

MEDIUM TERM FINANCIAL PLAN 2025/6 TO 2027/8 – Tranche 2

Relevant Portfolio Holder	Cllr. Ian Woodall, Finance Portfolio Holder
Portfolio Holder Consulted	Yes
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Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY OF PROPOSALS

- 1.1 The Council has set its budget in two Tranches this year as it did in the 2024/5 Medium Term Financial Plan (MTFP) process. The initial Tranche was published in November 2024 and approved initial pressures and increases at Council in January. This second Tranche is being considered now that the final Local Government Settlement figures are known. The final budget will be approved at Council in February.

2. RECOMMENDATIONS

The Executive Committee previously **RECOMMENDED** to Council on 4th February that:

- 1 The Tranche 2 growth proposals be approved.
- 2 The additional funding to the Council, as per the Local Government Settlement on the 18th December 2024, including the estimated levels for 2026/7 and 2027/8, be incorporated into Medium Term Financial Plan (MTFP) revenue and capital budgets 2025/26 to 2027/28.
- 3 The Tranche 2 savings proposals, including an increase of Council Tax of 2.99%, be approved.
- 4 The Worcestershire Regulatory Services fee increases for 2025/26 be approved.
- 5 The updated five year Capital Programme 2025/26 to 2029/30 along with its ongoing revenue costs be approved.
- 6 The current levels of Earmarked Reserves be carried forward into 2025/26, 2026/27 and 2027/28.

- 7 That a new Earmarked Reserve for the Digital Manufacturing and Innovation Centre of £600k be created.
- 8 That an Earmarked Members' Ward Budget Reserve of £2k per Member (£54k per year) over the 3 year MTFP period be created.
- 9 The Housing Revenue Account (HRA) budget is approved.
- 10 Members note any feedback from the Tranche 2 consultation process undertaken.

The Executive Committee previously RESOLVED on 4th February 2025 to note:

11. the implications set out in the Section 151 Officer's Robustness (Section 25) Statement of the 2025/26 to 2027/28 Medium Term Financial plan in moving the Council to financial sustainability.
12. the need for accelerated business cases to be worked up to enable upgrades of infrastructure to the Borough for consideration in line with work set out in paragraph 3.20 for completion prior to vesting day.

3. Background

Introduction

- 3.1 The Council sets a 3-year Medium Term Financial Plan every year, with the final Council Tax Resolution being approved by Council in February. This year's process has been more difficult due to the following factors:
- The starting point from the 2024/5 MTFP is positive with respective neutral balances at the starting points for both years.
 - That this is the first budget of a new National Government and will be for only 1 year in duration. The Government have indicated that resources are tight which has been reflected in the Provisional Local Government Settlement in December.
 - The present cost of living crisis which continues to impact our most vulnerable residents.
 - Three years accounts (2020/21 to 2022/23) delivered with a "disclaimer Opinion" and 2023/24 Accounts also likely to have a similar opinion. In this instance, the reason for this will be the limitation of scope imposed by statute (not by the local authority). A disclaimer due to the backstop does not of itself indicate a local authority failing but the ongoing implications are still not clear.
 - The continued uncertainty of the existing movement of the Government to funding projects for specific outcomes and the movement of this from a bidding process to an "allocations" process.

- Uncertainty over the final mode of working for the Council and what will be required by the new Government, our residents and our Members.
- Loss of key personnel, present vacancies rates (although only half the national average), and staff retention – linked to the Workforce Strategy.
- Business Rates and Council Tax Income – and associated collection rates and reliefs linked to the “cost of living” crisis and C-19 grants working their way through our system.
- Inflation is now moving towards to the Government target of 2%.

As such, it is prudent to split the budget process into two tranches,

- Having an initial Tranche which seeks to close as much of the deficit as possible using information known as at the end of October and seeking approval for those savings to be implemented at Council in January,
- Having a second Tranche after the Christmas break, for which approval will be sought in February, that takes account of the Local Government Settlement whose final detail will not be known until late January.

3.2 This report will set out:

- The approved Tranche 1 Position including base assumptions.
- The impact of the Local Government Settlement.
- Council Priorities
- Strategic Approach
- The final Tranche 2 three year balanced budget, including updated assumptions.
- Impact of Tranche 2 on Reserves and Balances.
- The 5 year Capital Programme.
- The Housing Revenue Account budget.
- The Risk Assessment
- The S151 Officers Robustness Statement
- Consultation Details.

The approved Tranche 1 Position including base assumptions

3.3 It is important to set out the base assumptions under which the budget is constructed. These assumptions can then be stress tested for various scenarios to test the robustness of the overall budget. The Tranche 1 base assumptions were:

- Council Tax – Figures assume the full 1.99% allowable increase overall years of the 3 year MTFP. There are no increases in numbers of houses.
- Business Rates Increases – business rates assume growth based on Pooling with the other Districts and the County Council.
- New Homes Bonus/Government Grants – It is assumed that levels would be the same as previous years.
- Pension Fund assumptions takes account of the latest triennial valuation which was received in September 2022. It was noted that there is a

significant risk is that the next revaluation will be actioned in 2026 and as such the 2026/7 figure could well change pending the outcome of that exercise.

3.4 The following “generic” pressures and savings were included in Tranche 1:

- The Pay Award is increased from 2% to 3% for 2025/6. This would be an additional £100k cost.
- Pension Fund Actuarial Triennial Revaluation. Although the fund continues to perform well we are concerned on the reducing numbers of live members in the scheme and so have included an amount from 2026/7 of £200k as a potential risk.
- Fees and Charges assumed an increase of 2%. However, given 50% of fees and charges costs link to staff costs and these possibly will increase at 5% for the 2024/5 financial year, to keep pace this this increase of costs it is proposed that a 4% increase is made.
- The largest change however will link to upcoming Waste Requirements. The Council is required to implement these proposals from April 2026. The impact on Council budgets is significant in terms of both Revenue and Capital with an ongoing £500k revenue cost, £44K Capital costs and one off implementation costs of £100k.
- Additional inflation on contracts is included at 5% which is £125k.
- A review has been undertaken of Corporate Budgets (Council Tax/Business Rate, Investment Income and Debt) against expected numbers and due to a number of factors there is a positive position.
- The Council had 3% in to cover staff inflation in 2024/5. This pay award is now circa 5% and so this adjustment has also been made in the corporate budgets.

3.5 Departmental changes, due to contract pressures and demographics have also been taken into account. These departmental changes result in an overall £1.309m revenue pressure in the 2025/6 financial year and then £912k by 2027/8. The overall Tranche 1 Position is summarised in the following two tables, the first taking account of “Corporate” issues, the second then adding on the “Departmental” issues.

	2025/6 £000	2026/7 £000	2027/8 £000
Opening Position	-16	-17	-17
Changes			
Increase Pay Award to 3% (from 2%)	100	100	100
Pension Revaluation (addn costs)		200	200
Increase Fees and Charges to 4% from 2%	-142	-142	-142
Increased Waste Interest costs (Capital)	10	20	20
Increased Waste MRP costs (Capital)		24	24
Waste Project costs (capitalised)		20	20
Increased Waste Revenue costs		500	500
Contract Inflation	125	125	125
No Council Tax Freeze in 2025/6	-144	-144	-144
Improvements in Corporate Budgets	-450	-450	-450
2% Additional 23/4 Payoll cost over Budget	200	200	200
Net Additional Costs	-301	453	453
Initial View of Additional Costs	-317	436	436

	2025/6 £000	2026/7 £000	2027/8 £000
Position after Corporate Items	-317	436	436
Departmental Items	1,309	949	912
Position after Departmental Items	992	1,385	1,348

Table 1 – Tranche 1 Budget Position

- 3.6 At Tranche 1, there is a £1m deficit to be closed which rises to an ongoing £1.3m problem in 2027/8. £0.6m of this amount from 2026/7 onwards is linked to the impact of the changes to Waste Regulations

The impact of the Local Government Financial Settlement

- 3.7 The Chancellors Autumn Statement that was made on the 30th October had the following impacts on Council budgets:
- A 3.2% real-terms increase in Core Spending Power (CSP) for the whole sector in 2025-26. This will include £1.3b additional grant funding, of which at least £600m will be directed to social care.
 - The Budget was silent on council tax referendum limits, but the DCN expectation is that referendum principles will stay at 2.99% for districts.
 - £233m new funding for homelessness prevention. This will be in addition to the £1.3b grant funding mentioned above.
 - £1b to extend the Household Support Fund and Discretionary Housing Payments into 2025/26.

- £1.1b new funding through implementation of the Extended Producer Responsibility scheme for recycling.
- Right to Buy: councils will be permanently allowed to retain 100% of receipts locally and discount levels will revert to pre-2012 levels from 21st November 2024.
- Business Rates support to the retail, hospitality and Leisure sector, although it is not known the route of compensation yet for Councils.
- A £500m increase to the Affordable Homes Programme in 2025/26.
- UK Shared Prosperity Fund has been extended for 2025/26 at a reduced level of £900m, a 40% decrease on the current year. It is not yet clear whether this funding will continue.
- Employer national insurance (NI) contributions will increase by 1.2% to 15% from April 2025 but councils are expected to be reimbursed for this. The impact of this on Redditch if this is not funded is £144k.
- The National Living Wage will increase by 6.7% to £12.21. Minimum wage for 18- to 20-year olds will increase by 16% to £10 per hour.

3.8 The Provisional Local Government Settlement was made on the 18th December 2024. In that settlement the Councils Core Sending Power is unchanged at £10.94m. However, this zero increase in spending power masks a significant change in funding with Councils expected have a 2.99% increase in Council Tax to get to that Break Even position, with “Other Grants” reducing by a corresponding amount. As the Council (as other Councils, already assume) maximises Council Tax increases in their existing forward plans this is settlement with no inflation built in. This is reflected in the following table:

	2025/6	2024/5	Difference	Difference
	£m	£m	%	£m
Settlement Fund				
Assessment	2.569	2.504	2.6%	0.065
Assumed Council Tax	7.31	7.095	3.0%	0.215
Other Grants	1.061	1.341	-20.9%	-0.28
Total	10.94	10.94	0.0%	0

Table 2 – Local Government Settlement

3.9 As set out in 3.7 above, the Government have however given specific targeted Grant Funding for a number of initiatives. This funding is single year, as Local Government Funding is being significantly changes for the 2026/7 settlement. However, the impacts on the Council for this targeted funding is:

- £700m additional grant funding – Redditch has received £326k of this one off Recovery Funding for 2025/26 only.
- Council Tax in Tranche 2 will be increased from 1.99 to 2.99%.
- £233m additional Homelessness Prevention Grant. Redditch has received £648k, which is £233k more than the level approved in December.

- £1.1b new funding through implementation of the Extended Producer Responsibility scheme for recycling. Redditch has received £814k which has been allocated as part of the Tranche 2 Budget.
- Right to Buy changes are applicable for Redditch as it has a HRA.
- Business Rates support to the retail, hospitality and Leisure sector is expected to be neutral and Government Funded.
- UK Shared Prosperity Fund has been extended for 2025-26 at a reduced level of £900m. Redditch has received £818k which is split £667k Revenue and £151k Capital.

3.10 In addition to those items set out above, following the World Climate Conference in December there are likely to be ongoing targets in this area. Councils have already declared “Climate Emergencies” and have challenging carbon reduction targets to deliver by 2030, 2040 and 2050. At the moment plans are within existing budgets, but as we move through the next three-year period there will be the requirement for the prioritisation of resources and approval of additional funding on a scheme by scheme basis. These will need to be taken account of in future budgets, although a significant part of this budget spend will be Capital in nature.

3.11 There are a number of other significant factors in looking at the 2024/25 budget which are linked to the Local Government Finance Market. Presently:

- There are a number of Local Authorities who have now issued S114 Statements.
- Although Redditch is now up to date with its accounts, these accounts have “Disclaimer Opinions” and it is likely that the Council will receive “Disclaimer Opinions” for at least the 2023/24 and 2024/25 Accounts. The ramifications of these “disclaimer Opinions” on the wider Local Government Sector and individual Councils is not clear. There will be circa 600 of these “Disclaimer Opinions” across English Councils.
- The Government Devolution Bill and the reorganisation of two tiered areas to unitary authorities by the end of this Government's first term. This will have significant impact on Worcestershire Councils.

3.12 Significant Grant levels not set out in 3.9 above are:

- Housing Benefit Administration Subsidy - £207,786
- Discretionary Housing Payments - £79,296
- Discretionary Housing Payments Administration - £18,023
- New Burdens Funding (UC) £4,321
- Revenue Support Grant £145,000
- New Homs Bonus £23,000
- Domestic Abuse Safe Accommodation Grant £36,000
- Funding Floor (formally Funding Guarantee) £201,000
- S31 Grant Funding for Business Rates Subsidy (RHL) will be re-imbursed linked to numbers in the NNDR1 Return
- National Insurance Contribution – allocation method at moment is by 2023/24 RO Form.

- Housing Benefit Subsidy £14,567,304 (2024/25 level – 2025/26 level not known)
- Disabled Facilities Grant - £1,185,745 (up from £1,038,806) – Capital
- Capital DEFA allocation for Food Waste Bins/Vehicles £766,498- Capital

3.13 As part of the Budget process the following reports have been approved in the January 2025 Cycle of meetings:

- The Council Tax Base for 2025/26.
- The final Council Tax Support Scheme for 2025/26.

The following reports linked to the budget were updated in the 2024/25 MTFP and have not changed since that time:

- The Discretionary Council Tax Reduction Policy.
- Council Tax – Empty Homes Discounts and Premiums.
- Non Domestic Rates – Discretionary Rates Relief Policy.

3.14 Tranche 2 options will be presented to Executive on the 4th February and the full Budget approved by Council on the 24th February.

Council Strategic Priorities

3.15 The new Leader and Portfolio Holders with the support of the Corporate Management Team will set out new Corporate Objectives for the Council, based on the Manifesto used to gain control in the 2024 elections.

3.16 Redditch Borough Council's current priorities, linked to the previous administration, are underpinned by a set of key themes. These are set out in the current Council Plan 2019 – 2023 [here](#) and in the Council Plan Addendum 2022/23. These priorities will change but for the purposes of this report the 5 existing themes will be used. These are:

- Run & grow a successful business.
- Finding somewhere to live.
- Aspiration, work & financial independence.
- Living independent, active & healthy lives.
- Communities which are safe, well-maintained, and green.

3.17 The Council's vision, priorities and themes are connected using a 'green' thread:

"To enrich the lives and aspirations of all our residents, businesses and visitors through the provision of efficiently run and high-quality services, ensuring that all in need receive appropriate help, support and opportunities".

3.18 Following consultation in 2023, and taking other information on board, the Council's priorities are presently:

- Housing
- Parks & Green Spaces

- Economy & Regeneration
- Community Safety

3.19 The Council cannot deliver all priorities on its own. In some cases it can support, influence, or work collaboratively with other partner agencies to persuade them to take a particular course of action/undertake a particular project. Considerable support and input from partner organisations will be needed for priorities, to be successfully achieved.

3.20 We talk in the Risk section about the impending Devolution of powers in Local Government and the setting up of Unitary Councils in existing 2 tier areas before the close of this Parliament. This will have a significant impact on the Council. In light of this, the Council is reviewing schemes that can be delivered and completed within the next three years to ensure that a legacy of a sustainable attractive Redditch is transferred on vesting day with infrastructure and amenities reflecting stakeholder requirements to make a difference to the residents of Redditch's lives. Initiatives under review for inclusion and approval following updated business cases are:

- Full funding of the 10 year play strategy agreed by Council in 2024 (only 5 years are in the present capital programme)
- Assigning a fund for purchasing of Temporary Accommodation units which is an acute issue in the borough.
- Assigning a fund for the ongoing improvement of Forge Mill.
- Upgrading the kitchen facilities at Arrow Valley Country Park in order to attract even more visitors.
- Upgrading the district centres.
- Investment in Community Assets (Community Centres).
- Refurbishing of Southcrest Memorial Gardens.

Strategic Approach

3.21 The Council has come into the 2025/26 budget process with a number of conflicting issues. These include:

- An ongoing in year 2024/25 deficit at Q2 of a £299k deficit to close.
- The requirement to fund future pay award which are circa 50% of costs. Over the past 3 years these pay awards have been significantly higher than "normal". Although nationally agreed, these have not been funded.
- Increases in Council Tax are limited at 2.99%, which is significantly lower than the present rates of inflation.
- The fact that Local Government Finance will change significantly in the 2025/6 settlement which is not known at the moment and which is multi year.
- That over the course of this Parliament all 2 tier areas, such as Worcestershire will be converted into Unitary Authorities.

3.22 The next section sets out the Tranche 2 position. In it the Council moves to a considered sustainable position over the 3 year planning period. One significant factor that has been taken account of is the fact that Local Government funding will change significantly in 2026/27 and so in this budget it is prudent to minimise any savings pending the upcoming funding review.

- 3.23 The level of reserves and balances presently held suggest that although significantly more is held than the suggested 5% recommended level for the General Fund, that any calls on this amount for a significant emergency situation would reduce levels by possibly 50%.
- 3.24 The Council must adapt how it operates to take advantage of customer requirements, technology, available resources, and the economic and environmental conditions to remain a sustainable viable organisation. To ensure this happens there will be the need for future investment, efficiencies and possibly the requirement to fund redundancy (both from reserves and balances).
- 3.25 As set out later in the Robustness Statement, in compiling Tranche1 of the budget, assumptions were based on the best information held then. Issues the Council is facing are not unique, they are being faced by almost all councils. Tranche 2 of the budget has adjusted for any funding that the Government will provide but primarily sets out other options to close the Tranche 1 deficit.

The final Tranche 2 three year balanced budget, including updated assumptions

- 3.26 The Council started Tranche 2 of the Budget with the following financial deficits to close:

	2025/6	2026/7	2027/8
	£000	£000	£000
Position after Corporate Items	-317	436	436
Departmental Items	1,309	949	912
Position after Departmental Items	992	1,385	1,348

Table 3 Opening Tranche 2 Position

- 3.27 The financial settlement, as set out in paragraphs 3.8 and 3.9 above had no increase in overall funding and a number of areas of specific targeted funding:
- 3.28 The Council has assessed a number of other options to move to what it believes is a considered sustainable position over the 3 year planning period. This process has the following additional Income
- **Council Tax** – The Government expects as part of the Local Government Settlement for all Councils to increase Council Tax levels by the maximum 2.99%. The Council assumed a 1.99% increase in Tranche 1 and so this increases that level by £73k to come in line with Government expectations
 - **Actuarial Changes from 2026.** Following a conversation with the new Actuary and the Worcestershire Treasurers at the end of November, expectations are now that in the 2026 Triennial Revaluation there will be minimal increases. This saves £150k.

REDDITCH BOROUGH COUNCIL

Executive Committee

24th February 2025

- **ERP Funding Allocations** – the Council have received £814k in ERP Funding. As per the table below, this will be allocated over the three year funding period with £250k allocated for specific marketing initiatives to move the initiative forward across all sectors.
- **2024/25 Salary Adjustment** – Now that actual salary increases have been allocated for 2024/25 as part of the December payroll, this savings can be made.
- **Capitalisation of Salaries** – The Council should be allocating staff costs to capital projects. It has not done this in the past. At the moment an assumption of a 5% recharge has been made – this needs to be sustainable over time. These capitalisation amount have been added to the capital programme.
- One off funding from the Finance Reserve. There are finance specific items in the departmental pressures that are one off in nature. These can be funded from the Earmarked Finance Reserve.
- Departmental Efficiencies – to balance the overall budget, there is the requirement for departmental efficiencies to be made. These are highlighted in the following table:

Service	Net Budget	Savings 250
RBC Regulatory	560	11
Business Transformation & OD	1,842	37
Housing and Community Services	1,819	36
Environmental Services	2,523	50
Finance & Customer Services	2,332	46
Legal Democratic & Property	860	17
Planning, Regen and Leisure	1,042	21
Rubicon Client	777	15
Regeneration and Property	804	16
Totals	12,559	250

Table 4 – Departmental Efficiency Splits

- Savings on the VM Ware Contract – it was expected that this contract would have a 10 fold increase with a change of supplier but in December the Council was able to limit the increase to a far smaller increase.
- Given that Local Government Re-organisation will take place within the next three years, it would not be appropriate to invest in a new telephony system. This would save £90k in the initial year and then an ongoing amount of £55k a year. All ICT systems requiring investment need to be reviewed with this in mind.

And the following additional costs

- WRS Uplift for Inflation – these are the agreed increases approved at the WRS Board in November 2024.

REDDITCH BOROUGH COUNCIL

Executive Committee

24th February 2025

- Local Government Settlement Costs – these now reflect the changes to funding in the 2025/26 Local Government Financial Settlement. The most significant is the £352k reduction in Government Grants.
- Increasing Members Allowances by the same as staff pay increases of 4% - significantly less than the IRP recommendation of 16% at an ongoing cost of £13k.
- Set up a specific budget for Community Consultation of £25k a year to link into Manifesto promises.

3.29 The net effects of these changes is summarised in the table below. Overall there is a net £30k surplus in 2025/26, rising to a deficit of £435k in 2026/27, before reducing to £345k in 2027/28. This is an overall call on general fund reserves of £750k.

Year	2025/6 £000	2026/7 £000	2027/8 £000
Position after Departmental Items	992	1,385	1,348
Additional 1% Council Tax	-73	-73	-73
Adjustment for Actuaries figures		-150	-150
Allocation of ERP Funding from Reserve		-271	-271
Updated ERP Adjustment	-100	-85	-85
ERP Spend on Communications (TBC)	100	100	50
Neighbourhood Wardens	100	100	100
Salary Adjustment	-100	-100	-100
Capitalisation at 2.5%	-200	-200	-200
Capitalisation to 5.0%		-200	-200
Finance Reserve	-319		
CMT £250k Efficiencies	-250	-250	-250
VM Ware Contract Savings	-120	-120	-120
WRS Agreed Uplifts	36	36	36
Increased Council Tax Budget	-70	-72	-75
Reduced Government Grant	26	352	352
Do not renew telephony system	-90	-55	-55
Increased Members Allowances	13	13	13
New Community Consultation Budget	25	25	25

Updated Totals	-30	435	345
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Additional Grant Allocations			
UK Shared Prosperity Fund - Revenue	667		
UK Shared Prosperity Fund - Capital	151		

ERP Allocation - 1 Year only to Reserve	814		
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Table 5 – Tranche 2 Position

3.30 **Appendix A** sets out the Departmental Budgets.

Updated Fees and Charges

3.31 In addition, updated Worcestershire Regulatory Service Charges are set out for approval in **Appendix B**. These are increased in line with increases in the service across the County which are at the 4% level unless set by statute.

Impact of Tranche 2 on Reserves and Balances

3.32 The existing 2024/25 MTFP saw general fund balances at a break even position over the three year planning moving the Council towards sustainability. In the 2023/24 budget, the Council was prudent and reviewed all its earmarked Reserves and reallocated a substantial amount to the General Fund and also a newly formed Utilities Reserve due to the significant pressure on budgets in that area. As we have moved into 2024/25 there have been additional inflationary pressures linked to significant unfunded nationally agreed staffing increases. This has been partly offset by the Utilities Reserves. Years 2 and 3 of this reserve are not now required and have been transferred to the General Fund to bolster its position.

3.33 The projected 2025/6 to 2027/7 position, at Tranche 1, had £3,695k of pressures to mitigate. This has been mitigated down in Tranche 2 to a £750k overall pressure over the three years with an ongoing issue of £345k a year to resolve in 2027/28 onwards. This is a slightly different approach to the previous two MTFP’s where the Council has moved to a “sustainable position” over the three year period but reflects that fact that Local Government will have a new 3 year settlement from the 2026/7 financial year and with those allocation methods only being consulted on in the Spring of 2025 it would not be prudent to balance the budget by reducing services when the new Settlement might have those services as a priority area.

3.34 Presently, the General Fund sits at a value of £7.312m (taking account of the Tranche 2 position) at the 31st March 2028. This sum is approximately 5% of gross expenditure which is on the 5% benchmark quoted by the Government as being a minimum requirement. If Housing Benefit payments, which are passported through the Council are ignored than this percentage rises to 7% of expenditure.

- 3.35 The Council has now closed its accounts up to the 2023/24 financial year and has received “Disclaimer Opinions” up to 2022/23. Because those years are now closed there is certainty over the Earmarked Reserve balances which at the 31st March 2028 sit at a value of £14.868m.
- 3.36 Specific Reserves will be set up for the following purposes
- This reserve is to ensure that the first two years losses of the Digital Manufacturing & Innovation Centre (DMIC) at £600k are covered and do not link to ongoing revenue expenditure. This is the updated model and the venture is projected to make a profit from year three and be in overall profit over the 8 year initial period. The initial model assumed a £500k loss which would have needed to be accounted for.
 - £100K for a review of the Property function
 - An ERP Reserve of £814 K to transfer the grant funding for ERP schemes and release it over the three year MTFP period.
- 3.37 Any Rubicon overspend, apart from the normal contractual increases of the management Fee will be covered by the Rubicon Reserve which sits in the Group Accounts.
- 3.38 This Earmarked Reserves level of £14.966m assumes the creation and spending of Ward budgets at £2k a Member over the 3 year MTFP period. The Ward budgets are set over the three year “pilot period” are funded from the Financial Services Reserve. The detailed position in respect of Reserves is set out in Appendix C.

The 5 Year Capital Programme

- 3.39 The Council over the past number of years has not spent its capital programme allocations in year. A review has been carried out of
- All schemes that have not started (both from 2022/23 and from previous years)
 - Schemes that have started
- To assess deliverability and links to revised strategic priorities.
- 3.40 Present rationale is for any scheme not yet started (unless grant or S106 funded) to rebid for funds as part of the 2024/25 budget process. The summary Capital Programme is set out in the following Table.

Year	Total Programme		Council Funded	Grant Funded
2024/5	20,114,366	32,428,717	4,792,886	15,036,480
Carry Fwd	12,314,351			
2025/6	8,082,320		3,176,213	4,906,107
2026/7	3,923,362		3,217,498	705,864
2027/8	2,559,172		1,853,308	705,864
2028/9	2,064,490		1,364,490	700,000
2029/30	2,496,248		1,790,384	705,864

Table 6 – Draft Capital Programme

3.41 The priority in capital terms is for the Council to spend its grant funding. It has the following:

- Towns Funding of £17.2m
- UK Shared Prosperity Funding of £2.4m

This funding is time limited and must all be spent by 2026 (with UKSPF being 2025). The Government, in the Local Government Settlement have given an additional year of funding for just the 2025/6 financial year which will need to be spent within that year

3.42 **Appendix D** sets out the present capital programme.

3.43 A number of capital bids were approved in Tranche 1 of the budget. These changes were:

- An additional Year of the rolling Capital budgets (as per last year)
 - Car Park Maintenance - £150k
 - Footpaths - £75k
 - Public Buildings - £250k
 - Wheely Bin Purchases _£100k
 - HMO Grants - £25k
 - Home Repairs Assistance - £40k
 - ICT Network Upgrades - £50k
 - Server Replacement Programme - £60k
 - Laptop Replacement Programme - £30k
- Updates from Tranche 1 are
 - Additional investment in Abavus software for Environmental Services (£30k works, £10.2k licensing).
 - Improvements to the Council Firewall (£16k).
 - Upgrade of the Athletics Track Surface (£300k)
 - Fire Compartmentalisation work in Public Buildings (£250k a year for 3 years)
 - Energy Performance Certificate Work (£100k a year for 3 years)
 - Refurbishment of the Abbey Stadium Roof (£250k)
 - Refurbishment of Abbey Valley Stadium indoor Changing Rooms and Toilets (£300k)
 - Installation of a new outdoor Kiosk and Toilet refurbishment at Forge Mill (£90k)

- Refurbishing the Male changing rooms and 2nd Green at PitcherOak (£30k)
 - A bid of £15k for Fly tipping cameras – run by Worcestershire Regulatory Services.
 - The other updates are:
 - DFG amounts reflect the grant totals highlighted earlier in this report.
 - Play Audits profile reflect the profile agreed in January 2024.
 - An additional £766k is added, grant funded by Defra, for the implementation of the food waste service.
 - Inclusion of the capitalisation of salaries
- 3.44 The significant Council spending continues to be the Fleet Replacement Programme although it is slipping into the future as we await the Government's final Environment Bill and confirmation of the type of vehicles required after 2030.
- 3.45 Given that the Culture application was rejected in the budget, there is the requirement for an extension to the Arrow Valley building to increase kitchen size and provide rooftop terrace at £750k. This is referred to in 3.20 about and will be subject to further business cases.
- 3.46 There will be the need to reprofile both the Town Hall Community Hub and Digital Manufacturing and Innovation Centre as the majority of their delivery will be in the 2025/26 financial year.
- 3.47 The Council is undertaking a review of all its assets, linked to the requirement of Council buildings to be at Level C Energy Efficiency. A report is expected early in 2025 setting the Council's fixed asset approach.
- 3.48 The Capital Programme is very closely linked to the Asset Strategy, Treasury Management Strategy, Minimum Revenue Provision Policy and Asset Investment Strategy. These Strategies set out how the Council can invest and borrow funds and to whom. They are set out in Appendices E, F, G and H. These Strategies will be Recommended to Council by Audit, Governance and Standards Committee on the 30th January 2025.

The Housing Revenue Account Budget

- 3.49 The 2025/6 Housing Revenue Account (HRA) budget has been constructed using the following assumptions:
- The Consumer price index assumed at 1.5% from 2026/27 onwards.
 - Retail price inflation is assumed to be 3% in 2025/26 and 2% then after
 - Pay inflation assumed to be 3% in 2025/26 and 2% then after.
 - - No additional borrowing assumed in this Medium Term Financial Plan.
 - - The Interest rate applied to Housing Revenue Account balances is 1.56%.
 - Rental Income assumes:

- An average rent of £165.36 and £106.16 on a 48 weeks basis for affordable and social rent properties respectively.
 - New tenants will pay target/Formula rent which will increase by September CPI(1.7%) plus 1% in 2025/26.
 - Rent increase of 2.7% in 2025/26 in line with Government guidance and 2.5% (CPI +1%) thereafter.
 - Rent Loss from voids is assumed to be 1.2% of rental income per year.
 - Provision for bad debts assumed to be 1.75% of rental income per year.
 - A minimum HRA revenue reserve of £400 per property (£2.1m) will help to mitigate the risk of unforeseen circumstances. A prudent level of HRA balance reserve will be determined annually as part of the budget setting process.
 - Right to Buy (RTB) levels are assumed to be 10 sales per year due to the reduction in discounts (far less than last years assumption of 40).
 - Capital charges of £4.2m based on HRA total debt of £122.2m, this includes £98.9m taken out on a fixed interest only basis in 2012 to cover the self-financing settlement payment.
 - No debt repayment is assumed in this plan.
- 3.50 Self-financing placed a limit (Debt Cap) on borrowing for housing purposes at the closing position for 2011/12 at £122.2 million, however, the removal of the cap means that the HRA can borrow (within prudential limits) to pay for investment in our existing stock and provide new homes.
- 3.51 These assumptions result in the following revenue budgets with sums being transferred to Earmarked Reserves:

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	2024/25	2024/25	2024/25	2025.26	2026.27	2027.28	2028.29
	Budget	Revised budget	Forecast Outturn	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Dwelling Rents	27,443	27,443	27,448	28,169	28,981	29,817	30,678
Non-Dwelling Rents	613	613	519	534	547	561	575
Tenants' Charges for Services & Facilities	618	618	675	695	713	730	749
Contributions towards Expenditure	124	124	155	155	159	163	167
Total Income	28,798	28,798	28,797	29,553	30,400	31,272	32,169
EXPENDITURE							
Repairs & Maintenance	6,992	6,992	7,155	7,844	8,019	8,198	8,382
Supervision & Management	8,877	8,877	8,703	9,249	9,439	9,634	9,833
Rent, Rates, Taxes & Other Charges	576	576	448	576	588	601	614
Provision for Bad Debts	576	576	576	517	532	547	563
Depreciation & Impairment of Fixed Assets	6,487	6,487	6,487	7,296	7,579	7,778	7,982
Interest Payable & Debt Management Costs	4,179	4,179	4,182	4,179	4,179	4,179	4,179
Total Expenditure	27,687	27,687	27,551	29,661	30,337	30,938	31,553
Net Operating Expenditure	-1,110	-1,110	-1,246	108	-63	-334	-616
Interest Receivable	-234	-234	-234	-211	-166	-143	-129
Transfer to/(from) general reserves				110	0	0	0
Transfer to/(from) Earmarked Reserves	1,344	1,344	1,480	0	228	477	745
(Surplus)/Deficit on Services	0	0	0	7	0	0	0
HOUSING REVENUE ACCOUNT BALANCE							
Forecast Balance as at beginning of year**	3,176	3,176	2,399	2,399	2,509	2,509	2,509
Surplus/(deficit) for year	0	0	0	110	0	0	0
Forecast Balance as at end of year	3,176	3,176	2,399	2,509	2,509	2,509	2,509

Table 7 HRA Revenue Budgets

3.52 The HRA Capital investment ensures that existing HRA dwelling are kept to a descent home plus standard. In 2025/26, £11.5m will be spent on improvements to existing dwellings and £23.3m in the following 3 years of the plan.

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	Outturn 2024/25	1 2025.26	2 2026.27	3 2027.28	4 2028.29
	£	£	£	£	£
Major Repairs Reserve					
Internal Refurbishment	2,500,000	3,000,000	2,500,000	2,500,000	2,500,000
Boiler Replacements	650,000	720,000	750,000	750,000	750,000
High Trees Project	1,200,000	800,000	0	0	0
External Refurbishment	650,000	500,000	700,000	700,000	700,000
Electrical Upgrades	175,000	200,000	100,000	100,000	100,000
Door Entry and Security Upgrades	150,000	350,000	100,000	75,000	75,000
Smoke Detection Upgrades	110,000	200,000	300,000	100,000	100,000
Balcony Replacements	400,000	300,000	300,000	200,000	200,000
Major Voids	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Energy Efficiency	1,000,000	1,000,000	750,000	750,000	750,000
Disrepair Cases	200,000	100,000	50,000	50,000	50,000
Fire Compartmentation	1,000,000	1,500,000	250,000	250,000	250,000
Garage Improvement Works		300,000	250,000	250,000	250,000
Structural Repairs	450,000	15,000	75,000	75,000	75,000
Asbestos General	125,000	125,000	100,000	100,000	100,000
Capitalised Salaries	640,000	750,000	750,000	750,000	750,000
Lift Replacement	150,000	150,000			
Window Replacement		500,000			
	10,400,000	11,510,000	7,975,000	7,650,000	7,650,000
Capital Receipts					
Disabled Adaptations	650,000	500,000	250,000	250,000	250,000
HRA Stock - Remodelling	50,000	275,000	100,000	100,000	100,000
Estate & Environmental Improvements	50,000	100,000	250,000	250,000	250,000
Estates Parking and Paving			150,000	150,000	150,000
Stock Condition Survey Fees	125,000	150,000	150,000	150,000	150,000
HRA - Vehicles Renewal programme		300,000	300,000		
Housing Management System	250,000				
	1,125,000	1,925,000	1,800,000	900,000	900,000
New Build/Acquisitions	1,700,000	3,000,000	3,000,000	3,000,000	3,000,000
	13,225,000	16,435,000	12,775,000	11,550,000	11,550,000
Financed by					
Major Repairs Reserve	10,400,000	11,510,000	7,975,000	7,650,000	7,650,000
Capital Receipts	1,125,000	1,925,000	1,800,000	900,000	900,000
Capital Receipts earmarked for acquisition	1,700,000	3,000,000	1,500,000	1,500,000	1,500,000
HRA Capital Reserve	0	0	1,500,000	1,500,000	1,500,000
HRA - Borrowing					
	13,225,000	16,435,000	12,775,000	11,550,000	11,550,000

Table 8 HRA Capital Programme

3.53 Capital investment in our existing homes if funded primarily from the Major Repairs Reserve, which holds the yearly depreciation amount charged to the HRA and can be used purely to finance investment in existing stock and the repayment of HRA debt.

3.54 Capital receipts from Right to buy sales can also be used to finance the HRA capital investment programme, although some of these receipts can only be used to finance new homes to replace those that have been sold. Borrowing, which is no longer capped, can also be used to finance the capital programme providing that it is affordable and complies with the Prudential Code for

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Capital Finance in Local Authorities. No additional borrowing is assumed in the medium term.

- 3.55 Revenue surplus generated by the HRA is transferred to an earmarked capital reserve and this usable reserve is currently used as match funding for the new homes program but can also be used to repay HRA debt. Overall HRA Reserves are shown in the following Table:

	2024/25	2025.26	2026.27	2027.28	2028.29
	£	£	£	£	£
Major Repairs Reserve					
Balance 1st April	10,434,000	6,727,651	2,223,918	1,448,388	1,196,480
Contributions in year	6,693,651	7,006,266	7,199,470	7,398,092	7,602,290
Applied in year	-10,400,000	-11,510,000	-7,975,000	-7,650,000	-7,650,000
Balance 31st March	6,727,651	2,223,918	1,448,388	1,196,480	1,148,770
Capital Receipts					
Balance 1st April	4,093,430	4,091,028	3,004,732	2,060,356	2,033,234
Contributions in year	1,122,598	838,704	855,624	872,878	890,478
Applied in year	-1,125,000	-1,925,000	-1,800,000	-900,000	-900,000
Balance 31st March	4,091,028	3,004,732	2,060,356	2,033,234	2,023,711
Capital Receipts earmarked for replacement homes					
Balance 1st April	7,774,765	6,993,254	4,679,467	3,879,523	3,093,695
Contributions in year	918,489	686,213	700,056	714,173	728,573
Applied in year	-1,700,000	-3,000,000	-1,500,000	-1,500,000	-1,500,000
Balance 31st March	6,993,254	4,679,467	3,879,523	3,093,695	2,322,268
HRA Capital Reserve					
Balance 1st April	11,770,765	13,250,765	13,250,765	11,979,231	10,956,301
Contributions in year	1,480,000	0	228,466	477,070	744,735
Applied in year for capital	0	0	-1,500,000	-1,500,000	-1,500,000
Balance 31st March	13,250,765	13,250,765	11,979,231	10,956,301	10,201,036
	8,580,826	4,475,784	1,836,153	1,322,434	1,172,625
	4,092,229	3,547,880	2,532,544	2,046,795	2,028,473
	7,384,010	5,836,361	4,279,495	3,486,609	2,707,982
	12,510,765	13,250,765	12,614,998	11,467,766	10,578,669
Average Balances in year	32,567,829	27,110,790	21,263,190	18,323,605	16,487,748

Table 9 HRA Reserves

- 3.56 Based on current assumption the HRA Medium Term Financial plan ensures:

- Adequate level of balance reserves is maintained to help manage risk and mitigate the impact of unforeseen circumstances.
- A robust capital programme that is fully funded from available resources within the HRA.
- Surpluses are generated and transferred to a capital reserve and used to match fund the costs of replacement homes.
- The council complies with the legal requirements and does not set a deficit budget for the HRA.

The Risk Assessment

3.57 As set out in this Report we are budgeting in a time of extreme uncertainty:

- There having been a change of National Government and this being their first year of being the administration since 2010.
- The 2025/6 Local Government Financial Settlement is only for one year and overall have a £352k reduction in central grants – once the 2025/6 Recovery Funding comes out.
- There will be a new financial settlement formula in 2026/7, which will be for three years, but the make-up of this settlement formula will only start to be consulted on in the spring of 2025.
- The Government have also announced significant reorganisation of the Local Government Sector with Worcestershire which is 2 tier moving to a Unitary setup by the end of this Parliament. At the present time, the format of Unitary Councils in Worcestershire is unclear as are the rules in relation to use of Reserves and Balances in the intermediate period and the obvious impact on the Councils Staff, Members and present Stakeholders.
- The status of Councils with “Disclaimer Opinions” on their accounts. It is understood there will be over 500 of these opinions across English Councils.
- The ongoing issue of Funding, with the care element of Local Government taking more over the “overall” resource pot on a yearly basis leaving less for other services we provide to the public.
- The Council still has to fund any abortive works on the Town Hall linked to the original Library concept.

3.58 As per the Risk Reports that are reported to Audit, Governance and Standards and Committee there are the following specific Risks linked to finance:

- Resolution of the approved budget position.
- Financial process rectification (in relation to the 2020/21 Accounts and subsequent years not being approved – which is close to some sort of resolution with the “Disclaimer Opinions”).
- Decisions made to address financial pressures and implementing new projects that are not informed by robust data and evidence.
- Adequate workforce planning.

3.59 In addition, in this time of uncertainty the Council will also need to embed a new Chief Executive and Deputy Chief Executive/Director of Resources, both of whom have been appointed in January 2025 and will start after their respective notice periods.

3.60 There are the core risks of implementation of any Council financial plan in that:

- Any savings proposal must pass the S151 Officers tests for robustness and delivery. If items are not deliverable or amounts not obtainable, they cannot be included.

- Implementation of savings to time and budget – there must be full implementation processes documented to ensure implementation within timescales.
- Non delivery is a high risk - Savings are tracked and reviewed on a quarterly basis at the Audit Standards and Governance Committee to ensure implementation happens based on the plans and the assumptions will become part of the Council's core processes.
- Loss of key personnel will be crucial, especially given the impending Local Government Reorganisation and mitigation plans will need to be drawn up which in themselves will require resources to administer and deliver.
- Change of corporate direction/priorities given the upcoming changes in the sector.

The S151 Officers Robustness Statement

- 3.61 For Tranche 2, the opinion of the Interim Director of Finance is that the risks contained in the 2025/26 budget estimates have been minimised as far as is possible.
- 3.62 In the past two years the Council have moved to the delivery of sustainable budgets however these have been impacted by three years of Pay Awards far in excess to those ever seen in Local Government. This, given the fact that staffing costs are approaching 50% of overall costs, has had a significant impact on council budgets over this period leading to in year overspend positions and has required subsequent mitigation in following years budgets.
- 3.63 Although inflation is reducing in the UK, given wider economic events and changes in other countries Governments and the move to more nationalistic policies it is not clear if inflation in particular will move back to being consistently within the Government's 2% target. This impacts Council costs but also those who have the requirement to use our services.
- 3.64 Employee budgets are almost 50% of the Council's costs. Over the past 18 months there has been a significant move to fill establishment positions. However, the Council is still running at levels of vacancy of around 100 against an overall joint establishment of 850 and using considerable agency resource to ensure services are maintained. This attracts additional short term cost and the Workforce Strategy, implemented in 2023, is starting to mitigate this. This is shown in the Council's staff turnover figure being 50% of the National average at just over 7%. However, this remains the most significant financial risk to the Council.
- 3.65 The next most significant financial risk was the fact that that the Council had not been able to present its 2020/21, 2021/22 and 2022/23 Accounts for Audit, and the possible inaccuracy of opening balances used in budgetary data. These three years have now been completed under the new "backstop" regulations, but because of the national audit Issues the Council has received "Disclaimer Opinions" for all three years. There are circa 500 of these

opinions for English Councils and it is not clear of the implications of this on Councils and the wider sector. What the closure process has highlighted, now it has been completed for these years, is that the Council is in a stronger position in terms of reserves than was the started position. The 2023/4 Accounts have also now been completed and presented for Audit.

- 3.66 The revenue budget and capital programme have been formulated having regard to several factors including:
- Funding available.
 - Inflation.
 - Risks and Uncertainties.
 - Priorities.
 - Service Pressures.
 - Commercial Opportunities.
 - Operating in a Post C-19 environment.
- 3.67 The MTFP highlights that the current financial position has moved, following the Local Government Settlement, to a position of requiring £0.750m of funding from General Fund Reserves over the three year period. This is a departure from the previous two years where the Council has tried to move to a more ongoing sustainable position. The reason for this movement in the short term is that
- In year three 2027/28, the ongoing deficit to close going forward is £345k which is not a significant sum to close.
 - That the Local Government Financial Settlement methodology will significantly change in 2026/27, and it would not be sensible to make savings where those services might need to be re-instated.
 - That the general fund will still be at a level – at £7.312m after allowing for this support which is over 15% of gross turnover.
- 3.68 The Council has reviewed its position in line with the CIPFA Resilience Index. The data for the resilience index is obtained from the Revenue Expenditure and Financing England Outturn Report 2023-24 ('RO Forms') and reflects figures submitted by Local Authorities to MHCLG, published on 12 December 2024. The Council in comparison to its nearest neighbours and levels of risk:
- Has higher risk in terms of levels of reserves – although with the accounts now being closed this will change
 - Has higher risk in terms of levels of interest payable and debt but this is all linked to the HRA transfer.
 - Has a slightly lower than average fees and charges to Services and Council tax requirement to net expenditure.
- 3.69 In line with Section 25 of the Local Government Act 2003, this report of the Chief Financial Officer (CFO) sets out the robustness of estimates included in the budget and the adequacy of the Council's reserves.

The Chief Financial Officer's opinion is that the estimates are robust

- 3.70 Relevant budget holders are responsible for individual budgets and their preparation. All estimates are then scrutinised by Financial Services staff and the Corporate Management Team prior to submission to Members.
- 3.71 The two tranche 2025/26 budget process has ensured that all budget assumptions have been reviewed and reconsidered by Officers, and then Members, through the Finance and Budget Scrutiny Working Group, Executive and Council.
- 3.72 The budget has a £750k call on General Fund Reserves over the three year period but by year 3 does start to move to a more sustainable position. More work will need to be done to embed changes to ensure financial sustainability is embedded across the organisation, especially with the change coming forward for Local Government in terms of Funding and Structure.

Adequacy of Reserves

- 3.73 Budget and MFTP proposals forecast the level of General Fund balances at £7.312m as at 31st March 2028 which is well above the recommended 5% of net level as set out in the Reserves section.
- 3.74 The present positive medium term financial position, takes into account the updated position in terms of accounts now being closed to the 2023/24 financial year however the “Disclaimer Opinions” still give the potential of possible issues with Opening Balances. It is prudent for the Council to build reserves as they are the Council’s single source of funding for business change initiatives.
- 3.75 Further work will be undertaken to ensure that expenditure levels are sustainable and matched by income over the medium to long term. Plans are therefore in place to continue to review budgets and identify and accelerate further savings opportunities.

Collection Fund and Precepts

- 3.76 The Council Tax collection fund is anticipated to be in surplus based on December data by £1.006m, which will be distributed amongst the major preceptors using the prescribed formulae. The Council’s share of the surplus payable as a one-off sum in the following financial year 13% of the total which amounts to £125k.
- 3.77 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 8th February. This will enable the Council to set the Council Tax on 26th February 2024. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Council on 26th February.

Consultation Details

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- 3.78 The Council, as part of the Tranche 1 budget undertook a complete consultation as part of its quarterly consultation process. This budget consultation opened on Thu 5 December 2024. An email invite was sent to the Redditch Community Panel. The survey was also promoted on a variety of social media channels.
- 3.79 The survey closed at 12 noon on Thursday 2 January 2025. The response rate for the community panel was 44%. There were a total of 322 valid responses received.
- 3.80 Question 2 gives a split of the consultation responses by location with the highest percentage of returns coming from Webheath, Batchley and Headless Cross.
- 3.81 Question 17 gives the splits of Age Ranges of the people who filled out the questionnaire. The vast majority were over 50.
- 3.82 The survey asked respondents to rank the three most important services they felt the Council should invest in. These were:
- Community Safety (49.2.% of respondents).
 - Maintenance of the Landscape and Environment (46.1.% of respondents)
 - Housing (42.1.% of respondents).
- 3.83 Each question had the following Questions asked had the following possible responses.
- Strongly Agree
 - Agree
 - Neither Agree or Disagree
 - Disagree
 - Strongly Disagree
- 3.84 In those questions, 8 had responses well over 50% agreeing or strongly agreeing, and only one had a response lower than 50%:
- Do you support fees and charges (such as hire costs) rising by 4% to keep them in line with inflation and rising staffing costs at a 47.7% approval rate.
- 3.85 The highest approval rating, at 84.1% was the question - Do you agree that the Council should invest in its land and assets to ensure they are safe and fit for the future e.g. dealing with trees affected by ash die back?
- 3.86 Two further questions were asked on what level of increase to Redditch Borough Council's proportion of Council Tax do you support?
- 61.7% agreed of strongly agreed with a 1.99% increase.
 - This dropped to 37.8% at 2.99%.
- 3.87 There were 2 free test questions:
- Please let us know your suggestions for investing in the borough to increase prosperity and enhance appeal for residents and businesses alike?

- There were 182 responses to this question.
- Responses to this question provided many suggestions and comments regarding the borough. The top four themes were:
 - Town Centre
 - Environment (natural, maintenance & waste management)
 - Supporting businesses
 - Infrastructure (including roads & public transport)
- These themes had many cross overs, from the impact of development, encouraging a diverse range of businesses into the borough and reducing costs to visitors and businesses alike. Suggestions included:
 - Reducing business rates / relief
 - Support start-ups
 - Prioritise local businesses & inward investment
 - Reducing parking costs
 - Supporting independent retailers
 - Bringing in diverse range of retailers- understanding offer on High Street- too many charity shops, cafes, fast food restaurants
 - Bring back some key major retailers
 - Utilise empty shops
 - Develop the outside market- specific themed markets
 - Promote Redditch and the benefits of living/doing business here- develop attractions, promote heritage, encourage visitors, challenge negative perceptions
 - Improve the night-time economy & expand the current offer
 - Improve the appearance & maintenance of the borough- in particular the town centre outside of the Kingfisher Centre & shop frontages
 - Review grass & hedge cutting
 - Protect green spaces
 - Subsidised health & fitness
 - Increase enforcement activities & fines e.g. fly tipping & littering
 - Ensure there are enough council houses
 - Ensure council housing is well maintained, repaired & accessible
 - Improved public transport
 - Address community safety issues
 - Engage with communities, particularly young people
 - Support young people into work- skills, training & apprenticeships
 - Support the voluntary sector & greater volunteering opportunities
 - Access grants wherever possible
 - Ensure a borough-wide view- including the district-centres
- Please let us know any other comments on the budget or ideas for reducing costs or increasing income to ensure Council services remain sustainable?
 - There were 132 responses to this question.

- Of the responses to this question, the largest category fell into the theme of efficiency and value for money. Other popular themes included exploring commercial activities/opportunities, housing, the environment and the town centre. Suggestions included:
 - Reviewing Council workforce & salaries
 - More staff working at the Town Hall
 - Explore alternative methods of delivery e.g. partnerships, private sponsorship
 - Reduce use of consultants
 - Review fees & charges
 - Rubicon to generate more income
 - Commercial opportunities e.g. hiring out Council spaces; selling logs; sell off small pieces of land for parking
 - Turn off lights
 - Promote events better to increase revenue & bring in visitors
 - Explore camping at Arrow Valley & Morton Stanley
 - Better offer at the Palace Theatre
 - Support youth activities & skills
 - Focus litter picking in areas around people's homes & businesses
 - Increase enforcement activities & fines e.g. fly tipping & littering
 - Encourage biodiversity in green & open spaces
 - Support the voluntary sector & greater volunteering opportunities
 - Work with the Kingfisher Centre on offer & costs
 - Reducing business rates / relief
 - Consider impact of cross border development on Redditch infrastructure

The consultation spreadsheet sets out the overall summary and a breakdown by question is shown as **Appendix I**.

3.88 Tranche Two of the budget will be consulted on following its publication on the 27th January. Any comments will be fed into Executive and Council on the 27th February 2025.

3.89 The Council will raise awareness of the budget proposals via use of social media.

4. **IMPLICATIONS**

Financial Implications

4.1 Financial implications are set out in section 3.

Legal Implications

4.2 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 Council's statutory function.

Service / Operational Implications

- 4.3 Monitoring will be undertaken to ensure that income targets are achieved.

Customer / Equalities and Diversity Implications

- 4.4 The implementation of the revised fees and charges will be notified in advance to the customer to ensure that all users are aware of the new charges and any concessions available to them.

- 4.5 Initial Equalities Impact Assessments will be taken where required.

5. RISK MANAGEMENT

- 5.1 There is a risk that if fees and charges are not increased that income levels will not be achieved, and the cost of services will increase. This is mitigated by managers reviewing their fees and charges annually.

6. APPENDICES

Appendix A – Budgets by Department
Appendix B – WRS Fees and Charges
Appendix C – Reserves
Appendix D – 5 Year Capital Programme
Appendix E – 2025/6 Capital Strategy
Appendix F – 2025/6 Treasury Management Strategy
Appendix G – 2025/6 MRP Statement
Appendix H – 2025/6 Investment Strategy
Appendix I – Budget Consultation Results

(Appendices B – I have previously been circulated for Members' consideration at the Executive Committee meeting held on 4th February 2025. Appendix A has not previously been circulated and therefore will be published in a supplementary pack for consideration at the Executive Committee meeting scheduled to take place on 24th February 2025.)

6. BACKGROUND PAPERS

None.