

Redditch Borough Council

Shareholders Committee Report – 24 March 2026

Councillor Support Services and Financial Update Report

Relevant Portfolio Holder	Councillor Sharon Harvey
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Debra Goodall, Assistant Director of Finance and Customer Services Email: debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:
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 provides ongoing support services to Rubicon under service level agreements.

2. RECOMMENDATIONS

Shareholders Committee are asked to note:

- The position in terms of:
 - The budget and MTFP position for 2026/27 to 2028/29
 - The Closure of the 2023/24 Accounts and 2024/25 Accounts
 - VAT
 - The stabilisation of the Council's finance service
 - The update on Technology One ledger system

3. KEY ISSUES

2026/27 Budget Process and Medium-Term Financial Plan (MTFP) to 2028/29

- 3.1 The Council's Medium Term Financial Plan and annual budget for 2026/27 was approved at Full Council on 2 February 2026 following a budget setting process that included enhanced budget review and consultation by Councillors and Scrutiny Committees.
- 3.2 As part of this process a significant number of Capital bids relating to Rubicon were included, some initiated by Rubicon as potential ways to increase revenue and some by the Council's property department as a requirement to maintain the quality of the Council-owned assets. Attached at Appendix 1 is the final list of Rubicon related bids approved as part of the Council budget agreed in February.

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2023/24 and 2024/25 Annual Accounts

- 3.3 The Council has now published all the outstanding statements of accounts. It has received disclaimed opinions on the accounts up to and including financial period 2022/23.
- 3.4 The publication of the draft 2023/24 accounts has happened and these are currently being audited by the newly appointed external auditors Ernst and Young (EY). It is expected that these will also receive a disclaimed opinion with EY.
- 3.5 The 2024/25 accounts have been published in unaudited and draft format by the required deadline and EY are currently in progress with their audit of these.
- 3.6 EY have not been able to issue their opinion by the statutory backstop date of 27 February 2026 and discussions are ongoing with the Council regarding this.

VAT

- 3.7 The Council submitted a consolidated VAT return in December 2024 and has been submitting quarterly returns and (if required) payments since then. It has engaged external tax consultants to assist with its returns and look at any historic issues. The Council continues to maintain a dialogue with HMRC regarding any outstanding VAT issues.

Stabilisation of the Council's finance service

- 3.8 The Council is seeking to increase the capacity and resilience of its finance service through a number of ways, and will engage with Members as appropriate. Any immediate pressures are being addressed through a hybrid of a permanent recruitment campaign to resource the service as deemed necessary combined with an urgent need to recruit covering interim staff whilst the permanent team is established. Interim resource has successfully been recruited into key roles within the finance team.

Technology One recovery

- 3.11 Running concurrently with the stabilisation process is a full root and branch review of the Technology One system. It is likely that some elements of the current system can be fixed through 'patches' whilst other parts may well need a full re-instatement. There is currently a health check underway with Tech 1. Any revised implementation will be entered into with the support of Technology One and will include full interaction with end-users and a re-specification based on the feedback from user-acceptance testing. A project team has been set up to carry out work on this.

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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

Local Government Reorganisation (LGR)

6.1 The Council has agreed to work on a proposal for a two unitary model for Worcestershire and will submit a final proposal to government by 28 November 2025 in accordance with the published timescale. Pending the government decision work is underway to assess the impact on the Council services and staff.

Customer / Equalities and Diversity Implications

6.2 None as a direct result of this report.

Operational Implications

6.3 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. APPENDIX

Appendix 1 – Rubicon provisional capital bids for MTFP 2026/7 to 2028/29

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AUTHOR OF REPORT

Name: Debra Goodall – Assistant Director of Finance and Customer Services
E Mail: debra.goodall@bromsgroveandredditchbc.gov.uk

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Appendix 1

Rubicon provisional capital bids for MTFP

Type	Project Title	Project Brief	Capital Costs
Buildings	Forge Mill - Sluice, Launder and Sluice	Make single sluice operational by installing new winding mechanism, plus associated enabling work. Remedials to cast iron launder and sluice.	£20,000
Buildings	Forge Mill - Window Replacement	Replacement of original windows to due H&S risk	£60,000
Buildings	Arrow Valley lakeside Slipway and landing area replacement	To replace Slip way and adjoining landing areas into the lake	£120,000
Buildings	AVVC Reconfiguration of upstairs space	Reconfiguration of the upstairs space to allow direct public access from the lift to mezzanine and potential increased storage facilities	£25,000
Buildings	Arrow Valley Visitors centre Replacement windows	to replace timber windows in the centre	£75,000
Buildings	AVVC External Shelter	To design and install permanent shaded / covered all weather seating area	£40,000
Buildings	AVVC permanent external storage facilities	To design and install multi functional external storage facilities	£60,000
Buildings	Arrow Valley Visitors Kitchen Extension	Extraction	£30,000
Buildings	Palace theatre Refurbishment of Auditorium Seating	To refurbish Auditorium seating	£50,000
Buildings	Buggy storage area	Provide storage and recharge area for buggies	£20,000
			£500,000