

- Some members expressed the view that a suggestion made during debate that the Council was at risk of a Section 114 Notice was inaccurate. The Auditors Report included a statement that the budget was based on robust assumptions.
- The status of the current Section 24 Notice was queried, in particular whether it was a new, second notice. The S151 Officer clarified that the External Auditor had stated at the Audit, Governance and Standards Committee meeting that technically this was a new Notice. However, subsequently the Auditor advised that the legislation did not state what to do if a previous recommendation had not been addressed.
- In response to a comment, the S151 Officer also clarified the current situation regarding the £6m cumulative budget gap referred to at page 48 in the report. The Medium-Term Financial Plan was built on robust assumptions. The table referred to set out the gap at the start of the time period covered by the reports, but this had now been addressed. The Portfolio Holder subsequently reported that the budget gap was currently around £100k.
- The view was expressed that the impact of the pandemic on the Council during the period covered by the report should be acknowledged. For example, this had affected the capital programme where there had been slippage.

RESOLVED that

the Section 24 Statutory Recommendation is accepted and that Council having reviewed the recommendation, endorse the actions included in the management responses which form the rectification process required as per legislation.

56. URGENT BUSINESS - GENERAL (IF ANY)

There was no urgent business for consideration on this occasion.

The Meeting commenced at 7.54 pm
and closed at 9.47 pm