

## MINUTES

### Present:

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

### Officers:

Matthew Bough, Peter Carpenter, Amanda Delahunty, Claire Green and Sue Hanley

### Principal Democratic Services Officer:

Jess Bayley-Hill

#### 46. APOLOGIES

There were no apologies for absence.

#### 47. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 48. LEADER'S ANNOUNCEMENTS

The Leader advised that at the meeting of the Overview and Scrutiny Committee held on Monday 25<sup>th</sup> November 2024, Members had pre-scrutinised the Carbon Reduction Strategy and Implementation Plan Annual Review report, scheduled for consideration at the Executive Committee meeting. Members were advised that at the end of their discussions, the Committee endorsed the recommendations in the report but did not propose any further recommendations.

Prior to the Executive Committee meeting, the Budget Scrutiny Working Group had pre-scrutinised the Quarter 2 Revenue and Performance Monitoring and the Medium Term Financial Plan (MTFP) Tranche 1 reports. Again, the group had not proposed any recommendations on these items for the Executive Committee's consideration.

On behalf of the Executive Committee, the Leader thanked the members of the Overview and Scrutiny Committee and Budget

Chair

Scrutiny Working Group for their hard work in pre-scrutinising these reports.

**49. MINUTES**

**RESOLVED that**

**the minutes of the meeting of the Executive Committee held on 15<sup>th</sup> October 2024 be approved as a true and correct record and signed by the Chair.**

**50. HOMELESSNESS PREVENTION GRANT AND DOMESTIC ABUSE GRANT**

The Housing Development and Enabling Manager presented a report on the subject of Homelessness Grant and Domestic Abuse Grant funding.

The Committee was informed that the report focused on the use of the funding that had been allocated to the Council by the Government to address homelessness and domestic abuse in the 2025/26 financial year. There were a number of risks that could arise if this funding was not allocated as proposed, including a potential increase in homelessness rates in the Borough and a possible increase in use of Bed and Breakfast accommodation, resulting in increased financial costs to the Council. There was also a risk that rates of rough sleeping could increase in Redditch if the proposals were not taken forward. Members were assured that all recipients of grant funding would be required to enter into agreements with the Council.

Following the presentation of the report, Members discussed the proposed allocations to Voluntary and Community Sector (VCS) groups and questions were raised about how additional grant funding would be distributed if this was received from the Government. Officers clarified that a delegation had been requested to enable Officers to use both any unallocated funding and to make adjustments in relation to funding where necessary in order to meet local needs.

Reference was made to the reduction in Independent Living Support Grant funding from Worcestershire County Council to St Basils and Members highlighted the potential impact that this could have on services tackling homelessness in the Borough. Members also noted that whilst the proposals detailed in the report would result in a reduction in funding for the Bromsgrove and Redditch branch of the Citizens Advice Bureau (CAB), the services that had been previously funded through the CAB would remain available for

residents to access elsewhere. The Council also continued to provide financial support to the CAB through other grant schemes.

Consideration was given to the proposal to allocate funding to the Maggs service for a rough sleeper outreach and support service. Members welcomed this proposal and commented that it was anticipated that this would result in an improvement to these services for vulnerable local people.

During consideration of this item, reference was made to the need for the Council to support victims of domestic abuse in the Borough and questions were raised about what further action the local authority could do to address this issue. Officers clarified that in a two-tier authority area like Worcestershire, the County Council had more responsibilities in respect of tackling domestic abuse and therefore Worcestershire County Council received more funding than the district Councils in relation to this area. However, Redditch Borough Council received domestic abuse grant funding in relation to addressing homelessness issues for victims of domestic abuse, as this was the responsibility of local district Councils.

Questions were raised about the number of victims of domestic abuse who tended to seek support from the Council when they were placed at risk of homelessness. The Committee was informed that domestic abuse was a significant cause of homelessness nationally and therefore the Council was required to report data relating to this subject to the Government. The Council also employed an Officer in the Housing Options team who had a specific role focused on supporting victims of domestic abuse and the available data demonstrated the value of this role and the impact that they were having locally.

Members discussed the various VCS groups in the Borough, including organisations that were not due to receive funding from the Council, that provided support to victims of domestic abuse. Questions were raised about the extent to which further grant funding opportunities could be accessed to support the work of those groups. Reference was also made to the potential for the Council to help better promote the work of these VCS groups in order to raise awareness of the support available amongst victims of domestic abuse as well as those at risk of domestic abuse. It was noted that the subject of domestic abuse had previously been discussed through the Overview and Scrutiny process and that this might be a subject that the Crime and Disorder Scrutiny Panel or the main Overview and Scrutiny Committee might want to revisit in due course.

**RESOLVED that**

- 1) **the following initiatives be approved to receive allocation of funding 2025/26.**

**Allocation of Homelessness Prevention Grant.**

<b>Initiatives</b>	<b>£ (up to £442,395)</b>
Redditch Nightstop – Accommodation and Support	34,005
Redditch Nightstop Core Funding	13,000
Maggs Rough Sleeper Outreach Service £102,906.60 (of which £44,225 funded from RSI)	58,682
GreenSquare Accord – 18 units of supported accommodation for Ex Offenders or those likely to offend	17,456
Newstarts - Furniture Project to provide furniture for homeless households.	10,000
Homelessness Prevention - Spend to Save budget for use by Housing Options Officers	17,060
Temporary Accommodation Management	66,380
St Basils Young Persons Supported Housing	63,647
St Basils Young Persons Pathway Worker	30,316
St Basils Crash Pad emergency accommodation	39,132
Onside Advocacy Mental Health Support Worker	36,757
Worcestershire Strategic Housing Partnership Co-ordinator – contribution towards county-wide development and delivery of housing initiatives in partnership with other agencies	7,500
CCP Single and Childless Couples Homeless Prevention Service	33,460
Batchley Support Group	15,000
<b>Total</b>	<b>£442,395</b>
<b>Underspend</b>	<b>£0</b>

**Allocation of Domestic Abuse Grant**

<b>Initiatives</b>	<b>£ (up to £37,522)</b>
Domestic Abuse Co-ordinator	4,813
Domestic Abuse Research and Intelligence Officer	4,426
Domestic Abuse Housing Solutions Officer Top Up	6,000
New Starts	5,000
Batchley Support Group	5,000
St Basils Young Persons Pathway Worker (YPPW)	10,000
Redditch Nightstop	2,283
<b>Total</b>	<b>£37,522</b>
<b>Underspend</b>	<b>£0</b>

- 2) **delegated authority be granted to the Assistant Director Community and Housing Services following consultation with the Portfolio Holder for Housing and the Portfolio Holder for Community Services and Regulatory Services to use any unallocated Grant during the year or make further adjustments as necessary to ensure full utilisation of the Grants for 2025/26 in support of existing or new schemes.**

**51. CARBON REDUCTION STRATEGY AND IMPLEMENTATION PLAN ANNUAL REVIEW**

The Strategic Housing and Business Support Manager presented the Carbon Reduction Strategy and Implementation Plan Annual Review for the Executive Committee’s consideration.

Members were reminded that the Carbon Reduction Strategy had been introduced two years’ previously. At the time that the strategy was introduced, Members had agreed that progress should be monitored on an annual basis and that a new strategy should be presented every three years. The next new strategy was due to be presented for Members’ consideration in 2025/26.

Following the presentation of the report, Members discussed the targets detailed in the action plan and in doing so noted that financial costs and timelines had not been incorporated into the plan in many places. The suggestion was made that this information would be useful, where known, as this would help the

Council in terms of long-range forecasting for the Council's budget. Officers explained that for many of the targets, the financial costs would not become apparent until specific business cases were drawn up and presented for the consideration of Members.

Reference was also made to the information that had been provided in the report in respect of Electric Vehicle charging points and the projected income that the Council would receive through an agreement with Zest EV Charging. Questions were raised about the extent to which the Council would receive this income for car parks serving facilities operated by Rubicon Leisure Limited. Concerns were also raised about the extent to which the Council would be required to cover the utilities costs for the charging points. The Committee was informed that the Council would receive income in relation to the authority's assets and it was noted that Rubicon Leisure Limited used Council assets. In respect of the electricity costs, Members were advised that Zest would cover the electricity costs, which would be recharged to the customer when they were charging their vehicle.

During consideration of this item, Members noted that one of the targets in the action plan referred to reducing the amount of paper used for Council business. Questions were raised as to whether Members would be forced to go paperless for Council and Committee meetings in order to meet this target. Officers clarified that Members continued to be consulted as to whether they required paper or electronic access to agenda packs and paper copies were provided when requested. However, the modern.gov app could also be used to access and annotate agenda packs electronically and the Democratic Services team could provide training on how to use the app to Members who wanted to go paperless or reduce their use of paper.

## **RECOMMENDED that**

**the Council endorse the findings of this annual review of the Carbon Reduction Strategy.**

## **52. QUARTER 2 REVENUE AND PERFORMANCE MONITORING 2024/2025**

The Deputy Chief Executive and Section 151 Officer presented the Revenue and Performance Monitoring Report for the second quarter of the 2024/25 financial year.

Members were asked to note that the report updated the Committee on the following areas:

- The Council's forecast outturn revenue monitoring position for 2024/25 based on data to the end of the second quarter.
- The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee.
- The updated procurement pipeline of Council projects due to be delivered over the following 12 months in order to properly plan for the delivery of these projects.
- The organisation's performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the Council was delivering services to customers.

In terms of financial performance, the draft position was a £299,000 overspend, up from the £164,000 overspend reported in the quarter 1 report. As this related to expenditure at quarter 2, Members were asked to note that at this stage in the financial year, there were a number of instances where annual expenditure or accruals might distort the profiling. The projected figures assumed support services and grants were adjusted to budgetary levels and accruals were netted out of the figures.

The overspends of £2.35 million detailed in the report, were offset by additional income of £2.05 million in corporate financing from additional grant income together with increased investment interest receivable and lower interest payable. The Committee was asked to note that significant agency overspending in Financial Services related to the delivery of the Council's accounts. Overspends in Environmental Services were linked to greater costs arising with the Council's vehicle fleet and reductions in income from Bereavement Services.

Additional funding had been added for the level of the pay award to staff, which had been agreed recently and which was above the 4 per cent allowed for in the 2024/25 budget.

In terms of cash management and borrowing, the Committee was informed that as of 30th September 2024, the Council had no short-term borrowings. The authority did have long-term borrowings of £103.9 million, although Members were asked to note that this linked to the Housing Revenue Account (HRA).

In respect of Council investments, Members were informed that on 30<sup>th</sup> September 2024 there were £15 million of short-term investments held by the authority.

The capital programme had been approved in the Council's budget for 2024/25 in February 2024. The Council's outturn spend in the capital programme was £3.682 million against a capital budget

totalling £20.507 million. Members were asked to note that, as part of the budget setting process, it had previously been decided that £8.051 million would be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24.

Included in this capital programme, the Council also had the following grant funded schemes which were being delivered in 2024/25:

- The three Town's Fund schemes:
  - The library would not now be moving to the Town Hall to become part of the Town Hall Hub, following the decision taken by the Executive Committee on the 29<sup>th</sup> July 2024. A meeting with experts from the former Department for Levelling Up, Housing and Communities (DLUHC) on the 23<sup>rd</sup> May 2024 had identified that, were the Council minded not to proceed with the current proposals, there were three options that could be followed linked to the three schemes agreed in the original bid submission. The way forward would require a Ministry of Housing, Communities and Local Government (MHCLG) Project Adjustment Request (PAR) form to be completed and approval by the Town's Board.
  - The Digital Manufacturing and Innovation Centre (DMIC) – Estimated costs were £10.1 million, but this figure still remained to be finalised on the date of the Executive Committee meeting. The DMIC funding needed to be spent by the 31<sup>st</sup> March 2026. However, it was expected that the scheme would be granted an extension by the Government and that library funding could be used to provide an enhanced scheme. The site had been cleared and was ready for development.
  - Public Realm – a specification had been delivered to Worcestershire County Council by the end of March 2024 for inclusion in their Capital Programme and works had begun.
- Community Hub - Reports had been received by the Executive Committee in July and September 2024 detailing a new design for the Town Hall Hub which no longer included the library. The final costs of the new design had been received and were being assessed to deliver an implementation timetable. There would be a write-off of design works that had been expended in relation to the library, as this could not be capitalised.
- UK Shared Prosperity Schemes for the year would total £1.694 million. This funding had to be spent by 31<sup>st</sup> March 2025.

An updated position on earmarked reserves had been provided in the report, taking account of the now submitted draft accounts for 2020/21 and 2021/22 as well as the reported outturn positions for



2022/23 and 2023/24. As part of the MTFP, all reserves were thoroughly reviewed to assess their continuing their requirement and additional reserves set up for inflationary pressures such as utility increases. At the 30<sup>th</sup> June 2024, the Council held £11.477 million of earmarked reserves.

The HRA position to the 30<sup>th</sup> September 2024 was detailed in the report. In revenue terms, the Council was expecting revenue spending to be £1.2 million over budget, with plans to transfer funding from balances.

Capital spending in the HRA was expected to be £556,000 over budget, with the main variances set out in the report.

The balance sheet reporting was set out as the Quarter 2 Treasury Report at Appendix C to the report. This report detailed the Council's debt and borrowing position for the second quarter of the 2024/25 financial year. Included in this was how the Council was using the authority's working capital as well as measurement of the Council's Prudential Indicators. The Committee was asked to note that one indicator was not compliant. This was a short-term loan between Redditch Borough Council and Bromsgrove District Council undertaken at year end which was repaid at the start of the second quarter of 2024/25. As reporting on the half yearly treasury position was a statutory requirement, this position would be reported on to Council.

The Council's Procurement Pipeline included details of contracts expected to be reprocured and new procurement projects expected to be undertaken in the future. The pipeline would be refreshed quarterly.

- There were eight contracts between the old threshold of £50,000 and the new threshold of £200,000.
- There were 11 contracts that were likely to be over the key decision threshold of £200,000.
- There were three contracts procured by Bromsgrove District Council on behalf of Redditch Borough Council.

In terms of performance, the first section of this report showed the organisation's performance against the strategic priorities outlined in the Council Plan Addendum. Additional comments and updates had been provided for the success measures to explain progress and activities. The final section of the report included some operational measures to demonstrate how the Council was delivering services to customers. As the year moved forward, these indicators would link to business plans and the requirements of the new Executive Member for Performance.

The process of performance reporting would develop iteratively. However, Members were asked to note that this document provided a snapshot in time and a temperature check of the organisation. The layout comprised:

- Strategic Priorities – success measures
- Operational Measures – by service area
- Financial Data (separate report on this occasion)
- Corporate Projects (by exception)

Following the presentation of the report, Members discussed the pressures that could impact on the Council's budget that were outside the authority's control. It was noted that this included the war in Ukraine and new policies that might be introduced by the next president of the United States of America. However, Members welcomed news that the Council had £11.5 million in reserves and the fact that three sets of accounts had now been closed for the authority, which brought the Council into line with other local authorities in the country.

#### **RESOLVED that**

- 1) the current revenue overspend position of £299,000 and actions the Council was taking to mitigate this position be noted;**
- 2) the current capital spending of £3.68 million against a budget of £20.5 million be noted;**
- 3) the Housing Revenue Account position be noted;**
- 4) the updated procurements position be noted, with any new items over £200,000 to be included on the Executive Committee's Work Programme;**
- 5) the Quarter 2 Performance data for the Period July to September 2024 be noted and that this will change over the year to link into the new administration's priorities; and**

#### **RECOMMENDED that**

- 6) the Balance Sheet Monitoring Position for Quarter 2 - the Treasury Monitoring Report, required to be reported to Council - be noted.**

**53. MEDIUM TERM FINANCIAL PLAN - TRANCHE 1 BUDGET INCLUDING FEES AND CHARGES (PRIOR TO CONSULTATION)**

The Deputy Chief Executive and Section 151 Officer presented the MTFP Tranche 1 report (including fees and charges) for 2025/26 to 2027/28.

The Executive Committee was reminded that the Council set a three-year MTFP every year, with the final Council Tax resolutions being approved by Council in February. Members were asked to note that this year's process took into account the following factors:

- The starting point from the 2024/25 MTFP being neutral starting balances (which was actually a £63,000 surplus on the date of the meeting).
- This was the first budget under a new Government and the local government settlement would be for only one year in duration for the first year of the plan. Future budgets would cover multiple years.
- The present cost of living crisis continued to impact on the Borough's most vulnerable residents.
- Three years' accounts had been submitted (2020/21 to 2022/23). Like many other Councils, the authority would receive a disclaimer opinion on these accounts.
- There was continued uncertainty of the Government's funding for projects detailed in the Chancellor's statement on the 30<sup>th</sup> October 2024, as allocations were not yet known.
- There was also uncertainty over what would be required by the new Government and other stakeholders.
- Loss of key personnel, present vacancy rates, and staff retention needed to be noted.
- Business Rates, Council Tax income and associated collection rates and reliefs linked to the "cost of living" crisis and Covid-19 grants were still working their way through the authority's system.
- Inflation was moving back to the Government's target level of 2 per cent.

As such, it was considered prudent to split the budget process into two tranches, in line with the approach taken in recent years. The initial tranche would seek to close as much of the deficit as possible using information known as at the end of October 2024, after the Chancellor's statement but before the Local Government Settlement and seeking approval for those savings to be implemented at Council in January 2025. The second tranche would be presented after the Christmas break, for which approval would be sought in February 2025. This tranche would take

account of the Local Government Settlement, in respect of which the final detail would not be known until early January 2025.

The Committee was informed that the emerging national picture was in many ways quite similar to the previous year:

- The war in Ukraine had still not been resolved and was impacting on inflation rates for everyone.
- Many Councils, including Redditch Borough Council, had declared “Climate Emergencies” and had challenging carbon reduction targets to deliver by 2030, 2040 and 2050. These needed to move into the implementation phase.
- The Office for Local Government was looking at Council data to assess performance and to try to predict if Councils were getting into difficulty.
- The data provided by the Council was important as the Government worked on an allocation method using data to inform decisions.
- In the Local Government arena:
  - There were a number of Local Authorities that had issued Section 114 Statements.
  - Redditch Borough Council would have three years of accounts that would have a Disclaimer Opinion issued by the External Auditor.
  - There were circa 700 local authority accounts up to 2022/23 that had still not been audited across England.

The Chancellor’s Autumn Statement was made on the 30<sup>th</sup> October 2024. Members was asked to note the following impacts on Council budgets:

- A 3.2 per cent real-terms increase in Core Spending Power (CSP) for the whole sector in 2025-26. This would include £1.3 billion additional grant funding, of which at least £600 million would be directed to social care.
- The budget was silent on Council Tax referendum limits, but the District Council Network’s (DCN) expectation was that referendum principles would stay at 2.99 per cent for district Councils.
- In total, £233 million new funding had been announced for homelessness prevention. This would be in addition to the £1.3 billion grant funding to Councils, as discussed earlier in the meeting.
- There would be £1 billion to extend the Household Support Fund and Discretionary Housing Payments into 2025-26.
- There would also be £1.1 billion new funding through implementation of the extended producer responsibility scheme for recycling.

- In terms of Right to Buy, Councils would be permanently allowed to retain 100 per cent of receipts locally and discount levels would revert to pre-2012 levels from 21st November 2024.
- Business Rates support would be provided to the retail, hospitality and leisure sector, although the route of compensation for Councils in relation to this remained to be clarified.
- A £500 million increase to the Affordable Homes Programme in 2025-26 had been announced.
- The UK Shared Prosperity Fund had been extended for 2025-26 at a reduced level of £900 million. This was a 40 per cent decrease compared to 2024/25 and it was not yet clear whether this funding would continue in the future.

Officers highlighted that it was good news that the local government sector would get a real-terms funding increase. However, the Committee was advised that it was not yet clear how this increase would be distributed.

The Government had signalled that it would reform the local government funding system after 2025-26. The Government had also signalled its intention to embark on local government reorganisation to deliver “efficiency savings”. The proposals would be set out in more detail in the English Devolution White Paper, likely to be published in late 2024. It was anticipated that the Government would publish a finance policy statement in mid/late November to set out the key decisions and principles for the provisional Local Government Finance Settlement.

In terms of staff costs, the following points were raised:

- Employer national insurance (NI) contributions would increase by 1.2 per cent to 15 per cent from April 2025 but the public sector would be covered. The Council’s rates, if not funded, would have been £92,000.
- The National Living Wage would increase by 6.7 per cent to £12.21. The minimum wage for 18-to-20 year olds would increase by 16 per cent to £10 per hour. The Council was assessing the impact of this, including on costs for Rubicon Leisure Limited.

The report took account of the Council’s existing strategic priorities, although new ones would be set over the coming months by the new administration. The Council’s strategic approach continued to be to set a balanced budget over the following three-year period having over the past two years moved to a fair level of financial sustainability.

In building the 2025/26 budget, the following underlying assumptions had been made:

- Council Tax – Figures assumed the full 2.99 per cent allowable increase over all three years of the MTFP. Housing growth had not been included, so this would need to be reviewed in tranche 2.
- For Business Rates it was assumed there would be growth based on pooling with the other district Councils in the county and Worcestershire County Council.
- There would be £25,000 in New Homes Bonus contributions.
- It was assumed that central Government grant funding would be at similar levels to previous years.

Other corporate pressures highlighted for Members' consideration included:

- At the second quarter of the 2024/25 financial year, the overall revenue financial position was a projected £299,000 overspend position.
- Officers were suggesting it would be prudent to budget for a Pay Award of 3 per cent for 2025/26, increasing from the assumption of a 2 per cent per annum Pay Award in previous years. This would represent an additional £100,000 cost to the Council. In her statement on the 30th October 2024, the Chancellor had announced that the Government would accept the recommendations of the independent Pay Review Bodies for public sector workers' pay. However, it was unclear whether this was included in the 3.2 per cent spending uplift.
- Pension Fund Actuarial Triennial Revaluation - although the fund continued to perform well, there were concerns about the reducing numbers of live members in the scheme and so an additional sum had been included from 2026/27 of £200,000 to address a potential risk.
- Fees and Charges had originally assumed an increase of 2 per cent. However, given 50 per cent of fees and charges costs linked to staff costs and these would possibly increase at 5 per cent for the 2024/25 financial year, it was proposed that 4% increases were instead looked at in order to cover costs. This would result in additional income of £142,000.
- Until more information was understood in the detailed Local Government Settlement in December, it was assumed that grant levels would remain at present levels.
- The largest change would link to upcoming requirements for waste collection services. The Council was required to implement these proposals from April 2026. The Council was challenging present Government funding allocations to these service changes because the impact on Council budgets was

significant in terms of both revenue and capital costs. The following such costs were highlighted:

- There was the requirement for additional capital investment, over and above any grant funding, of £193,000. It was assumed that this was required to be spent in 2025/26 and costs apportioned accordingly.
- At the present time, additional revenue costs to the Council were estimated to be circa £500,000 a year.
- A review had been undertaken of corporate budgets (Council Tax/Business Rates, Investment Income and Debt) against expected numbers and due to a number of factors, there was a positive position.
- The previous administration had mooted a freeze in Council Tax. It was assumed that this would not be enacted providing an additional £144,000 of funding.
- The Council had budgeted for 3 per cent increase in staff pay in 2024/25. The pay award had been announced at circa 5 per cent and so a 2 per cent adjustment had also been made in the corporate budgets.
- The Council would also need to deal with potential single status savings set to be implemented in the 2025/26 budget.
- As set out in the Chancellor's statement on the 30th October 2024, there was due to be significant additional grant funding to local government. The allocation of these grants would not be known until December, when the Provisional Local Government Finance Settlement would be announced.
- Adjustments, following the establishment review, would need to be made across both Councils to account for the £1 million imbalance between pay budgets and recharges across both Councils.
- Analysis would be undertaken on benchmarking data as well, as this would inform areas where further savings, if required, could initially be looked at.
- The Committee was asked to note that Rubicon Leisure Limited was assessing the impact of the National Insurance changes both in terms of the increases and the movement up of the minimum wage. The financial implications of this to the company could be valued between £100,000 and £200,000.

Corporate pressures amounted to a surplus of £317,000 in 2025/26 changing to an ongoing deficit of £436,000 from 2026/27.

Assistant Directors had reported on departmental pressures by the 24<sup>th</sup> October 2024. These covered both revenue and capital pressures. The departmental changes resulted in an overall £1.309 million revenue pressure in the 2025/26 financial year and then £897,000 by 2027/28. This would result in an ongoing pressure of

circa £1 million rising to £1.3 million. Members were asked to note that if the Council received the full 3.2 per cent core spending power increase set out in the 2024 Chancellor's budget, then this would result in circa £490,000 of additional funding, reducing the gap to circa £500,000 in 2025/26 and £1 million by 2027/28.

There were other initiatives that were due to be addressed in the Tranche 2 MTFP report. This would include funding relating to Ward Budgets, a Bid Writer and Neighbourhood Wardens.

Another key factor in balancing the budget would be the allocation methods for grants, as these impacted on a number of the pressure areas. This would not be known until the Provisional Local Government Finance Settlement was announced.

To meet strategic priorities, the Council required more funding. For Tranche 2 a number of areas needed to be reviewed including:

- Ensuring grants were maximised.
- Ensuring agency work reflected the income provided for its delivery.
- Reviewing the effectiveness of the Council's largest contracts.
- Reviewing the location and effectiveness of the authority's depot.
- Assessing the Council's Leisure and Cultural Strategy in terms of affordability.
- Reviewing recharging mechanisms between Redditch Borough and Bromsgrove District Councils for appropriateness.
- Rationalisation of back office services as technology was increasingly used more effectively.

The Council's Business Improvement Team had reviewed income and fees and charges levels in relation to:

- Deliverability in 2023/24 and 2024/25.
- Views on whether additional per centage increases would be deliverable.

The outcome of that high level analysis was that:

- A blanket per centage increase on all controllable fees and charges and budgets would not be advisable, as this would just increase the rolling year variances in specific areas. Instead, those budgets needed adjusting to the correct base (both up and down).
- Income for Bereavement Services had been heavily impacted by a newly created crematorium which the Bereavement Services Manager had an action plan to partially mitigate.
- Clarification was required on what was and was not subject to VAT in income lines, so that correct budgets could be set.



- Garden and trade waste services were areas where above inflation increases could be variable with previous years and current forecasting showed promise.

The existing 2024/25 MTFP resulted in general fund balances increasing by £63,000 over the three-year period as the original plan moved the Council towards sustainability. Following closure of the 2020/21 and 2021/22 accounts, the Council had far clearer positions on the 2022/23 and 2023/24 outturn positions and a stronger reserves position had been identified.

As part of the tranche 1 budget, it was requested that £300,000 should be allocated from the Economic Development reserve to undertake feasibility studies at the following district centres: Matchborough Centre, Winyates Centre and Woodrow Centre.

Members were asked to note that there would be an impact on general fund reserves from the decision to stop the library development. This was due to aborted design work which could not be charged to the capital budget. The magnitude of these costs remained to be finalised, but potentially could be in the region of £300,000 - £500,000.

Spend to date on the agreed Capital Programme by the end of the second quarter of 2024/25 was £3.628 million. To date, three new capital items had been proposed for addition to the Capital Programme and four further proposals from the Property Services team linked to health and safety considerations in respect of the Council retaining the value of the authority's leisure estate. Rubicon Leisure Limited had also submitted requests for capital funding for a number of areas.

Initial risk assessments and robust statement implications were included in the report. The Committee was asked to note that the MTFP highlighted that the current financial position was potentially untenable without some form of intervention or further substantial savings. The position would become clearer with the Provisional Local Government Settlement once this was announced in December 2024.

Tranche 1 was the first phase of the 2025/26 budget process. There would be consultation concerning the content via the quarterly Customer Survey and it was hoped that this would reach more stakeholders than previous budget consultations. This consultation process would occur in November and December and the outcomes would be reported to Members in the new year.

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

- The timeframes for obtaining further information about the local Government finance settlement and the reasons why limited information had been made available to the sector on this subject to date. The suggestion was made that further clarity would emerge once the Government's Devolution White Paper had been published.
- The hard work of the Council's Financial Services team which had resulted in the submission of three sets of accounts in a relatively short period of time.
- The increases that had been proposed to fees and charges for Bereavement Services and the reasons why these differed from the standard 4 per cent increase. The Portfolio Holder for Environmental Services explained that a lot of benchmarking work had been undertaken to ensure that the fees charged for services provided by the team were competitive. Income had not been as high as had been anticipated, partly due to mortality rates in the Borough having been lower than expected in recent years.
- The need for the Budget Scrutiny Working Group to scrutinise the figures and the date when this would occur. Officers confirmed that the Budget Scrutiny Working Group had pre-scrutinised the content of the report at a meeting held on 21<sup>st</sup> November 2024.
- The potential for a Bid Writer to be employed by the Council to help bid for grant funding. The Committee was advised that this was referenced in the report and a budget bid would be included in the tranche 2 report in relation to this position.
- The additional financial costs involved in introducing new neighbourhood forums and neighbourhood wardens. It was again confirmed that budget bids would be included in the tranche 2 report relating to these pressures.
- The proposed increases to Dial a Ride fees which would be subject to review.
- The fees paid by Council tenants for repair and maintenance jobs at their properties and the circumstances under which tenants were charged for these services. The Committee was advised that the Council had a Recharge Policy which provided further clarity in respect of when tenants would be required to pay fees for repair and maintenance services. The suggestion was made that the Portfolio Holder for Housing should be briefed on the content of this policy.
- The feasibility study in respect of Matchborough, Winyates and Woodrow District Centres for which additional funding was being requested from the Council. Members welcomed this proposal as it was suggested that clarity was needed regarding future arrangements for these district centres.

**RESOLVED to note**

- 1) **the inputs into the Council's Medium Term Financial Plan as at the start of October, and the associated risks and opportunities;**
- 2) **these inputs had been used, along with the 2024/25-2026/27 Medium Term Financial Plan agreed by Council in February 2024, to project an initial "gap" to be closed;**
- 3) **an initial tranche of savings proposals and the associated Savings Proposal Document was published on the 18<sup>th</sup> November 2024 and any feedback would be considered by the Executive Committee in January 2025 prior to seeking approval at Council in January 2025;**
- 4) **tranche 2 of this process would add further information such as the Local Government Settlement to give a final financial position for the Council; and**

**RECOMMENDED that**

- 5) **the use of £300,000 of the Economic Development Reserve for feasibility studies at Matchborough, Winyates and Woodrow be approved.**

**54. OVERVIEW AND SCRUTINY COMMITTEE**

The Leader noted that there were no outstanding recommendations from the meeting of the Overview and Scrutiny Committee held on 14<sup>th</sup> October 2024 which required the Executive Committee's consideration.

**RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on 14<sup>th</sup> October 2024 be noted.**

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

There were no referrals from the Overview and Scrutiny Committee or any of the Executive Advisory Panels on this occasion.