

Overview and Scrutiny Committee

Thursday, 25th July, 2024

MINUTES

Present:

Councillor Chris Holz (Chair), and Councillors Chris Holz, William Boyd, Claire Davies, Joanna Kane, Sachin Mathur, Gemma Monaco and Rita Rogers

Also Present:

Councillor Joe Baker (Leader of the Council)

Councillor Matthew Dormer (Chair of the Overview and Scrutiny Committee attending as observer and to address the Committee)

Councillor Sharon Harvey (Deputy Leader of the Council)

Councillor Craig Warhurst (Vice Chair of the Overview and Scrutiny Committee attending as observer and to address the Committee)

Councillor Ian Woodall (Portfolio Holder for Finance)

Councillor Monica Stringfellow

Officers:

Peter Carpenter and Sue Hanley

Democratic Services Officers:

Jess Bayley-Hill and Mat Sliwinski

10. APPOINTMENT OF CHAIRMAN FOR THE MEETING

Members were advised that neither the Chair nor the Vice Chair would be chairing this particular meeting, due to consideration of an item of business on the agenda with which they had previously been involved in making a decision.

Councillor Gemma Monaco proposed that Councillor Chris Holz be elected to chair the meeting. This was seconded by Councillor Holz.

Chair

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Councillor Joanna Kane proposed that Councillor Claire Davies be elected to chair the meeting. However, clarification was provided that as per the Council's constitution, the Overview and Scrutiny Committee needed to be chaired by a member of a political group not forming part of the administration. Whilst Councillor Davies was not a member of the administration, it was also noted that she was not a Member of a political group and therefore was not eligible to chair the meeting. Following this clarification, the nomination was withdrawn.

Following a vote it was

RESOLVED that

Councillor Chris Holz be elected to Chair the meeting of Overview and Scrutiny Committee on 25th July 2024.

11. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were submitted on behalf of Councillors Matthew Dormer, Craig Warhurst, Wanda King, and David Munro. Councillors Dormer and Warhurst were substituted at the meeting by Councillors Gemma Monaco and Chris Holz respectively.

12. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of party whip.

13. MINUTES

The minutes of the meetings of the Overview and Scrutiny Committee held on 14th March 2024 and 8th July 2024 were submitted for Members' consideration.

During the consideration of the minutes, a correction was requested to the typographical error in the minutes of the meeting of 8th July 2024, minute number 6, replacing 'Himalayan Blossom' with the correct species name referred to in the meeting, 'Himalayan Balsam'.

RESOLVED that

Subject to the amendment detailed in the preamble above, the minutes of the Overview and Scrutiny Committee meetings held on 14th March 2024 and 8th July 2024 be approved as correct record of these meetings and signed by the Chair.

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14. PUBLIC SPEAKING

There were no public speakers registered to speak at this meeting.

15. EXECUTIVE COMMITTEE MINUTES AND SCRUTINY OF THE EXECUTIVE COMMITTEE'S WORK PROGRAMME - SELECTING ITEMS FOR SCRUTINY

The Executive Committee Work Programme was submitted for Members' consideration. It was noted that many of the finance-related items on the Work Programme would be pre-scrutinised at meetings of the Budget Scrutiny Working Group.

RESOLVED that

the Executive Committee's Work Programme be noted.

16. OVERVIEW AND SCRUTINY WORK PROGRAMME

The Overview and Scrutiny Work Programme was submitted for Members' consideration.

RESOLVED that

the Overview and Scrutiny Work Programme be noted.

17. EXCLUSION OF THE PUBLIC AND PRESS

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 paragraph 3 of Part 1 of Schedule 12 of the said act, as amended.

Minute Item No. 18 – Pre-Decision Scrutiny – Update Report on the Town Hall Hub.

18. PRE-DECISION SCRUTINY - UPDATE REPORT ON THE TOWN HALL HUB

The Deputy Chief Executive and Section 151 Officer presented an update report on the Town Hall Hub.

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The Committee was reminded that two years' previously, following the closure of the cashiers at the Town Hall, the decision had been taken to introduce a community hub in the Town Hall. Some work had been undertaken in liaison with partner organisations, including Worcestershire County Council (WCC) and their library subtenants as well as the NHS to explore potential options for use of space in the community hub. The NHS had entered into a 15-year deal with the Council to lease two floors in the building and a new entrance had been introduced for the use of the NHS. In March 2024, final lease terms had been agreed with Worcestershire County Council, which would have involved the move of the library in the town centre into the community hub at the Town Hall.

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

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

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

Discussions had been held with the former Department for Levelling Up, Housing and Communities (DLUHC) about the options available to the Council moving forward in terms of using Town's Funding previously allocated to Redditch for the project. The

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Council had been advised about the following options if the Council were not to proceed with the library relocation:

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

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

Members were asked to note advice from the Section 151 Officer in his capacity as a Statutory Officer that the authority's external auditors were likely to challenge any decision not to move the library into the community hub, and the resulting financial implications, in their annual report. This challenge was likely, given that the authority had previously been in a position where contracts had been agreed with both the NHS and Worcestershire County Council (WCC) to cover the £400,000 budget savings requirement and there was now an ongoing budget gap to fill as well as a potential write off of aborted design costs. There was also the potential that this could result in the Council being issued with a Section 24 Notice by its external auditors.

Following the presentation of the report by Officers, Councillors present in the public gallery were invited to speak by the Chair. The Councillors were invited to speak as follows:

Councillor Warhurst commented that he felt the presentation delivered by the Section 151 Officer and the report were clear that the Council should not proceed with revising the Town Hall project and should continue with relocation of the library. He commented that if the plans were revised there would be an ongoing annual loss of revenue saving of £400,000. in addition to the loss funding that had already been spent on the design works based on the current plan for the Town Hall Hub.

Concerns were expressed that, were the Executive Committee minded to revise the decision with regard to library relocation, the Council would likely receive a Section 24 Notice from the external auditors for failing to keep to the agreements and decisions that had already been made, including with WCC.

Councillor Warhurst noted that the alternative proposals had not yet been consulted on with WCC or other public sector stakeholders involved with the library including the DWP. He added that the

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proposal to use the basement of the Town Hall for office space would not be attractive to businesses looking to rent office space.

The Committee was asked to note that in the 2020/21 accounts, which had just been finalised, previous year, an additional £1.5 million was added to reserves and that the Council's Section 151 Officer was advising against altering the Town Hall hub project. Councillor Warhurst highlighted a risk to the financial sustainability of the Council if the Council proceeded with alternative Town Hall options.

Councillor Dormer was also invited to address the Committee and in doing so he commented that if the library moved to the Town Hall, there were risks that library provision in Redditch would not be safeguarded. Questions were raised as to what guarantees had been obtained from WCC that library provision in Redditch would be retained in the future, whether at the existing site or an alternative location. In considering this matter, Members noted that WCC had a legal duty to provide library provision within the County, with no legal requirement stating that a library had to be located in Redditch. It was suggested that the Executive Committee should consider this matter further.

Members were asked to note that the majority of respondents to the Redditch Library consultations carried out by WCC were against the library move. In addition, a petition had been handed to WCC by the Leader and Councillor Kane, arguing against the library move. As such, WCC were aware of the opposition to the move. With regard to the Council's representation on the Towns Board, the Leader noted that the Portfolio Holder for Housing and the Assistant Director for Legal, Democratic and Property Services, together with the new Member of Parliament for Redditch, were on the Redditch Town Deal Board.

Councillor Dormer subsequently commented that the existing library building was an old building that could not be modernised and as a result WCC would not be able to proceed with the Libraries Unlocked initiative in Redditch. He questioned if residents were informed about the financial risks associated with not moving the library. In terms of demand for office space, Councillor Dormer commented that in using both the Town Hall and the Innovation Centre to rent office space to businesses, the Council would be effectively competing with itself which he suggested was ineffectual.

Councillor Harvey commented that Overview and Scrutiny had been scrutinising the Town Hall hub project in great depth over the past two years, Members having enquired into what 'plan B' was for that

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project. She reiterated that the alternative proposal put forward by the new administration was now providing a 'plan B'. Councillor Harvey also noted that no objections had been raised to date by WCC with regard to the alternative plans. The Leader of the Council added that the Council was ready to cooperate with WCC regarding library provision in Redditch and that work could be done to effect positive changes to the library in its existing setting.

Following comments by Councillors in attendance as observers at this meeting, Members of the Committee were invited to debate this item. During a detailed debate, the following was noted:

- It was commented that there was significant car parking undercapacity at the Town Hall and any design proposal for the upgraded Town Hall Hub would need to take this problem into account.
- The suggestion was made that the Town Hall basement area could be utilised for a secure bike storage / repair space and showers to encourage active travel. Officers noted that showers had been included in the original design proposals for the Town Hall Hub. The suggestion with regard to inclusion of bike storage/repair space to encourage active travel would be investigated by the Officers.
- Office space in the Digital Manufacturing and Innovation Centre (DMIC) and the Town Hall was considered. A Member countered a comment earlier in the meeting that creating office spaces at both the DMIC and Town Hall would lead to Council effectively competing with itself. It was argued that this statement overemphasised the demand for office space that existed in Redditch at the moment and the Council would need to consider provision of associated services, such as food and beverage provision, to support office workers to effectively grow office space in Redditch.
- The risk of the Council receiving a Section 24 Notice was discussed. It was explained that there was a significant possibility that the Council's external auditors would be concerned with the decision-making process if the Redditch Library move to Town Hall was withdrawn in that contracts were already in place that would need to be terminated. The external auditors were also likely to raise concerns regarding decision-making in relation to the aborted design costs.
- It was stated that changes to the decision regarding the Town Hall hub would likely not necessitate the Council selling any of its assets (including community assets) to finance alternative proposals.
- A possible extension to Government funding for the Towns Fund programme was debated. The Deputy Chief Executive

and Section 151 Officer reported that the Ministry of Housing, Communities and Local Government (MHCLG) would not be making any decisions about extensions to Towns Fund funding until the following year. The current £4.2 million for the Town Hall hub had to be spent by 31st March 2026. It was further explained that the Council had intended to request an extension previously, independent of whether the Redditch Library would move into the Town Hall Community Hub or not.

- Alternative uses for the Towns Fund were considered. The Deputy Chief Executive reported that whilst the former Department for Levelling Up, Housing and Communities (DLUHC) advised that the options of investing further in the DMIC or investing in an alternative building that would give similar outputs to the library site were open to the Council, DLUHC rejected the option of creating a community building as too dissimilar in outputs from the library site.
- Alternative options for the Redditch Town Hall Hub were discussed. Members were advised that a report on the Town Hall project was due to be presented in September 2024 which would set out different options for the new plans for the hub (this was subject to the Executive Committee agreeing to revise works at a meeting 29th July 2024). Prior to the report in September, formal notification would be given to WCC and a formal request made to the Redditch MP regarding change of plans and conversations would be held with the Redditch Town Deal Board and the MHCLG to determine the alternative ways forward.
- The minutes of the Redditch Town Deal Board meetings were referred to. A Member asked if minutes from the Redditch Town Deal Board meetings could be provided to Members of the Overview and Scrutiny Committee. Officers undertook to provide a response after checking on the status of the Town Deal Board meetings in relation to sharing information outside of that Board.
- Aborted costs as a result of withdrawing from the Redditch Library move were debated. Officers explained that the potential aborted costs related to the design works. In the event that the library move would not go ahead, a significant amount of the funding that had already been invested by the Council in the design of the new Library would be required to be written off to revenue, subject to negotiations. Currently, the work of the design contractor had been put on hold and works around the Town Hall were due to recommence from September. It was noted that the Council had committed £14,000 in total to the Library relocation to date and if the move did not take place this would be the total aborted cost for this part of the project.

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A motion was proposed by Councillor Monaco that the recommendations printed in the report should not be endorsed based on there being too great a risk with the Town Hall hub programme if Redditch Library did not move into the community hub. This motion was seconded by Councillor Holz who commented that there were too many risks and uncertainties associated with the revised proposals for the Town Hall hub project, including the need to undertake detailed negotiations with the Towns Deal Board and the potential considerable funding gap.

On being put to the vote, the motion as put by Councillor Monaco was lost.

Members requested that the points raised in the discussions at the Overview and Scrutiny Committee meeting be taken into consideration when the Executive Committee meeting considered this topic at a meeting due to take place on 29th July 2024. The Leader confirmed that the comments made at the Overview and Scrutiny Committee meeting would be taken into account by the Executive Committee.

The motion was put forward by Councillor Kane, seconded by Councillor Rogers, to endorse the recommendations as printed in the report. On being put to the vote, this motion was agreed.

RECOMMENDED that

- 1) The progress towards the creation of a Town Hall Hub be noted and that the need to extend the project to include private sector tenants in the Town Hall be approved.**
- 2) Formal notification be given to Worcestershire County Council that the Redditch Library cannot relocate to the Town Hall.**
- 3) Revised works to RIBA stage 4 be approved in readiness for a detailed report to Executive in September 2024 setting out the revised Town Hall project.**
- 4) Work continues to determine the most effective alternative use of the Towns Funding and that this is reported to and agreement sought through the Towns Board in readiness for a further report to Executive in September 2024.**

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- 5) **Members note and approve the consequential risks associated with the revised proposals detailed within this report.**
- 6) **Authority be delegated to the Interim Director of Finance and Resources and Deputy Chief Executive and the Assistant Director of Legal, Democratic and Property Services to enter 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 of exempt matters on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information).

The Meeting commenced at 5.00 pm
and closed at 7.05 pm