

Overview and Scrutiny Committee

Monday, 7th July, 2025

MINUTES

Present:

Councillor Matthew Dormer (Chair), and Councillors William Boyd, Claire Davies, James Fardoe, Andrew Fry and Sachin Mathur

Also Present:

Councillor Bill Hartnett – Portfolio Holder for Housing

Officers:

Bob Watson, Rachel Egan, Judith Willis, Neil Batt, Matthew Bough, Amanda Delahunty, Lee Collymore and Sabila Mehmood

Democratic Services Officers:

M Sliwinski

Before the agenda was considered, the Chair announced that he proposed to change the order of the agenda. It was proposed that items 11, 12, and 13 on the printed agenda be considered as items 5, 7, and 6 respectively. The Committee agreed to this change of the agenda order.

The Chair advised Members that the Acquisition of Properties – Pre-Scrutiny report contained exempt information in the appendix. Members were advised that the Chair was keen to remain in public session throughout the discussions in respect of this item but Members were asked to notify him in advance if they wished to discuss the exempt information. In the end, the meeting remained in public session for the duration.

15. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received from Councillor Warhurst.

16. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of party whip.

Chair

17. MINUTES

The minutes of the Overview and Scrutiny meeting of 9th June 2025 were submitted for Members' consideration.

A typographical error was noted in the minutes record in that attendance by the Principal Democratic Services Officer was not recorded in the minutes. This omission would be corrected.

RESOLVED that

subject to the above correction, the minutes of the meeting of Overview and Scrutiny Committee held on 9th June 2025 be approved as a true and correct record and signed by the Chair.

18. PUBLIC SPEAKING

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

19. **DIGITAL MANUFACTURING AND INNOVATION CENTRE (DMIC) - APPOINTMENT OF CONTRACTOR FOR STAGE 4 DESIGNS - PRE-SCRUTINY**

A report on the appointment of contractor for stage 4 designs of the Digital Manufacturing and Innovation Centre (DMIC) was presented to Overview and Scrutiny.

Members were informed that the DMIC project was nearing the completion of stage 3 designs and this report concerned stage 4 design only, which was the final stage before the construction phase of the project. This report sought approval to procure a design and build contractor that could work with the project team to complete Stage 4 designs and more accurately determine the likely costs of construction. It was stated that this approach would ensure there was input from the construction contractor prior to the actual construction starting.

It was reported that the project remained on track for the construction to start in January 2026. The stage 4 design work was due to be contracted via a JCT Pre-Construction Services Agreement and following input from costs consultants it had been estimated that the costs of bringing a contractor on board for Stage 4 designs would cost between £250,000 and £300,000. However, as the exact costs remained unknown prior to sourcing updated

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quotations this report requested delegated authority to agree a contract value of up to £400,000, to provide sufficient headroom and contingency.

A Member asked for clarification in respect of whether the paragraph 5.3 implied that the appointed lead designers of the AHR Architects were selected to design the DMIC project because of their climate change expertise. It was responded that the lead architects possessed background in designing to environmental standards, and the DMIC project specifically would be designed to accredited environmental standards, including local and national climate change policies, the implementation of environmentally friendly features would be scrutinised by the Project Board throughout the design. Some of the features to make the DMIC building environmentally friendly included opportunities for rainwater harvesting, air source heat pumps to provide low-temperature heating, and designs allowing space for a photovoltaic (PV) array on the roof of the building.

The Chair commented that the costs of DMIC had increased from £8 million in the original Town Investment Plan to almost £12 million in the revised Town Deal budget. It was asked whether this added cost was reflected in providing a DMIC building that was at least 50 per cent larger than the original designs. It was responded that allocation of extra funding to the DMIC had been signed off by the Ministry for Housing, Communities and Local Government (MHCLG). It was assessed by officers that the DMIC would provide significant added value for end users with the additional investment, including an increase in lettable space at DMIC from 7,000 square feet to 17,000 square feet.

A question was asked in respect of the target rental rate per square foot of space at DMIC. The Regeneration Project Delivery Manager undertook to obtain and provide this information to Members of Overview and Scrutiny. It was reported by officers that when the business model for DMIC was tested, there was an estimated operating surplus of £60,000 to £70,000 per annum after costs. This estimate was based on 90 per cent occupancy rate.

Following consideration of the report, the recommendations contained in the report were endorsed by Overview and Scrutiny Committee.

RECOMMENDED that

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- 1) Officers procure a Design and Build Contractor (for Stage 4 Design Work Only for the Innovation Centre) in line with the Council's procurement process up to the value of £400,000.
- 2) Authority be delegated to the Deputy Chief Executive (Section 151 Officer) and the Assistant Director for Regeneration and Property; and
- 3) The contract to be awarded through the procurement exercise detailed at resolution 1 above be funded through the Town Deal Programme.

20. REDDITCH COUNCIL HOUSING GROWTH PROGRAMME - PRE-SCRUTINY

The Committee considered a report on the Redditch Council Housing Growth Programme. It was recalled that the Executive Committee agreed the Council Housing Growth Programme in January 2017. The Council received funding in this programme through a process of one-for-one receipts when Council houses were sold. This had a requirement that the receipts be spent within five years or else the funds had to be returned to Central Government with interest.

It was stated that a further report in 2018 identified specific sites to be utilised as part of this Programme. The present report identified a number of options, set out as part of the proposed recommendation, to increase the Council's housing stock to meet the housing growth target of achieving 230 additional units by 2030. These options were explained by the officers present. It was highlighted that the mortgage rescue policy had been removed from the Buy Backs and Acquisitions Policy as it was found that lenders now offered various mortgage relief schemes.

The Council Housing Growth Programme had already delivered 107 units, with a plan in place for delivery of further 56 units. This meant the Council needed to secure an additional 67 units to achieve the target by 2030.

Appendix 1 set out the two packages of sites which were approved for development within the Council Housing Growth Programme, with officers currently working on schemes for the submission of planning applications.

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Under the current terms of the Council Housing Growth Programme, there was a capital budget of £3 million per year to spend on developing or purchasing new Council houses. Once this figure was spent, additional funding could not be accessed without agreement from the Executive Committee. Officers were asking for greater flexibility in the Council Housing Growth Programme to enable expenditure over this level where needed and this would help the Council to respond to opportunities on the open market as they arose in a timely manner.

It was being proposed that all properties delivered through the Council Housing Growth Programme be let at social rent levels, subject to viability in respect of the repayment of any capital funding on the given property being repaid within a set period of 30, 40 or 50 years. If this proved not to be viable, then the rent level of 65 per cent of market rent would be applied, and if that was also unviable, then affordable rent level of 80 per cent of market rent would be applied.

When developing new properties, Officers were aiming to install materials and to use design methods that would ensure that those properties achieved an Energy Performance Certificate (EPC) A rating. This would have both a positive impact on climate emissions and help to reduce the energy costs that needed to be met by tenants living in those properties.

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

- The risk that the £15 million Council Housing Growth Programme would be spent before the whole programme could be delivered if a £3 million per year spend limit be removed – Officers explained that the Council was working with Homes England to deliver the programme and would also be applying for additional funding to supplement the costs of housing delivery. There would be a continual effort to manage the existing budget and the flexibility would allow spending to be concentrated as and when opportunities to purchase housing became available.
- Viability of house building at present time for keeping rent costs down – It was explained that officers anticipated that housing and construction costs would continue to increase. This was in addition to Government targets for house building. Current viability assessments undertaken by the

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Council showed that the pay back period for council housing, under the programme, at social rent was circa 25 years. This was below the 30 years mark and would enable the Council to provide these social housing at social rent levels if building was undertaken at present time. It was also highlighted that with this Council Housing Growth Programme the costs could be kept down as the Council was building on its own land.

- The risk of repair costs due to housing wear and tear and damage by tenants – It was commented that the potential high costs that could arise if properties were damaged and needed structural repair and through wear and tear. Some Members expressed the opinion that it was preferable to set rents at affordable rather than social rent level in order for the Council to have the contingency to cover these possible costs.

It was noted by officers that the Council was applying for further funding from Homes England. That funding, if awarded, had the condition that rent levels would need to be set at social rent level.

Following consideration of the report, the recommendations contained in the report were endorsed by Overview and Scrutiny Committee.

RECOMMENDED that

- 1) The following options for the Council Housing Growth Programme are approved:**
 - a) Commissioning the construction of new Housing Revenue Account housing stock;**
 - b) Purchasing existing housing properties on the open market;**
 - c) Bidding to purchase housing properties provided by developers through the Section 106 process;**
 - d) Purchasing properties ‘off plan’ from new housing developments;**
 - e) Purchasing housing stock from other Registered Providers of social housing;**
 - f) Regeneration of existing housing stock where additional units are achieved;**
 - g) Buying back former Council house properties under the Council’s ‘First Right of Refusal.**

- 2) Authority be delegated to Deputy Chief Executive and Chief Finance Officer and the Assistant Director of Communities and Housing, following consultation with the Portfolio Holder for Finance, to approve the financial and development appraisal of each site in Appendix 1 and future development sites.
- 3) The Buy Backs and Acquisitions Policy, Appendix 2, be approved.
- 4) That the budget of no more than £15 million previously approved from the HRA Capital budget for the Housing Growth programme to 2030 be applied to the current capital programme to be used flexibly within the capital expenditure limit.
- 5) Properties delivered through the Council Housing Growth Programme are let at social rent levels, where permitted and subject to viability.
- 6) In cases where resolution 5 is unviable, to approve rent levels at:
 - a) 65% of the market rent; or
 - b) in cases where resolution 6(a) is unviable, at affordable rent levels of 80% of the open market rent level.
- 7) that the Council's rent setting policy be updated as per recommendations 5 and 6 above.

21. ACQUISITION OF PROPERTIES - PRE-SCRUTINY

The report on the subject of the acquisition of properties was presented and it was explained that the Council had been approached by a developer regarding 12 shared ownership properties that the developer had been unable to sell. The authority had concluded that these properties could be offered as social housing and the cost of this acquisition could be funded through one for one capital receipts. The Council had had the properties valued and would take this information on board in the process. There was a need for the sale to be completed by October 2025, so the timescales for completion were tight.

It was highlighted that the properties did correspond with the type of homes that were in demand on the Council's housing waiting list, in

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particular there were over 900 families on the register with a 2-bed need and around 800 families with a 3-bed need. With this mind, the proposal to purchase the 12 properties had been fully supported by the Council's Allocations Manager.

The properties were currently under construction and were being built to Energy Performance Certificate (EPC) B rating. It was highlighted that the estimated cost of upgrading these properties to EPC A rating was £200 per property and opportunities to upgrade the energy efficiency of the properties would be explored by the Council's Housing Development Team.

It was noted that Part 2 of the Housing Act 1985 permits local authorities to build/acquire new housing. The properties under consideration fall under a section 106 agreement for the provision of affordable housing and currently comprise the shared ownership element.

It was noted that the developer would need to apply for a deed of variation to the Section 106 to be completed for the Council to purchase properties for social rented accommodation. The variation application would need to be reported to the Planning Committee. The developer would also be responsible for any initial snagging issues as well as during the first 12 months for any defects. Thereafter, a 10-year insurance-backed warranty would apply.

Members questioned why the developer had experienced difficulties with selling these properties as shared ownership units and why other Registered Providers operating locally had not expressed interest. Officers explained that this was part of a national issue for smaller developments. This development had a low number of units which was not considered attractive for many larger developers. Some Registered Providers would also only consider the purchase of properties in particular locations. However, the Council was keen to ensure that there continued to be a balanced housing market in the Borough and this proposed investment was deemed appropriate in helping to support this ambition.

Members queried whether this purchase would set a precedent in terms of council purchasing properties directly from developers. It was responded that similar purchases had been undertaken by the Council in the past also with similar aim to support social housing.

It was noted that providing the twelve properties at social rent would give an annual rental income of £81,681. The local housing allowance rent would give an annual rental income of £98,130.34.

An affordable rent at 80% market rent would provide an annual rental income of £144,000. It was stated that viability assessments indicated that the pay back period would be approximately 23 years if properties were rented at social rent levels.

During discussion, concerns were raised by some Members about the value for money in purchasing this site given the high building costs on the site.

Following consideration of the report, the recommendations contained in the report were endorsed by Overview and Scrutiny Committee.

RECOMMENDED that

- 1) The option to acquire a package of twelve affordable housing units from a developer to increase Council housing stock to support the Council Housing Growth Programme be approved;**
- 2) authority be delegated to the Deputy Chief Executive and S151 Officer and the Assistant Director of Communities and Housing, following consultation with the Portfolio Holder for Housing and the Portfolio Holder for Finance, to agree expenditure within the approved budget in the Housing Capital Growth Programme; and**
- 3) the properties be acquired to be let at a social rent commensurate with the Council's Housing Capital Growth Programme.**

22. FLY TIPPING AND BULKY WASTE TASK GROUP - FINAL REPORT

The final report of the Fly Tipping and Bulky Waste Task Group was presented to the Overview and Scrutiny Committee.

The Chair of the Task Group introduced the report and commented in terms of the overall findings that the Council's bulky collection service was important given that a high proportion of fly tips in Redditch consisted of household waste such as black bags or other household items such as white goods, electrical appliances and green garden waste. It was noted that most of these fly tipping occurred within residential areas. The Task Group felt that the Council provided a competitive and reasonably priced bulky

collection service, with further promotion of the service necessary to increase awareness of this offer among Redditch residents.

The Chair of the Task Group stated that the Task Group felt the main action that should be taken to tackle neighbourhood fly tipping remained education and promotion of information relating to responsible disposal of waste.

It was explained that the Task Group's report detailed a change to arrangements in fly tipping enforcement across the Borough. This responsibility was transferred from the Council to Worcestershire Regulatory Services (WRS) as of 1 June 2024. It was felt that monitoring the effect of this change was important and to this end, the Task Group's recommendation was for officers from WRS to provide a twice-yearly update to Overview and Scrutiny on fly tipping enforcement work.

During the discussion of the Task Group's report the following points were raised:

- Resident survey on fly tipping - A Member expressed disappointment that a resident survey on fly tipping, as detailed within the report, was not progressed by the Task Group in 2024-25. It was clarified that this was a proposal made under the previous (2023-24) Membership of the Task Group and that this survey was not released in that municipal year. Following the elections in May 2024, the membership of the Task Group changed and the 2024-25 (current) Membership of the Task Group, which commissioned this final report, decided not to progress with the survey as it did not consider this the best way forward.
- Merits and disadvantages of a fly tipping survey – During discussion of the fly tipping survey a Member explained that there seemed to be socio-economic link between people's ability to afford the bulky collection service and neighbourhood fly tipping. In areas of higher deprivation, there seemed more fly tipping of bulky items such as white goods. With this in mind it was commented that there seemed merit in providing a survey to ascertain residents' views on the affordability of the bulky collection service and consider residents' views.
- Responding to this comment, the Task Group Chair explained that whilst he agreed there appeared a connection between the people's financial situation and levels of

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neighbourhood fly tipping, the Task Group established that the Council offered a competitively priced bulky collection service that was significantly cheaper than that offered by many other authorities and that significant effort was made to set prices at affordable level for residents. The Task Group Chair also commented that he felt carrying out a survey would not address the engrained attitudes that were prevalent in those areas where neighbourhood fly tipping was high. Instead, the Task Group Chair felt there was a need for communities to build pride in their neighbourhoods as this would mean more residents took responsibility for keeping their neighbourhoods clean.

- Consideration of mobile household recycling scheme – It was noted that the 2023-24 Task Group membership considered the mobile household recycling scheme that operated in Birmingham. A Member expressed disappointment that this case study was not given further consideration by the 2024-25 Task Group membership as the Member felt, having seen this scheme in use, that this could provide significant benefits to Redditch, such as Woodrow ward. The Chair of the Task Group responded that when Task Group Members discussed this with officers, numerous issues, legal and practical, were identified where identified based on the implementation of such schemes at other district level authorities. Some of these issues were detailed in the final report. The Chair of the Task Group also felt that such scheme would put unnecessary financial strain on the Council and a more effective strategy would be to promote the Council's current offer in counteracting fly tipping, particularly its bulky collection service.
- Promotion of the bulky collection service - Whilst the report noted that there was fairly high demand for bulky waste collection service, the service was under-utilised in some parts of Redditch, particularly in those areas which saw high level of neighbourhood-type fly tipping. Members concurred in the view that the Council needed to do more to advertise its services generally, and the bulky collection service specifically, as this could be one of the main ways through which fly tipping in Redditch could be reduced.

Following discussion, the recommendation of the Task Group's final report was approved, the final report would be considered by the Executive Committee.

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RESOLVED that

the Worcestershire Regulatory Services (WRS) provide a bi-annual update report to the Overview and Scrutiny Committee, which reviews fly tipping data and enforcement work undertaken in the Borough.

23. EXECUTIVE COMMITTEE'S WORK PROGRAMME - SELECTING ITEMS FOR SCRUTINY

It was requested that the following items from the Executive Work Programme be added to the Overview and Scrutiny Work Programme as pre-scrutiny items:

- Construction of Redditch Digital Manufacturing and Innovation Centre (DMIC) (currently due for 13 October 2025 Overview and Scrutiny meeting)
- Leisure Concession Policy Review (currently due for 13 October 2025 Overview and Scrutiny meeting)
- Auxerre House Refurbishment and Regeneration (date not yet specified but not before November 2025)
- Quarter 2 Housing Consumer Standards Report (currently due for 24 November 2025 Overview and Scrutiny meeting)
- Quarter 3 Housing Consumer Standards Report (currently due for 5 February 2026 Overview and Scrutiny meeting)

RESOLVED that

the items detailed above be added to the Overview and Scrutiny Work Programme.

24. OVERVIEW AND SCRUTINY WORK PROGRAMME

It was confirmed that the Overview and Scrutiny work programme would be updated with items selected for pre-scrutiny under the previous agenda item – the Executive Committee's Work Programme.

RESOLVED that

the Overview and Scrutiny Work Programme be updated as per the items selected under the previous agenda item above.

25. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - UPDATE REPORTS

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Updates were provided on the meetings of Task Groups and Working Groups as follows:

- a) Budget Scrutiny Working Group – Chair, Councillor Warhurst

On behalf of Councillor Warhurst who had submitted apologies, the Chair of Overview and Scrutiny confirmed that a meeting of Budget Scrutiny meeting took place on Thursday 3 July. There were no recommendations made at that meeting concerning any of the finance reports considered.

- b) Performance Scrutiny Working Group – Chair, Councillor Warhurst

It was confirmed that the only meeting of this group to had been arranged to date for this municipal year was scheduled to take place on 2 October 2025.

- c) Fly Tipping and Bulky Waste Task Group – Chair, Councillor Dormer

The final report of this Task Group was considered and approved at an earlier agenda item.

- d) Post-16 Education Task Group – Chair, Councillor Warhurst

It was noted that further meetings of this Task Group were being arranged.

RESOLVED that

the Task Groups, Short Sharp Reviews and Working Groups Update Reports be noted.

26. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS

Update on the meetings of External Scrutiny Bodies were provided by the representatives as follows:

- a) West Midlands Combined Authority (WMCA) Overview and Scrutiny Committee – Council Representative, Councillor Boyd

Councillor Boyd reported that the Committee held a 'meet and greet' meeting and that its first formal meeting took place on the morning of 7 July 2025.

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- b) West Midlands Combined Authority (WMCA) Transport Delivery Overview and Scrutiny – Council Representative, Councillor Fardoe

Councillor Fardoe confirmed he had no matters of relevance to Redditch to report.

- c) Worcestershire Health Overview and Scrutiny Committee (HOSC) – Council Representative, Councillor Fry

Councillor Fry reported that the meeting which was due to take place on 10 July 2025 had been cancelled.

RESOLVED that

the External Scrutiny Bodies updates be noted.

27. EXCLUSION OF THE PUBLIC AND PRESS

The meeting remained in the public session throughout and it was not deemed necessary by the Committee to exclude the public and press at any point in the meeting.

The Meeting commenced at 6.30 pm
and closed at 7.40 pm