

Redditch Borough Council

Shareholders Committee 27th February 2025

Council Funding and Support Update

Relevant Portfolio Holder	Councillor Juliet Barker Smith
Portfolio Holder Consulted	Yes
Relevant Head of Service	Pete Carpenter
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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

The Council set up Rubicon Leisure Limited in 2018 to deliver the Council's Leisure and Cultural activities. As part of the arrangements the Council provide ongoing support services to Rubicon.

2. RECOMMENDATIONS

Shareholders Committee are asked to Note and Comment on the:

- The position in terms of:
 - Rubicon related items in the 2025/6 Council Budget.
 - Closure 2024/25.
 - VAT.

3. KEY ISSUES

Outstanding Issues

- 3.1 The outstanding issues from the last meeting of this committee in relation to this report were updates on VAT and the Closure process. These are both contained within this report.

2025/6 Budget Process

- 3.2 As in previous years, the Council has delivered its budget in two phases with Phase 2 being approved by full Council on Monday 24th February.
- 3.3 As part of this process a significant number of Capital bids relating to Rubicon have been included, some initiated by Rubicon as potential ways to increase revenue and some by

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the Council's property department as a requirement to maintain the quality of the Council's assets.

- 3.4 The full listing of those items are:
- Refurbishment of the Abbey Stadium Roof (£250k).
 - Refurbishment of Abbey Valley Stadium indoor Changing Rooms & 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).
 - Upgrade of the Athletics Track Surface (£300k).
- 3.5 The management fee, as per the contract, is increased in line with inflation, other pressures, should they arise, will be covered by a specific reserve set up for Rubicon.
- 3.6 The report to this Committee in December noted that, in their plans up to 2030, Rubicon also require investment in:
- Sports Hall conversion/fitness extension at Abbey Stadium
 - Additions to the outdoor area at Arrow Valley to grow the recreational offer eg. adventure golf.
 - Cover the cloisters to create an internal cultural space and café at Forge Mill.
 - Redevelop and reinterpret the museum.
 - Community Centre redevelopments.
 - New clubhouse at Pitcheroak.
- 3.7 In the Council's Tranche 2 Budget Report it talks 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. The schemes highlighted in 3.6 need to be reviewed in respect of this.

2024/5 Accounts

- 3.8 Both the Council and Rubicon have closed their 2023/24 Accounts. The process for closing the 2024/25 Accounts, now both entities have caught up, means that Council draft accounts are required by the 30th June. This will be considerably quicker than anything delivered since before the C-19 period. Plans are being drawn up to ensure this can be delivered.
- 3.9 The Council's closed accounts have "Disclaimer Opinions" like significant numbers of other Councils across the Country. It is still not clear how these Audit Opinions will impact on trading entities like Rubicon.

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VAT

- 3.10 Payments have been made to Q2 2024/5. Rubicon is still making central assessment based payments while it, the Council and the Council's tax advisors PS Tax work with HMRC to bring all the records up to date. This is expected to be done for the Q4 payment in the 2024/5 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. Every report has potential financial implications and these in term can have implications on climate change. These will be addressed and reviewed through individual reports when relevant by climate change officers will 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

None

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