

# REDDITCH BOROUGH COUNCIL

Executive

26<sup>th</sup> November 2024

## Q2 Finance and Performance Report 2024/25

Relevant Portfolio Holder	Councillor Woodall – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
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Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

### 1. RECOMMENDATIONS

The Executive is asked to RESOLVE that:

- 1) The current Revenue overspend position of £299k and actions the Council are taking to mitigate this position be noted.
- 2) The current Capital spending of £3.68m against a budget of £20.5m be noted.
- 3) The HRA Position is noted.
- 4) There is an updated procurements position set out in Appendix C, with any new items over £200k to be included on the Executive Committee's Work Programme.
- 5) The Q2 Performance data for the Period July to September 2024 be noted. That this will be changed over the year to link into the new Administrations priorities.

The Executive is asked to RECOMMEND that:

- 6) That the Balance Sheet Monitoring Position for Q2 is noted – which is the Treasury Monitoring Report and required to be reported to Council.

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## **2. BACKGROUND**

2.1 The purpose of this report is to set out the Council's draft Revenue and Capital Outturn position for the second quarter of the financial year July 2024 – September 2024 and associated performance data. This report presents:

- The Council's forecast outturn revenue monitoring position for 2024/25 based on data to the end of Quarter 2.
- The position in respect of balance sheet monitoring as requested by the Audit, Governance and Standards Committee.
- The updated procurement pipeline of Council projects to be delivered over the next 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 is delivering its services to customers.

## **3. DETAILED PERFORMANCE**

### **Financial Performance**

3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 2, the projected revenue outturn position for the 2024/25 financial year and explains key variances against budget.

3.2 The £10.8m full year revenue budget included in the table below is the budget that was approved by Council in April 2024.

<b>Service Description</b>	<b>2024-25 Approved Budget</b>	<b>2024-25 Approved Q2 Budget</b>	<b>Q2 Adjusted Spend</b>	<b>Q2 Budget Variance</b>	<b>Full Year Forecast</b>	<b>Full Year Budget Variance</b>
Business Transformation and Organisational Development	1,781,837	890,919	984,841	93,922	1,839,423	57,585
Community and Housing GF Services	1,742,562	871,281	322,468	-548,813	1,842,163	99,602
Corporate Services	-1,996,267	-998,133	635,306	1,633,440	-2,311,897	-315,630
Environmental Services	2,701,088	1,350,544	-1,108,364	-2,458,908	3,655,772	954,684
Financial and Customer Services	2,067,408	1,033,704	-2,913,266	-3,946,970	3,101,558	1,034,150
Legal, Democratic and Property Services	2,098,369	1,049,184	1,055,074	5,889	2,214,387	116,018
Planning, Regeneration and Leisure Services	1,067,182	533,591	384,485	-149,106	1,285,519	218,338
Regulatory Client	562,038	281,019	229,148	-51,871	682,095	120,057
Rubicon Client	777,747	388,873	748,239	359,366	777,747	0
Starting Well	0	0	47,887	47,887	65,531	65,531
<b>Grand Total</b>	<b>10,801,965</b>	<b>5,400,982</b>	<b>385,818</b>	<b>-5,015,164</b>	<b>13,152,298</b>	<b>2,350,333</b>

<b>Service Description</b>	<b>2024-25 Approved Budget</b>	<b>2024-25 Approved Q2 Budget</b>	<b>Q2 Adjusted Spend</b>	<b>Q2 Budget Variance</b>	<b>Full Year Forecast</b>	<b>Full Year Budget Variance</b>
Corporate Financing	-10,830,965	-5,415,483	-3,938,521	1,476,961	-12,882,038	-2,051,073
<b>Grand Total</b>	<b>-10,830,965</b>	<b>-5,415,483</b>	<b>-3,938,521</b>	<b>1,476,961</b>	<b>-12,882,038</b>	<b>-2,051,073</b>
<b>TOTALS</b>	<b>-29,000</b>	<b>-14,500</b>	<b>-3,552,703</b>	<b>-3,538,203</b>	<b>270,260</b>	<b>299,260</b>

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## *Budget Variances*

- 3.3 The draft position is set out in the above table. As this is expenditure at Q2 it is important to note that, at this stage in the financial year there are a number of instances where annual expenditure or accruals may distort the profiling as reflected in the Q2 actual. The above profiles have assumed support services and grant are adjusted to budgetary levels and accruals are netted out of the figures.
- 3.4 In addition to this, it is also important to note that the Council is yet to close its accounts for the 2022/23 and 2023/24 financial years. This could therefore result in adjustments to the actual expenditure/income and forecast outturn positions as reported in the table above. Further updates will be provided to Members throughout the financial year (this work is being led by the Audit Standards and Governance Committee).
- 3.5 Overall, the Council is currently forecasting a full year revenue overspend of £299k at Quarter 2. This is mainly due to the additional fleet costs described below and also the pay award yet to be ratified. This position will continue to be reviewed particularly given the impact of the increasing costs linked to inflation and further updates will be provided to Councillors throughout 2024/25.

This includes service projections as follows:

### **Business Transformation £58k overspend**

Within Business Transformation, HR is overspending by £177k due to salaries and professional fees, while there are underspends in Corporate Staff Costs of £95k due to vacancies and £24k within Commercialism due to savings on professional fees.

### **Community and Housing GF Services £100k overspend**

Within Community and Housing GF Services there is a projected underspend due to additional grants received (342k) offset by expenditure on professional fees (£22k) temporary accommodation (£78k).

### **Corporate Services £316k underspend**

Within Corporate Services, the main variance is due to savings on pensions (£347k) as there are a number of staff vacancies Postage costs have increased by £18k while there is an expected overspend on external audit costs of £13k.

### **Environmental Services £955k overspend**

Within Environmental Services there are a number of variances as detailed below:

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- Redditch Waste Collection Team is forecast to overspend by £205k due to additional fuel costs of £24k, shared service arrangement £85k, fleet maintenance of £84k and vehicle hire £12k.
- Redditch Place Teams is forecast to overspend by £117k due to an income shortfall of £18k on bulky waste and increased shared service charges of £99k.
- There is a drop in expected income from Bereavement Services and Cremation Fees of £159k, increase in utility expenditure of £97k and professional fees of £40k.
- Shared Service arrangements across a number of departments are forecast to overspend by £337k

## **Financial and Customer Services £1,034k overspend**

Within Finance and Customer Services, there are overspends in Finance due to agency staff (£604k), ICT purchases (£327k) and costs relating to TechOne (£76k). The Income Shared Service has an overspend of £27k due to salaries.

## **Legal, Democratic and Property Services £116k overspend**

Legal, Democratic and Property Services are forecast to overspend £116k. While there are some underspends due to staff savings within Learning Online £63k, additional income from Woodrow Meeting room £26k, these savings are offset by additional expenditure within Property Services & Building Management due to agency and shared services £110k, expenditure within Elections of £67k, salary overspends within Building Services of £14k, salary overtime in Council Market £10k and £4k in various smaller overspends.

## **Planning, Regeneration and Leisure Services £218k overspend**

Within Planning, Regeneration and Leisure Services there are a number of variances:

- Allotments income is forecast below budget by £54k together with additional expenditure of £47k due to agency staff
- Parks Team Leisure is forecast above budget at £45k due to agency staff
- Greenlands Business Centre is projected to overspend by £24k due to increased utilities.
- Sports Development is projected to overspend £30k due to additional general expenditure
- Town Centre is forecast to overspend by £18k due to materials

## **Regulatory Client £120k overspend**

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Within Regulatory Client, there is an overspend due to Envirocrime and Planning Enforcement (£106k). This overspend will be rectified in Q3 by actioning virements from Planning and Environment Services which will move the overspend to those services as agreed by Council. There are additional overspends in Health Control (£7k) and Pollution (£10k) due to additional professional fees while there are small amounts of predicted additional income on Licensing (£3k).

## **Starting Well £66k overspend**

Within Starting Well, there are overspends on salaries amounting to £78k which are offset by additional income for room hire at £12k.

- 3.6 The above overspends of £2.35m are offset by additional income of £2.05m in Corporate Financing from additional grant income (£1.66m) together with increased investment interest receivable (£312k) and lower interest payable (£82k).

## 3.7 **Cash Management**

### Borrowing

- As of the 30<sup>th</sup> September 2024, there were nil short-term borrowings. The Council has long-term borrowing of £103.9m.

### Investments

- On 30<sup>th</sup> September 2024, the Council has £15m short term investments held.

## **Capital Monitoring**

- 3.8 A capital programme of £20.5m was approved in the Budget for 2024/25 in February 2024. This has been fully reviewed as part of the MTFP using actual data as at the end of December 2023. The table below and detail in **Appendix A** set out the Capital Programme schemes that are approved for the MTFP time horizon.
- 3.9 Many of these schemes are already in partial delivery in the 2024/25 financial year. By approving this list, the Council also agreed sums not spent in 2023/24 (and 2022/23 by default if schemes originated earlier than 2023/24 as sums have been carried forward through to the 2023/24 MTFP Report) to be carried forward into 2024/25. The table also splits amounts by funding source, Council or third party.

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Year	Total Programme	Council Funded	Grant Funded
2024/5	<b>20,507,674</b>	6,089,386	14,418,288
2025/6	<b>5,956,180</b>	2,302,316	3,653,864
2026/7	<b>4,938,263</b>	4,232,399	705,864
2027/8	<b>2,200,918</b>	1,495,054	705,864
2028/9	<b>3,680,154</b>	2,974,290	705,864

- 3.10 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2024/25.
- 3.11 The three Towns Fund schemes – Digital Manufacturing and Innovation Centre (DMIC), Public Square, and Public Realm which are funded via £15.2m of Government Funding. Since the change of administration at the elections in May, a report came to Cabinet and Council in July which set out that the library would not be part of the Town Hall Hub meaning that an alternative will be required for that spending. Work is ongoing on the final identification and delivery of alternatives as set out below. As part of this process, once costs for the DMIC are finalised an application will need to be made to Birmingham and Black County LEP for a further funding of £2.1m.
- 3.12 The Library will now not move to the Town Hall to become part of the Town Hall Hub. This was agreed by the Council at meetings on the 29<sup>th</sup> July. A meeting with DLUHC experts on the 23<sup>rd</sup> May 2024 identified that, were the Council minded not to proceed with the current proposals, the following options could be considered:
- Invest the £4.2m in the Digital Manufacturing and Innovation Centre (DMIC) with better Metrics.
  - Invest in additional public realm improvements.
  - Assessments of delivery in an alternative building that will give similar outputs to the library site will not be deliverable within required grant funding timescales.
- 3.13 Either option (or mix of options) requires a DLUHC PAR form to be completed and for any changes to be agreed. The final alternatives will need to be agreed by the Towns Board by November in order to ensure funds are spent by the 31<sup>st</sup> March 2026. It should be noted that the Redditch MP is lobbying for an extension of these timescales. Initial options were presented to Towns Board on the 21<sup>st</sup> August and updates were provided in September.
- 3.14 DMIC – Present estimated costs are £10.1m but these are being finalised by the end of August to enable a Planning application to be made in early September. These timescales are required to ensure DMIC funding is spent by the 31<sup>st</sup> March 2026.
- £8m from the Towns Fund

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- We have appointed the Project Managers Gardiner and Theobald and the Design Team AHR.
- Additional requirement of £2.1m – Greater Birmingham and Solihull LEP have supplied application forms but require further design detail and costs to complete fully.
- Site has been cleared and is ready for development.

## 3.15 Public Realm – £3.4m

- £3.0m from Towns Fund, Section 106 - £0.176m, Council funding £0.224m
- Specification was delivered to the County Council by the end of March for them include in their Capital Programme.

## Community Hub

3.16 Reports were received by Executive in July and September setting out a new design for the Town Hall Hub which now does not include the Library. The final costs of the new design are expected by the end of October for approval including timescales. Conversations are taking place with prospective new tenants. There will be a write-off of design works that have been expended in relation to the library as this is not able to be capitalised.

3.17 The outturn spend at Quarter 2 is £3.682m against a capital budget totalling £20.507m and is detailed in Appendix A. It should be noted that as per the budget decision carry forwards of £8.051m will be rolled forward from 2023/24 into 2024/25 to take account of slippage from 2023/24. It is expected that UK Share Prosperity Funding for the year will be “1,694,352. This must be spent by the 31<sup>st</sup> March 2025.

## Earmarked Reserves

3.18 The updated position, 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 2023/4 are set out in **Appendix B**. As part of the MTFP all reserves were thoroughly reviewed for their requirement and additional reserves set up for inflationary pressures such as utility increases. At the 30th June 2024, the Council holds £11.477m of Earmarked Reserves. In the Group Accounts it also holds £1.289m of Rubicon Reserves.

## Housing Revenue Account

3.19 The table below details the financial position for the Housing Revenue Account (HRA) for the period April - September 2024. The major variances are due to the following:

- Repairs & Maintenance - vacancies pending restructure of service areas.
- Supervision & Management - the variance is predominantly due to vacant posts.

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		2024/25 Full Year Budget £'000	2024/25 Budget Apr - Sept £'000	2024/25 Actual Apr - Sept £'000	2024/25 Varianc e Apr - Sept £'000	2024/25 Projecte d Outturn £'000	2024/25 Projecte d Variance £'000
<b><u>INCOME</u></b>							
Dwelling Rents	DR	-27,443	-14,293	-14,463	-170	-27,448	-5
Non-Dwelling Rents	ND R	-613	-319	-435	-116	-519	93
Tenants' Charges for Services & Facilities	CSF	-617	-321	-420	-98	-675	-58
Contributions towards Expenditure	CTE	-125	-65	-94	-29	-155	-30
<b>Total Income</b>		<b>-28,798</b>	<b>-14,999</b>	<b>-15,411</b>	<b>-413</b>	<b>-28,797</b>	<b>1</b>
<b><u>EXPENDITURE</u></b>							
Repairs & Maintenance	R& M	6,992	3,496	3,611	115	7,155	163
Supervision & Management	S& M	8,877	4,439	1,783	-2,655	8,703	-174
Rent, Rates, Taxes & Other Charges	RRT	576	288	180	-109	448	-128
Provision for Bad Debts	BDP	576	288	0	-288	576	0
Depreciation & Impairment of Fixed Assets	DEP	6,487	3,244	0	-3,244	6,487	0
Interest Payable & Debt Management Costs	INT	4,179	2,089	-17	-2,106	4,182	3
<b>Total Expenditure</b>		<b>27,687</b>	<b>13,843</b>	<b>5,557</b>	<b>-8,286</b>	<b>27,551</b>	<b>-136</b>
<b>Net cost of Services</b>		<b>-1,111</b>	<b>-1,155</b>	<b>-9,854</b>	<b>-8,699</b>	<b>-1,246</b>	<b>-135</b>
<b>Net Operating Expenditure</b>		<b>-1,111</b>	<b>-1,155</b>	<b>-9,854</b>	<b>-8,699</b>	<b>-1,246</b>	<b>-135</b>
Interest Receivable	IR	-234	-117	0	117	-234	0
Planned use of Balances	UB	1,344	336	0	-336	1,479	135
Transfer to Earmarked Reserves	TER	0	0	0	0	0	0

In HRA Capital:



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Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - Sept £	2024/25 Actuals + Comm Apr - Sept £	2024/25 Variance Apr - Sept £	2024/25 Projected Outturn £	2024/25 Projected Variance £
100050	Housing 1-4-1 Purchases/Build	3,000,000	1,500,000	79,922	- 1,420,078	2,000,000	(1,000,000)
100053	Asbestos General	100,000	50,000	117,149	67,149	100,000	0
100054	Structural Repairs	75,000	37,500	452,114	414,614	325,000	250,000
100055	Electrical Upgrade	100,000	50,000	237,617	187,617	175,000	75,000
100056	Boiler Replacement	750,000	375,000	426,922	51,922	650,000	(100,000)
100059	Disabled Adaptations	500,000	250,000	503,601	253,601	650,000	150,000
100060	Environmental Enhancement	250,000	125,000	29,490	- 95,510	150,000	(100,000)
100061	FRA Works	-	-	32,133	32,133	-	0
100062	Stock Condition Survey	150,000	75,000	123,096	48,096	125,000	(25,000)
100063	Housing Management System	-	-	160,836	160,836	250,000	250,000
100066	Capitalised Salaries	500,000	250,000	-	- 250,000	646,000	146,000
100067	Door Entry/CCTV	100,000	50,000	102,547	52,547	150,000	50,000
100068	HRA Hard Wire S	300,000	150,000	57,069	- 92,931	110,000	(190,000)
100070	HRA Bin Store	-	-	8,338	8,338	-	0
100074	Balcony Replacement	300,000	150,000	382,019	232,019	300,000	0

Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - Sept £	2024/25 Actuals + Comm Apr - Sept £	2024/25 Variance Apr - Sept £	2024/25 Projected Outturn £	2024/25 Projected Variance £
100074	Balcony Replacement	300,000	150,000	382,019	232,019	300,000	0
100083	HRA Compartmentation	500,000	250,000	1,065,143	815,143	500,000	0
100084	Major Voids Works	500,000	250,000	901,686	651,686	750,000	250,000
100098	HRA-Energy Efficiency	750,000	375,000	1,175,837	800,837	1,000,000	250,000
100115	HRA Stock Remodelling	100,000	50,000	20,123	- 29,877	275,000	175,000
100116	HRA Estates Garages	400,000	200,000	-	- 200,000	200,000	(200,000)
110001	Internal Refurbishment	2,500,000	1,250,000	2,287,116	1,037,116	2,500,000	0
110003	High Trees Project	400,000	200,000	1,126,103	926,103	650,000	250,000
110004	Disrepair Cases	50,000	25,000	139,778	114,778	75,000	25,000
110005	External Refurbishment	500,000	250,000	620,432	370,432	650,000	150,000
110042	Lift Replacement	-	-	-	-	150,000	150,000

Project	Project Description	2024/25 Full Year Budget £	2024/25 Budget to Date Apr - Sept £	2024/25 Actuals + Comm Apr - Sept £	2024/25 Variance Apr - Sept £	2024/25 Projected Outturn £	2024/25 Projected Variance £
		11,825,000	5,912,500	10,049,074	4,136,574	12,381,000	556,000

3.20 Across the HRA Capital Investment Programme several issues have arisen that require variances to a number of the budget lines for the following reasons.

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**Structural Repairs** – These occur on a reactive basis and as such budget estimating can be difficult, in the current year we have identified properties that require substantial works to remedy these.

**Electrical Upgrades** – As part of tackling Damp and Mould in our properties we are now installing humidistat fans in both the kitchen and bathroom in void properties to improve ventilation across our housing stock. Through 2024/25 the next cycle of communal electrical testing is to be undertaken and based on the age profile and condition of installations it is anticipated that there will need to be a replacement of systems.

**Disabled Adaptations** - The budget allows for the newly arising works which are primarily level access showers and ramps however on a rare occasion the only solution, to provide the facilities, identified by the Occupational Therapist, is to build an extension. In the current year two properties have been identified that need to provide families with the additional space to accommodate the adaptation measures required.

**Capitalised Salaries** – A review has been undertaken of staffing and the apportionment to capital and revenue costs which has led to this increase.

**Door Entry/CCTV** - Additional blocks of flats have been identified to undertake upgrades to access systems to improve security for tenants and to protect our assets.

**Major Voids** – A Major Void is where two or more elements (e.g. a Kitchen and Bathroom) need replacing. Whilst the number of voids is unpredictable, as well as the scope of works required, the last two financial years the demands on this budget have resulted in the need to increase this budget.

**Energy Efficiency** - Through 2023/24 the project, partially funded by Social Housing Decarbonisation Funding (SHDF), was mobilised however there were large underspends which have led to pressures in this financial year to deliver these works to improve the energy efficiency of some of our worst performing properties.

**Remodelling** – Works have been identified to properties to provide larger family housing with elements of adaptations also included.

**High Trees Project** – The increase in budget is to accommodate a reprofiling of works to complete the next phase of the project.

**Disrepair Cases** – We have experienced increased levels of Disrepair Cases over the last two financial years which has now resulted on a pressure to carry out corrective works to affected properties.

**External Refurbishment** - Additional properties have been identified that require roofing works, replacement doors and windows.

**Lift Replacement** - Having in 23/4 taken responsibility for the lifts in the Housing Stock, the age profile, 30+ years old, of the lifts together with limited parts availability and reliability issues has led to the need to create a programme of replacement of lifts over this and forthcoming financial years.

**Additional Requirements**

3.21 None.

**Balance Sheet Monitoring Position**

3.22 There has been the request from Audit Committee that the Council include Balance Sheet Monitoring as part of this report.

This initial balance sheet reporting is set out as the Q2 Treasury Report which is attached as **Appendix C**. This report sets out the Councils debt and borrowing position for Q1 2024/5. Included in this is how the Council is using its working capital as well as measurement of the Councils Prudential Indicators. It should be noted that one indicator is not compliant. This was a short term loan between Redditch and Bromsgrove undertaken at year end which was repaid at the start of Quarter 2 2024/5. As reporting on the half yearly treasury position is a Statutory Requirement, this appendix will need to be noted and approved that Council note the position.

**Procurement Pipeline**

3.23 The Procurement pipeline is shown in **Appendix D**. The Council's Procurement Pipeline includes details of contracts expected to be reprocured and new procurement projects expected to be undertaken in the future. Those happening in the next 12 months will need to be within the next 12 Months and over £200k will need to be put on the forward Plan. The pipeline will be refreshed quarterly.

- There are 8 contracts between the old threshold of £50k and the new threshold of £200k.
- There are 11 contracts that are over the key decision threshold of £200k
- There are 3 contracts procured by Bromsgrove on behalf of Redditch. These all relate to ICT.

**Performance**

3.24 The first section of this report shows the organisations performance against the strategic priorities outlined in the Council Plan Addendum. Additional comments and updates have been provided for the success measures to explain progress/activity. The final section of the report includes some operational measures to demonstrate how the council is delivering its services to customers. This is Quarter 2 of a new financial year, and as this year moves forward these indicators will link to business plans and the requirements of the new Executive Member for Performance. The indicators are set out in **Appendix E**.

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3.25 The process of performance reporting will develop iteratively, however this document is a snapshot in time and very much a temperature check of the organisation, the layout comprises:

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

These measures are the same as what was reported in the 2023/4 financial year.

## **4. Legal Implications**

4.1 No Legal implications have been identified.

## **5. Strategic Purpose Implications**

### **Relevant Strategic Purpose**

5.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the borough and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

### **Climate Change Implications**

5.2 The green thread runs through the Council plan. The Financial monitoring report has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

## **6. Other Implications**

### **Customer / Equalities and Diversity Implications**

6.1 None as a direct result of this report.

### **Operational Implications**

6.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

## **7. RISK MANAGEMENT**

7.1 The financial monitoring is included in the corporate risk register for the authority.

## **8. APPENDENCES**

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Appendix A – Capital Outturn  
Appendix B – Reserves Position  
Appendix C – Treasury Management Q1 Report  
Appendix D – Procurement Pipeline  
Appendix E – Performance Indicators

## AUTHOR OF REPORT

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## Appendix A - Capital Outturn

Cap Proj	Description	2023/24 Total £	23/24 Spend £	eff	2024/25 Total (Original) £	2024/25 Total (Incl C/F's) £	2024/25 Spend £	Notes
	<b>Large Schemes</b>							
	<b>Towns Fund</b>							
200053	- Innovation Centre	2,500,000	0	2,500,000	4,000,000	6,500,000	18,166	
200054	- Library	2,000,000	611,449	1,388,551	1,700,000	3,088,551	1,788,755	
200055	- Public Realm	1,500,000	18,574	1,481,426	1,439,000	2,920,426	0	
100102,100108-12	- Town Hall Redevelopment	1,000,000	596,960	403,040	5,100,000	5,503,040	427,046	
	<b>UK Shared Prosperity Fund</b>							
100100	- Remainder (to be allocated)	607,294	0	607,294	1,591,109	2,198,403	177,094	
	<b>Other Schemes</b>							
100004	Car Park Maintenance	150,000	34,228	115,772	150,000	265,772	178,963	
100007	Disabled Facilities Grant	839,000	796,216	42,784	839,000	881,784	542,396	
100008	Energy & Efficiency Installs.	0	10,350	-10,350	55,000	44,650	0	
100009	GF Asbestos	0	0	0	38,000	38,000	0	
100010	Grassland Mitigation measures- recreating and monitoring grassland habitats in MS and AVCP	0	0	0	5,864	5,864	0	
100011	Hedgerow Mitigation measures by restoration and hedge laying with associated fencing and gates at AVP SHM and AVP North	0	0	0	21,500	21,500	0	
100012	HMO Grants	25,000	13,500	11,500	25,000	36,500	0	
100013	Home Repairs Assistance	40,000	0	40,000	40,000	80,000	0	
100018	Improvement to original Pump Track at AVCP	0	86,092	-86,092	60,606	-25,486	3,941	
100020	Morgan Stanley Park Infrastructure - Pitch Improvement	0	0	0	25,000	25,000	48,484	
100026	Morgan Stanley Park Infrastructure - General Improvements	0	0	0	8,000	8,000	6,500	

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Cap Proj	Description	2023/24 Total £	23/24 Spend £	diff	2024/25 Total (Original)	2024/25 Total (Incl C/F's)	2024/25 Spend £
100032	Public Building	250,000	224,097	25,903	250,000	275,903	40,754
100035	Fleet Replacement new line	843,000	16,750	826,250	2,663,000	3,489,250	81,092
100037	Removal of 5 seats through Arrau Valley Park	414,000	0	414,000	0	414,000	0
110012	Play Area improvements at Birchfield Road, Headloss Cross Rec Ground. 17/00737/F111	0	0	0	7,575	7,575	0
100040	Sports Contributions to support improvements to Outdoor facilities at Terry Field	0	0	0	3,000	3,000	0
100042	Lifeline Improvements	0	0	0	120,000	120,000	0
100043	Wheellie Bin purchase	100,000	42,079	57,921	100,000	157,921	39,751
100088	Holly Tree Children Centre Improvements	0	0	0	6,000	6,000	0
100097	Arrau Valley Country Park Access Road	0	0	0	26,634	26,634	34,500
100112	Fire compartmentation works in Corporate building	100,000	28,248	71,752	0	71,752	0
100119	Play Area - Surface Replacement	0	0	0	10,000	10,000	0
100121	AVCP - Car Park Extension 25 Spaces	0	0	0	95,000	95,000	107,000
100135	Arrau Valley Visitor Centre Improvements	0	0	0	350,000	350,000	88,418
100137	Final Play Area Change	0	0	0	263,386	263,386	0
100139	Movement of ICT Cyber Capital Works Forward	-125,000	0	-125,000	-50,000	-175,000	0
100140	Cyber Security Update	0	0	0	25,000	25,000	0
100141	Marqan Stanley Park - Footpath	0	0	0	16,500	16,500	0
100142	Hedge and Shrub Removal	0	0	0	40,000	40,000	0
100143	Fleet Car	0	0	0	585,000	585,000	0
100144	PRS Housing ICT System	0	0	0	30,000	30,000	0
100146	Play Area Change - Pre Audit	227,000	0	227,000	155,000	382,000	0
100147	AVCP - Parking Bays near Visitor Centre	0	0	0	12,000	12,000	0
100148	Increased Building Maintenance Car	0	0	0	150,000	150,000	0
110007	Farze Mill and Bardelrey Open Space Improvements	0	0	0	3,000	3,000	0
110009	Greenlandr Sports Pitcher MUGA	0	0	0	21,000	21,000	0
110018	Circa Network Update	5,463	0	5,463	0	5,463	0
110019	Server Replacement Ert(Exact known Q2 2022)	2,000	93,201	-91,201	177,500	86,299	0
110020	Laptop Refresh	25,000	11,542	13,458	150,000	163,458	17,372
110021	Ipsley Church Lane Cemetery	125,000	2,037	122,963	125,000	247,963	2,000
110036	Footpath	75,000	66,444	8,556	75,000	83,556	80,270
	<b>Total</b>	<b>10,792,757</b>	<b>2,634,267</b>	<b>8,158,490</b>	<b>20,507,674</b>	<b>23,553,663</b>	<b>3,612,502</b>

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## Appendix B - Earmarked Reserves

	Balance at 31/3/20 €000	Transfers In €000	Transfers Out €000	Balance at 31/3/21 €000	Transfers In 2021/22	Transfers out 2021/22	Balance at 31/3/22	Transfers In 2022/23	Transfers out 2022/23	Re- baseline 2022/23	Balance at 31/3/23	Transfers in 2023/24	Transfers out 2023/24	Proposed Movements	Balance at 31/3/24	Transfers in 2024/25	Transfers out 2024/25	Balance at 31/3/25	Transfers in 2025/26	Transfers out 2025/26	Balance at 31/3/26
General Fund	1,539	1,610		3,409	0	(1,166)	2,223		(967)	1,584	2,840	770	(956)		2,654	1,166	0	3,820	16	0	3,836
<b>General Fund Earmarked Reserves:</b>																					
Business Rate grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Rates Retention Scheme	1,396	1,066	0	3,082	1,478	0	4,560			(1,500)	3,060	(200)			2,860			2,860			2,860
Community Development	67	7	0	74	74		74				74				74			74			74
Community Safety	302	323	(272)	353	507	0	860	188			1,048				1,048			1,048			1,048
Corporate Services	150	4,502	(1)	4,651			4,651		(150)	(720)	3,781				3,781			3,781			3,781
Customer Services	0	93	0	93			93			(93)	0				0			0			0
Economic Growth	330	0	0	330	208	0	538				538				538			538			538
Electoral Services	44	5	0	49			49				49				49			49			49
Environmental Vehicles	0	29	0	29			29				29		(15)		14		(14)	0			0
Equalities	0	0	0	0			0				0				0			0			0
Equipment replacement	47	0	(22)	25			25				25				0			0			0
Financial Services	87	0	0	87	72	(10)	149				149				149			149			149
HR	0			0			0		75		75				75			75			75
ICT				0			0		75		75				75			75			75
General Risk Reserve	45	0	0	45			45			(45)	0				0			0			0
Housing Benefit Implementation	270	0	0	270			270			(130)	140				140			140			140
Housing Support	745	283	0	1,028	509	(3)	1,534				1,534				1,534			1,534			1,534
Land Charges	9	0	0	9			9				9				9			9			9
Land Drainage	129	0	0	129			129				129				129			129			129
Leisure	0	0	0	0			0				0				0			0			0
Mercury Emissions	0	0	0	0			0				0				0			0			0
Parks & Open spaces	8	0	0	8			8				8				8			8			8
Planning Services	663	0	(27)	396	150	(38)	512				512				512			512			512
Public Donations - Shop mobility	0	0	0	0			0				0				0			0			0
Sports Development	68	0	(59)	9	107	(39)	77				77				77			77			77
Town Centre	2	5	0	7			7				7				7			7			7
Warmer Homes	12	4	0	16			16				16				16			16			16
Transformational Growth	0	123	0	123			123				123				123			123			123
Pensions	0	201	0	201			201			(200)	1				1			1			1
Regeneration Income	0	273	0	273			273				273				273			273			273
Utilities Reserve											1,710				1,710			1,710			1,710
Covid-19 (General)	0	580	0	580	0	0	580			(580)	0			(570)	1,140	(1,140)		0			0
Covid-19 Sales Fees and Charges				0	0		0				0				0			0			0
Covid-19 (Collection Fund)	0	4,433	0	4,433		(1,478)	2,955		(1,478)		1,478		(1,478)		0			0			0
<b>Total General Fund</b>	<b>4,980</b>	<b>11,947</b>	<b>(625)</b>	<b>16,302</b>	<b>3,031</b>	<b>(1,566)</b>	<b>17,767</b>	<b>338</b>	<b>(1,628)</b>	<b>(1,584)</b>	<b>14,893</b>	<b>(200)</b>	<b>(2,063)</b>		<b>12,631</b>	<b>(1,140)</b>	<b>(14)</b>	<b>11,477</b>	<b>0</b>	<b>0</b>	<b>11,477</b>



**Appendix C - Treasury Management Q2 Report**

**1. SUMMARY**

The purpose of this report is to set out a half yearly update on the Council's Capital and Treasury Management Strategies, including all prudential indicators.

**2. RECOMMENDATIONS**

**Cabinet are asked to:**

- **Note the Council's Treasury performance for Q2 of the financial year 24/25.**
- **Note the position in relation to the Council's Prudential indicators.**

**3. BACKGROUND**

**Introduction**

3.1 The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

3.2 This half yearly report provides an additional update and includes the requirement in the 2021 Code of quarterly reporting of the treasury management prudential indicators. The non-treasury prudential indicators are incorporated in the Authority's normal quarterly revenue report.

**External Context**

3.3 **Economic background:** UK headline consumer price inflation remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to June to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August.

3.4 The UK economy continued to expand over the period, albeit slowing from the 0.7% gain in the first calendar quarter to 0.5% (downwardly revised from 0.6%) in the second. Of the monthly figures, the economy was estimated to have registered no growth in July.

3.5 Labour market data was slightly better from a policymaker perspective, showing an easing in the tightness of the job market, with inactivity rates and vacancies declining. However, a degree of uncertainty remains given ongoing issues around the data collected for the labour force survey by the Office for National Statistics. Figures for the three months to

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July showed the unemployment rate fell to 4.1% (3mth/year) from 4.4% in the previous three-month period while the employment rate rose to 74.8% from 74.3%.

- 3.6 Over the same period average regular earnings (excluding bonuses) was 5.1%, down from 5.4% in the earlier period, and total earnings (including bonuses) was 4.0% (this figure was impacted by one-off payments made to NHS staff and civil servants in June and July 2023). Adjusting for inflation, real regular pay rose by 2.2% in May to July and total pay by 1.1%.
- 3.7 With headline inflation lower, the BoE cut Bank Rate from 5.25% to 5.00% at the August Monetary Policy Committee (MPC) meeting. The decision was finely balanced, voted by a 5-4 majority with four members preferring to hold at 5.25%. At the September MPC meeting, committee members voted 8-1 for no change at 5.00%, with the lone dissenter preferring Bank Rate to be cut again to 4.75%. The meeting minutes and vote suggested a reasonably hawkish tilt to rates, with sticky inflation remaining a concern among policymakers.
- 3.8 The latest BoE Monetary Policy Report, published in August, showed policymakers expected GDP growth to continue expanding during 2024 before falling back and moderating from 2025 to 2027. Unemployment was forecast to stay around 4.5% while inflation was shown picking up in the latter part of 2024 as the previous years' energy price declines fell out of the figures before slipping below the 2% target in 2025 and remaining there until early 2027.
- 3.9 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would steadily fall from the 5.25% peak, with the first cut in August being followed by a series of further cuts, with November 2024 the likely next one, taking Bank Rate down to around 3% by the end of 2025.
- 3.10 The US Federal Reserve (the Fed) also cut interest rates during the period, reducing the Federal Funds Rate by 0.50% to a range of 4.75%-5.00% at its policy meeting in September. The forecasts released at the same time by the central bank suggested a further 1.00% of easing is expected by the end of the calendar year, followed by the same amount in 2025 and then a final 0.50% of cuts during 2026.
- 3.11 Having first reduced interest rates in June, the European Central Bank (ECB) held steady in July before cutting again in September, reducing its main refinancing rate to 3.65% and its deposit rate to 3.50%. Unlike the Fed, the ECB has not outlined a likely future path of rates, but inflation projections remain in line with the central bank's previous forecasts where it will remain above its 2% target until 2026 on an annual basis.
- 3.12 **Financial markets:** Sentiment in financial markets continued to mostly improve over the period, but the ongoing trend of bond yield volatility remained. The general upward trend

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in yields in the early part of the period was reversed in the later part, and yields ended the half-year not too far from where they started. However, the volatility in response to economic, financial and geopolitical issues meant it was a bumpy ride for bond investors during that time.

- 3.13 Over the period, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.00% but hit a high of 4.41% in May and a low of 3.76% in mid-September. While the 20-year gilt started at 4.40% and ended at 4.51% but hit a high of 4.82% in May and a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.12% over the period to 30th September.
- 3.14 **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.
- 3.15 Having had its outlook increased by Fitch and ratings by S&P earlier in the period, Moody's upgraded Transport for London's rating to A2 from A3 in July.
- 3.16 Moody's also placed National Bank of Canada on Rating Watch for a possible upgrade, revising the outlook on Standard Chartered to Positive, the outlook to Negative on Toronto Dominion Bank, and downgrading the rating on Close Brothers to A1 from Aa3.
- 3.17 S&P upgraded the rating on National Bank of Canada to A+ from A, and together with Fitch, the two rating agencies assigned Lancashire County Council with a rating of AA- and A+ respectively.
- 3.18 Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period was also generally more muted compared to previous periods.
- 3.19 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

### Local Context

- 3.20 On 31<sup>st</sup> March 2024, the Authority had net borrowing of £16.84m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

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Table 1: Balance Sheet Summary

	31.3.24 Actual £m	31.3.25 Forecast £m
General Fund CFR	22.47	28.21
Council Housing (HRA) CFR	122.20	123.39
<b>Total CFR</b>	<b>144.67</b>	<b>151.60</b>
External borrowing**	103.93	113.22
<b>Internal borrowing</b>	<b>40.74</b>	<b>38.38</b>
Less: Balance sheet resources	-23.90	-23.90
<b>Net borrowing</b>	<b>16.84</b>	<b>14.48</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

3.21 The treasury management position at 30<sup>th</sup> September and the change over the first six months of 24/25 is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	30.9.24 Balance £m	30.9.24 Rate %
Long-term borrowing	103.93	0	103.93	3.59
Short-term borrowing	0	0	0	
<b>Total borrowing</b>	<b>103.93</b>	<b>0</b>	<b>103.93</b>	
Short-term investments	9.0	6.0	15.0	4.94
Cash and cash equivalents				
<b>Total investments</b>	<b>9.0</b>	<b>6.0</b>	<b>15.0</b>	
<b>Net borrowing</b>	<b>94.93</b>	<b>6.0</b>	<b>88.93</b>	

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## Borrowing Strategy and Activity

- 3.22 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. At the present time short term interest rates are higher than long term interest rates.
- 3.23 After substantial rises in interest rates since 2021 many central banks have now begun to reduce rates, albeit slowly. Gilt yields were volatile over the 6-month period and have reduced slightly between April and September 2024. Much of the downward pressure from lower inflation figures was counteracted by upward pressure from positive economic data. Data from the US continues to impact global bond markets including UK gilt yields.
- 3.24 The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the half year and 4.79% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.18%. Rates for 20-year maturity loans ranged from 5.01% to 5.57% during the half year, and 50-year maturity loans from 4.88% to 5.40%.
- 3.25 Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during the month, as expected shorter-term rates reverted to a more normal range and were generally around 5.00% - 5.25%.
- 3.26 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Authority has no new plans to borrow to invest primarily for financial return.
- 3.27 **Loans Portfolio:** At 30<sup>th</sup> September the Authority held £103.929m of loans, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30<sup>th</sup> September 2024 are summarised in Table 3 below.

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Table 3: Borrowing Position

	<b>31.3.24 Balance £m</b>	<b>Net Movement £m</b>	<b>30.9.24 Balance £m</b>
Public Works Loan Board	98.929	0	98.929
Banks (LOBO)			
Banks (fixed-term)	5	0	5
Local authorities (long-term)			
Local authorities (short-term)			
<b>Total borrowing</b>	<b>103.929</b>	<b>0</b>	<b>103.929</b>

## Treasury Investment Activity

- 3.28 The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 3.29 The Authority does not hold any invested funds, representing income received in advance of expenditure plus balances and reserves held. During the period, the Authority's investment balances ranged between £1.0 and £16.5 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

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Table 4: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	30.9.24 Balance £m	30.9.24 Income Return %	30.9.24 Weighted Average Maturity days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government	0	15.0	15.0	4.94%	42
Local authorities and other govt entities	7.5	-7.5	0		
Corporate bonds and loans					
Money Market Funds	1.5	-1.5	0		
<b>Total investments</b>	<b>9.0</b>	<b>6.0</b>	<b>15.0</b>		

- 3.30 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.31 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 3.32 Bank Rate reduced from 5.25% to 5.00% in August 2024 with short term interest rates largely being around this level. The rates on DMADF deposits also reduced from 5.19% to 4.94%.

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## **Non-Treasury Investments**

- 3.33 The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).
- 3.34 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

## **Treasury Performance**

- 3.35 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 5 below.

Table 5: Performance

	<b>Actual</b> £m	<b>Budget</b> £m	<b>Over/ under</b>	<b>Actual</b> %	<b>Benchmark</b> %	<b>Over/ under</b>
<b>Total borrowing</b>	<b>103.929</b>	<b>175.00</b>	<b>71.07</b>			
PFI and Finance leases	0	1.5	1.5			
<b>Total debt</b>	<b>103.929</b>	<b>176.50</b>	<b>72.57</b>			
<b>Total treasury investments</b>	<b>15.0</b>	<b>20</b>	<b>5.0</b>			

## **MRP Regulations**

- 3.36 On 10<sup>th</sup> April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7<sup>th</sup> May 2024 sufficient MRP must be charged so that the outstanding Capital Financing Requirement (CFR) in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.
- 3.37 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).



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## Compliance

- 3.38 The Director of Resources and Section 151 officer reports that all treasury management activities undertaken during the period complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	2024/25 Maximum	30.9.24 Actual	2024/25 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£4m each			
UK Central Government	Unlimited	£15.0m	<b>Unlimited</b>	Yes
Unsecured investments with banks and building societies	<b>£2.5m in total</b>			
Loans to unrated corporates	<b>£1m in total</b>			
Money Market Funds	<b>£20m in total</b>			
Foreign countries	<b>£5m per country</b>			
Real Estate Investment Trusts	<b>£2.5m in total</b>			

- 3.39 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	Q1 2024/25 Maximum	30.9.24 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied? Yes/No
Borrowing	175.00	103.93	175.00	185.00	Yes
PFI and Finance Leases	1.50	0	1.50	1.50	Yes
<b>Total debt</b>	<b>176.50</b>	<b>103.93</b>	<b>176.50</b>	<b>186.50</b>	

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- 3.40 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure

### Treasury Management Prudential Indicators

- 3.41 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

#### Liability Benchmark

- 3.42 This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £2m required to manage day-to-day cash flow

	31.3.24	31.3.25	31.3.26	31.3.27
	Actual	Forecast	Forecast	Forecast
Loans CFR	144.67	151.6	153.79	157.7
Less: Balance sheet resources	-23.9	-23.9	-22.9	-22.9
<b>Net loans requirement</b>	<b>120.77</b>	<b>127.7</b>	<b>130.89</b>	<b>134.8</b>
Plus: Liquidity allowance	0.2	0.2	0.2	0.2
<b>Liability benchmark</b>	<b>120.97</b>	<b>127.90</b>	<b>131.09</b>	<b>135.00</b>
<b>Existing borrowing</b>	<b>103.93</b>	<b>113.22</b>	<b>116.87</b>	<b>117.58</b>

- 3.43 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £118m, minimum revenue provision on new capital expenditure based on a 40 year asset life and income, expenditure and reserves all increasing by inflation of 2% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.

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## Maturity Structure of Borrowing

3.44 This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	30.9.24 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

3.45 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

## Long-term Treasury Management Investments

3.46 The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m	£0.5m
Actual principal invested beyond year end	Nil	Nil	Nil	Nil
Complied?	Yes	Yes	Yes	Yes

3.47 Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

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## Additional indicators

### Security:

- 3.48 The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	2024/25 Target	30.9.24 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

### Liquidity:

- 3.49 The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	30.9.24 Actual	2024/25 Target	Complied?
Total cash available within 3 months	Nil	Nil	Yes
Total sum borrowed in past 3 months without prior notice	Nil	Nil	Yes

### Interest Rate Exposures:

- 3.50 This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	2024/25 Target	30.9.24 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	500,000	0	Yes

- 3.51 For context, the changes in interest rates during the quarter were:

31/3/24

30/9/24

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Bank Rate	5.25%	5.00%
1-year PWLB certainty rate, maturity loans	5.36%	4.95%
5-year PWLB certainty rate, maturity loans	4.68%	4.55%
10-year PWLB certainty rate, maturity loans	4.74%	4.79%
20-year PWLB certainty rate, maturity loans	5.18%	5.27%
50-year PWLB certainty rate, maturity loans	5.01%	5.13%

3.52 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

#### **4. IMPLICATIONS**

##### **Legal Implications**

4.1 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Councils statutory function.

##### **Service / Operational Implications**

4.2 Monitoring is undertaken to ensure that income targets are achieved, with Treasury Management activities taking place on a daily basis.

##### **Customer / Equalities and Diversity Implications**

4.3 The only impact of treasury transactions is in respect of ethical investment linked to the Councils investment counterparties. Presently the Council has a limited counterparty list based on financial risk to the Authority.

#### **5. RISK MANAGEMENT**

5.1 There is always significant risk in relation to treasury transactions, this is why Councils appoint Treasury advisors, which in the case of Redditch is Arlingclose. In addition, there is the requirement in this area to provide an Annual Strategy report containing indicators/limits that must be met, a quarterly update and closure report all of which must be reported to full Council.

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6. **APPENDICES**

None

7. **BACKGROUND PAPERS**

MTEP 2024/25 – February 2024 which contains this years Capital Strategy, Treasury Management Strategy and MRP Policy.

**AUTHOR OF REPORT**

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## Appendix D - Procurement Pipeline

### Between £50k and £200k

	<b>Contract Title</b>	<b>Contract Description</b>	<b>Department</b>	<b>Contract Commencement Date</b>
Redditch				
Redditch	On Demand Revenues and Benefits	Offsite processing of CT and NDR	Finance and Customer Services	01/10/2024
Redditch	Remodel of Caretakers Lodge	Remodel of Caretakers Lodge	Housing Property Services	01/02/2025
Redditch	New Cemetary	Design & Planning Fees	Environmental Services	
Redditch	Extension Rebuild - 11 Prospect Road	Extension Rebuild - 11 Prospect Road	Housing Property Services	01/02/2025
Redditch	A&A Extension - 13 Drayton Close	A&A Extension - 13 Drayton Close	Housing Property Services	01/02/2025
Redditch	Payment Processing	Online payment processing solutions	Finance	TBC
Redditch	Vehicle Hire	Vehicle Hire and Car Share RBC Via CCS RM6013	Environmental - Fleet	TBC

### Over £200k

<b>Council</b>	<b>Contract Title</b>	<b>Contract Description</b>	<b>Department</b>	<b>Contract Commencement Date</b>
Redditch	Fleet Replacement	Fleet Replacement	Environmental Services	
Redditch	Energy Decarbonization	Decarbonisation of council properties	Housing Capital	01/12/2023
Redditch	Void Contract	Refurbishment of Housing Voids to RBC specification	Housing Property Services	01/01/2025
Redditch	Consultancy Support	Consultant support to carry out a range of services including procurement, architecture, structural engineers, stock condition surveys	Housing Property Services	08/01/2023
Redditch	Communal Boiler Replacement	Following option appraisal the need to update and change the communal boilers across various sites	Housing Property Services	02/01/2024
Redditch	Plumbing Supplies	Plumbing & Heating Supplies for RBC via PFH Lot 1a	Environmental - Stores	TBC
Redditch	Water Mains Repairs	Repairs and replacement of water mains under the responsibility of the Council	Housing Property Services	12/01/2023
Joint	Public Space CCTV Maintenance	The repair and Maintenance of Public Space CCTV schemes with Redditch Borough, Bromsgrove District and the associated Monitoring Centre equipment.	CCTV and Lifeline	11/30/2024
Redditch	Replacement windows & doors	Supply & Install of Doors and Windows Via PFH Framework	Housing Capital	TBC
Redditch	Voids Contractor	Voids Contract through Framework	Capital	TBC
Redditch	Underpinning	Contract for underpinning council housing	Housing Capital	01/12/2023

### Bromsgrove Relating to Redditch

	<b>Contract Title</b>	<b>Contract Description</b>	<b>Department</b>	<b>Contract Commencement Date</b>
Bromsgrove				
Bromsgrove	Microsoft Licenses	Licenses to use Microsoft Office	ICT	01/07/2025
Bromsgrove	Planning/GIS/Gazetteer	Supply of Idox Uniform via CCS RM3821 Lot 2b	ICT	19/09/2027
Bromsgrove	Data Access Services	Data Access Services WAN supply	ICT	01/09/2026

**Appendix E - REDDITCH Strategic & Operational Performance Measures**

**REDDITCH Strategic & Operational Performance Measures**

**Quarter 2, 2024/25**

**1. Introduction**

We are committed to reviewing performance reporting and key measures; as this is part of continuous improvement to ensure accountability, transparency, and effectiveness in delivering services to the community.

By assessing performance and utilising benchmarking where appropriate, we can identify areas of improvement, make informed decisions, allocate resources efficiently, and ultimately enhance service delivery to meet the evolving needs of our constituents, therefore how we measure performance is essential.

There will be a full review of the Council Plan starting later in 2024; the plan will identify priorities and key deliverables, and these will be the foundation for the performance reporting.

**2. Strategic Priorities and Performance Measures**

The performance measures shown in the next section are structured around the previous priorities; the report will be restructured around the new Council Plan when adopted and will be reflected in future reports.

**2.1 Economic Development and Regeneration**

**Performance measure:**

- Take-up of start-up business grants and creativity grants programme (up to 1 period lag)

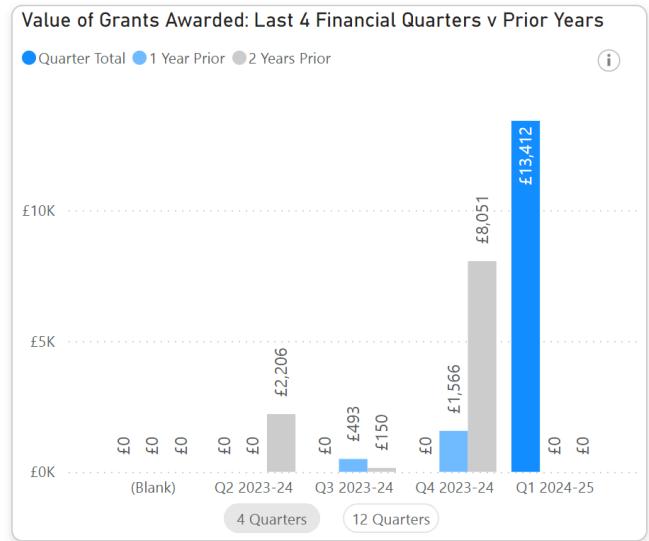
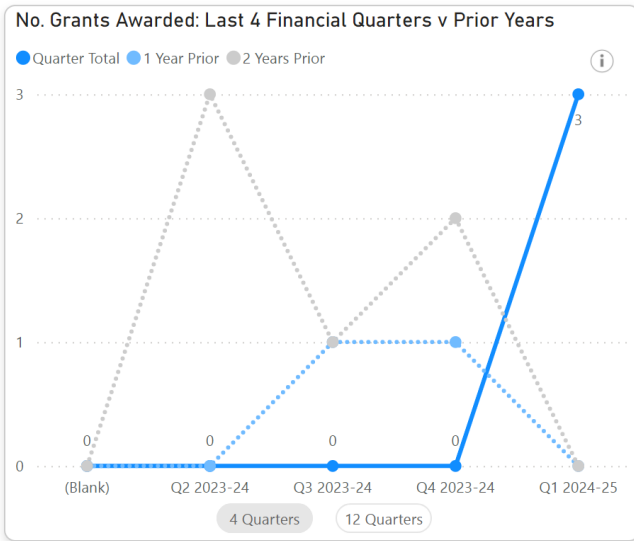


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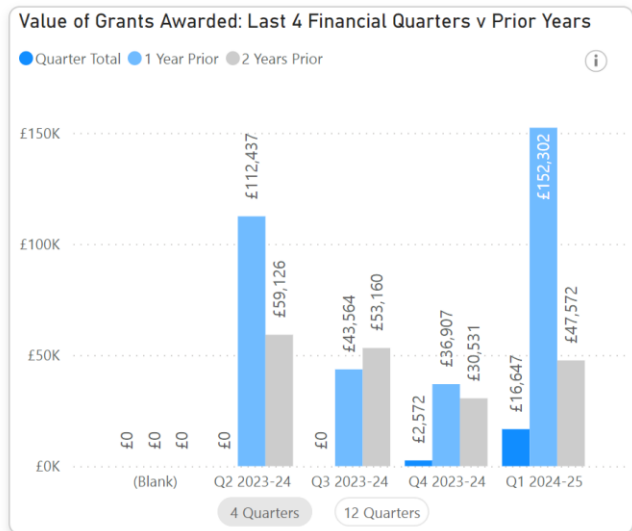
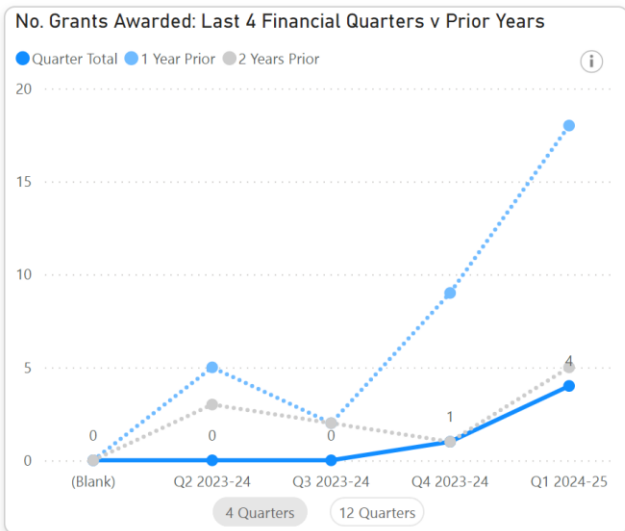
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## Start-up grants



**Update:** Grants were awarded from the Town Centre Grant programme and the Enterprising Worcestershire programme this quarter. Grant recipients included a retailer, an equipment hire business and a manufacturer. All of the businesses supported are in their first 3 years of trading.

## Grants to Established Businesses



**Update:** This quarter, grants were awarded from the Town Centre Grant programme, the Net Zero Worcestershire Grant programme and Betaden. Businesses benefiting include a physical health business, a retailer and manufacturers.

**2.2 Regenerating our Infrastructure.**

**Performance measure**

- **Redditch Innovation Centre and Library Site.**

This measure will be provided through other reporting routes.

**Performance measure**

- **% of empty shops**

**Redditch Annual Monitoring (empty shops)**

Annual monitoring for this measure will be carried out again early Autumn 2024 and there has been no update since January. Vacancy rates are a good indicator for monitoring the health of town centres. At the time of the survey, there were 58 vacant units within the Redditch Town Centre boundary. This equates to 16% of the total units surveyed.

<b>Redditch Town Centre</b>	<b>2022</b>	<b>2023</b>
Commercial Units	353	351
Vacant Units	44	58
Vacancy Rate	12.46	16.52

\*Please note that two units have been removed for the 2023 figures. This is due to an upper floor use being counted in error in 2022 and one COU from vacant in 2022 to C3 residential in 2023 and we do not monitor C3 uses.

**2.3. Housing Growth**

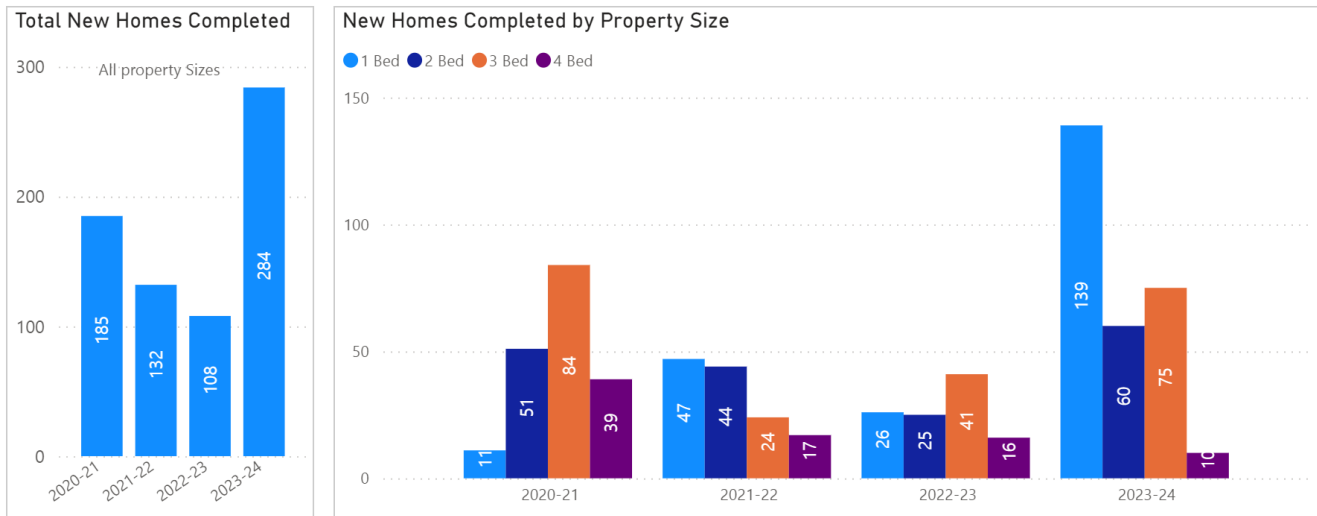
**Performance measure**

- **Number of new homes - total and affordable (annual)**

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**Update:** total number of homes built in 2023/24:

- Total Homes Built (including affordable) - 284 (net)
- Total affordable homes built - 110 (net)

Housing completions which contribute towards meeting the Borough's housing requirement come from several sources including newly built properties, change of use to a dwelling from another use such as an office, conversions or sub-division. In addition, dwellings are also either private for the open market or affordable for rent through Registered Providers, which meet the needs of those on the Council's housing waiting list.

## Performance measure

- Number of new council houses (HRA) projected.

**Update:** Officers are working with Architects to submit planning application on development of 6 houses in Loxley Close. Two new officers have been recruited; one starting mid-November and one January, to bring forward the already identified sites and assess other sites for development.

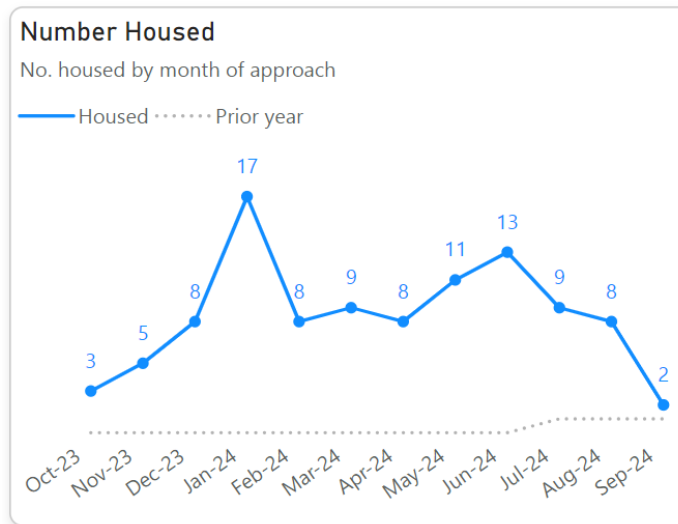
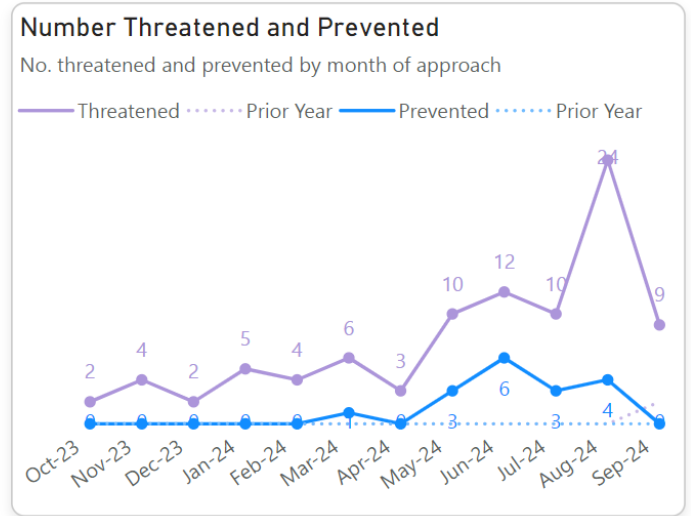
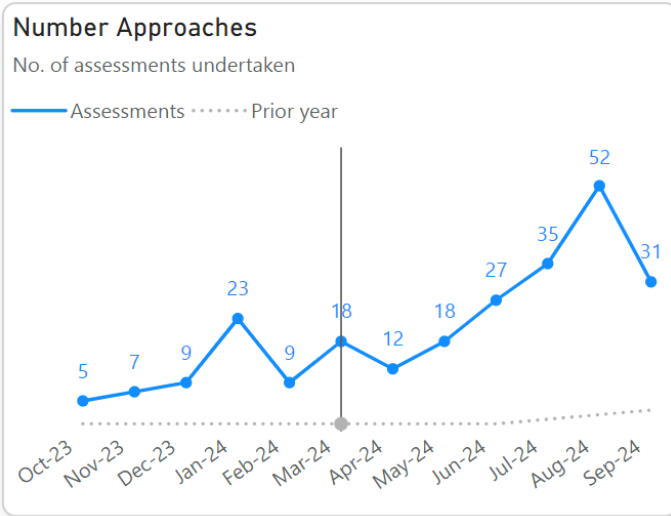
## Performance measure

- Number of homeless approaches
- Number of threatened with homelessness preventions.
- Number of homeless applicants housed.

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**Update:** Redditch BC sees a high proportion of homeless approaches at the Relief Duty stage (when households are already homeless) as opposed to at the Prevention stage (when at risk of homelessness) compared to regional and national averages. This trend, and other factors, limits the team’s ability to achieve positive Prevention outcomes. The team has produced and began delivering an agreed action plan for 2024/25 with a variety of aims of which one is to increase customer approaches at the Prevention stage and improve preventative interventions.

In terms of the reducing number of customers housed, this is in part due to void turnaround times, an issue which is being addressed through the action plan.

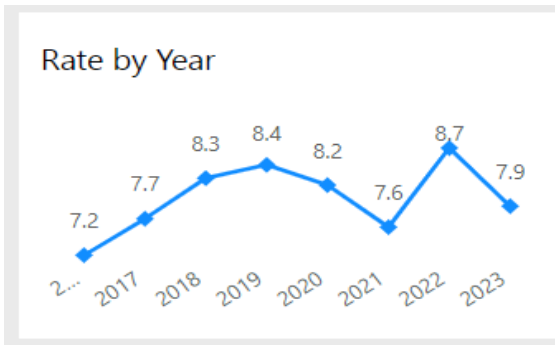
## Performance measure

- Local housing affordability rate (annual, calendar year, 1 year lag)

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	Rate
Redditch	7.85
Worcestershire	8.63
England	8.26

**Update:** The affordability ratio relates to workplace-based income which uses the median earnings of those employed in Redditch Borough, which rose from £26,939 to £31,207, a 15.84% increase. The median house price in the borough has increased from £237,000 to £245,000, a 3.38% increase. This greater increase in work based earnings has resulted in a decrease in the affordability ratio following the national trend however the affordability ratio is still significant and impacting on the need for affordable housing within the Borough.

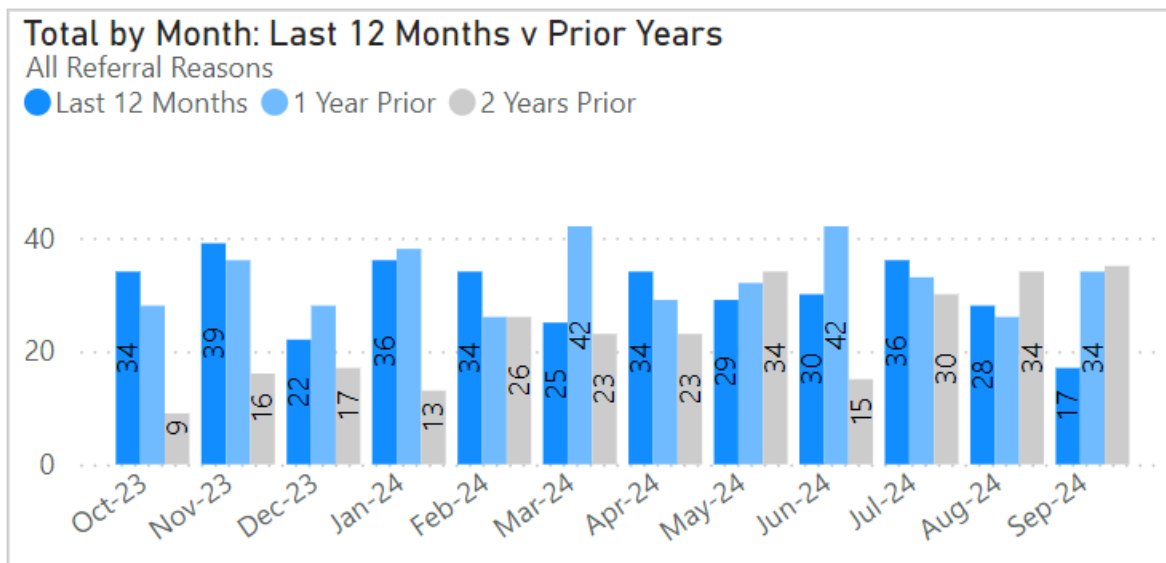
## 2.4 Work and Financial Independence

### Performance measure

- Number of Financial Independence Team client contacts. The chart relates to the number of FI Team cases opened.

**Update:** The top 5 referral reasons (where a value has been provided) for the last 12 months are:

- 'Under occupancy charge' (70)
- 'Debt' (59)
- 'Rent advance/deposit' (41)
- 'Loss of employment' (26)
- 'Physical health issues' (24)



For Q2, the top 3 referral reasons were:

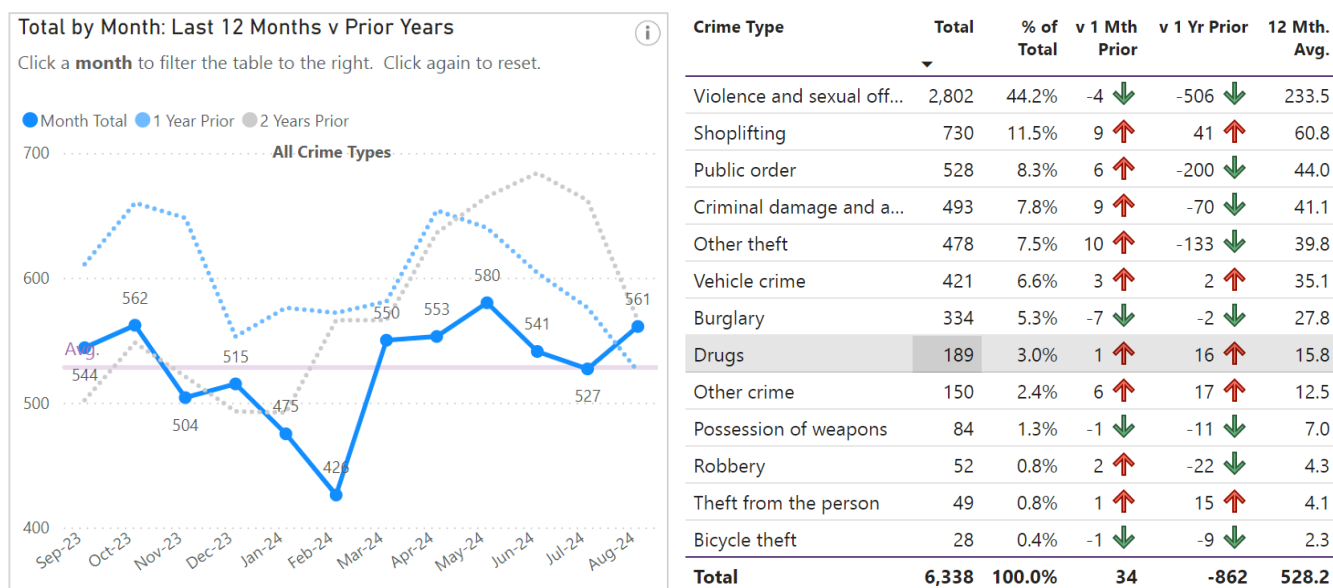
- 'Rent advance/deposit' (14)
- 'Budgeting' (13)
- 'Under occupancy charge' (12)

The Financial Inclusion Team continue to assist residents in the current cost of living crisis. We are always looking for the best way to support residents, be this through internal work or signposting to partners to help maximise income and budgets. We are also working alongside Citizens Advice to distribute the Household Support Fund payments.

### 2.5 Community Safety and Anti-Social Behaviour

#### Performance measure

- Levels of crime (Data extracted from 'data.police.uk'- approximately 8-week lag in data release).



**Update:** Across North Worcestershire there was an +8% (n=352) increase in reported crime during Q1 2024/25 compared to the previous quarter of the year. However, there was a 13% decrease (n=714) when compared to the same quarter of the previous year. Overall, each of the districts in NW showed a decrease during Q1 2024/2025 when compared to the same quarter of the previous year. The largest decrease of recorded offences when compared to Q1 of previous year 23/24 was in Bromsgrove District (-20%, n=293). When compared to the previous quarter (Q4 23/24), the largest increase was in Wyre Forest (+12%, n=201). Bromsgrove showed a +5% increase (n=60) on the previous quarter and Redditch showed a +7% increase (n=91). The offence category showing the largest change when compared to the same quarter in the previous year was Burglary of a Business and Community property (+45%, n=41), this was the highest recorded percentage increase and had also increased by +58% (n=6) compared to the previous quarter (Q4 23/24).

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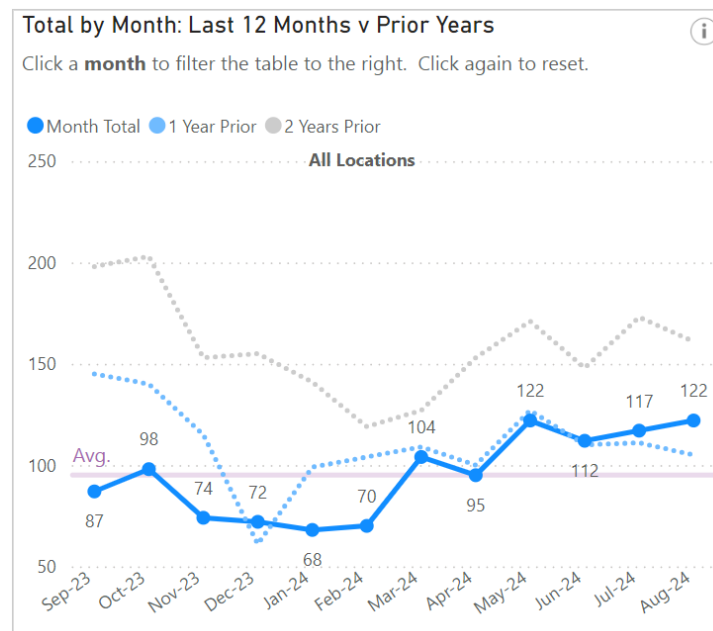
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Locally, Abbey Ward recorded the largest volume of offences in the most recent quarter Q1 2024/2025 (n=295). This represents a decrease of -3% (n=8) compared to the same period in the previous year. However, it has increased since Q4 2023/2024 by 13% (n=35). Central Ward recorded a decrease in offences of 8% (n=18). The only Ward to record an increase compared to the same period in the previous year was Matchborough Ward which increased by 9% (n=7). Matchborough Ward accounts for only 4% of the district total offences.

## Performance measure

- **ASB (Anti-Social Behaviour)** (Data extracted from 'data.police.uk'- approximately 8-week lag in data release)



**Update:** Unfortunately, due to changes in Partnership Analysis support ASB data analysis continues to be unavailable for reporting.

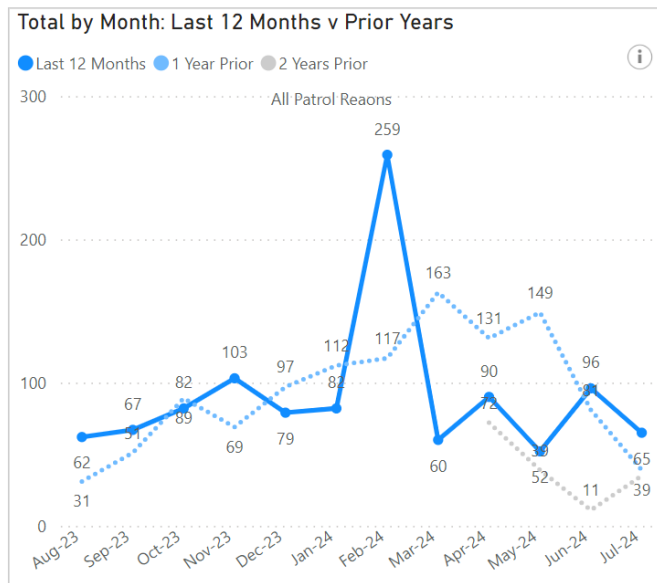
## Performance measure

- Number of young people engaged through Detached/Outreach youth work

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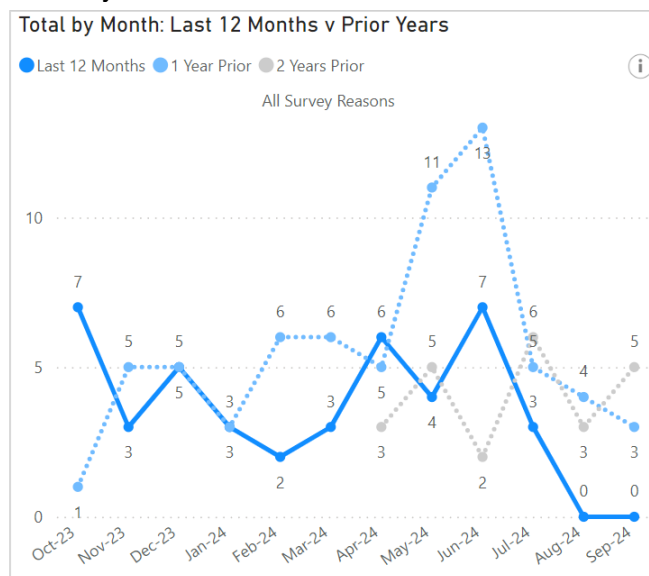
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**Update:** Routine outreach patrols were carried out in Lodge Park and around the Town Centre. Youth workers had discussions with young people who felt there wasn't enough for them to do. Young people also discussed other groups who smoke, use drugs and say they carry knives which creates a lot of fear. Young people engaged are directed to existing youth provision in the area.

**Performance measure**

- Number of crime risk surveys carried out





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**Update:** In July, detailed crime prevention recommendations provided for a planning application for 222 dwellings in Webheath. A DA Sanctuary assessment was completed and a site visit and crime/ASB risk assessment completed following reports of ASB and criminal damage in Church Hill

For August and September, information is not available due to staff absence.

## **2.6 Rubicon Leisure**

**Update:**

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		April	May	June	July	August	September	October	November	December	January	February	March
Abbey Stadium	24/25	3743	3631	3699	3452	3499	3504	3473	3335	3244	3291	3362	3315
	23/24	3416	3369	3384	3452	3499	3504	3473	3335	3244	3291	3362	3315
	Variance	↑ 10%	↑ 8%	↑ 9%									
Total Swimming Lesson Enrollment	24/25	1311	1319	1344		1223	1282	1252	1250	1238	1274	1277	1284
	23/24					1223	1282	1252	1250	1238	1274	1277	1284
	Variance												
Palace Theatre	24/25	16	21	23	16	2	13	19	24	46	15	16	20
	23/24	18	19	23	16	2	13	19	24	46	15	16	20
	Variance	↓ -11%	↑ 11%	↑ 0%									
Seats sold	24/25	3845	4702	5621	3925	326	3277	5217	7385	16469	4429	5647	6331
	23/24	5521	4735	5592	3925	326	3277	5217	7385	16469	4429	5647	6331
	Variance	↓ -30%	↑ -1%	↑ 1%									
Forge Mill	24/25	447	481	382	431	608	476	397	301	0	0	266	383
	23/24	536	380	331	431	608	476	397	301	0	0	266	383
	Variance	↓ -17%	↑ 27%	↑ 15%									
Pitcheroak Golf Course	24/25	103	115	114									
	23/24	103	115	114									
Arrow Valley Visitor Centre	24/25	£6.81	£7.02	£6.95	£6.32	£6.58	6.17	5.59	5.51	5.71	6.39	6.73	6.59
	23/24	£6.42	£6.67	£6.37	£6.32	£6.58	6.17	5.59	5.51	5.71	6.39	6.73	6.59
	Variance	↑ 6%	↑ 5%	↑ 9%									

**2.7 Green Thread**

**Performance Measure:**

- Have an agreed and funded plan and capital replacement programme for the Council's fleet

**Update:** The current Capital Replacement Programme has been approved for 2024/25, but it has been identified that amendments are needed to maintain service provision. The existing capital replacement plan is currently being reviewed for RBC across all services to address this, and ensure services have the right assets to deliver on our duties across the borough. Amendments to domestic waste service were approved in Q1 and additional changes to the programme will be submitted for consideration during Q3 of the 2024/25 financial year where required.

Capital assets linked to Housing are funded from the HRA and managed through a parallel version of the Capital programme in place for Environmental Services but are being reviewed to ensure the assets are considered and procured alongside other vehicle purchases to ensure best value is achieved through standardisation where appropriate. Details of the funding required to support the changes to the Housing Fleet replacement programme are expected to be presented for review and approval during 2024/25.

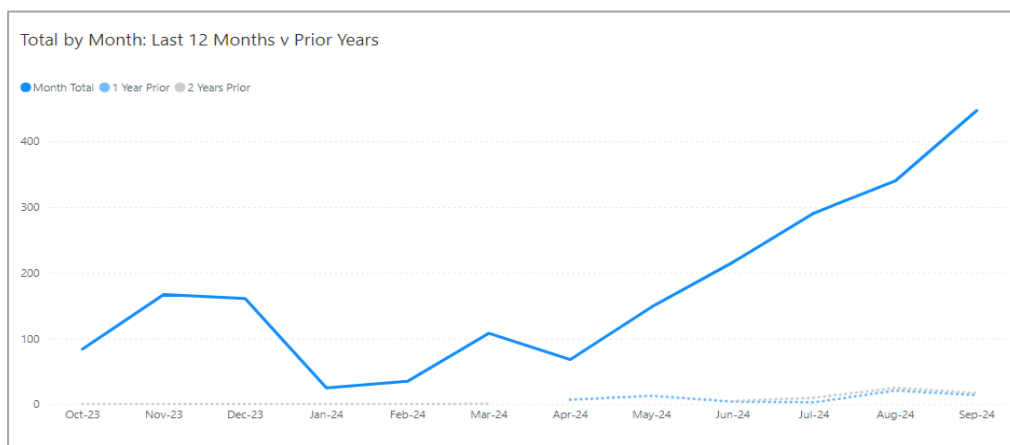
**Performance Measure:**

- Reduce carbon emissions arising from the councils' vehicles

**Update:** Hydrotreated Vegetable Oil (HVO) has replaced 1/3 of the Diesel used across the Environmental Services Fleet in 2024/25, with no mechanical problems. Every 1,000ltrs will reduce our carbon output by approx. 2.52 tonnes in comparison with Diesel. Proposals to increase the investment in this will be included in the budget setting process for 2025/26.

**Performance measure**

- Households supported by the Council's energy advice service.



**Update:** Act On Energy’s activity for Q2 highlights the continued impact of the service on residents in Redditch. In July, August and September, AOE received a significant number of calls for help (384), representing a notable increase compared to the same period in the previous year. These calls resulted in numerous residents accessing support and funding help with their energy bills, including those funded by the Household Support Fund, ECO4, and Shared Prosperity Funding. Notably, the Household Support Fund remains the primary source of project funding in Redditch.

## 2.8 Financial Stability

### Success measures:

- Financial performance – actuals consistent with budget (earlier in this report)
- Increased levels of General Fund Balances over medium term.
- Towns Fund Project delivered within budget.

## 2.9 Organisational Sustainability

### Performance measure

- Number of corporate measures accessible through the dashboard.

**Update:** We have undertaken a review of all the data currently collected and are working on a programme for moving all relevant measures over to PBI. There are currently **43 measures available on PBI** (inc. complaints and accidents) but planning measures are being built during October and the number will increase during Q3.

### Performance measure

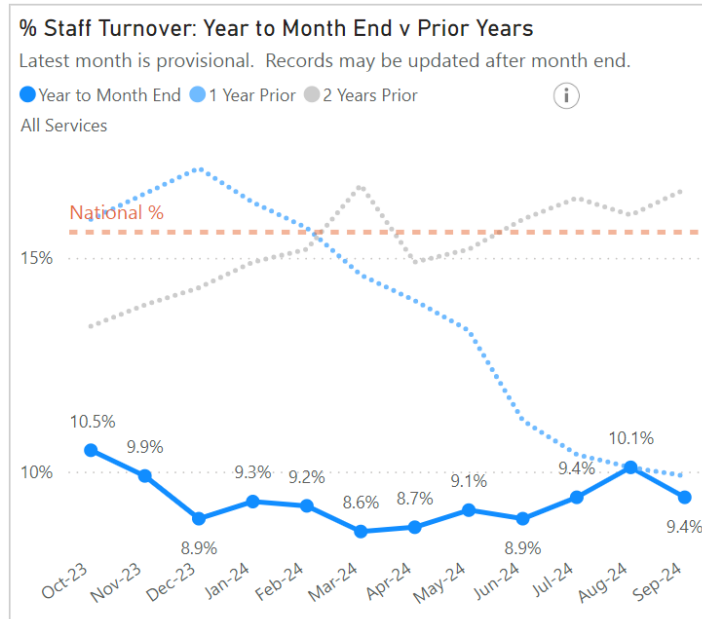
- % of staff able to work in an agile way (annual– first reported Q3, 2023/24)

**Update:** The current overall percentage of staff able to work in an agile way is 56%. This measure is aligned with the ongoing agile project.

**2.10 High Quality Services**

**Performance measure**

- **Staff turnover rates in relation to national rates**



**Update:** Since July 2023, it can be seen there has been a downward trend, showing an improvement in turnover rates, with the authority remaining under the national average. The exit interview process continues which we are continuing to monitor and promote.

**Performance measure**

- Customer satisfaction with service delivery (through the Community Survey).

The percentage of respondents who say they are satisfied with service delivery is:

Year	Satisfied
2021	40.9%
2022	34.1%
2023	37.9%

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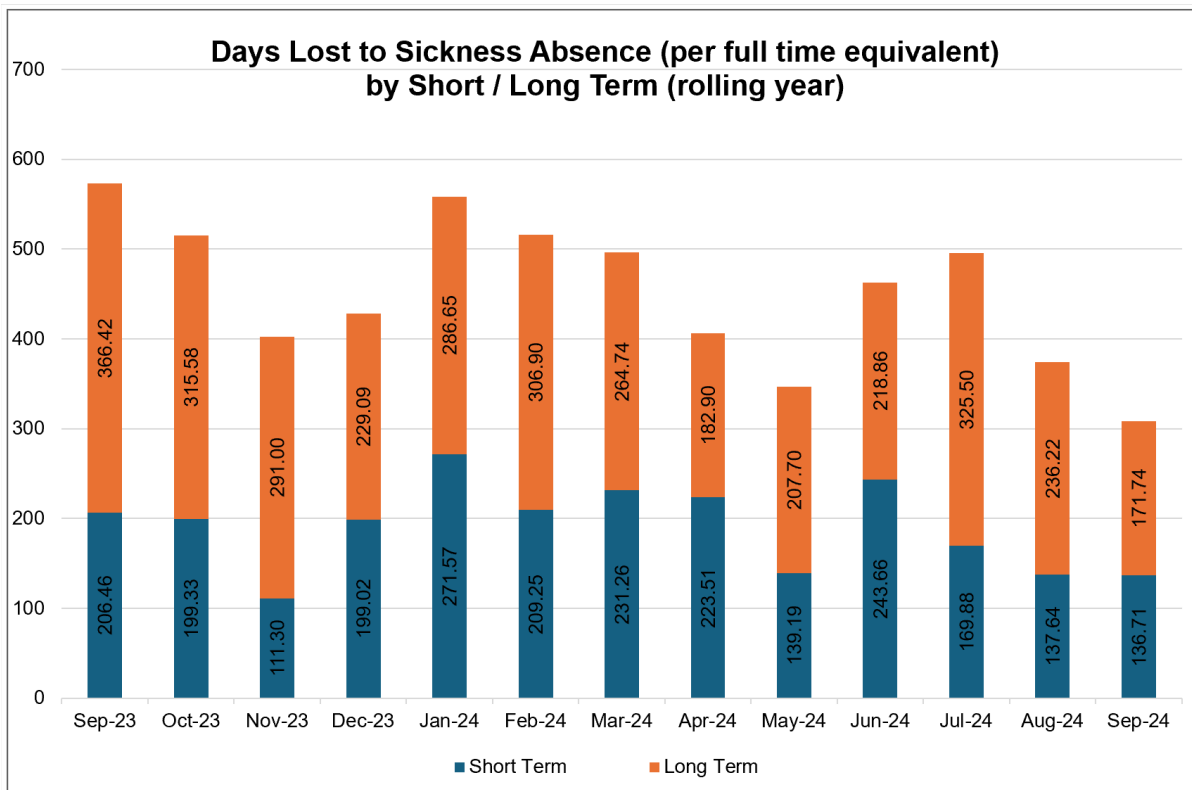
**Update:** Data is extracted from the annual community survey. National satisfaction with LA's, according to the Local Government Chronicle is currently at 40%. The 2023 survey was carried out in Oct/Nov 23; the satisfaction rate has increased slightly. Corporately there is a new quarterly approach to try to increase the response rate and get a broader understanding of the customer experience.

### 3. Operational Measures

#### 3.1 Business Transformation, Organisational Development & Digital Services

##### Performance measure

- Sickness absence



**Update:** From 1st September a new service area for Regeneration & Property Services was created. Regeneration staff started 1 September 2024. This area will include from 1st October 2024 Property Services and Business Development staff which have moved from Legal & Democratic Services (formerly Legal, Democratic & Property Services).

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### 3.2 Environmental and Housing Property Services

#### Environmental Services - RBC Domestic Waste Collection

##### Performance measure

- Percentage of household waste sent for reuse, recycling, and composting.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2021/22	36.65	31.20	25.82	26.57	34.13	34.69	32.52	27.38	25.61	34.91	30.52	39.82
2022/23	35.27	28.45	28.16	29.31	39.52	38.06	33.21	27.96	28.89	38.44	30.74	37.50
2023/24	29.37	25.01	25.15	29.80	36.01	32.12	26.528	25.782	30.09	37.599	32.572	33.45
2024/25	30.35	27.93	34.18	37.03	36.19	32.64						

**Update:** This is a National Indicator measuring the percentage of household waste arisings which have been sent by the Authority for reuse, recycling, and composting, and is used in the national league tables ranking Local Authority performance. In 2022/23 Redditch was ranked 317<sup>th</sup>, down 8 places against 2021/22 (primarily due to the lack of widespread garden waste collections, and changes to other LA's collection arrangements such as the introduction of garden and/or food waste collections).

##### Performance measure

- Residual Waste per household (kg)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2021/22	44.77	41.84	55.21	51.00	40.09	40.96	38.78	46.10	51.99	41.79	39.64	39.26
2022/23	36.68	46.17	47.97	42.65	35.23	36.11	36.02	47.54	42.52	39.24	36.33	39.23
2023/24	39.35	47.53	45.53	35.98	36.73	35.70	41.90	46.01	36.70	39.60	36.23	36.29
2024/25	44.75	51.59	37.80	37.68	36.81	35.05						

**Update:** Tonnages remained consistent during the 2<sup>nd</sup> Qtr, although the year to date is showing marginally higher than the first half of 2023/24 as a result of a mild and wet spring, that resulted in strong grass growth, which is believed to be the cause of the higher tonnages in residual waste for April and May as a result of garden waste being widely disposed of in residual waste bins.

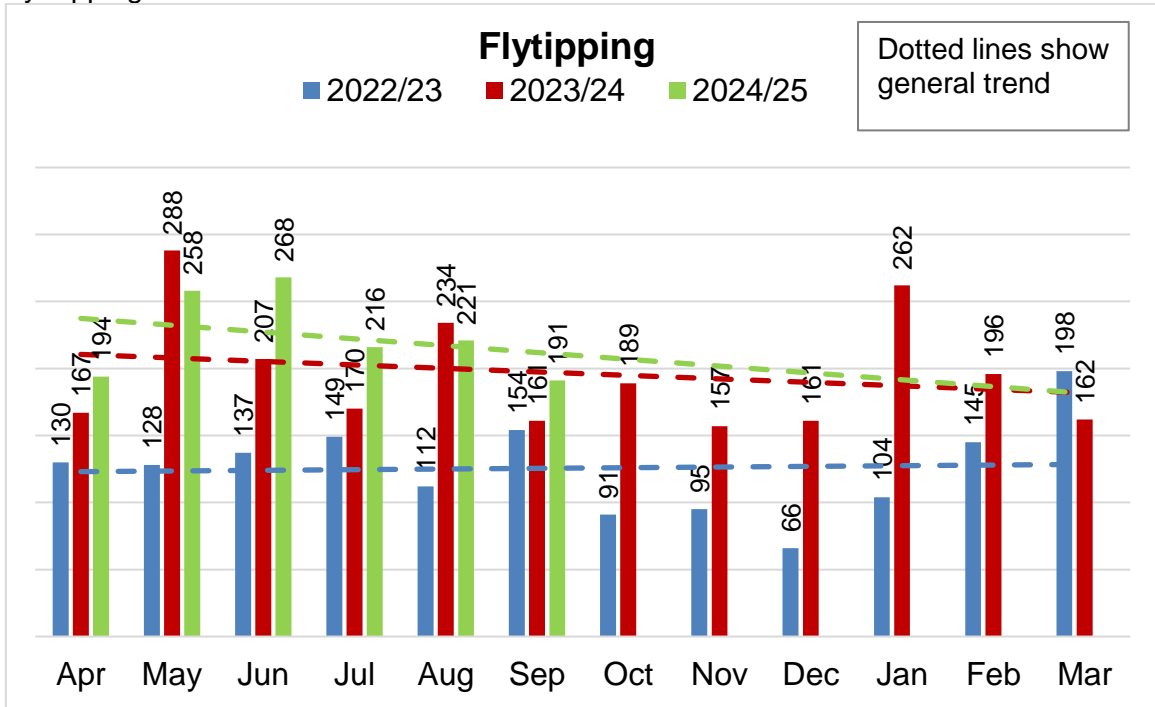
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## Performance Measure

- Fly Tipping



**Update:** Worcester Regulatory Services (WRS) as of the 1<sup>st</sup> June 2024 took over the work for Redditch; they are now fully staffed and are conducting enforcement activities across the Borough. A monthly update on fly tipping is sent to the Leader and Portfolio Holder.

## Housing Property Services

### Performance measure

- Third Party Gas Audit Compliance**  
Frequency: Monthly Target: 85%

**Update:** The Performance Indicator is a measure of the compliance with Gas Regulations and Codes of Practice for the work undertaken by the in-house Gas Team. An Independent external company undertakes a random sample of Audits across several properties to assess the standard of workmanship and compliance and reports their findings monthly. The consistent performance from last financial year has been echoed in the first 2 Quarters this year.

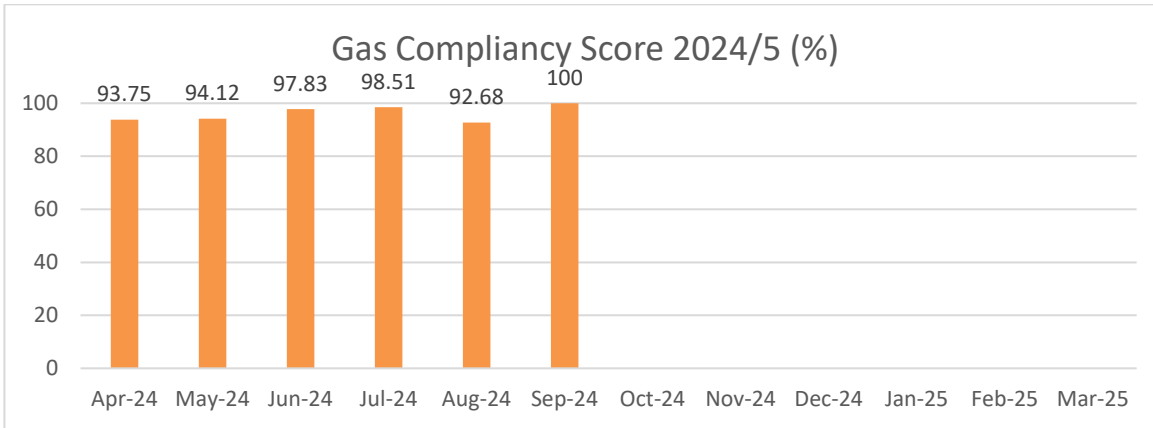


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Quarter 1, 2024/25		Quarter 2, 2024/25		Quarter 3, 2024/25		Quarter 4, 2024/25	
Apr 2024	93.75%	Jul 2024	98.51	Oct 2024		Jan 2025	
May 2024	94.12%	Aug 2024	92.68	Nov 2024		Feb 2025	
Jun 2024	97.83%	Sep 2024	100.0	Dec 2024		Mar 2025	



**Performance measure**

- **Average time taken to complete repairs to standard voids**  
**Frequency Monthly Target 20 Calendar days**

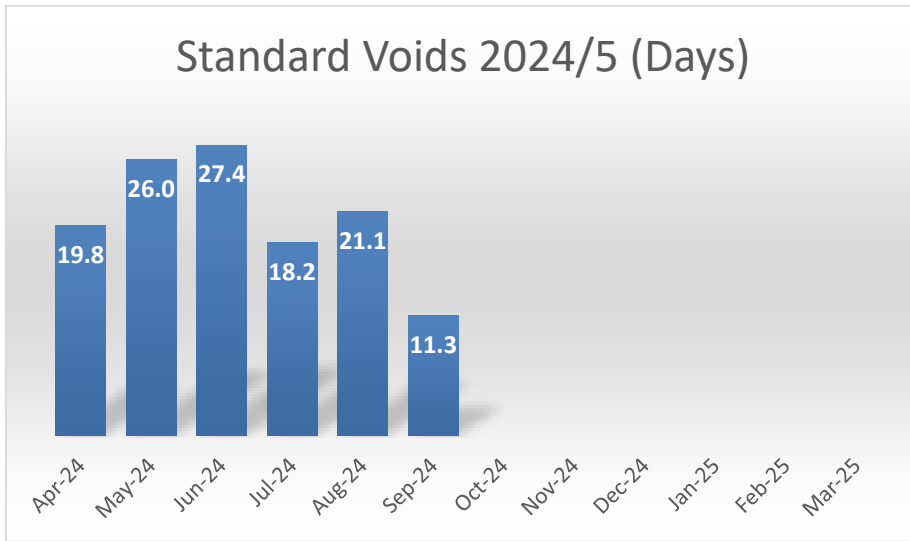
**Update:** The performance indicator is a measure of the number of calendar days taken on average to complete works to standard voids. (This does not include properties requiring major works, decant properties, insurance claims following fire damage and currently dispersed units of accommodation). Improvements in timescales have been largely as a consequence of the number received combined with the work previously undertaken on dispersed units which enables a quicker turnaround for these properties.

Quarter 1, 2024/25		Quarter 2, 2024/25		Quarter 3, 2024/25		Quarter 4, 2024/25	
Apr 2024	19.8	Jul 2024	18.2	Oct 2024		Jan 2025	
May 2024	26.0	Aug 2024	21.1	Nov 2024		Feb 2025	
Jun 2024	27.4	Sep 2024	11.3	Dec 2024		Mar 2025	

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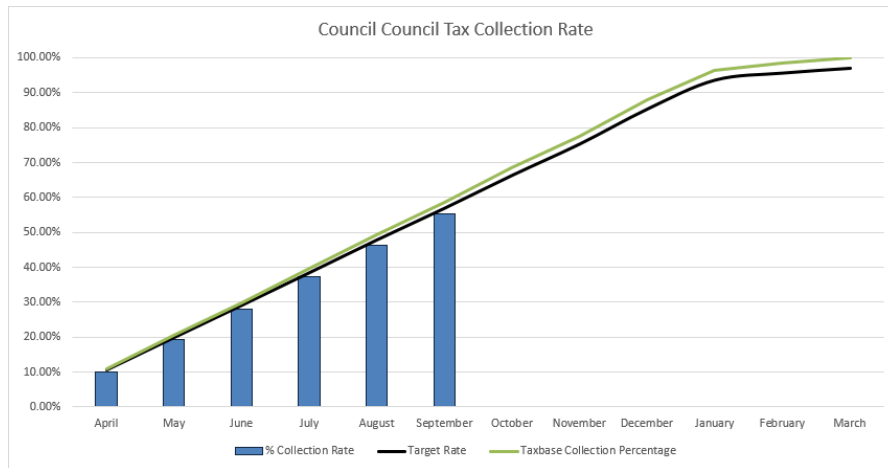


### 3.3 Finance & Customer Services (inc Revenues & Benefits)

#### Performance measure

- Council Tax Collection Rate

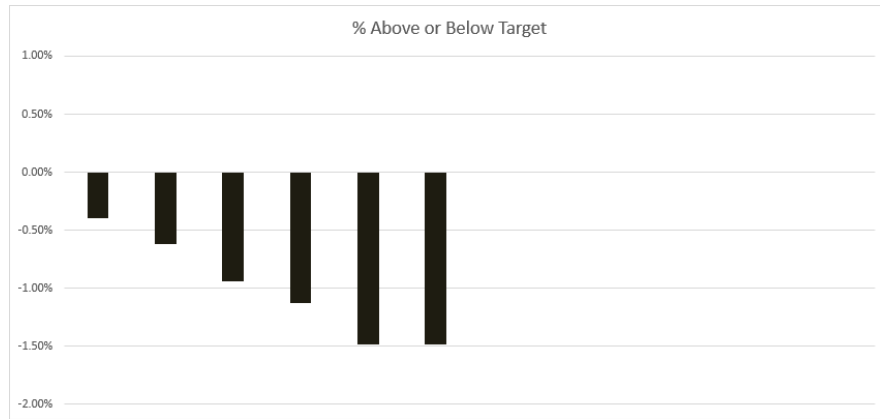
**Update:** The collection rate percentage has been very close to the target rate this quarter.



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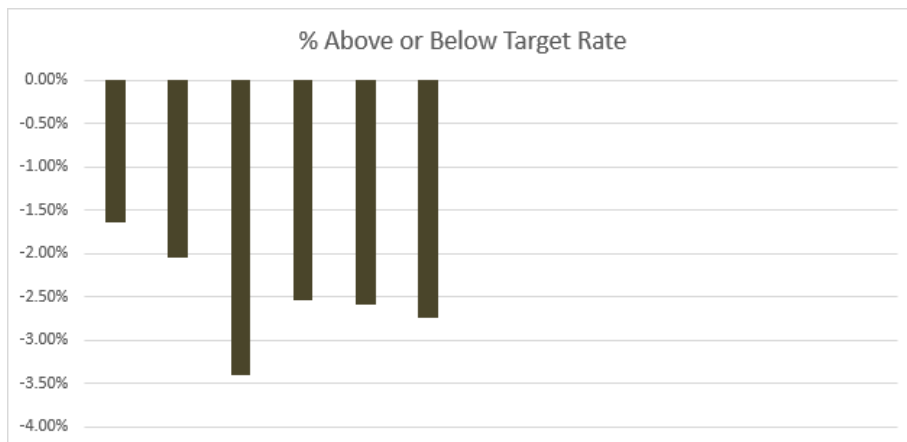
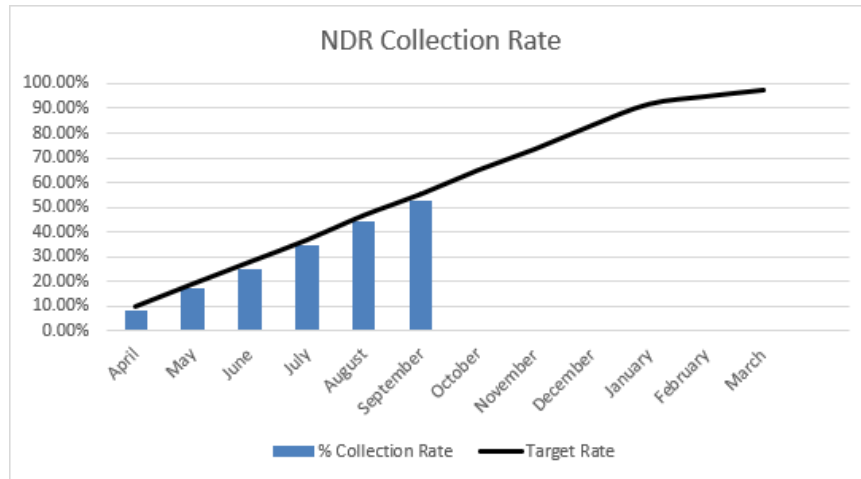
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## Performance measure

- NDR Collection Rate



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## **Customer Service**

### **Performance measure**

- Revenues Calls (shared service)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Jul 2024	2417	0.34	04:43	6.05	07:18
Aug 2024	2497	0.39	04:48	6.43	07:51
Sep 2024	2524	0.26	03:35	6.66	08:09

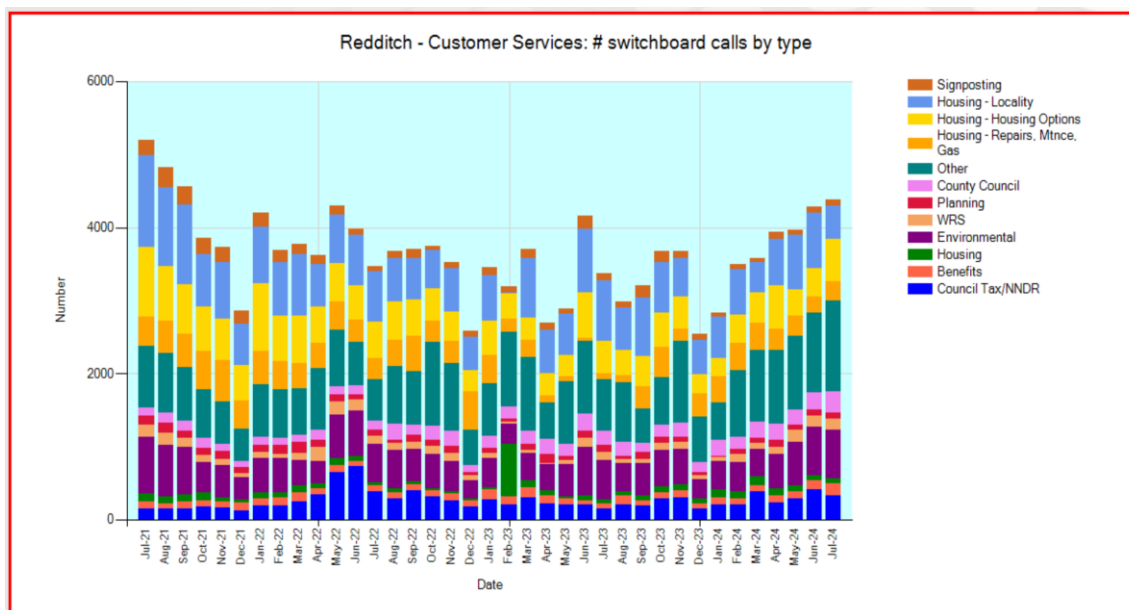
**Update:** The service met expectations with regards to answering calls during the quarter with an average queue fewer than 1 person and an average call answering time between 4-6 minutes. Jul-Sep is a busy time for calls as residents receive reminders and are making special payment arrangements, hence the increase in time taken per call.

### **Performance measure**

- Customer Service calls (Switchboard)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Jul 2024	4097	0.07	00:37	1.97	00:45
Aug 2024	3723	0.08	00:45	1.82	00:45
Sep 2024	3609	0.07	00:41	1.94	00:48

**Update:** The service met expectations with regards to answering calls during the quarter. 2 FTE officers that provide switchboard service across both Bromsgrove and Redditch Switchboard. We have requested an automated single option for the welcome message for all areas of housing (locality, housing options and repairs/gas) to reduce demand on operators on switchboard, however we are awaiting Housing to progress this which would improve the service provided to the customer.



### 3.4 Planning, Regeneration & Leisure Services

#### Performance measure

- **Deliver improved outcomes from the actions in the Leisure Strategy**

#### Update – Development Services:

- Final submission of Creative People and Places £280k funding application to Arts Council England for Year 4 programme delivery was successful. The positive news of this funding award was confirmed in September 2024
- Supported delivery of Creative People and Places projects generating participants of 3924 (Projects include the Mosaics project in Batchley, the Giant Wheel Project in partnership with nationally renowned Autin Dance, further works on Planting Healthy Minds and Love Woodrow. Further details available at [www.reimagineredditch.org](http://www.reimagineredditch.org) )
- Installation of Royal Enfield Sculpture at Arrow Valley Park
- No further update has been provided by the new Department of Housing Communities and Local Government regarding RBC's £5m Cultural Infrastructure Plan submission
- Introduction of digital interpretation offer for the woodland animal sculptures at Morton Stanley Park
- Prepared a broad range of Holiday Activity Fund grant applications in readiness for end of October 2024 submission
- Delivery of: Obesity Public Health Voucher scheme; Worcestershire Health Walks based out of Arrow Valley Lake, Abbey stadium, Webheath and Town Centre Library; Escape Pain programme for Knee, Hip and Back pain; Tai Chi sessions for mindfulness and heart health; Rounders outreach sessions
- Submitted Expression of Interest to Arts Council England for a competitive Place Partnership Fund of £550,000. Project focused upon Cultural Compact for North East Worcestershire ReNEW project to deliver creative skills development for young people and local cultural sector support.

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- Awarded 12 ReNEW grants of up to £2,000 each to local community organisations to deliver creative activities in under used spaces. Groups benefiting include: Bound Together CIC; Frehens Group; High Strive; It's a Sign; Old Needle Works; Redditch Loves CIC; Redditch One World Link; Saiqa Khan; Sandy Croft; Tamsin Chik; The Word Association & Where Next
- Awarded a Digital Arts commission to Birmingham Music Archive and Birmingham Open Media to develop an innovative digital project to celebrate the John Bonham Memorial in Redditch town centre between now and the Spring of 2024
- Launched two new partnership projects: 1) the Uniting the Movement Steering Group made of local partners to set about delivering Recommendation 8 of the Redditch Built Facility Strategy, and 2) launched the Indoor and Outdoor Facilities Partnership for Redditch and Bromsgrove designed to oversee the delivery of all Built Facility and Playing Pitch Strategy recommendations.
- Excellent feedback from users of the Changing Place disability facility in Kingfisher Shopping Centre with over 350 visits

## **Update – Parks & Events Services:**

<b>Recommendation</b>	<b>Update</b>
Develop an environmental management strategy for parks and environmental services.	Project lead identified to progress strategy. Working towards 2025/26 completion.
Develop a volunteer plan and a clear approach to working with Friends groups tied to its aspirations for Green Flag Award across its priority parks.	Green flag achieved for Morton Stanley, working on recommendations for 2025 submission and scheduled awards over the next 4 years.
Develop a rolling programme of applications to the Green Flag Award.	Awarded to Morton Stanley Park and now working towards Arrow Valley Park, Batchley Pond and Brockhill Park, Overdale Park.
Engage more regularly with potential partners at a county wide level.	Officers working with partners to maximise potential of offers within parks and open spaces.
Develop a better understanding of the biodiversity value of the borough's green assets.	Biodiversity plan established, focus and priorities, developing a Biodiversity Network with Planning, County Council and 3 <sup>rd</sup> Sector. Commencement 2025/26.
Develop a clear marketing plan for green spaces that includes new web pages, social media, and targeted work with key audiences.	Work started on website development and modernisation. Social media use improved to promote biodiversity, events, and mental health in respect of Parks and Green Spaces.

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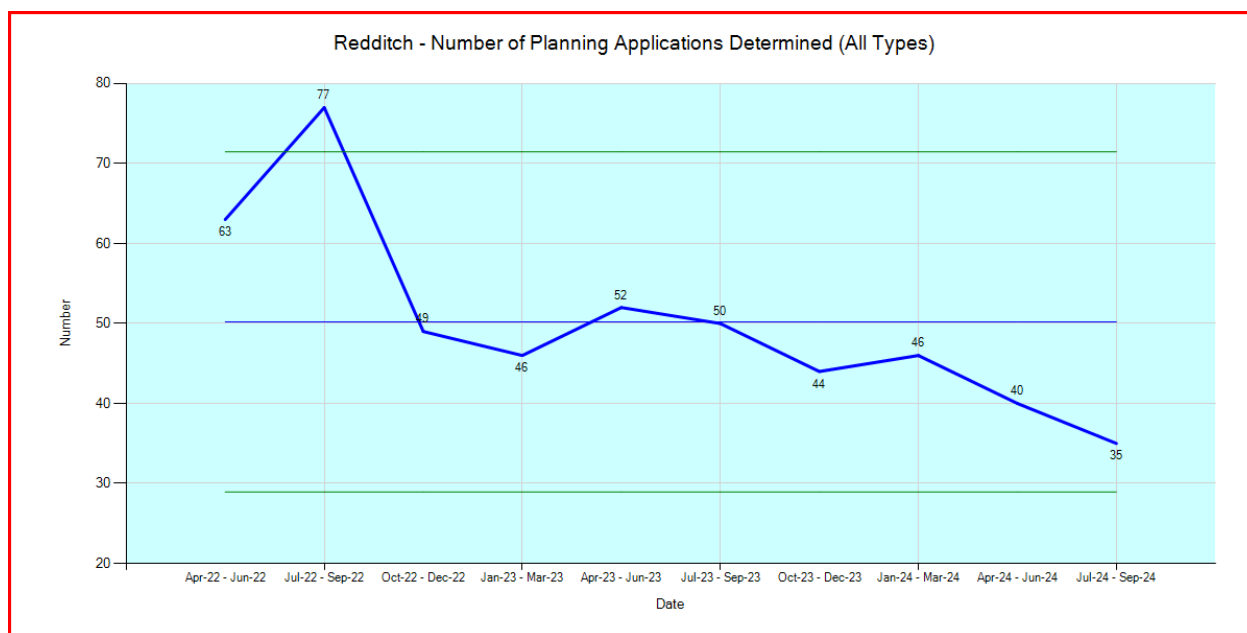
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Carry out a feasibility study to establish a roadmap for the self-management of allotment sites across the borough.	Action plan implemented; new tenancy agreements with legal, service level agreements for new formed associations, website information, management of day-to-day issues, bills.
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## Performance measure

- Total number of applications determined in quarter (all types)



**Update:** Determination rates continue to fall. Whilst this reflects the quarter from the previous year the number of applications determined this quartet is the lowest reordered. There is no clearly identifiable reason to explain this.

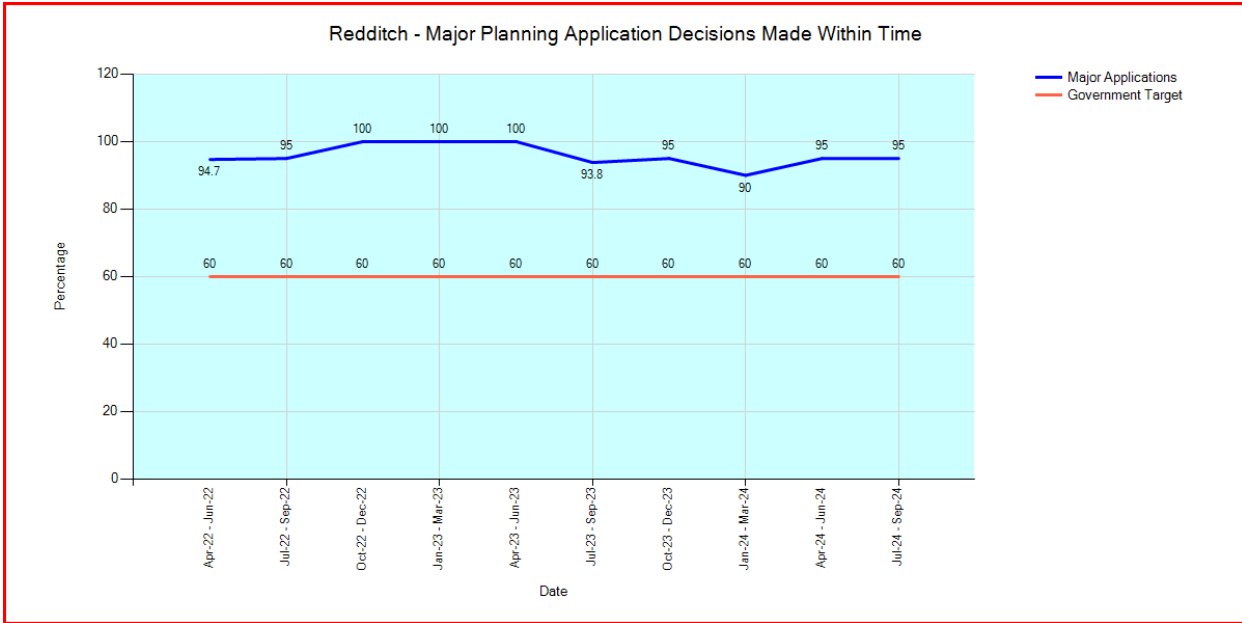
## Performance measure

- Speed of decision making for 'major applications' (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on major applications is 60%)

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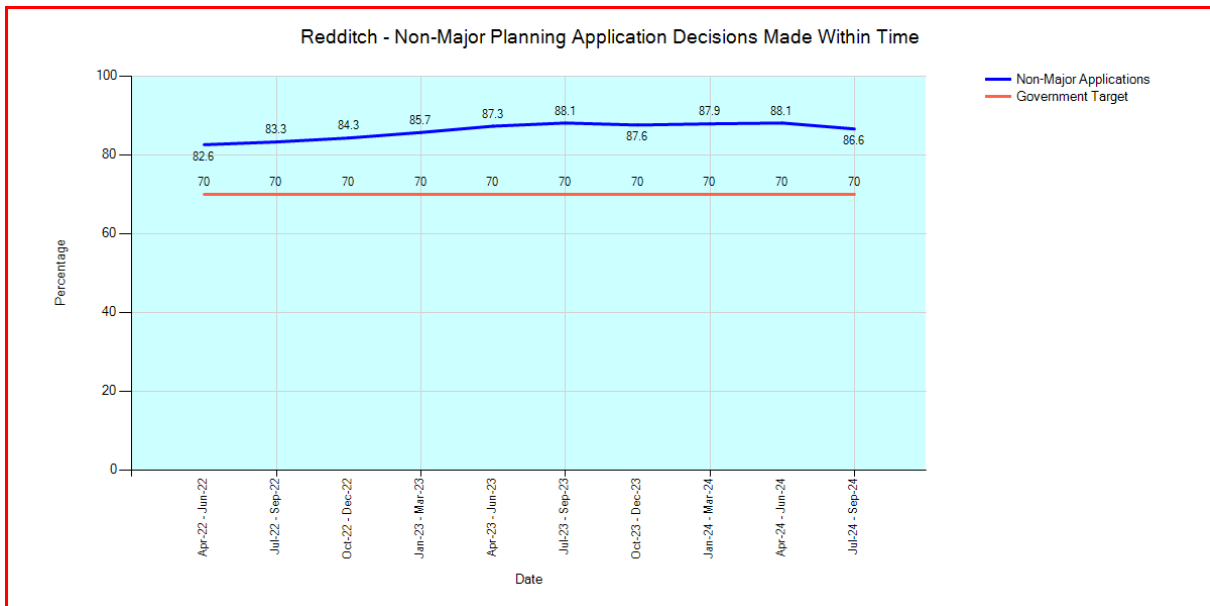
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**Update:** The 2 year rolling performance for speed is 95%. This remains well excess of government targets which is 60%.

## Performance measure

- Speed of decision making for 'non-major applications' (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on non-major applications is 70%)





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**Update:** The rolling 2-year speed assessment is 86.6%. This remains well in excess of government targets which are 70%.

## **4. Corporate Project Oversight & Monitoring**

The table below provides a summary of the fifteen corporate projects, as of 23rd October 2024. The majority of projects are shown as amber relating to overall status.

Projects	Overall Status	
	RAG	
	No	%
Red	3	20 %
Amber	8	53 %
Green	4	27 %

The projects identified as red:

- New cemetery, Redditch
- Digital Manufacturing and Innovation Centre (Redditch) as projected to exceed original £10m budget
- Redditch Train Station Site as on hold due to sewer issue.