



BROMSGROVE DISTRICT COUNCIL

YOU ARE HEREBY SUMMONED to attend a MEETING of BROMSGROVE DISTRICT COUNCIL to be held in the Council Chamber at Parkside Suite - Parkside at 6.00 p.m. on Tuesday 28th February 2017, when the business referred to below will be brought under consideration:-

The formal business will be preceded by a prayer.

1. **To receive apologies for absence**

2. **Declarations of Interest**

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

3. **To confirm the accuracy of the minutes of the meeting of the Council held on 25th January 2017 (Pages 1 - 12)**

4. **To receive any announcements from the Chairman and/or Head of Paid Service**

5. **To receive any announcements from the Leader**

6. **To receive comments, questions or petitions from members of the public**

A period of up to 15 minutes is allowed for members of the public to make a comment, ask questions or present petitions. Each member of the public has up to 3 minutes to do this. A councillor may also present a petition on behalf of a member of the public.

7. **Recommendations from the Cabinet (Pages 13 - 16)**

To consider the recommendation from the meeting of the Cabinet held on 7th December 2016 (consideration of this item was postponed at the previous Council Meeting on 25th January 2017)

- Business Waste Recycling Service (the background papers to this item are confidential)

To consider the recommendations from the meeting of the Cabinet held on 1st February 2017

- The Council Plan 2017 – 2020
- Planning Services Development Business Case
- Medium Term Financial Plan 2017/18 – 2020/21
- ICT Infrastructure (the background Appendix to the Cabinet report is confidential)

To consider the recommendations from the meeting of the Cabinet held on 28th February 2017 **(To be circulated)**

- Pay Policy Statement 2017/18
- Treasury Management Strategy Statement and Investment Strategy 2017/18 to 2018/19
- Council Tax Resolutions 2017/18

Note: that under the Local Authorities (Standing Orders) (England) Amendment Regulations 2014, the Council is required to take a named vote when a decision is made on the budget calculation or precept at a budget decision meeting of the Council.

Note: that under Section 106 of the Local Government Finance Act 1992, any Councillor who is 2 or more months in arrears with their Council Tax payments cannot participate in any item at the Council meeting concerning the budget.

The background papers to the recommendations are contained at the back of the Council Agenda

8. **To receive the minutes of the meeting of the Cabinet held on 1st February 2017 (Pages 17 - 24)**
9. **To receive and consider a report from the Portfolio Holder for**

Environmental Services, Regulatory Services and Community Safety
(Pages 25 - 38)

Up to 30 minutes is allowed for this item; no longer than 10 minutes for presentation of the report and then up to 3 minutes for each question to be put and answered.

10. **Questions on Notice**

A period of up to 15 minutes is allocated for the asking and answering of questions. This may be extended at the discretion of the Chairman with the agreement of the majority of those present.

To deal with any questions on notice from Members of the Council, in the order in which they have been received.

11. **Motions on Notice (To Follow if Any)**

A period of up to one hour is allocated to consider the motions on notice. This may only be extended with the agreement of the Council.

Background Information on the recommendation from the Cabinet on the Council Plan 2017 - 2020_(Pages 39 - 64)

Background Information on the recommendation from the Cabinet on the Planning Development Services Business Case_(Pages 65 - 90)

Background information on the recommendations from the Cabinet on Medium Term Financial Plan 2017/18 - 2020/21_(Pages 91 - 108)

Background information on the recommendation from the Cabinet on the ICT Infrastructure (Non confidential report)_(Pages 109 - 112)

Background Information on the recommendation from the Cabinet on the Pay Policy Statement 2017/18_(Pages 113 - 124)

Background information on the recommendations from the Cabinet on Treasury Management Strategy Statement and Investment Strategy 2017/18 to 2018/19_(Pages 125 - 148)

Background Information on the recommendations from the Cabinet on Council Tax Resolutions 2017/18 (To Follow)

12. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

"RESOLVED: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

<u>Item No.</u>	<u>Paragraph(s)</u>	
13	3	
14	3	"

13. **Background information on the recommendations from the Cabinet on Business Waste Recycling Service (Confidential Report and Appendix)** (Pages 149 - 198)
14. **Background information on the recommendation from Cabinet on ICT Infrastructure (Confidential Appendix)** (Pages 199 - 200)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

TO ALL MEMBERS OF THE BROMSGROVE DISTRICT COUNCIL

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

25TH JANUARY 2017 AT 6.00 P.M.

PRESENT: Councillors H. J. Jones (Chairman), M. Glass (Vice-Chairman), C. Allen-Jones, C. J. Bloore, M. T. Buxton, S. R. Colella, R. J. Deeming, G. N. Denaro, R. L. Dent, J. M. L. A. Griffiths, C.A. Hotham, R. E. Jenkins, R. J. Laight, L. C. R. Mallett, K.J. May, C. M. McDonald, P. M. McDonald, S. R. Peters, S. P. Shannon, M. A. Sherrey, C. J. Spencer, C. B. Taylor, P.L. Thomas, M. Thompson, L. J. Turner, S. A. Webb and P. J. Whittaker

72\16 **FORMER COUNCILLOR MS J. A. MARSHALL**

Members and officers stood in silence in memory of the late former Councillor Ms Judy Marshall.

Councillor S. P. Shannon paid tribute to the work Ms Marshall had undertaken over many years on behalf of the Council and its residents.

Councillors C. J. Spencer, J. M. L. A. Griffiths and M. A. Sherrey also spoke of their fond memories of Ms Marshall and of working with her as Governors of Chadsgrove School in Catshill and on the Amphlett Hall Management Committee.

73\16 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors S. J. Baxter and B. T. Cooper.

Apologies for late arrival were received from Councillor R. E. Jenkins and from R. D. Smith (subsequently an apology for absence was received from Councillor Smith).

74\16 **DECLARATIONS OF INTEREST**

The following Members each declared an Other Disclosable Interest in agenda item 7 Recommendation regarding the New Homes Bonus Scheme:

- Councillor S. R. Colella
- Councillor P. J. Whittaker

- Councillor C. Allen-Jones
- Councillor C. A. Hotham

75\16

MINUTES

The minutes of the meeting of the Council held on 23rd November 2016 were submitted.

Attention was drawn to a typographical error within the resolution relating to the Council Plan minute 65/16 which would be corrected.

There was discussion in relation to the wording of minute 70/16 and it was agreed that a sentence be added to reflect that a number of Members of the Controlling Group had left the meeting at the point the final amendment and the substantive motion were agreed.

RESOLVED that that the minutes of the meeting of the Council held on 23rd November 2016 be approved subject to the amendments referred to above.

76\16

TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRMAN

The Chairman reminded Members that the Holocaust Memorial Event would take place at Parkside at 11.00am on Thursday, 26th January.

77\16

ANNOUNCEMENTS FROM THE LEADER

The Leader referred to the commencement of the consultation on the Future of Acute Hospital Services in Worcestershire. All Members were urged to read the relevant consultation documents, to respond and to also encourage residents to do so.

The Leader reported that he had requested the Portfolio Holder Councillor K. J. May to work with the Chief Executive Officer to draft a response to the consultation and that he would be asking the other Group Leaders to nominate one of their Group Members to become involved and to agree the final response.

78\16

COMMENTS, QUESTIONS OR PETITIONS FROM MEMBERS OF THE PUBLIC

There were no public comments, questions or petitions on this occasion.

79\16

COUNCILLOR M. J. WEBB

Members welcomed Councillor M. J. A. Webb back to the Council following his recent election as the Member for the Norton Ward.

80\16

RECOMMENDATIONS FROM THE CABINET - 7TH DECEMBER 2016

Report of the New Homes Bonus Community Grants Panel

The recommendation from Cabinet was proposed by Councillor G. N. Denaro and seconded by Councillor K. J. May.

In proposing the recommendation Councillor Denaro thanked the Members of the NHB Panel for their work in considering the applications and making recommendations to the Cabinet in respect of the payment of grants.

Councillor Denaro also referred to the intention to undertake a review of the operation of the NHB scheme for the next year to improve the process where possible. In response to a query, he confirmed this would include considering additional safeguards to ensure that any invalid or unacceptable applications were identified and excluded at an early stage.

Councillor Denaro indicated that whilst he did not wish to pre-judge the review, he felt it was likely that areas which had not received development in 2016/17 would have the opportunity at a second stage in the process to bid for the earmarked reserve.

RESOLVED that the remaining balance of £27,157, which equates to the balance of the funds unallocated in 2016/17 be carried forward to 2017/18 as an earmarked reserve.

Review of the Car Park Order (including urgent report)

The recommendation from Cabinet in relation to the proposed changes to car parking fees following the review of the Car Park Order was proposed by Councillor K. J. May and seconded by Councillor G. N. Denaro. In proposing the recommendation Councillor May drew attention to a typographical error on page 73 of the Agenda pack. In relation to the Aston Fields Car Park, the wording in the comments section should read 2 hours "maximum" waiting rather than "minimum".

Further to the decision on the amendment of the Car Park Order and the recommendation on fees from Cabinet on 7th December, Councillor May also referred to the submission of a further urgent report required in respect of the proposed 2017 Order to include the Car Park at the former Market Hall Site (to be called the St John Street Car Park). The report also included a revised schedule of fees and charges to come into effect from the date of adoption of the new Car Parking Order.

In response to queries from Members, Councillor May referred to the work undertaken by the cross party Overview and Scrutiny Task Group which had considered Car Parking as whole. This work was being built on as part of a comprehensive review and the importance of car parking as part of the Council's overall Economic Development Strategy was acknowledged.

During discussion on the recommendations some Members expressed the view that the proposed fees for the St John Street Car Park were excessive in comparison with the fees charged for other town centre car parks and would disadvantage the smaller independent traders in that part of the town centre.

As an amendment it was proposed by Councillor C. A. Hotham and seconded by Councillor S. R. Colella that in order to assist local traders, the fees for the St John Street Car Park be set at 30p for 30 minutes, 60p for one hour, £1.20 for 2 hours and £1.80 for three hours.

On being put to the vote the Chairman declared the amendment to be lost.

It was

RESOLVED:

- (a) that the version of the proposed Bromsgrove District Council (off Street Parking Places) order 2017 as approved by Cabinet on 7th December 2016 be amended in accordance with Appendix 1 to the Supplementary Report ; and
- (b) that the revised schedule of fees and charges for car parking as attached at Appendix 2 to the Supplementary report be approved, with the revised fees to come into effect from the date of adoption of the new Car Parking Order.

Fees and Charges 2017/18

The recommendation from Cabinet in relation to those fees and charges to be increased above 3% was proposed by Councillor G. N. Denaro and seconded by Councillor K. J. May.

In proposing the recommendation Councillor Denaro referred to the work undertaken by the Finance and Budget Work Group which had looked in detail at the fees and charges and had discussed with Officers the reasons for the proposed increases. The notes from the Group had been released to Cabinet and had informed the decision making process.

RESOLVED that the fees and charges contained in Appendix 1 which are proposed to be increased over the currently agreed budget assumption of 3% be approved.

Business Waste Recycling Service

As it was possible that discussion of this item may have required the exclusion of the Public from the meeting, the Chairman deferred the item to the end of the agenda.

In the event consideration of the item was deferred as the Portfolio Holder was not present.

81\16

RECOMMENDATIONS FROM THE CABINET - 11TH JANUARY 2017

Bromsgrove District Plan 2011-2030 Adoption

The recommendations from Cabinet in relation to the Bromsgrove District Plan were proposed by Councillor C. B. Taylor and seconded by Councillor G. N. Denaro. In addition to the five recommendations from the Cabinet proposing adoption of the Plan, Councillor Taylor also proposed an additional recommendation relating to the establishment of a cross party Working Group to monitor the implementation and subsequent review of the Plan.

In proposing the recommendations Councillor Taylor referred to the importance of the Council having an adopted District Plan. Without the protection of the planning policies contained within the Plan, there was a danger that applicants may gain planning approvals on an ad hoc basis through planning appeals. There would be a lack of control by the Council over development within the District.

Councillor Taylor also referred to the benefits of having a current District Plan when working with partners such as the County Council on highways and of the infrastructure issues. There was an opportunity to develop a Community Infrastructure Levy on this basis. The Plan also gave the Council the ability to move forward with meeting some of its priorities such as delivery of affordable housing and economic development and employment opportunities.

Councillor Taylor acknowledged that whilst some Members may not agree with all of the contents of the Plan, it had been the subject of very detailed public consultation and Member consideration over a very long period. The Planning Inspector had undertaken an Examination in Public and modifications had again been the subject of public consultation over an extended period. After careful consideration of all the evidence the Inspector had been satisfied that the proposed sites for housing were correct. Clearly the responsibility of determining specific applications was the responsibility of the Planning Committee.

During the discussion on the proposals Members raised a number of points of concern:

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- that the very lengthy and costly process had resulted in a Plan which was not the best solution for Bromsgrove and indeed was fundamentally flawed ;
- Central Government policy was supporting a process which would result in loss of Green Belt land;
- much of the data on which policies had been based was now out of date;
- there was a disconnect between the location for housing growth in the Plan and the location of proposed highways infrastructure;
- there had been the opportunity to make changes to the Plan in line with the views of Members but these amendments had not been made;
- the Plan did not adequately address the imbalance in the housing supply in Bromsgrove in terms of increasing the affordable/social housing provision;
- the potential impact on traffic, air quality, school provision and health had not been sufficiently addressed;
- it was likely that Bromsgrove District would be required to accept housing from Birmingham, Solihull and Dudley as well as from Redditch;
- the Plan failed to recognise problems and mistakes which had occurred in the past and to learn from them;
- the Redditch cross border housing development was not in the correct location and would led to the loss of prime agricultural land;
- there were concerns that the current Infrastructure Delivery Plan was not fit for purpose.

During the debate a number of Members sought to balance the many benefits of having the protection of an adopted Plan against some of their misgivings and concerns regarding some of the Policies within the Plan. Members welcomed the opportunity which the prospective cross party Working Group would provide to monitor and review policies within the Plan.

Councillor Taylor acknowledged the concerns of some Members but stressed that throughout the process the Inspector had been provided with updated information upon which to base his recommendations. Whilst there were issues which required to be addressed such as the Infrastructure Delivery Plan, Councillor Taylor felt that the benefits of adopting the Bromsgrove District Plan greatly outweighed any disadvantages.

On a requisition under Council Procedure Rule 18.3 the following details of the voting on the recommendations relating to the adoption of the Local Plan were recorded:

For the recommendations: Councillors C. Allen-Jones, R. J. Deeming, G. N. Denaro, R. L. Dent, M. Glass, J. M. L. A. Griffiths, R. J. Laight, K.

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J. May, S. R. Peters, M. A. Sherrey, C. J. Spencer, C. B. Taylor, P. L. Thomas, M. J. A. Webb and S. A. Webb (15)

Against the recommendations: Councillors C. J. Bloore, M. T. Buxton, R. E. Jenkins, L. C. R. Mallett, P. M. McDonald, C. M. McDonald, S. P. Shannon, M. Thompson and L. J. Turner (9)

Abstentions: Councillors S. R. Colella, C. A. Hotham and P. J. Whittaker (3)

Councillors then voted on the proposal to establish the cross party Working Group. In addition to the proposal it was agreed that the Working Group would be open to all Councillors to attend and would be open to the public. This was agreed unanimously.

RESOLVED:

1.
 - (a) that the content of the Bromsgrove District Plan Planning Inspectorate's Report (Appendix 1) and the associated Schedule of Main Modifications (Appendix 2) be noted;
 - (b) that the Bromsgrove District Plan 2011-2030 as submitted and subsequently amended by the modifications set out in Appendix 2 and Appendix 3 to the report be adopted;
 - (c) that the Policies Map which accompanied the submission version of the Bromsgrove District Plan and remains unchanged as a result of the examination process, be adopted;
 - (d) that the Bromsgrove District Plan Adoption Statement and Strategic Environmental Assessment and Sustainability Appraisal Adoption Statement which form Appendix 4 and 5 of the report be noted; and
 - (e) that authority be delegated to the Head of Planning and Regeneration to undertake further minor editorial changes deemed necessary in preparing the adopted District Plan for publication, following consultation with the Portfolio Holder for Planning.
2. That officers establish a cross party working group in consultation with group leaders, that will monitor the implementation and subsequent review of the Bromsgrove Development Plan, with particular attention to the green belt review, future growth and infrastructure; in addition the group will oversee and monitor the progress of the policies identified within the Bromsgrove District Plan; all members of the Council will be able to attend and participate in meetings of the group and meetings will be held in public.

82\16 **MINUTES OF THE MEETINGS OF THE CABINET HELD ON 7TH DECEMBER 2016 AND 11TH JANUARY 2017**

The minutes of the meetings of the Cabinet held on 7th December 2016 and 11th January 2017 were received for information.

83\16 **URGENT REPORT ON AMENDMENTS TO BROMSGROVE DC (OFF-STREET PARKING PLACES) ORDER 2017**

This item had been dealt with under minute 80/16.

84\16 **RECOMMENDATION FROM THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

The recommendation from the meeting of the Audit, Standards and Governance Committee held on 8th December 2016 was proposed by Councillor S. R. Colella and seconded by Councillor R. L. Dent.

In proposing the recommendation Councillor Colella referred to the requirement for the Council to appoint external auditors for the 2018/19 accounts and beyond as the current arrangement with Grant Thornton would only cover up to and including the 2017/18 audits.

Councillor Colella explained that the Audit, Standards and Governance Committee had considered there were significant benefits to the Council in opting in to the national scheme for appointing auditors to be operated by the Public Sector Audit Appointments. These were listed in the report and included economies of scale and therefore the likelihood of lower fees.

RESOLVED that the Council accepts Public Sector Audit Appointments invitation to “opt in” to the sector led option for the appointment of external auditors for five financial years commencing 1st April 2018.

85\16 **REPORT AND RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL**

Councillor G. Denaro introduced the report and recommendations of the Independent Remuneration Panel for 2017-18. He drew attention to this being the first report reflecting the reduction in the number of Councillors from 39 to 31. The total of basic and special responsibility allowance as a percentage of the net general revenue fund expenditure had reduced from 1.88% to 1.65% between 2014-15 and 2015-16.

Councillor Denaro further expressed the view that the Panel had not provided sufficient evidence to justify acceptance of the recommendations in their report to increase the multipliers of some

Special Responsibility Allowances. Councillor Denaro proposed, Councillor K. May seconded and it was

RESOLVED

1. That the recommendations from the Independent Remuneration Panel (IRP) for the basic and special responsibility allowances for 2017-18 are not accepted and the allowances in the Council's Members Allowances Scheme for 2016-17 continue for 2017 - 18;
2. That the recommendations from the IRP for travel, subsistence and dependent carers' allowance be accepted;
3. That the recommendations from the IRP for Parish Councils in the District be noted.

86\16

REPORT FROM THE PORTFOLIO HOLDER FOR ENVIRONMENT AND WORCESTERSHIRE REGULATORY SERVICES

In the absence of the Portfolio Holder Councillor R. D. Smith, consideration of this item was postponed until the next meeting of the Council.

87\16

QUESTIONS ON NOTICE

Question submitted by Councillor M. Thompson

"This question refers to the "Alvechurch Morris Dancers" who featured recently in the local and national press.

The Morris dancers representing our District caused racial offence to some members of the public in Birmingham by blacking out their faces. I have looked into the origins of this practice and found there is divided opinion upon the subject. Whilst some argue that this tradition started as a form of disguise whilst begging, others believe that it began as a mockery of African tribal war dancers.

No matter what one believes, it is without doubt that a significant number in our society, a society that champions inclusivity, sensitivity and diversity, are offended by it. Surely, no matter what the origin of this practice, if it causes offence then the sensitive, humble and proper thing to do, is to stop it. When the local MP Sajid Javid was asked about this incident he said "the Morris dancers are as racist as I am." Can the Leader, as a representative of our District say whether he, like the MP, considers himself "as racist as the Morris Dancers?"

Councillor G. N. Denaro responded that he did not consider himself to be racist in any shape or form.

Question submitted by Councillor S. R. Colella

“Given the national and international focus on air quality and the impact of the car emissions scandal ; the recent advice given by the National Institute of Clinical Excellence (NICE) on managing traffic congestion and the recent report that indicated that long term exposure to poor air quality risks speeding up the onset of dementia, do the Leader and relevant Portfolio Holder agree with me that this Council has a statutory duty towards its residents who live within this Council’s Air Quality Management Areas and to implement tangible physical changes to return these areas to a recognised safe level of air quality?”

Councillor G. N. Denaro responded that it was recognised that the Council had a statutory duty to deal with air quality issues and the Council was working closely with Worcestershire Regulatory Services to improve air quality figures.

Question submitted by Councillor C. A. Hotham

“Please can the Leader tell this Council if any indication has been made to GBSLEP, in respect of the number of houses, either by way of inference or by way of tentative commitment, formally or informally that Bromsgrove District Council will/could take?”

Councillor G. N. Denaro responded that some time ago he had tentatively agreed to take up to 1k dwellings from Birmingham City Council on the basis the need was backed up by evidence. This tentative agreement was now obsolete.

There was a need for further study based on previous work on locations which needed to be evidence based. This would be reported and considered in due course.

Question submitted by Councillor P. M. McDonald

“Would the Leader please inform me the total costs of keeping the now vacant building that was once the Council House?”

Councillor G. N. Denaro responded that the cost to date was £126k but that this included Business Rates. Officers were working to ensure the cost was minimal and were exploring all options to maximise the value of the site. This may not necessarily involve obtaining a capital receipt for the site as this may not be the best return.

Other options may mean the site could help to deliver the Council’s strategic purposes of “help me to find somewhere to live in my locality” and could provide a revenue stream. A report would be submitted in the spring.

Question submitted by Councillor C. McDonald

“Would the Leader agree with me that the Planning Department have not got the capacity to carry out enforcement matters in a timely manner; in light of how long it took officers to issues enforcement notices to the owners of the Rose and Crown Public House, Rubery. Which led to an unlicensed tip in the heart of Rubery?”

Councillor C. B. Taylor responded that he did not agree with the premise of Councillor McDonald’s question. With regard to the case referred to in particular, Councillor Taylor gave a detailed timeline in respect of the investigations and associated processes required in order for an Enforcement Notice to be validly issued. Councillor Taylor felt that the case had been dealt with in an exemplary manner.

Councillor McDonald disputed the detailed information given by Councillor Taylor and the Chairman requested that the written information be provided to Councillor McDonald outside the Council meeting.

88\16

MOTIONS ON NOTICE

Members considered the following notice of motion submitted by Councillor L. C. R. Mallett:

“Council notes the current consultation on Local Transport Plan 4 (LTP4). Council is concerned about the validity and rigour of this Plan. Council calls on the CEO to formally respond to the consultation on behalf of the Council expressing these concerns.”

The motion was proposed by Councillor L. C. R. Mallett and seconded by Councillor P. J. Whittaker.

In moving the motion Councillor Mallett referred to the critical importance of the LTP4 document for the future of Bromsgrove District. There was concern that within LTP4 the proposed infrastructure for Bromsgrove was to the east of the town whilst planned development was to the west. In addition there was no reference to a western distributor road presumably because of the likely cost of such a proposal.

In addition it appeared that the most recent information hadn’t been used for the Barham model and that housing sites did not reflect those in the Local Plan. There was concern therefore that the current flaws and problems within the highways infrastructure would be replicated.

Councillor Mallett also expressed concern that the LTP4 only ran until 2023 and this timescale was too short in terms of future housing growth.

During the discussion on this matter the following points were raised:

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- There was a lack of sufficient detail in the document to enable proper public consultation;
- Potential impact of pollution due to traffic congestion had not been considered and this would have an impact on planning decisions as the Local Transport Plan was a material consideration;
- There was concern that businesses would be deterred from locating or expanding in Bromsgrove and that the Local Development Plan would not be implemented unless the highways infrastructure plans were fit for purpose;
- It was important to encourage local residents to respond to the LTP4 consultation

Members felt that in view of the views expressed the current consultation on LTP4 should be suspended in order that the issues specific to the District could be addressed. Members wished to engage with the County Council to agree a more constructive way forward.

On being put to the vote the Chairman declared the motion to be carried.

The meeting closed at 8.30 p.m.

Chairman

CABINET

RECOMMENDATIONS TO THE COUNCIL

7TH DECEMBER 2016

1. BUSINESS WASTE RECYCLING SERVICE

The Cabinet has considered a report on proposals to introduce a recycling service for Business Waste customers on a phased basis from 2017/18.

It is RECOMMENDED

- (a) that a phase 1 Business Waste Recycling Service be introduced in 2017/18;
- (b) that the service be extended and rolled out to all customers from 2018/19;
- (c) that the fees and charges as set out in appendix 2 to the report be approved and adopted; and
- (d) that delegated authority be given to the Head of Environmental Services to have discretion to vary the charges for the Business Waste Recycling Collection Service when agreeing terms with customers within a variance of plus or minus 25 %.

(The report and Business Case in respect of this recommendation are Exempt and are included on “pink” paper at the back of the Council agenda. If Members wish to refer/comment in detail on the report and Business Case it will be necessary to consider the Exclusion of the Public from the meeting)

1ST FEBRUARY 2017

1. THE COUNCIL PLAN 2017-2020

The Cabinet has considered a revised version of the Council Plan which had been refreshed following comments from members at the Council Meeting on 23rd November 2016.

It is RECOMMENDED that the Council Plan attached at Appendix 1 to the report be approved.

2. PLANNING DEVELOPMENT SERVICES BUSINESS CASE

The Cabinet has considered a report on the business case for a shared Development Management Service between Bromsgrove District Council and Redditch Borough Council. The business case had been recommended for approval by the Shared Service Board and at a previous Cabinet meeting on 2nd November 2016. At the meeting of the Council on 23rd November 2016 however, consideration of the Cabinet recommendation and the Business Case had been deferred to

enable cross party discussion to be held on financial risk and cost apportionment.

Additional information had now been supplied relating to costs including salary, redundancy and pension costs. The additional information was attached at Appendix 2 to the report.

It is RECOMMENDED that the Business case for the Planning Development Management Shared Service be approved.

3. MEDIUM TERM FINANCIAL PLAN 2017/18 – 2020/21

The Cabinet has considered the report on the Medium Term Financial Plan 2017/18 – 2020/21

It is RECOMMENDED

- (a) that the following return/release from balances be approved:

2017/18 - £259k (return)
2018/19 - £37k (release)
2019/20 - £467k (release)
2020/21 - £494k (release)

- (b) that the additional income/efficiencies as attached at Appendix 2 be approved:

2017/18 - £1.113m
2018/19 - £626k
2019/20 - £177k

- (c) that with the exception of the bids in relation to Hagley Scout Hut and Hagley Community Centre the Capital Programme bids as attached at Appendix 3 be approved:

2017/18 - £145k
2018/19 - £46k
2019/20 - £1.108m

- (d) that the increase of Council Tax by £5 per Band D equivalent for 2017/18 be approved.

- (e) that the budget savings and pressures for 2018/19 – 2020/21 be subject to change due to the potential impact of changes to service delivery and the localisation of Business Rates together with any changes to the New Homes Bonus.

- (f) that consideration of the Capital Programme bids in respect of Hagley Scout Hut and Hagley Community Centre be deferred to enable further consideration of the Business Cases for the proposals. In addition officers include additional information to the report to Council on 28th February 2017 to explain the position in respect of the deferral.

4. ICT INFRASTRUCTURE REPORT

The Cabinet has considered a report on the outcome of the initial procurement exercise in respect of the ICT infrastructure resource.

It is RECOMMENDED that the Head of Transformation and Organisational Development be requested to proceed with the procurement of a contract with the preferred supplier (being the lowest of the tenders received) to deliver the ICT infrastructure functions.

(The Appendix to the report in respect of this recommendation is Exempt and is included on “pink” paper at the back of the Council agenda. If Members wish to refer/comment in detail on the Appendix it will be necessary to consider the Exclusion of the Public from the meeting)

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

1ST FEBRUARY 2017 AT 6.00 P.M.

PRESENT: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),
C. B. Taylor, R. D. Smith and P. J. Whittaker

Observers: Councillors S. R. Colella, M. Glass and C. A. Hotham

Officers: Mr K. Dicks, Ms J. Pickering, Ms R. Bamford, Ms D. Poole, Mr M.
Hanwell, Ms R. Dunne, Mrs J. Burton, Mrs S. Sellers and Ms R. Cole.

77/16 **APOLOGIES FOR ABSENCE**

There were no apologies for absence on this occasion.

78/16 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

79/16 **MINUTES**

The minutes of the meeting of the Cabinet held on 11th January 2017
were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on 11th
January 2017 be approved as a correct record.

80/16 **OVERVIEW AND SCRUTINY BOARD**

The minutes of the meeting of the Overview and Scrutiny Board held on
16th January 2017 were submitted.

Reference was made to the recommendation in Minute 86/16 of the
Overview and Scrutiny Board regarding the Cabinet Work Programme. It
was noted that the request from the Board had been discussed with the
Corporate Management Team by the Chief Executive Officer with a view
to ensuring that items were included in well in advance on the Cabinet
Work Programme.

RESOLVED that the minutes of the meeting of the Overview and
Scrutiny Board held on 16th January 2017 be noted.

81/16

THE COUNCIL PLAN 2017- 2020

The Cabinet considered a revised version of the Council Plan which had been refreshed following comments from Members at the Council Meeting on 23rd November 2016.

It was reported that the main changes were on pages 6 and 7 of the Plan in that 6 key priorities for the next four years had been included, supported by the Council's six Strategic Purposes. Key actions had also been included to ensure a Sustainable Council. In addition the style of the Plan had been re-designed.

The Leader and Members welcomed the refreshed Council Plan and thanked officers for their work in bringing this about.

RECOMMENDED that the Council Plan attached at Appendix 1 to the report be approved.

82/16

LOW COST HOUSING SCHEME

Cabinet considered a report on a possible amendment to the Low Cost Housing Scheme which could potentially result in the release of some capital receipt which could then be used to help fund other housing initiatives in support of the Council's Strategic Purpose "help me to find somewhere to live in my locality".

Members were reminded of the background to the Scheme which had been established approximately 25/30 years ago with a view at that time to assisting local first time buyers.

Under the scheme the Council retains a 30% share in the property but this does not generate any income as there is no rent payable. Whilst a number of the homeowners have purchased the remaining 30% the Council still holds a share in 110 properties. At one stage a waiting list of prospective purchasers was maintained by the Council and nominees from the list could purchase when an existing resident wished to sell their 70% share and move. In recent years however it had become very rare for the scheme to be used to assist a household in need which met the criteria. A waiting list was no longer maintained due to the low turnover in properties and properties were sold on the open market.

The report proposed that in future on disposal of the properties by the current home owners the Council's 30% should also be sold. It was noted that in 2016/17 this would have generated a capital receipt of approximately £100k. It was reported however that the sale of 100% of the property could only take place with the owner's agreement.

Members considered that whilst the funding level could not be guaranteed, potentially there was a source of additional capital funding which could be utilised to support appropriate housing projects, possibly in conjunction with a partner organisation.

The report also referred to the views of the Overview and Scrutiny Finance and Budget Working Group who were also aware of the potential asset available.

Following discussion it was

RESOLVED:

- (a) that when properties within the Councils Low Cost Housing Scheme are offered for sale, as far as possible the Council's 30% share should also be sold; and
- (b) that any capital receipt generated be ring-fenced to provide funding to assist the Council in meeting its Strategic Purpose "help me to find somewhere to live in my locality."

83/16

ALLOCATION OF HOMELESSNESS FUNDING 2017/18

The Cabinet considered a report on proposals to award Homelessness Grant to specific schemes to fund a range of homelessness support services and schemes which focus on the prevention of homelessness and repeat homelessness within the District in 2017/18. The total grant was £142k for 2017/18.

It was reported that constructive discussions had taken place with partners and the table at 3.7 in the report set out the proposed allocations for 2017/18. Following recent cuts to Worcestershire County Council funding, there was a focus on retaining the existing supported housing scheme with St Basil's which provides specialist accommodation for young people.

Following discussion it was

RESOLVED:

- (a) that the initiatives set out in section 3.7 of the report, as recommended by the Strategic Housing Manager be approved to receive funding from the Homelessness Grant for 2017/18; and
- (b) that delegated authority be granted to the head of Community Services following consultation with the Portfolio Holder for Strategic Housing to use any unallocated Homelessness grant during the year or make further adjustments as necessary to ensure full utilisation of the Homelessness Grant for 2017/18 in support of existing or new schemes.

84/16

PLANNING DEVELOPMENT SERVICES BUSINESS CASE

The Cabinet considered a report on the business case for a shared Development Management Service between Bromsgrove District Council and Redditch Borough Council. The business case had been recommended for approval by the Shared Service Board and at a previous Cabinet meeting on 2nd November 2016. At the meeting of the Council on 23rd November 2016 however, consideration of the Cabinet recommendation and the business case had been deferred to enable cross party discussion to be held on financial risk and cost apportionment.

Additional information had now been supplied relating to costs including salary, redundancy and pension costs. It was noted that the maximum possible redundancy cost would be £21k which would be split proportionately.

RECOMMENDED that the business case for the Development Management shared service be approved.

85/16

MEDIUM TERM FINANCIAL PLAN 2017/18 - 2020/21

The Cabinet considered the report on the Medium Term Financial Plan 2017/18 – 2020/21.

The Executive Director Finance and Resources outlined the issues which had impacted upon to the development of the MTFP. These would continue to result in pressures on the Council over the next four years and included:

- Potential further reductions in the New Homes Bonus Grant;
- Impact of the Negative Revenue Support Grant;
- Impact of the Localisation of Business Rates Scheme; and
- Transfer from Housing Benefit to Universal Credit

Changes introduced by the Government to the New Homes Bonus funding scheme included reduced years for which NHB was payable and the assumption of a “baseline” for housing growth of 0.4%. During 2017/18 however funding had been confirmed as £1.912m which was £210k more than anticipated in the MTFP. Further changes were anticipated and there was a risk to the funding stream in future years.

There was more certainty around the Revenue Support Grant in view of the Council accepting the offer of a four year settlement. The transitional support for 2017/18 was £114k but there was an assumption of a £750k repayment to the Government in 2019/20.

It was noted that Council would consider the level of Council Tax for 2017/18 at its meeting on 28th February 2017. If the recommendations

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in this report were approved the demand on the collection fund to meet this Council's own needs would be £7,580,550 which represented a £5 increase on Band D Council Tax compared to the current financial year.

In relation to the General Fund it was anticipated that the draw down over the four years of the MTFP would be £739k. This projected draw down was £1.3m less than originally included in the Efficiency Plan.

It was reported that the Efficiency Plan, which had been agreed by Council in October, had included a number of areas where the Council's costs could be reduced in a variety of ways. The budget included the delivery of savings and income as identified in the Efficiency Plan. It was noted however that whilst annual savings had been included to meet those referred to in the Efficiency Plan, there may be changes to funding and services delivered from 2018/19 which require alternative savings and income profiles to be delivered.

The report set out three pressures and income shortfalls which could not be managed by improved marketing or price increases . These were:

- Shortfall in income from Land Charges due to a reduction in demand on the service (£50k);
- Cost of Licences for Smartphones and iPads to ensure that officers have appropriate resources to undertake their roles (£11k);
- Unavoidable cost increases from Microsoft for Licences (£108k by 2020/21)

In addition to the unavoidable pressures a revenue bid of £15k had been proposed to provide funding for St Basil's Foyer Scheme to enable them to provide 24 hour support for vulnerable young people.

Members acknowledged the significant amount of work undertaken by officers which had resulted in a reduction in the funds required to be taken from balances. Work was still on going to reduce costs without cutting front line services. This would include increasing income by looking at ways of taking advantage of commercial opportunities. It was noted that there would be continual reviews every three months of the budget position.

With regard to the Capital Programme at Appendix 3 of the report, the Leader reported that Councillor C. A. Hotham and Councillor S. R. Colella had requested to speak in support of specific Capital bids from within their Wards and invited them to do so.

Barnt Green Millenium Park - Toilet

Councillor Hotham gave additional information on the bid for £62k in relation to the provision of a unisex pod toilet in proximity to Barnt Green Millenium Park to ensure there were appropriate community facilities for

those visiting the local park and shops and using Barnt Green Railway Station.

Further to the information provided by Councillor Hotham, reference was made to the potential availability of Section 106 funding associated with housing development in Fiery Hill Lane, Barnt Green which amounted to £44k which would leave the remaining sum of £18k to be met from Council balances.

Hagley Scout Hut

Councillor Colella gave additional information on the bid in relation to the proposed replacement of the existing Hagley Scout Hut which was in poor condition and was uneconomic to repair. There was an increased demand for the facility, particularly in view of the new housing developments within Hagley. The Head of Leisure and Culture had advised on the project and a Planning Application had been submitted. A business case was in place.

Hagley Community Hub

Councillor Colella gave additional information on the project relating to the proposed replacement of the existing Hagley Community Centre building which was now in its 50th year, having had an original life expectancy of 25 years. It was intended that a new Community Centre could serve Hagley and the wider community to provide a "One Stop Hub" for services provided by the Council and other public sector organisations.

Additional facilities were required within the area due to an increase in demand and expansion of households due to new housing developments. Councillor Colella confirmed that the Head of Leisure and Culture had advised on the project and was of the opinion that the business case was viable. At present the bid was under further development but it was likely to come forward during 2017/18.

Councillor Colella responded to queries from Cabinet regarding the bids as far as he was able to do so. Councillor Colella confirmed that if necessary, more detailed information could be provided. Cabinet recognised the benefits of the two schemes.

Following discussion it was

RECOMMENDED:

(a) that the following return/release from balances be approved:

- 2017/18 - £259k (return)
- 2018/19 - £37k (release)
- 2019/20 - £467k (release)
- 2020/21 - £494k (release)

- (b) that the additional income/efficiencies as attached at Appendix 2 be approved:

2017/18 - £1.113m
2018/19 - £626k
2019/20 - £177k

- (c) that with the exception of the bids in relation to Hagley Scout Hut and Hagley Community Centre the Capital Programme bids as attached at Appendix 3 be approved:

2017/18 - £145k
2018/19 - £46k
2019/20 - £1.108m

- (d) that the increase of Council Tax by £5 per Band D equivalent for 2017/18 be approved.

- (e) that the budget savings and pressures for 2018/19 – 2020/21 be subject to change due to the potential impact of changes to service delivery and the localisation of Business Rates together with any changes to the New Homes Bonus.

- (f) that consideration of the Capital Programme bids in respect of Hagley Scout Hut and Hagley Community Centre be deferred to enable further consideration of the Business Cases for the proposals. In addition officers include additional information to the report to Council on 28th February 2017 to explain the position in respect of the deferral.

86/16

LOCAL GOVERNMENT ACT 1972

That under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the item of business the subject of the following minute on the grounds that it involves the disclosure of “Exempt Information” as defined in Part 1 of Schedule 12A to the Act, the relevant part being as set out below and that it is in the public interest to do so.

Minute No
87 /16

Paragraph
3

87/16

ICT INFRASTRUCTURE REPORT

Cabinet considered a report on the outcome of the initial procurement exercise in respect of ICT infrastructure resource. It was noted that the outcome would be subject to a recommendation to Council.

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Following discussion and consideration of the responses received to the tender exercise it was

RECOMMENDED that the Head of Transformation and Organisational Development be requested to proceed with the procurement of a contract with the preferred supplier (being the lowest of the tenders received) to deliver the ICT infrastructure functions.

The meeting closed at 7.05 p.m.

Chairman

Bromsgrove District Council

Report of the Portfolio Holder for Environment and Worcestershire Regulatory Services

Aligned to Help me to Keep my Place Safe and Looking Good

I am pleased to present my report to councillors for the areas covered by my portfolio. In so doing I would like to look back over recent events and forward to emerging issues affecting our council and our residents.

BEREAVEMENT SERVICES

BROMSGROVE CEMETERY, CHURCH LANE

Badger issue:

The badgers occupying the main sett in a private garden adjacent to the cemetery have excavated two additional entrance holes in the grass verge near to their sett. They have also excavated three holes between the graves, which are separated from their sett by a path. Previous works carried out have been to install a badger fence between the path and the main sett which may mean that the three holes in question are small outlying setts, rather than entrance holes leading to the main sett.

Following a period of monitoring authorised by the first license application, it has been deduced that the holes are directly connected to the main sett and as such a further licence application has been made to approve a live dig to close down the holes and promote a change in behaviour to use a newly created bank to access the main sett in future.

The license application was submitted for the live dig to happen on the 15th November with Mid Warwickshire Wildlife Trust, Natural England and other approved contractors installing more underground fencing, excavation of current tunnels and filling with hardcore once agreed that it is appropriate. Finally production of a new 'mound' to provide extra areas within the cemetery that the badgers can use to tunnel back to the main sett.

BROMSGROVE NORTH CEMETERY, BARLEY MOW LANE, CATSHILL

Following a period of works which commenced on the 4th July 2016, the construction of the necessary infrastructure including the main access road, footpaths, fencing, surface water drainage with off-site infiltration soak away system and ancillary works is nearing completion. We will shortly be moving into the process of researching and consulting on the options that we will provide on the new site.

CORE ENVIRONMENTAL OPERATIONS

HIGHWAYS WORK

At the start of the year we worked with County and took on the grounds maintenance of Bromsgrove Highway from Slideslow Island in Bromsgrove to the boundary of Redditch, in addition to the street cleansing that we traditionally do. We have recently had the second closure where we carried out all the maintenance work using operatives from both Bromsgrove and Redditch Place and Core Teams. The results were excellent and the teams worked well from both authorities. The work carried out included: tree lifting and removal, spraying, mowing, strimming, flailing, cleansing and sweeping. The County Council pay us for this additional work.

VEHICLES

This year we have invested in our refuse service by ordering 5 new 26 tonne refuse collection vehicles. These vehicles comply with the latest Euro 6 Environmental Standards including 360 degree camera recording systems, lane departure warning systems, cycle safety, together with route optimisation and communication software. Due to the current high demand for these vehicles delivery times have been delayed and we should receive these vehicles during May next year.

WASTE COLLECTIONS

- New filming of recycling awareness is taking place in November 16 to be added to the council's You Tube profile and to be used elsewhere;
- New recycling awareness tags are to be launched from January 17 to assist in the education of residents regarding contamination. Leaflets have also been produced to be delivered to target areas, again in January 17;
- In Cab units are now fitted to all RCV's working on both domestic and recycling collections. This is currently being trialled to assess coverage areas and should be live from late November to early December 16. These units allow the crews to report issues such as bins going in the backs of trucks, or bins not out, in real time and they also allow us to see where the vehicles are on their rounds.
- Trade waste is now making a small surplus as officers continue to promote the service;
- Officers have managed to retrieve around 20 customers who had previously left the Trade Waste Service, resulting in an increase in revenue and extra positive publicity;
- Trade Waste leaflets are continuing to be used in the business rates details for 17/18 financial year;
- A Trade waste recycling service is to be introduced in 17/18;
- Officers are currently exploring options to work with neighbouring authorities.

Garden Waste:

- Garden waste fees are to increase to £42.00 from February 17.

Sweepers:

- Route optimisation software has been recently purchased (September 16) and is currently being worked on and reviewed by officers.

BDC PLACE TEAMS

Place working is now in its second year and is still evolving as the staff and teams develop greater awareness of their areas and adjust their work to meet that demand. Prioritisation has improved across the three teams, allowing us to use our time more efficiently and achieve the following without additional staff and resources:

- A higher number of cuts on our grass verges and open spaces than was achieved in 2015, despite the challenge of exceptional growth rates this year. Further improvements are expected to increase this further in 2017.
- An increasing number of Bulky Waste collections, which generate additional income for the council, with over 1600 collections carried out since April.

Unfortunately, fly tipping is on the increase with over 1,100 fly tips collected so far this financial year. These have ranged from small single items through to significant lorry loads requiring our HIAB to remove using large skips and the hydraulic grab.

Our relationship with BDHT has continued to develop, and we are now carrying out a wide range of paid clearance jobs on their behalf whilst working to reduce the impact of fly tipping on their bin stores. Working closely with our refuse team, we have now agreed a more streamlined approach with BDHT to address the problems at the remaining trouble spots where residents are fly tipping and causing other problems, so that issues can be escalated and resolved rather than creating additional work and cost for both BDHT and BDC.

We are still working closely with WCC as part of Project Optimise, and have completed projects on the Bromsgrove Highway, A38, and the Oakalls estate to share resources and increase the standard of maintenance in line with our strategic purpose, but with minimal cost impact on either BDC or WCC. This has been highly successful to date and it is hoped that we will do more joint projects with WCC over the coming year to continue improving the maintenance of our District.

Ongoing partnership working with BDHT has helped manage issues in their bin stores due to fly tipping and misuse. This benefits their residents, and generates additional income for BDC. Recent discussions have set out a more joined up

approach to these issues so that BDHT can focus on resolving the causes of the problems, with support from BDC Officers.

BDC Enforcement Highlights

- April 2016 – Joint stop and search project took place with the police in the Wythall area to tackle illegal transporting of waste and fly tipping. No breaches found.
- Three fly tips currently under investigation and awaiting PACE interviews.
- One fly tip prosecution being prepared with Legal Team for court process.
- April 2016 - £300 FPN paid for breach of 'Duty of Care' for disposal of waste after local resident identified fly tipping. Covered in local press.
- Joint working with Co-ordinators to gather evidence on fly tips and issue warning letters where prosecution not appropriate.
- October 2016 - Fly Posting Project started across the District to remove posters and warn organisations of the penalties if they erect any in the future.
- Routine patrols in Bromsgrove Town Centre to address issues arising from local businesses and work with them to resolve them:
 - Fast food outlets in Bromsgrove now starting to carry out additional litter picking as part of their closing routine after being spoken to by our enforcement officer. Still working well 6 months on.
 - Pubs have been spoken to about smoking related litter and are continuing to support us on this in Bromsgrove Town Centre.
 - New Market organisers working with us to address market waste being disposed of in our litter bins. Issue reduced, but now involving the Town Centre Manager in this process to address few remaining issues.
- Closer working with Parish Councils regarding littering, fly tipping and dog fouling – letter dropped warning letters regarding known issues.
- 135 Abandoned Vehicles investigated and dealt with since 1st April 2016.
- On-going partnership with Enforcement teams from Wychavon, Wyre Forest and Worcester City to share best practice in tackling environmental crime.

BROMSGROVER AREA NORTH WORCESTERSHIRE WATER MANAGEMENT

Lead on specific location Flood Investigations and works by land owners, Highways, STW and NWWM to reduce flood risk at:

1. Wast Hills Lane;
2. Dagnell End Road;
3. Lea End Lane;
4. Cherry Pit Lane;
5. Bentley Pauncefoot work with Parish Lengthsman on ditches and hotspots;
6. Sidemoor School culvert removal;
7. Wythall gypsy site clearance of dumped rubbish to reinstate flow in the watercourse, working with Rooftop Housing and BDC Environmental Services;
8. Cross Boundary working with Solihull on highway flooding issues;
9. Belbroughton - advising the Parish Council following defects appearing in a pool dam.

Major Schemes achieved or ongoing:

10. Hagley Infrastructure Scheme working with STW, Environment Agency and Highways to reduce Hagley flood risk and increase capacity and resilience on watercourses, highway network and STW surface water sewers;
11. Callowbrook - completed the flood storage pools in November and have since undertaken planting and recently some earth moving and finishing touches. EA grant was £50k and contributions of over £20k from County and Local Councillor;
12. Bournheath - flood risk modelling undertaken and scoping options for a scheme to reduce flood risk to the village, properties and highways. Likely total scheme cost of around £200k. Preliminary Grant bid with E.A. and hope to get approval before January to link up with significant STW works at same time to reduce foul sewer flooding issues;
13. Bromsgrove Town Surface Water Management Plan Group - Membership includes NWWM, EA, BDC Environmental Services, Highways. Multiple locations have had flood risk issues resolved in and around town. Ongoing E.A. flood risk modelling at present and investigations over next year on whether a major flood defence scheme is warranted and feasible;
14. A38 Charford flooding issues - Work to investigate opportunities for funding and works with STW, Highways, Economic Development, EA. Early stages at present of understanding infrastructure and building a working group.

General activities:

15. Flooding Hotspot guide produced to aid the PLACE teams working in lead up to and response to flood events. Including a health and safety review for each;

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16. Recording assets (e.g. culverts, trash screens etc) onto a countywide web mapping system;
17. Revising the sandbag policy;
18. Reviewing the Multi-Agency Flood Plans and putting together Flood Response plans to guide actions in flood events;
19. Part of 'Love Your River Bromsgrove' working group helping to improve water quality and wildlife;
20. Response to Government consultation regarding proposed planning changes.

Planning work:

21. 15 Major applications consulted on from April 2016.
22. Very large site, Perryfields pre-planning advice role. Aiming to improve drainage across the wider area.

WORCESTERSHIRE REGULATORY SERVICES

Environmental Health

The service now boasts several Primary Authority agreements whereby a business enters into a contractual agreement with us on a full cost-recovery basis to receive assured advice. One of these is a major food warehouse in Stoke Prior. Further, several Bromsgrove businesses have signed up to the Healthy Eating award (which again is a paid for business support process) and work continues with the Local Enterprise Partnership (LEP) to develop a scheme aimed at helping small producers and manufacturers to access new markets.

82 food hygiene inspections were carried out in Bromsgrove District between April and August 2016 which is down on the same period last year. This reflects the high demand on resources involved in addressing the summer spike in reactive work and the fact that the service is currently involved in some complex enforcement activities including high profile prosecutions. Members should note the similar pattern of work in 2014/15 where the majority of food inspection work was done in the second half of the year. We expect 2016/17 to be similar in work pattern due to the volume of reactive work being undertaken and we will continue to monitor closely progress against the full inspection programme for the year so as to ensure that it is achieved. Compliance in Bromsgrove remains high at 97.4% with only 12 premises currently rated level 2 or below in the Food Standards Agency's Food Hygiene Rating Scheme (which rates business from levels 0-5). These businesses which are deemed not to be "broadly compliant" are subject to further intervention to ensure that hygiene requirements are met.

Environmental Health complaints, enquiries and notifications recorded by WRS are set to exceed previous years, with noise nuisance cases between June and September up on the previous year. The service has conducted an extensive investigation relating to an alleged odour nuisance arising from animal by-product operations in the District and Environmental Health Practitioners have continued to work with Network Rail and their contractors to minimise noise impacts of on-going track upgrade and electrification works through Bromsgrove.

Air Quality

The update of the Air Quality Action Plan has been published on the WRS website that details action taken to resolve air quality by all over the last 12 months. This is to be followed by the annual assessment report (known as Annual Status Report) which reports on air quality monitoring and considers all changes and their effects on air quality over the last 12 months. Ahead of LTP4's publication, WRS have been liaising with the County Council's Project Manager for the A38 Corridor improvements to ensure that improving the air quality situation around Redditch Road and Lickey End are priorities and incorporated in the proposals.

Permitted Processes

The Pollution Control regulations are there to protect human health by ensuring emissions to air, land and water are controlled. Certain industrial processes such as car resprayers and flexible packaging printers use large volumes of Volatile Organic Compounds (VOCs) which would be emitted to atmosphere if not controlled. There are other industrial processes that are regulated also, which means firms have to apply for a permit. In granting the permit WRS work with the business so that they know what they need to do to comply by using our wealth of experience of dealing with similar companies. Our aim is to support the businesses in navigating the red tape and protecting health and in Bromsgrove we believe most are compliant.

There are those companies that seek a competitive advantage by not controlling their emissions and operating without a permit. WRS have launched a campaign across the County to identify anyone who is operating illegally. You can check the WRS website for a list of all businesses that operate with the appropriate permit: <http://www.worcsregservices.gov.uk/media/1928600/May-2016-Public-Register-word-format.pdf> . If you suspect that a business is operating without a permit, please do not hesitate to call or check with our Permitting team on 01905 822799.

Licensing

Licensing Officers continue to monitor and respond to changes in national guidance and licensing legislation; the bi-annual data exchange for the National Fraud Initiative for taxi drivers, personal licence holders and street traders has just been completed successfully across the county and licensing is preparing for the implementation of the Immigration Act 2016, parts of which come into force for taxi licensing from 1st December 2016. Licensing Authorities will have to check that new and renewal applicants have the right to live and work in the United Kingdom prior to the issuing of a licence; licensing authorities will have to issue shorter licences if an applicant has limited leave to remain in the United Kingdom but can work while they are here so that the licence expires when the applicant's right to work expires.

Licensing has also completed this year's data exchange/match with each districts finance teams to aid reconciliation processes for those licences that each district invoices for – Premises licences/ Gambling Premises and Small Lotteries.

Licensing Officers are also participating in the "Safer Bromsgrove Licensed Sector Tasking Group" which is looking at issues in the Night Time Economy in and around the High Street/ Worcester Road Bromsgrove; and discussions are taking place with regards to whether or not things can be improved with joint working and the multi agency approach.

Licensing Officers are presenting new policies to the Licensing Committee in the areas of “Scrap Metal Licensing Policy” and on whether or not Members want to consider the introduction of a Hackney Carriage and Private Hire Penalty Points Scheme for taxi operators, vehicle owners and drivers.

APSE Award

We are very pleased to report that WRS were finalists in the “Best UK Environmental Health Team” category at this year’s Association for Public Service Excellence awards against very impressive competition. The awards exist to showcase the ability of Local Authorities to “pursue innovation within service delivery and implement new approaches aimed at improving the level of service to local communities and people”. The award submission focussed heavily on innovation and transformation work within your Community Environmental Health, Technical Services, Duty Officer and Intel Teams, including:

- The self-help package for nuisances
- Trying to resolve problems at the first point of contact through the Duty Officer system
- LEP work on schemes such as earned recognition
- The Healthy Choices Food award
- Working closely with legitimate businesses and their relevant trade bodies including business seminars
- Self-help for Planning Officers
- The creation of an EH Intel Team and tasking
- And carrying out contract work for other authorities.

COMMUNITY SAFETY

North Worcestershire Community Safety Partnership

North Worcestershire CSP (NWCSP) was created in May 2013. The Partnership provides a strategic and co-ordinated approach to addressing local community safety issues, working with a variety of public agencies and voluntary groups. Its vision is to keep North Worcestershire a safe place to live, work and visit. Local representation on the NWCSP is fulfilled through myself as Portfolio Holder for Community Safety.

At district level there is an operational community safety group called Safer Bromsgrove. There are also a number of sub-groups to the CSP, namely North Worcestershire Hate Incident Partnership, the Bromsgrove and Redditch Safeguarding Adults Group and a newly established Bromsgrove and Redditch ASB forum.

Alongside the Council's status as a Responsible Authority in the CSP, there is also a direct role in holding the Police and Crime Commissioner (PCC) to account through the established West Mercia Police and Crime Panel. Again as Portfolio Holder for Community Safety, I am Bromsgrove District Council's representative on the panel.

North Worcestershire Community Safety Plan

NWCSP has a statutory duty to produce a three-year rolling plan outlining how it intends to address key crime and community safety priorities, as identified through its annual Strategic Assessment report.

The Strategic Assessment gathers research, evidence and intelligence from national and regional sources, as well as drawing on the professional expertise of those working locally. It is designed to be a point of reference and guidance to resource community safety initiatives among partner agencies across the area.

The latest Strategic Assessment is currently being produced and its findings will be used to draft a new Community Safety Partnership Plan for 2017-20.

The current North Worcestershire CSP priorities are:

- **Anti-Social Behaviour:** Work to reduce the number of anti-social behaviour incidents and bring perceptions in line with the downward trend in reported incidents
- **Burglary and Home Security:** Work to promote home security, reduce incidences of dwelling and non-dwelling burglary and improve residents' feelings of safety in their homes
- **Business and Rural Crime:** Support local delivery of the West Mercia PCC's Business and Rural Crime Strategies

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- **Reducing Re-offending:** Work to increase our understanding of the reasons for re-offending in North Worcestershire and reduce the offending behaviour of targeted individuals through continued support of the Integrated Offender Management approach
- **Violence and Abuse:** Work to ensure residents are safe in their local neighbourhoods and at home without having to suffer violence, domestic abuse or hate crime.

CSP Funding 2016/17

NWCSP was awarded £149,250 in funding from the West Mercia Police and Crime Commissioner in April 2016, with funding amounts again based on previous year's allocations. £29,595 of the total amount is allocated specifically to project delivery in Bromsgrove District and this funding directed by the Safer Bromsgrove group.

CSP Priority	Project/Initiative	Amount
All	NW Analytical and Research Support	£24,000
Anti-Social Behaviour	Youth Diversionary Projects – Bromsgrove and Redditch	£10,000
Violence & Abuse	NW Hate Incident Partnership	£3,000
Reducing Reoffending	NW Integrated Offender Management Projects	£5,000
Multiple	Safer Bromsgrove	£24,595
Multiple	Safer Redditch	£38,406
Multiple	Safer Wyre Forest	£44,249
	TOTAL	£149,250

The West Mercia Police and Crime Commissioner also allocated 2016/17 funding amounts for the following countywide projects. Delivery of these projects also directly benefits local communities in Bromsgrove.

Hate Crime Awareness Week/Safe Places Scheme	£10,000
Integrated Offender Management Strategic Development	£40,700

NWCSP Work Programme

Crime and ASB Data - The Partnership receives a regular crime and ASB update provided by the NWCSP Research and Information Officer. The performance report is compiled using various sources of partner data and provides information on current crime and ASB trends across the 3 districts. The update highlights geographical areas of concern, increases or decreases in crime types and areas where additional resources may be required.

CSP Sub Groups – The partnership receives regular updates from its various sub-groups regarding current project activity, specific successes and any areas where there may be barriers or concerns that require escalation to Strategic Managers and Senior Officers.

Safer Communities Board (SCB) – The Partnership receives updates from the countywide SCB which provides the upper-tier strategic management for community safety activity taking place across Worcestershire. The SCB has responsibility for monitoring and directing activity around Integrated Offender Management, the Domestic Abuse and Sexual Violence Forums, Alcohol/Substance Misuse and Preventing Violent Extremism. The SCB was also instrumental in implementing the recent review of Community Safety Arrangements in Worcestershire.

Community Safety Review – The findings of the SCB review were presented to NWCSF in March 2016 and suggestions included consideration of a CSP self-assessment process; improvements to the reporting arrangements between the CSP and the SCB to develop stronger, more consistent formalised reporting lines between the two groups; and development of an annual induction programme for CSP members to ensure that partners statutory responsibilities are fully understood.

NWCSF acknowledged the findings of the review and quickly began to implement the suggestions, conducting a self-assessment process and holding a partnership induction session at the following meeting in the June 2016.

Safer Bromsgrove Group

Safer Bromsgrove is the district operational group responsible for delivery of the local action plan on behalf of the CSP. The group receives a district specific version of the crime and ASB update at each meeting and partners work together to develop and implement projects to address local community safety issues across Bromsgrove District.

As well as receiving support from the Council's Community Safety Team and other partners, Safer Bromsgrove has funded a dedicated Bromsgrove Community Safety Project officer as well. The Project Officer liaises with local residents and partners, carries out community safety assessments and site surveys and co-ordinates crime reduction activity on behalf of the group. Currently the Project Officer is working on crime reduction projects in Rock Hill, Aston Fields, Charford, Catshill, and Romsley.

Safer Bromsgrove has agreed to be a consultation forum and provide crime & ASB data to support the review of CCTV provision across the district, in accordance with the requirements of the Surveillance Camera Code of Practice.

Agenda Item 9

A Bromsgrove Town Centres sub-group has been established following identification of a number of crime and ASB issues linked to the Night Time Economy in the High Street/Market Street area. The group was initially set up to look at licensing issues but has since widened its remit to look at other areas such as business crime and wider environmental issues in the Town Centres. The group includes local business owners and other stakeholders and is chaired by Cheryl Welsh, Bromsgrove Centres Manager. As a Community Safety sub-group, it will be able to tap into crime reduction expertise, prevention information and funding in order to support any interventions or solutions identified by members.

Activities to raise awareness of Hate Crime reporting took place in Bromsgrove on Friday the 14th October as part of national Hate Crime Awareness week. The Community Safety team organised a pop-up stall on the high street with street theatre performances to raise awareness of the issue and how to report incidents. The stall received a steady stream of visits from local residents and shoppers and also a surprise visit from Bromsgrove MP, Sajid Javid who tweeted his support for the event and posted a video of the activities during the day from his social media account

The Community Safety Schools programme is active in all middle and high schools in Bromsgrove offering a wide range of community safety workshops around subjects such as Hate Crime, Domestic Abuse, Substance Misuse and the impact of ASB on Communities. Alongside workshops and whole school activity days, the programme also offers one to one mentoring sessions for young people identified as being at risk of entering the criminal justice system or at risk of becoming victims of crime. Between Sept 2015 and June 2016 over 40 young people from Bromsgrove had received mentoring support through the programme, to reduce their risk of harm.

In Spring, Safer Bromsgrove provided funding for a youth work diversionary project at Churchfields in an attempt to engage with and divert young people gathering and causing disorder in the ASDA multi-storey car park. The project was devised by the YMCA Positive Activities worker, in partnership with the Community Safety Team, the local SNT and ASDA's Management team. The project provided detached youth workers to engage with young people through multi-sports and launched in June 2016 to coincide with half- term. There was a significant drop in the number of young people hanging around the site throughout the summer holidays and, together with the additional security measures at the car park, the project appears to have reduced the number of ASB incidents reported at the site. The project is now on hold as we go into the colder weather and partners are constantly reviewing ASB reports to ensure that the problem has not been displaced to other areas.

Finally, Safer Bromsgrove has provided funding to support an intergenerational project idea put forward by students at North Bromsgrove High School. The project began in September 2016 and pairs a group of students with a group of older residents from BDHT Supported Housing accommodation and together they are

Agenda Item 9

working on a photography project with a community safety theme. This project will be showcased at a school event at the end of the programme in March.

COUNCIL PLAN

Relevant Portfolio Holder	Councillor G. N. Denaro – Leader of the Council and Portfolio Holder for Finance, ICT, HR and Enabling Services
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole, Head of Business Transformation
Ward(s) Affected	All
Ward Councillor(s) Consulted	
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To agree the revised version of the Bromsgrove Council Plan, including actions relating to the Council's key priorities and strategic purposes.

2. RECOMMENDATIONS

- 2.1 **Cabinet is asked to RECOMMEND to the Council**

that the Council Plan attached at Appendix 1 be approved.

3. KEY ISSUES

Financial Implications

- 3.1 The transformation programme that the Council has embarked upon led to the development of the strategic purposes documented in the Council Plan. As the programme continues, finances will start to become aligned with these purposes and the priority actions contained within the Council Plan, allowing the Council to be more responsive to our customers' needs.
- 3.2 In order to deliver the actions included in this plan there will need to be appropriate resources allocated.

Legal Implications

- 3.3 There are no legal implications arising directly from this report.

Service / Operational Implications

- 3.4 The Council Plan, and the priorities and strategic purposes contained within it will help to set the direction for the Council and how it works with its partners.

Service areas will be working towards these purposes and the priority actions, supported by operational purposes and measures to ensure that everything we do relates to the demands and needs of our customers. The Council Plan will be supported by an implementation plan, including measures, barriers and ownership, to ensure that the actions within the Council Plan are delivered.

Customer / Equalities and Diversity Implications

- 3.5 The strategic purposes set out in the Council Plan are all designed to be from our customers perspective, in order for their needs to be the driver for all that we do. The corporate principles also highlight the importance of understanding and listening to our customers, whilst providing excellent customer care at all times. When approved, the Council Plan will be published on the Council's website and the ORB.
- 3.6 There are no equality and diversity implications arising directly from this report; however, the customer focus referred to above is designed to understand the individual needs of our customers and as such empower officers to meet those needs, which would include specific issues relating to equality and diversity.

4. RISK MANAGEMENT

- 4.1 By publishing a Council Plan the strategic direction of the Council will be clear to employees and Members and as such will support the management of risks identified around the delivery of the strategic purposes, robust decision making and the accuracy/effectiveness of performance data.

5. APPENDICES

Appendix 1 - Council Plan

AUTHOR OF REPORT

Name: Rebecca Dunne, Policy Manager
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Tel.: 01527 881616

Council Plan

2017-2020

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“Working together to build a district where people are proud to live and work, through community leadership and excellent services”



Bromsgrove
District Council

www.bromsgrove.gov.uk



Appendix

Welcome to the Bromsgrove District Council Plan.

It sets out what matters to our residents and our priorities for 2017-2020. It looks at how we can work together with our partners for the benefit of all of our communities to create a Better Bromsgrove for everyone.

As newly appointed leader for the Council I am keen that while our priorities remain realistic and achievable, they also embrace a new and effective way of approaching the challenges which local government faces. We are all aware of the financial pressures impacting on local Councils. Therefore, we need to reduce costs and generate income to increase our longevity and so we can reinvest this money in the areas which will benefit our residents the most, especially those who are on limited incomes. As other Councils have done, we will review all our assets and consider how best they can generate income for the Council.

This plan is split into strategic purposes to guide us and includes actions for each of our strategic areas, providing us with a clear focus for addressing issues and allocating funding for the next four years. They will be a tough challenge to achieve and we will be working as a team (Cabinet and Officers) to ensure they are implemented. However we will not be complacent and, with my Cabinet Members, who are responsible for their own strategic purposes, we will review this plan annually to make sure it is still relevant to the needs of our customers and the priorities we have set out.

Cllr Geoff Denaro,
Leader of Bromsgrove District
Council

This Council plan has been put together with 2 main provisos:

- *That we listen to our residents in terms of what services they wish us to provide*
- *That economic development and income generation will be our prime drivers to sustain financial stability*

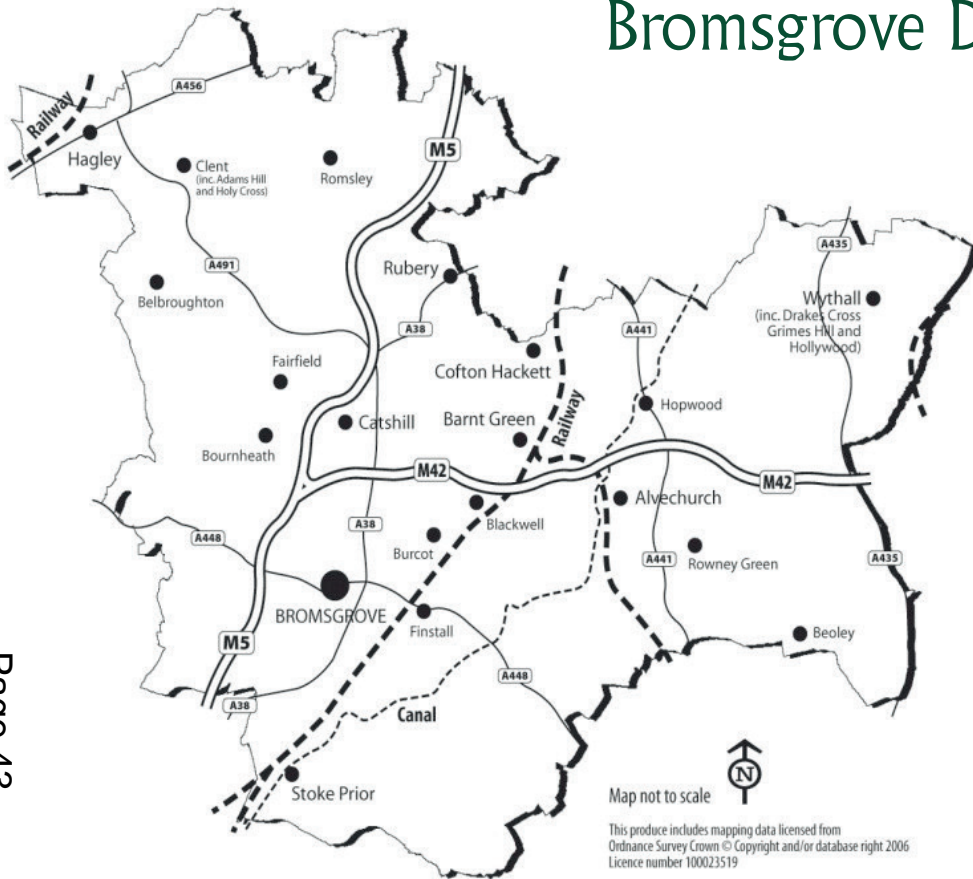
During 2017-2020, we intend to focus on the following 6 key priorities:

- *Financial stability for the Council*
- *Economic development within the District*
- *Balancing urban and rural needs, especially for housing needs*
- *Delivery through partnerships or joint ventures*
- *Quality services for residents, with affordable charges where appropriate*
- *Working with WCC to reduce congestion in Bromsgrove Town Centre and other District Centres*



Bromsgrove District Council Cabinet

Bromsgrove District



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Bromsgrove District is in the north of Worcestershire and over 90% of its 217 square kilometres is greenbelt. With 95,768 residents, there are population clusters including Hagley, Rubery and Wythall, with the town of Bromsgrove accounting for just over a third of the total population of the District. Approximately 20% of the population are children and 21% are over 65 years old.*

Issues such as an ageing population, affordable housing and developing the local economy all impact on the District.

*ONS mid-year population estimate 2015



Bromsgrove District Council moved to its new facilities at Parkside in 2015; this heritage site, in the heart of Bromsgrove Town Centre, houses not only the District Council but also Job Centre Plus, a new library and several other Worcestershire County Council functions, providing a range of services for residents and customers and increased footfall into the town centre.

Appendix



Context

The **economic** picture for Bromsgrove District is positive, with consistently low unemployment. However, the Indices of Multiple Deprivation 2015 (specifically income, employment and education indicators) show there were issues, particularly in parts of Charford and Sidemoor.

edR Supporting **business** is incredibly important for the District. Through North Worcestershire Economic Development and Regeneration we will continue to support these businesses and established companies within the District to grow.

Bromsgrove town centre is a major area of focus and extensive redevelopment is under way. Recent improvements to the town centre include enhancement of the High Street, a new retail park and planning permission for an exciting development on the Market Hall site.



The **local centres** are also key to improving facilities and opportunities for all of our residents and improvement projects are underway across the district.

Bromsgrove has the highest level of **home ownership** in Worcestershire, and the smallest private rented sector in the county; demand for housing within the district has had a significant impact on property prices which are higher than the Worcestershire average.

During 2015/2016 166 affordable homes were completed

Whilst the **health** of people in Bromsgrove District is generally good, health priorities include improving mental wellbeing, increasing physical activity and ageing well.

Through the Bromsgrove Partnership various local agencies, including Bromsgrove District Council, have been playing their part to address these issues.

The district is rich with biodiversity, geodiversity and attractive landscapes. The Council is committed to protecting our **environment** and has undertaken partnership work such

time to change time to talk day 2017
let's end mental health discrimination



as the 'Love Your Rivers Project' to improve ecology and biodiversity in Sanders Park with the creation of a wet grassland area.

It is important for the Council to ensure that Bromsgrove District remains attractive for everyone, and our Place Teams provide a strong **environmental** service across the District based on local needs and priorities. This focus gives our staff greater ownership and develops important local knowledge to support our communities, from picking up litter to cutting the grass.

Bromsgrove District is a low **crime** area; however the North Worcestershire Community Safety Partnership has been working hard across the district to address causes of crime and to support victims.

The Redditch & Bromsgrove Community Safety schools programme has mentored 81 young people across both districts since september 2015.

There has been continued investment in providing **activities** and facilities for all ages, such as an outdoor gym at Lickey End, inclusive play facilities at the ASDA Recreation Ground and a new skate park and risky play facilities in Hagley.

There were over 55,000 attendances at Bromsgrove District Council events during 2015/2016.

Finances

The December 2015 Government Spending Review announced an indicative four year funding settlement for local authorities. For Bromsgrove the settlement gives a much lower than anticipated level of revenue support grant from the Government with a potential unexpected repayment to Government in 2019/20 of £750k. Consultation has also started on planned changes to New Homes Bonus, which will see a reduction in the amount we receive towards the end of the five year period.

The Council currently receives £1.7m of this grant and allocates £100k for community funding to support projects in those areas affected by housing growth. Government grant funding will be some £5m per year less in real terms by the end of this plan than it was in 2010/11. This equates to losing funding for just under half of the Council's net budget.



We are working with partners to achieve savings across the public purse which will ensure that valuable front line services continue to be delivered to our communities. The financial funding available will be aligned to our priorities as detailed in this document to ensure we meet customer and community need.

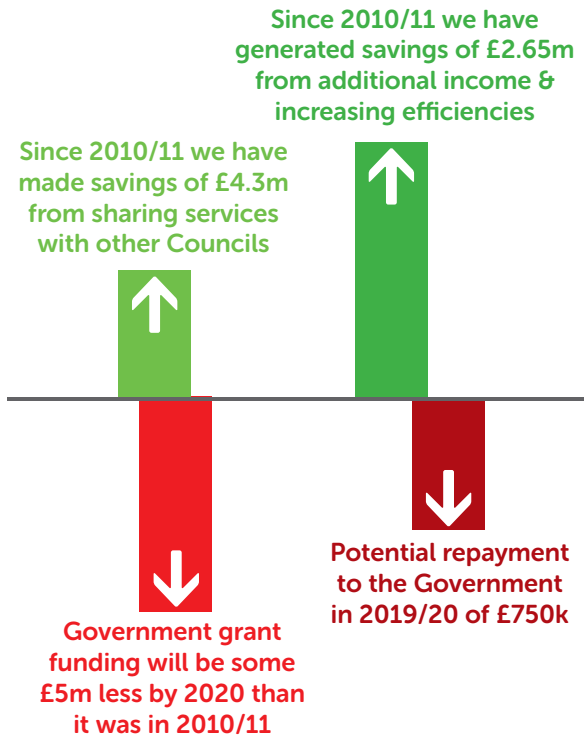
In order to address the financial challenges, over the financial planning period the Council will look at generating growth in our services to **increase income**, redesigning services to make them as flexible and efficient as possible and to work with others to maximise the value of Council services with the limited funding we have available.



The Council has a proven track record in delivering cost and **efficiency savings**. Since 2010/11 the Council has made savings from sharing services with other Councils of £4.3m and generated other savings of approximately £2.648m from additional income and increasing efficiencies.

With the continued cuts to our funding we will have to find more innovative ways to meet the on-going financial pressures that the Council faces.

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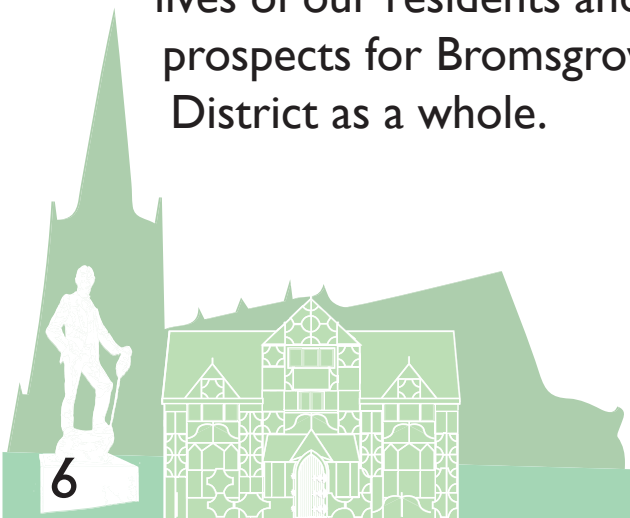
What matters

Bromsgrove District Council is committed to providing residents with effective and efficient services that not only meet their needs but understand them too. Through considering what really matters to our residents we have developed six key priorities for the next four years, supported by six strategic purposes. Working on these purposes will help us to understand the needs of the District and how, together with our partners, we can improve the lives of our residents and the prospects for Bromsgrove District as a whole.

Key priorities 2017-2020



Strategic Purposes



Ensuring a sustainable council

To continue to meet the needs of our communities we need to focus on financial stability and look at how we work within the organisation and with our partners. Our internal support services are fundamental in enabling us to meet our priorities and strategic purposes and allow us to continue to deliver services that matter to our residents and customers.

Key actions to ensure that we maintain our position as a sustainable council are:

Ensure the financial stability of the Council

- **Identify opportunities to increase growth and revenue (priority action)**

Develop a four year balanced financial plan

Explore delivery opportunities through partnerships or joint ventures

- **Work with partners and the Bromsgrove Partnership to deliver appropriate family support through the 'Connecting Families' and 'Sunrise' programmes (priority action)**

Deliver quality services for residents, with affordable charges where appropriate

- **Review where charges may be appropriate whilst ensuring we support customer needs (priority action)**
- Deliver quality and relevant services by involving our communities



Strategic Purpose: Help me run a successful business

What matters

Encourage local business and inward investment

- Develop and promote key employment sites (priority action)
- Develop the 'Business begins in Bromsgrove' brand
- Identify potential sites, funding and delivery partners
- Encourage businesses to come to Bromsgrove
- Introduce a package of support mechanisms to help new businesses and inward investment
- Promote Bromsgrove Enterprise Park
- Organise events to promote grants and access to national finance schemes

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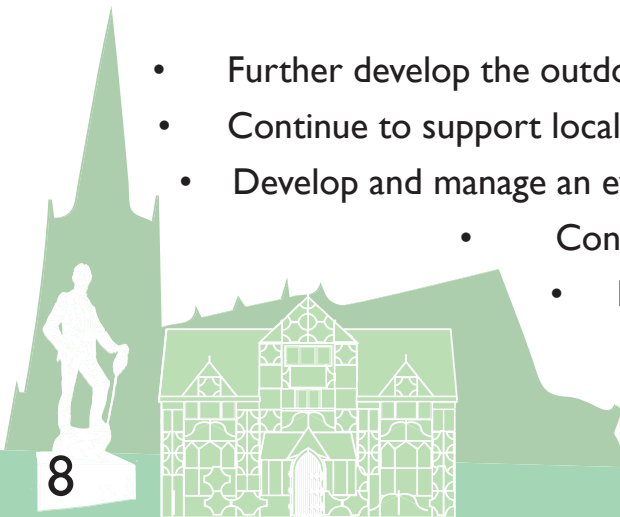
Create a more vibrant Bromsgrove Town Centre and flourishing local centres

- Further develop the outdoor market in Bromsgrove
- Continue to support local centres across the district
- Develop and manage an events programme
 - Continue the town centre regeneration programme
 - Develop a car parking strategy for the Town Centre



Between January and June '16 the highest number of business start-ups outside of London were in Bromsgrove – 29 for every 1,000 residents

Appendix





Improve connectivity within Bromsgrove (Digital and Transport)

- Work with WCC to identify a long term solution to tackling congestion, with the A38 as a priority (priority action)
- Ensure Bromsgrove's public transport needs are integrated into Local Transport Plans and delivered
- Continue to work with WCC to rollout superfast broadband, including to rural areas.

Invest in our local workforce by supporting training and apprenticeships

- Organise a programme of local Apprenticeships events and fairs
- Ensure SMEs can access Apprenticeship grant support
- Understand employer needs by carrying out a local skills audit
- Work with Heart of Worcestershire (HoW) College and other providers to deliver training that matches employer needs
- Work with local employers to promote career opportunities for young people in Bromsgrove
- Work with schools and other partners to understand the barriers to employability
- Undertake a fundamental review of our economic strategies and priorities

In the last 9 years, there has been a **3 fold increase** in the number of **apprenticeships completed**

Almost 700 apprenticeships were started in 2014/15



Strategic Purpose: Help me to be financially independent

What matters

Develop education and skills to sustain financial independence

- Work with schools and colleges to deliver life skills in money and debt management
- Work with businesses to identify the skills that are required to enable local people to secure employment in their community
- Engage businesses to develop and grow in the area to continue to provide local jobs
- Support people in getting back to work

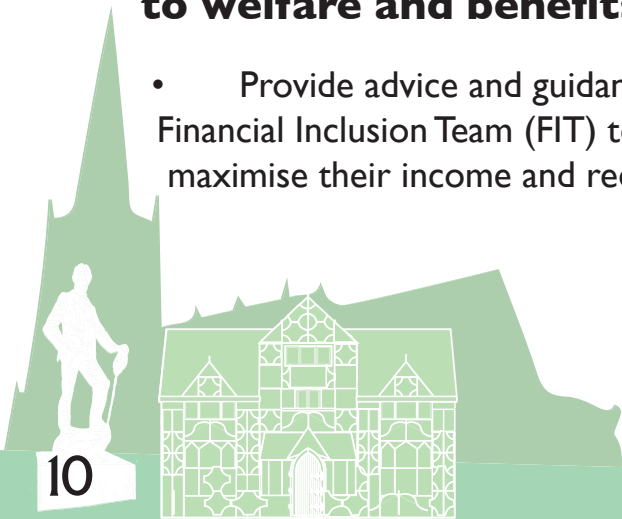
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Support communities during changes to welfare and benefits

- Provide advice and guidance through the Financial Inclusion Team (FIT) to help residents maximise their income and reduce debt



People who live in Bromsgrove have the **highest average wage in the West Midlands**, however average wages for people who work in Bromsgrove are the **6th lowest in the region**





Support residents to reduce levels of individual debt

- Support residents to understand and manage all of their debts
- Work with voluntary sector and other partners to provide debt advice and support
- Promote schemes that encourage savings & financial independence

Support reductions in winter deaths and fuel poverty

- Work with stakeholders to ensure homes are energy efficient
- Provide funding to improve homes to reduce fuel poverty

Support the provision of affordable housing in the District to meet the needs of the community

- Work with partners to develop different options for housing provision
- Support older people who wish to realise the value of their homes
- Understand affordability through a rents audit

Fuel poverty in Worcestershire has reduced from 12.6% in 2011 to 9.1% in 2014



Strategic Purpose: Help me to live my life independently

What matters

Help and support the vulnerable

- Work with health and other partners to reduce hospital admissions and keep people in their own homes
- Work with partners to support victims of domestic abuse
- Access to appropriate housing

Promote independence and reduce social isolation

- Work with partners to deliver adaptations/ improvements to homes (Disabled Facilities Grants)
- Access to (or support to find) appropriate transport
- Promote volunteering opportunities to reduce social isolation, particularly within rural communities

Over the last 2 years **nearly 300 people have been helped to continue to live at home** through disabled facilities grants

Over **1600 vulnerable or elderly residents have been supported** by a Lifeline unit in their homes





Help people to be fit and well

- Work with partners to deliver appropriate mental wellbeing support
- Support in the Five Ways to Wellbeing
- Access to quality open space and facilities

Strengthening and supporting families and individuals

- Work with partners and the Bromsgrove Partnership to deliver appropriate family support through the 'Connecting Families' and 'Sunrise' programmes (priority action)
- Access to work and employability skills

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*More than
400 residents have
received activity
and falls prevention
referrals in the last 2
years*

Five ways to well-being

1

Connect with the people around you. With family, friends, colleagues and neighbours. At home, work, school or in your local community. Think of these as the cornerstones of your life and invest time in developing them. Building these connections will support and enrich you every day.



Be active Step outside. Go for a walk or run. Cycle. Play a game. Garden. Dance. Exercising makes you feel good. Most importantly, discover a physical activity you enjoy and that suits your level of mobility and fitness.

2

3

Take notice Be curious. Catch sight of the beautiful. Remark on the unusual. Notice the changing seasons. Savour the moment whether you are walking to work, eating lunch or talking to friends. Be aware of the world around you and what you are feeling. Reflecting on your experiences will help you appreciate what matters to you.



Keep learning Try something new. Rediscover an old interest. Sign up for that course. Take on a different responsibility at work. Fix a bike. Learn to play an instrument or how to cook your favourite food. Set a challenge you will enjoy achieving. Learning new things will make you more confident as well as being fun.

4

5

Give Do something nice for a friend, or a stranger. Thank someone. Smile. Volunteer your time. Join a community group. Look out, as well as in. Seeing yourself, and your happiness linked to the wider community can be incredibly rewarding and creates connections with the people around you.



Strategic Purpose: Help me to find somewhere to live in my locality

What matters

Support the development of appropriate and affordable housing in the district

- Use the Local Plan and Green Belt Review to drive development (priority action)
- Understand community housing needs through a strategic assessment
- Encourage developers to adopt Safe by Design standards
- Work with developers to increase the number of eco/energy efficient properties

Assist in making the best use of all housing across the district

- Review the housing waiting list
- Work with partners to ensure appropriate level of occupancy
- Support people to downsize where appropriate
 - Ensure the Disabled Facilities Grants (DFG) process is meeting the needs of our communities
 - Work with stakeholders in the private rented sector



In 2015/16
483 homes
were built in
the district
(net)

Appendix





Prevent and respond to homelessness

- Review current housing and homelessness delivery arrangements
- Work with partners to resolve issues that can lead to homelessness
- Work with partners and providers to deliver accommodation appropriate to need

Between
July '15 and
June '16 **over 220**
households have been
prevented from
becoming
homeless



Strategic Purpose: Keep my place safe and looking good

What matters

Help support and create communities where people feel safe

- Work with partners, schools and our communities to reduce crime, nuisance and anti-social behaviour
- Encourage developers to adopt Safe by Design standards
- Ensure that premises and vehicles licensed for various activities are safe
- Work with local businesses to deliver safe products and services



Look after our district to provide clean and tidy streets and open spaces

- Ensure our resources are aligned to the different needs of our local areas
- Work to reduce litter, fly tipping, dog fouling, fly posting and chewing gum in the district
- Develop our commercial services to better support local businesses and residents
 - Work in partnership with our communities



**Over 1100
bulky waste
collections
undertaken in
2015/16**

Appendix





Protect and enhance the environment spaces

- Work with communities to enhance the environment
- Monitor air quality and encourage our communities to reduce emissions where possible to limit the effect of climate change
- Endeavour to reduce our emissions
- Change the way we maintain the environment to improve biodiversity
- Work with partners to achieve proactive tree management
- Work with stakeholders to improve the infrastructure for cycling and walking
- Promote the ethos of 'reduce, reuse, recycle' within the community and our organisation

On average
4275 tonnes
of waste was
recycled



17.5%
reduction in
carbon
emissions

19,000
customers are
benefitting from
garden waste
collection
service



Strategic Purpose: Provide good things for me to see, do and visit

What matters

Provide a leisure, cultural and arts programme for the whole district

- Engage with communities to develop an events programme
- Develop new Leisure facilities to provide a range of activities for the community
- Ensure play areas and parks meet the needs of all ages of the community
- Work with partners to develop a diverse range of arts and cultural activities

Create a more vibrant Bromsgrove Town Centre and flourishing local centres

- Progress regeneration of Bromsgrove Town Centre and local centre sites across the district
 - Further develop the outdoor market in Bromsgrove
 - Develop and manage a Bromsgrove Town Centre events programme
 - Develop an action plan for the local centres

Approximately
10,000 people
attended the **street**
theatre events



Appendix





Help people to be fit and well and reduce social isolation

- Develop a programme to raise awareness of social isolation
- Work with partners to explore opportunities for Council facilities to improve health across the District
- Continue to support '5 ways to wellbeing'

140+
weekly
attended the
junior park
run course

*We allocated
£188,000 from
the New Homes
Bonus to community
projects during
2015/16 &
2016/17*

Five ways to well-being

Connect...
Be active...
Take notice...
Keep learning...
Give...



How we work & our principles

“We will lead the way for the future of reshaped public services, enriching the lives of our citizens by providing high quality services to all, as well as radically improving outcomes for those most in need, by removing barriers and solving their underlying problems.

We will meet our challenging goals by designing all of our services from a customer perspective accepting that they differ from area to area, community to community. This approach will enable us to work with partners and towards organisational change. This includes posing questions around whether we are the right people to do what we determine is necessary.

We will treat our workforce fairly, with respect and honesty, engaging their passion and talent and growing leaders”.

Our Principles

1. *Design all our services from the customer's perspective to ensure we respond to the needs of our communities*
2. *Help people to help themselves where appropriate*
3. *Be corporately responsible by ensuring we meet our ethical, environmental and social responsibilities, and that services support our communities to develop*
4. *Constantly innovate, to make the best use of our resources to ensure we deliver efficient, quality services and eliminate waste*
5. *Make decisions and provide challenge based on data, evidence and learning*
6. *Use the Council's unique position in the community to encourage and support change amongst partners and other agencies*
7. *Put the customer at the heart of what we do, treating people and issues fairly, with respect and honesty*
8. *Identify the best way to work, to satisfy customers' needs, by pushing departmental and organisational boundaries*



How we work

We will ensure that we:

- Provide excellent customer care at all times
- Listen to our residents to understand their needs
- Deliver our core services efficiently and effectively
- Make the best use of our resources, with residents at the heart of all we do
- As a community leader, work with partners in the public, voluntary and private sectors to ensure residents of Bromsgrove District get the services and support they need
- As a good employer, support our employees to provide services that meet the needs of our residents

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As issues within the District can change we are committed to understanding whether we are delivering our strategic purposes; we do this by using measures to capture data which Officers, Managers and Members use to understand the services we provide. This data will be used to allocate resources and to help us gain a true picture of the District. We also need to recognise the continuing changes in national agendas and the impact they could have on our outcomes

As the strategic purposes cover issues fundamental to our customers' lives, we are working differently with our partners. The Bromsgrove Partnership, the local strategic partnership for Bromsgrove District, is a key stakeholder in developing and supporting these new ways of working. We are also continuing to work in a more local and place driven way, which helps the Council to understand the differing needs of communities within our district and how public services can support them.

The Council Plan is central to the strategic direction of Bromsgrove District Council and links to other corporate documents, including the Local Plan, the Medium Term Financial Plan and the Corporate Performance Strategy.

Bromsgrove
Your District Your Future
Partnership

Appendix

Political & Corporate Ownership

**Help
me run a
successful
business**

Councillor K. J. May
Kevin Dicks,
Chief Executive

**Help
me to be
financially
independent**

Councillor G. N. Denaro
Jayne Pickering,
Director Of Finance
and Resources

**Help
me to live
my life
independently**

Councillor K. J. May
Sue Hanley,
Deputy Chief Executive

**Help
me to find
somewhere to
live in my
locality**

Councillor C. B. Taylor
Sue Hanley,
Deputy Chief Executive

**Keep my
place safe
and looking
good**

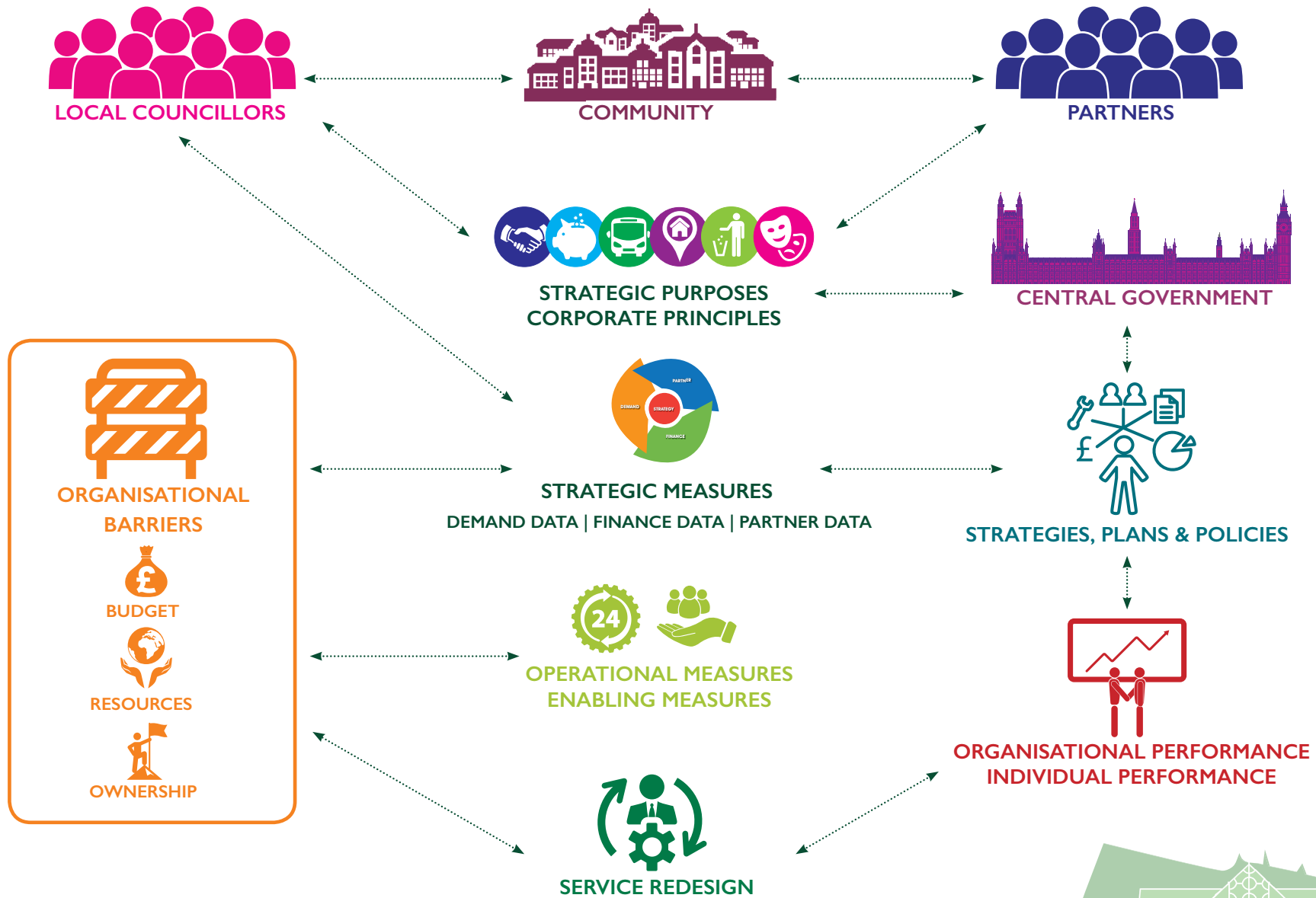
Councillor R. D. Smith
Sue Hanley,
Deputy Chief Executive

**Provide
good things
for me to
see, do and
visit**

Councillor P. J. Whittaker
Jayne Pickering,
Director Of Finance
and Resources



HOW WE WORK



We welcome comments; if you would like to share your opinions or priorities for Bromsgrove District please contact us

Phone: 01527 548284

Email: policy@bromsgroveandredditch.gov.uk



Bromsgrove District Council

www.bromsgrove.gov.uk

01527 881288

Parkside, Market Street, Bromsgrove,
Worcestershire B61 8DA

If you need this information in another language or format, please contact us to discuss how we can best meet your needs.

Phone: 01527 548284

Email: equalities@bromsgroveandredditch.gov.uk

Development management Shared Services

Relevant Portfolio Holder	Cllr C. Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford
Ward(s) Affected	n/a
Ward Councillor(s) Consulted	n/a
Key Decision / Non-Key Decision	Non- Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 Cabinet considered the business case for a shared Development Management service between Bromsgrove District Council and Redditch Borough Council at its meeting on 2nd November 2016. It recommended that Council approve the business case.
- 1.2 The Council meeting on 23rd November deferred consideration of the Cabinet recommendation and the business case to enable cross party discussion to be held on financial risk and cost apportionment.
- 1.3 This report re-presents for consideration by the Cabinet the business case for a shared Development Management service (DM) between the two councils . Additional information is included at Appendix 2 in response to the discussion at Council in November.

2. RECOMMENDATIONS

Cabinet is asked to **RECOMMEND** to the Council that:

- 2.1 The business case for the Development Management shared service be approved.

3. KEY ISSUES**Financial Implications**

- 3.1 The shared service business case contains details of the existing and proposed staffing structures. The existing individual authority staffing costs are

a) Bromsgrove District Council	£ 573,000
b) Redditch Borough Council	<u>£ 275,000*</u>
Total	£ 848,000

*inc the Town Centre Co-Ordinator post which is charged to Redditch only.

- 3.2 Following the application of the local Job Evaluation assessments the proposed staffing structure costs for the new shared service are £873,000.
- 3.3 The reasons for the increase in staffing cost are:
- a. Increased management costs due to salaries attracting Hay grading;
 - b. The creation of a new grade 6 post to replace the use of current consultants and temporary staff;
 - c. Increased application numbers and fee income, as shown in Appendix D of the attached Business case.
- 3.4 In relation to the revised shared service costs, it is proposed that the new service is charged to both Councils on the percentage share detailed below:
- Bromsgrove 67 %
 - Redditch 33 %

Legal Implications

- 3.5 Bromsgrove and Redditch Councils have developed a Strategic Alliance/shared services arrangement referred to as the Shared Services Framework Agreement. This Agreement sets out the basis upon which both Councils have agreed to work together by way of shared teams working across both authorities. The legal basis for the Strategic Alliance is Section 2 of the Local Government Act 2000 and in relation to staffing arrangements Section 113 of the Local Government Act 1972.
- 3.6 As the shared Development Management service will be hosted by BDC, it will be necessary for the staff currently employed by RBC to be transferred to BDC under the TUPE (Transfer of Undertakings, Protection of Employment) Regulations. Those staff transferring will be employed under the BDC terms and conditions bringing all the staff in the shared service into the same pay structure.
- 3.7 The creation of the shared service for staff will have no affect on the delivery of service in terms of the day to day activities undertaken for both councils. Each Council will continue to have control over the discharge of its planning functions through Full Council and Planning Committee. Likewise each authority will be able to exercise oversight of the planning function via the usual audit and scrutiny processes.
- 3.8 This report is an exempt item under the Access to Information Rules in that consultations regarding employment issues arising from this report although planned have not yet taken place at the time of this report being prepared for members (paragraph 4).

Service / Operational Implications

- 3.9 The proposed staffing structure has resulted in the loss of two FTE posts. Accordingly two current posts will be at risk of redundancy.
- 3.10 The proposed shared service structure allows for the creation of a new grade 6 post. The net loss of posts will therefore be one.
- 3.11 As detailed in the Business case, the service will be hosted by Bromsgrove District Council as it receives more applications and covers a larger geographical area.

Customer / Equalities and Diversity Implications

- 3.12 The business case outlines the potential employment risks that are associated with this business case. The Council will need to consider these alongside general recruitment and selection policies and commitment to equality of opportunity.

4. RISK MANAGEMENT

- 4.1 Consultation with all affected staff and their representatives will aim to ensure they are aware of the proposals and supported through the implementation process.

5. APPENDICES

Appendix 1 - Business Case for a Development Management Shared Service
Appendix 2 – Additional Information relating to the Development Management Shared Service including pension funding, redundancy and salary costs.

6. BACKGROUND PAPERS

None.

7. KEY

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Bromsgrove District Council Redditch Borough Council

Development Management Shared Service (Development Control)

BUSINESS CASE

Managing Bromsgrove District and Redditch Borough Councils Development Management teams through a Shared Service.

Department	Planning & Regeneration Service
Head(s) of Service	Ruth Bamford
Author:	Ruth Bamford
Co-Authors:	
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1. Executive summary

- 1.1 Development Management is the arm of planning that, amongst other things, processes planning applications. Unlike other services the Development Management Business case is presented to members after Transformation and after there has been an informal sharing of the services for a couple of years. Consequently the business case is essentially about seeking consolidation of informal working arrangements. A full assessment of the posts required to deliver the service in a customer focused, efficient way has been undertaken and the structure proposed will enable the Councils to provide a quality service moving forward. Whilst the enforcement role has been incorporated into the planning role to enable staff to provide specialist support and advice, the only other change to current arrangements is that there will be the loss of two grade 5 posts and the creation of one grade 6. It is envisaged that this new structure will be more flexible and resilient and that resource requirements, depending on the levels of income received from development, can be revised easily.
- 1.2 Due to the increase in number of applications across the two Councils it is anticipated that the income budget of £500k can be increased to £530k in Bromsgrove and from £189k to £210k in Redditch, a total additional estimated income of £51k. To provide the resource requirement to service the anticipated planning applications there is a proposed increase in Development Management costs of £25k (£12k at Redditch and £13k at Bromsgrove). This is more than offset by the £51k income generated from the applications
- 1.3 There are currently more staff employed by Bromsgrove District Council and there is a higher volume of work relating to Bromsgrove District as it covers a larger area. It is therefore proposed that Bromsgrove be the Host Authority.

2. Description of the Services

a. Introduction to Development Management (DM)

- 2.1 Development Management (DM) is the team within planning that deals with practical implementation – advising on the need for planning permission, dealing with breaches of planning control and determining planning and other types of applications that fall within the legislation and officer delegations. Each Council has its own planning committee that determines applications in line with its own Constitution.
- 2.2 The public benefit to the communities of the authorities is that a good DM service should help to provide them with a high quality environment that supports their economic, social and environmental needs and wellbeing. The DM function is therefore an important one for the authorities corporately, and it serves colleagues from other teams as well as the external customers.
- 2.3 Whilst the legislation is the same nationally, the local context is that planning decisions should normally be made in accordance with the development plan (Local Plan in Redditch and District Plan in Bromsgrove). DM is therefore the implementation of the policy framework that our policy colleagues construct and agreed by Council.

Appendix

- 2.4 The DM service for each council has jointly undertaken a transformation process and current working practice reflects changes as a consequence of Transformation and other circumstances including an increase in the volume of work. The services are working together informally. Details of the volume of work and Transformation are below.
- 2.5 The DM function contributes significantly to the delivery of Strategic Purposes. Developments approved via the function include leisure and retail uses providing places to see and visit as well as assist in the creation and growth of business. The processes employed within the DM service have regarding to design, layout, security and the needs of a locality. Appropriate new housing provision is approved within the two Council areas which will also contain affordable provision.

b. Volume of Work

- 2.6 The chart attached at Appendix D, shows an upward trajectory in fee income as a proportion of expenditure. This relates to the lifting of the moratorium in Bromsgrove District, both councils receiving a significant number of major applications and general improvements to the housing stock (perhaps the shortage of new housing stock has resulted in residents improving their existing homes as an alternative to moving house). Appendix E shows that this upward trajectory, particularly for Bromsgrove, is set to continue. This appendix uses the robust five year supply situation for housing and employment land and calculates the corresponding anticipated five year income. It is anticipated that the number of minor applications will stabilise or continue to rise but this is more difficult to predict.
- 2.7 Members should note that non fee earning work has also had an impact on the Service e.g. there have been particularly contentious enforcement sites in Bromsgrove District to address and involvement in the Place Partnership initiative in Redditch. All the pre application work for the Eastern Gateway will not result in the receipt of a planning fee in due course because the fee will be received by Stratford Council as the majority of the site falls within Stratford on Avon District. Members are reminded that the Director of Planning and Housing post has been deleted from the organisation.
- 2.8 With the increase in fees there has been an increase in costs to the Service which have been offset by the additional income received. The main cost has been salaries due to more staff required to manage the volume of work. However there are related costs such as the use of specialist consultants (e.g. agricultural consultants) used to provide specialist advice on relevant applications. Against the backdrop of increased fee income/volume of work, it should be noted that the cost of the DM Service relative to income has reduced.
- 2.9 As can be seen from the graph in Appendix D, in 2009 / 10 the DM income amounted to 56% of the departmental expenditure budget across the two authorities. In 2015 / 2016 income had risen to 75% of the total expenditure budget.

c. Transformation

- 2.10 Both Development Management Services commenced the Transformation process together and so have developed new ways of working in conjunction with each other which has resulted in an informal shared service arrangement with transformation principles at its heart.

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- 2.11 The Purpose of the proposed Shared Service is to, “*Help me with my planning query and enable change in the public interest by engaging with interested parties*”. This means that the remit of the team is broader than previously when sometimes it was considered the sole purpose was to process applications.
- 2.12 A principle of the new service is to “*Understand and act upon what matters to the customer, i.e. the applicant or the person asking the question*”. The transformation process has shown that to achieve this, the customer at all points of entry to the service, needs to be served by an officer who is able to understand the customer and respond. This means that qualified planners or those with experience in dealing with planning matters can best serve the customer. The role of the administration officers in this context has been lost and currently all administration officers have been trained to deal with those customer queries that are the most straightforward. It is interesting to note that this also accords with good practice advice from the Planning Advisory Service in recognition of the situation when it is often difficult to recruit planners.
- 2.13 Under the new way of working the officer who takes the query from the customer deals with it from start to finish if they can. If they can't deal with a particular query they pass it on to an officer who can or ask for help from a colleague. From a customer's perspective they have generally only got one officer to liaise with from the start to the end of their query. Members can see from the dashboard that compliments to the service are increasing. From the transformation initiative officers are encouraged to only do the *value work*, i.e. tasks that are of direct benefit to the particular customer with the particular query. This means that officers will deal with customers in a more fluid way that is query specific.
- 2.14 An outcome from Transformation is a different organisation of officers to better meet customer queries. The organisation of officers is described below.
- 2.15 Appendix F shows time taken to determine commercial applications in days over time (Since Sept 2015).

d. Current Informal staffing structure proposed for consolidation

- 2.15 The two sets of officers are currently organised under two managers each with a responsibility for a planning committee and a particular council in times of possible conflict of interest e.g. a cross boundary application. Officers then sit within three groups of about seven officers per pod (group). Officers find that this size of a team is big enough to find a range of skills and support yet small enough to know what is going on, e.g. should a member of the public call when a colleague is unavailable.
- 2.16 There is a range of skill sets within each pod but the pod dealing with major applications have more Principal Officers. The business case essentially is about consolidating this structure and staffing levels. The only change is the loss of two grade 5 posts and the creation of a Grade 6 post and the enforcement officer role being subsumed into the planning officer role.

2.17 **Managers**

Currently there are two managers. One works full time and the other on slightly reduced hours (i.e. 34 hours per week). At the start of transformation there were 2.5 managers. Redditch had one manager and Bromsgrove had 1.5 managers. The Redditch manager has left the organisation due to an external promotion opportunity and the second manager at Bromsgrove has increased her hours.

2.18 This level of management is required for the servicing of two planning committees on a monthly basis and also because of the level of support they bring to colleagues due to their planning credentials and experience in dealing with a range of situations and customers.

2.19 **Principal Officers (Grade 8)**

Currently there are seven Principal Officers and this is number proposed going forward. The Principal Officers are all chartered town planners and have a work load that focuses on the major applications for both councils and the more complex planning enforcement cases. They do planning surgery in Bromsgrove on a rota and deal with queries in Redditch Town Hall. They play an increasingly significant role with the daily phone duty (it has been demonstrated to be more efficient if all general queries i.e. non case specific come into one phone). Principal Officers, under an extension to the scheme of delegation, can sign off their own applications and those of less experienced colleagues. Redditch traditionally has had a career grade that enabled the engagement of planners with remuneration commensurate with the principal planner salary (about Grade 8). However in Bromsgrove Council planners have a maximum level of Grade 6 (with the exception of one Grade 8 post for enforcement/major applications). This has traditionally resulted in difficulties in staff retention in Bromsgrove as planners on the Grade 6 at BDC are paid less than all surrounding councils. Transformation has shown the benefits to customers of having experienced planners dealing directly with their queries and applications from the initial point of demand. This is instead of incoming demands first being administered by team members not specifically qualified to assist.

2.20 **Senior Officers (Grade 7)**

Currently there are two officers working at this level. They are not chartered but with more experience will be eligible to become chartered. When these posts were advertised there were no suitable candidates who were chartered. Senior officers can deal with Green Belt applications as well as more unusual cases and those that are significant but not major e.g. five to nine dwelling schemes (ten dwellings is a major and often has a section 106 agreement).

2.21 **Planning Officers (Grade 6)**

Currently there are five Grade 6 Planners. They are able to deal with applications in the Green Belt as well as a breadth of other non-major applications. A new Grade 6 post is proposed so that there is no longer a requirement to have the use of a consultant for a few days per week or the temporary reduced hours Grade 6 position.

2.22 **Planning Assistants (Grade 5)**

Officers in the grade 5 positions are the two enforcement officers, an administration supervisor and 2.8 FTE administration officers. This business case proposes the loss of two grade 5 posts. There are part time job share staff employed within the existing structures at grade 5 and it should therefore be noted that the loss of two FTE posts could effectively see the loss of a maximum of three people.

Appendix

- 2.23 It is considered that the enforcement role in the first analysis is the same as that of a planning case officer i.e. the skills needs are evaluating if planning permission/consent would have been granted had the customer sought approval rather than carrying out works or a change of use without approval/consent. The informal way of working that is proposed going forward is that all officers deal with enforcement cases and as for general applications there will be a need to marry the planning skills of the officer with the complexity or otherwise of the case. An estimated 50% of enforcement cases require formal enforcement action (including serving Planning Contravention Notices which are very straightforward) with 10-15% of those requiring further detailed legal action in order to resolve the matter at hand. Currently all officers are being trained to deal with this and enhanced training being provided to Managers and Principal Officers. It is considered that the absorption of the enforcement role into the planning role will have a positive impact on the processing of enforcement cases. This will enable a resilient enforcement function going forwards.
- 2.24 In terms of the transformed way of working there is not a role for administration officers or exclusive enforcement officers so most have been trained to process the most straightforward applications e.g. householder extensions in non green belt areas. Some officers are currently receiving an honorarium to bring them to grade 5 level, the grade commensurate with the skills for processing the most straightforward applications with support. Others continue to process generally straightforward enforcement cases. It is considered that there are not enough cases commensurate with the Grade 5 skill set/the level of support required from other colleagues is disproportionate. The conclusion of this situation is that the number of grade 5 posts be reduced from seven to five.
- 2.25 Grade 3 data entry posts**
Both councils have data entry positions. These posts will be needed going forward until all data entry is completed which is anticipated to be several years ahead. The reason for the data entry roles is making sure all environmental and planning data is on the councils websites and thereby compliant with legislative requirements.
- 2.26 Overarching Staffing Issues**
It has been necessary to have regard to certain national issues in the formulation of this business case.
- 2.27 In February 2016 as part of the 'Technical consultation on implementation of Planning Changes', DCLG proposed testing competition in the processing of planning applications through a pilot scheme. If implemented by government this would mean that potential applicants can choose to go elsewhere to have their applications processed before coming back to the respective council for a decision. Councils can offer to be a named authority for processing the applications of others.
- 2.28 The key disadvantages to this approach would be a loss/reduction in income if our applicants choose to go elsewhere for the processing of their cases. There would be an extra stage (waste) in the process as work done by a third party would need to be checked by in house officers. In addition there would be the matter of reputational damage if applicants choose other parties to process their applications.
- 2.29 From the other perspective, if Redditch or Bromsgrove Councils offered and were accepted by government for processing the applications from outside the administrative areas, it would be impossible to predict how many officers would be required as there would be no way of anticipating the volume of applications

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received. Once approved for processing the applications of others we cannot decline the processing.

2.30 The Head of Planning and Regeneration is not suggesting at this time that Redditch or Bromsgrove Councils offer to process applications from outside the administrative areas as the current unpredictability of the workload would render this unmanageable. This is something which however may be reviewed in the future. Against this national backdrop it is important to be able to process applications in a timely and transparent manner so that our potential applicants choose to come to us. The staffing levels and structure described and proposed above is considered resilient to respond to national issues with the proviso that there is appropriate flexibility to deal with any further increases in applications/fees by further increasing staff resources.

2.31 National shortage of planners

There is a national shortage of planners to an extent that CLG are aware of the issue and have been discussing the matter with planning authorities. Having a range of grades from 5 to 8 assists with attracting staff and staff retention and the ability of the councils to “grow their own” officers. The councils have a very broad range of application types which is generally reflected in the numbers of officers at each grade in addition to a pragmatic approach reflecting recent recruitment experiences.

3. Financial Arrangements

3.1 The current staffing structure shown in Appendix A shows the current staffing within the service. The proposed shared service staff structure is shown in Appendix B. Based on 2016/17 budget allocations the current resource cost v the proposed is as follows:

Council	2016/17 Budget £'000	Proposed Budget (based on 2016/17 values) £'000	Variance £'000
RBC	275	288	13
BDC	573	585	12
Combined	848	873	25

The above table includes all associated Job Evaluation salaries, pay protection and management being assessed as HAY graded posts. The ongoing costs of the structure will reduce once protection has expired, subject to any successful appeals.

The reasons for the increase in staffing cost are:-

- a. Increased management costs due to salaries attracting Hay grading.
- b. The creation of a new grade 6 post to replace the use of current consultants and temporary staff.
- c. Increased application numbers / fee income (as shown in Appendix D)

Appendix

- 3.2 There are a number of other budget allocations within the budget for non-salary costs. These are to be reviewed with the aim to reduce any work that can be accommodated in house, for example the conservation consultant's budget in Redditch in 15/16 saw and expenditure of £5400.00 which can now be removed because this business case brings conservation advice in-house.
- 3.3 The income generated has exceeded budget in the last 12 months due to the number of applications that are now being received. It is anticipated that the income figure at Bromsgrove of £500k can be increased to £530k and Redditch from £189k to £210k. An additional income across the two Councils of £51k. This would result in a net saving across the 2 Councils of approximately £26k
- 3.4 The period since 2012 / 13 has been a challenging time for the two services with the trailing of different ways of working and introduction of new processes borne from transformation. This has however now resulted in a significantly more cohesive team and the working processes derived from systems thinking are now resulting in a reduction in planning appeals and a reduction in the number of those appeals being ruled against the authorities. Customer satisfaction levels are increasing.
- 3.5 In addition, the proactive intervention of case officers with applicants and the early assessment of applicants' requirements have resulted in a shift in the quality of applications being taken forward for determination. Quality development has therefore been promoted throughout the District and Borough.
- 3.6 Following increasing confidence in the housing market and the introduction of revised procedures, driving out waste and significantly improved customer engagement last year's income from the two services rose significantly by £188k.
- 3.7 The creation of a formal shared service seeks to expand on these positive outcomes and the hard work undertaken during the early stages of a continuing transformation process.
- 3.8 The proposed shared service structure includes for the provision of a new grade 6 Planning Offers post. This role is currently undertaken by part time consultants and temporary officers. The proposal seeks to establish this post as a means of ensuring the improved levels of service are maintained. The complexity of applications undertaken by grade 6 planners exceeds those assessed by the grade 5 posts.
- 3.9 Five grade 5 Planning assistant posts are being created. There are currently seven posts ring-fenced to this new role.
- 3.10 In relation to the revised shared service costs, it is proposed that the new service is charged to both Councils on the percentage share as defined by the original application income into the individual services. This calculation is shown in Appendix C.
The percentage share would be
- Bromsgrove 67 %
 - Redditch 33 %
- 3.11 There are currently more staff employed by Bromsgrove District Council and there is a higher volume of work relating to Bromsgrove District as it covers a larger area. It is therefore proposed that Bromsgrove be the Host Authority.

4. BENEFITS OF A SHARED SERVICE

4.1 Consolidation of how we currently work

This means that there can be confidence that the proposed shared service can work for the customer because it has been trialled informally for some time. It is a mechanism for providing clarity to Development Management officers who have been anticipating that Planning Services could be shared in a way which has been proven successful in many other service areas.

4.2 Resilience

There will always be an irregularity about the volume and complexity of planning applications that a shire district council receives. In addition there can be an irregularity in staffing levels e.g. loss of officer from the organisation due to promotion opportunities elsewhere or maternity/sick leave. The sharing of the service maximises the opportunity to better manage such fluctuations and often yield a financial. In addition the current more fluid arrangement between the Planning Policy and Development Management officers further maximizes resilience.

4.3 The Development Management service traditionally calls on specialist external consultants for certain functions on an ad-hoc basis. There has been however a need for the use of an external consultant for the carrying out of day to day planning roles due to fluctuating staffing levels/numbers of applications. It is considered a stable shared service will be able to negate the need to use a planning consultant for day to day operations.

4.4 The existing salary budgets have funded the appointment of consultant planning officer. An additional consultant officer has been employed funded by a separate consultant's budget. This expenditure was £9.9k in 2015 / 16 and £3.3k to September 2016.

4.5 Transformation is essentially complete

As part of an ongoing wider shared service initiative, a number of opportunities for developing shared services were identified. At the inception of this work it was considered that Development Management (formerly Development Control) was not in a suitable position to explore becoming a shared service in advance of Transformation.

4.6 Over the last few years a detailed transformation project has been undertaken by the Development Management team with consultancy support. One of the key outcomes of this work has been the creation of informal joint working arrangements which have sought to utilise the specific skills of the team members.

4.7 Most of the operating protocols between the Authorities differ. A previous report to the Shared Service Board stated that the initial aim was to put both teams, jointly, through the transformation process with a view to becoming a shared service at the end if a single team approach seemed to be the most sensible.

4.8 A formal shared service arrangement will be able to specifically define team roles which require clarification in certain areas.

4.9 Better for the customer

A defined shared service, with the relative stability that results, would allow further cross training of roles within the team and a wider understanding of the different responsibilities placed on the service. This understanding will further enhance customer service particularly for customer facing roles.

5. STAFFING ISSUES

5.1 The following posts will be at risk either due to proposed deletion of posts or a reduction in number and would be subject to recruitment to the new posts in the unit:

Redditch BC

Planning Technician 22 hours	50/402
Planning Technician 16 hours	50/402
	1.0 FTE

Bromsgrove DC

Registration Officer	P24
Registration Officer	P55
Registration Officer	P46
Administration & Business Support Supervisor	TS181
Enforcement Officer	PE/029
Enforcement Officer	PE/028
	6.0 FTE

New posts that will be created are:

Planning Assistant	5 FTE
Planner	1 FTE
	6 FTE

5.2 Staff will be subject to the formal recruitment process in line with Bromsgrove District Council's policies and procedures to obtain posts in the new structure.

The overall impact on staff number is as follows:

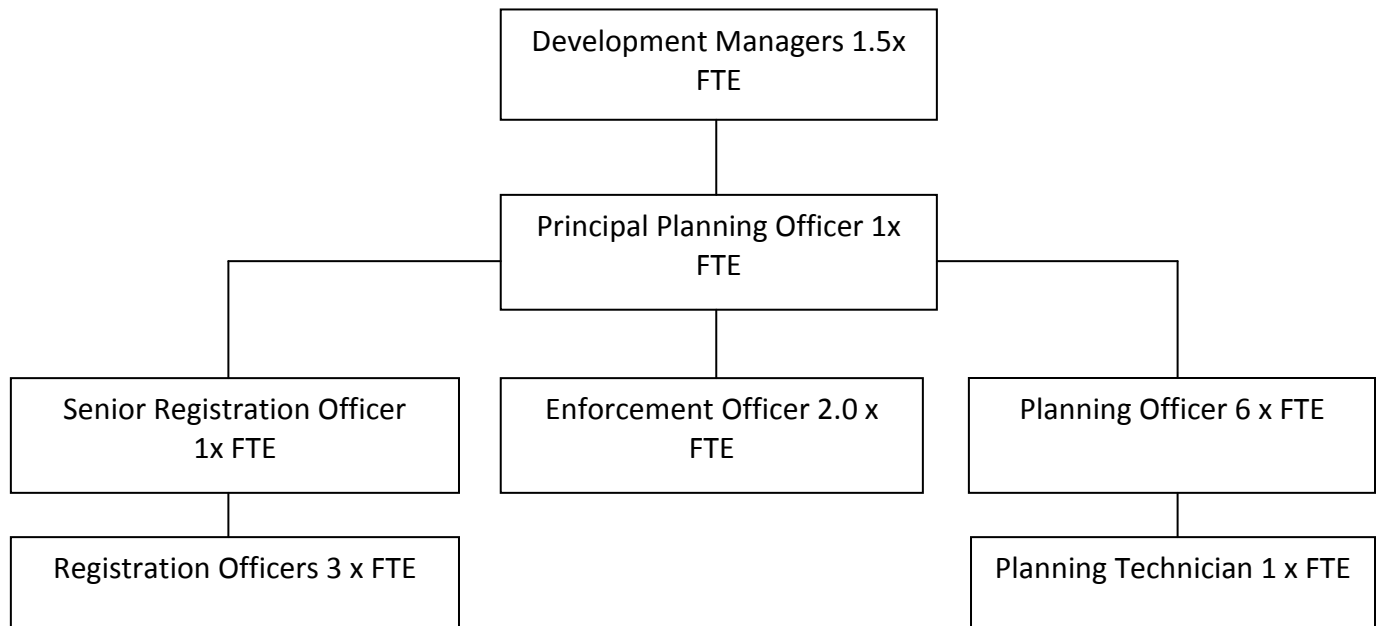
- Current number of posts within review = 24
- Proposed number of posts in the shared structure = 22
- Number of posts not at risk of redundancy = 18
- Number of posts at risk of redundancy = 2

5.3 The establishment includes for the formal creation of the Redditch Town Centre Co-ordinator's post. This hitherto informal post has been 100% funded corporately by Redditch Borough Council within development management budget. It is assumed that this funding will remain as a cost attributable to RBC only.

Appendix A

Existing Structure Charts

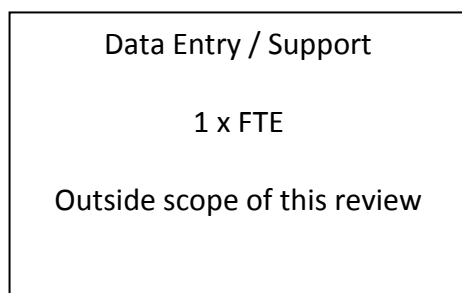
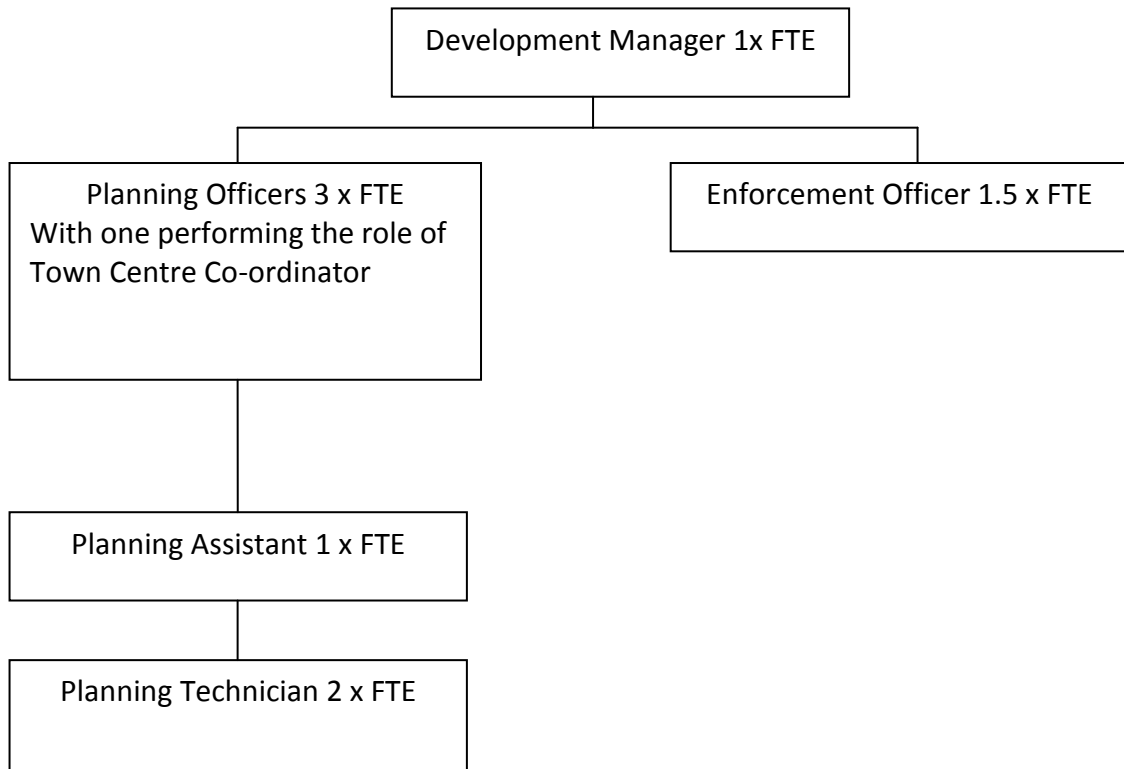
Existing Bromsgrove District Council Development Control



Data Entry / Support
0.5 x FTE
Outside scope of this review

Appendix

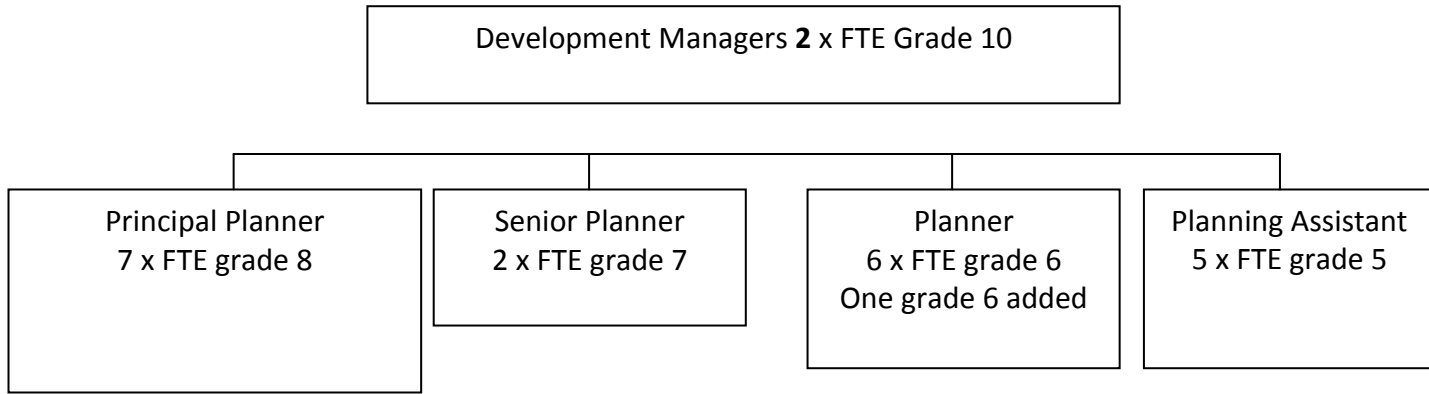
Existing Redditch Borough Council Development Control



Appendix

Appendix B

Proposed Development Management Structure



1 x FTE grade 8
(Town Centre
Coordinator reporting
direct to HoS)

See point 4.1 above. Post
to remain 100% RBC
funded outside
development
management budgets.

Data Entry Posts

2.81 x FTE GRADE 3

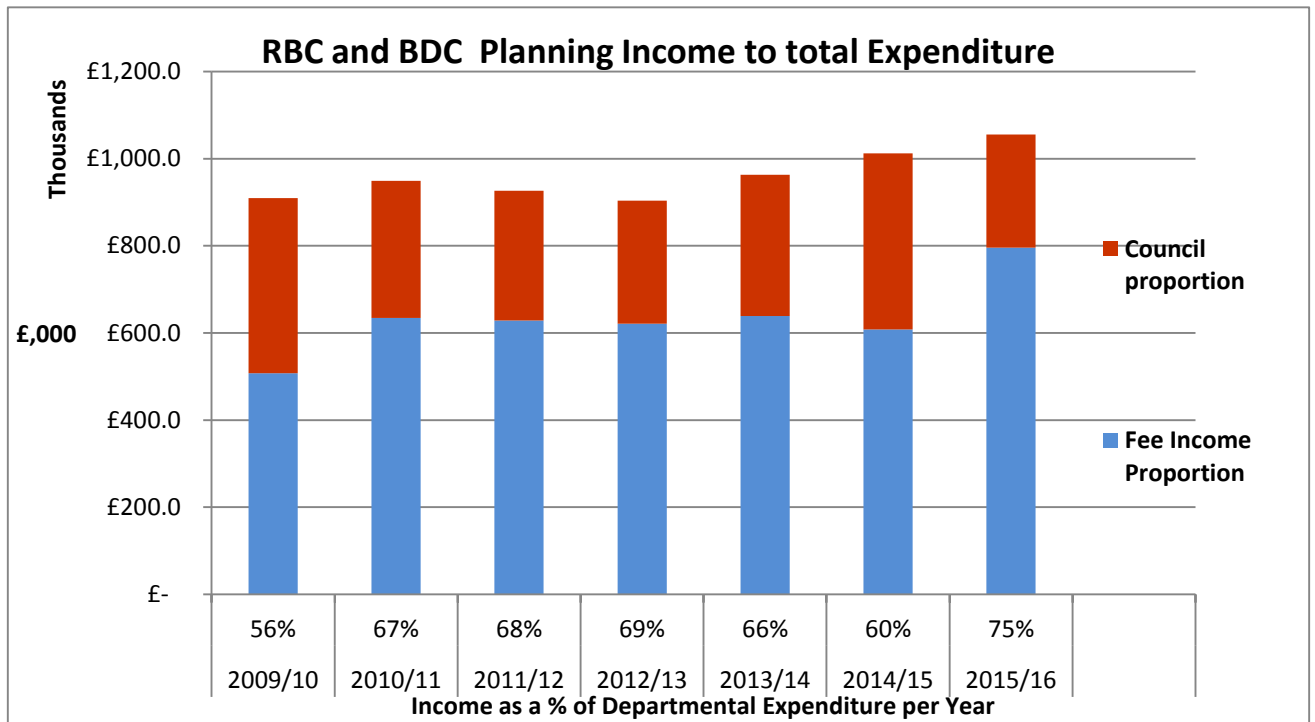
Existing posts and outside
scope of Review

Appendix C

Percentage share calculation

Potential percentage share based in income received

		REDDITCH	BROMSGROVE	JOINT TOTALS	
Income	2012 / 2013	£217,857	£369,000	£586,857	baseline
	2013 / 2014	£188,544	£410,946	£599,490	
	2014 / 2015	£212,014	£369,403	£581,417	
	2015 / 2016	£207,478	£587,935	£795,413	up 36 % over period
		£825,893	£1,737,284		
		33%	67%		



Appendix

Appendix E

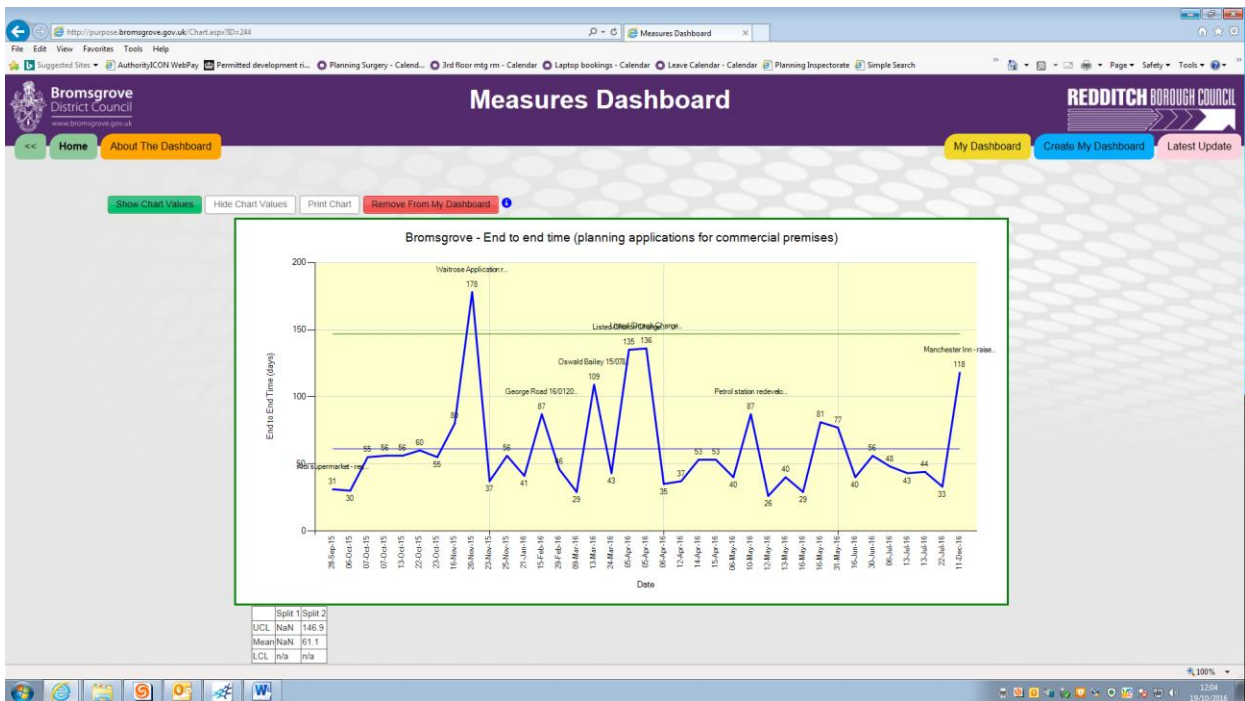
Potential planning application income from forthcoming 5 year land supply for new housing

Bromsgrove	16/17	17/18	18/19	19/20	20/21	Total 16/21
Total	£90,790	£48,775	£79,353	£21,141	£21,141	£261,200
Redditch	16/17	17/18	18/19	19/20	20/21	Total 16/21
Total	£20,285	£88,643	£116,168	£22,210	£8,735	£256,041

Appendix F

Bromsgrove District Council

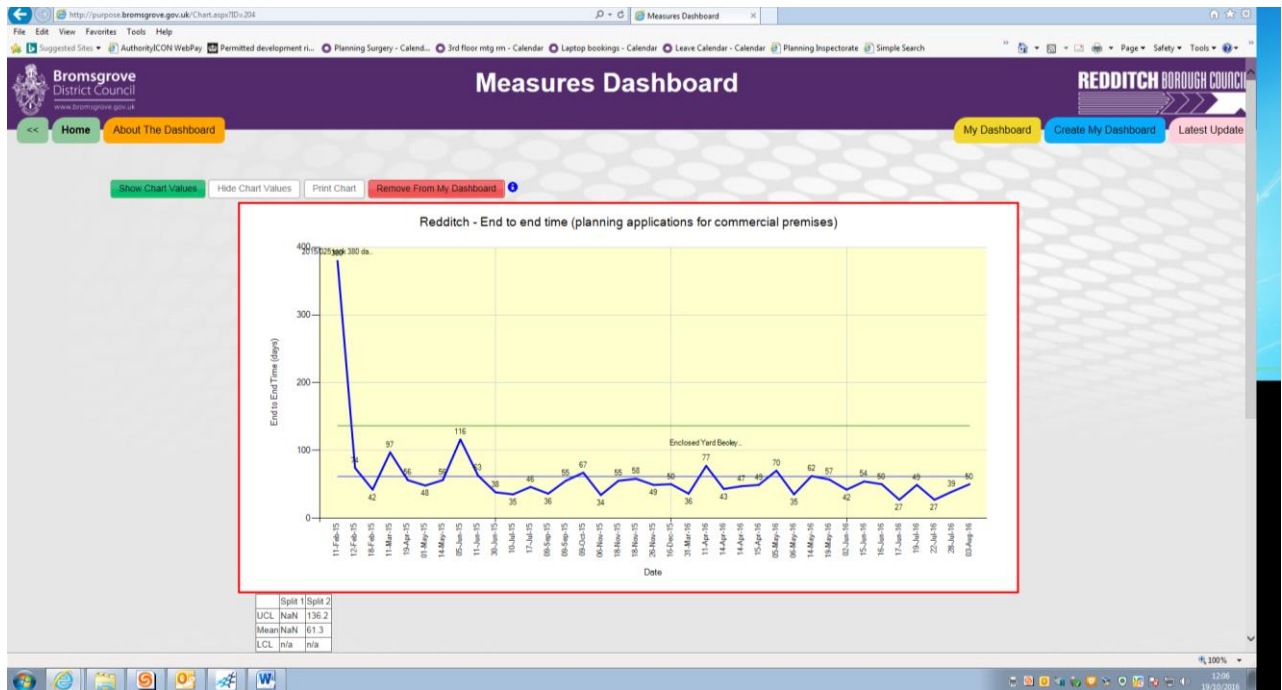
Time taken to determine commercial applications in days over time (Since Sept 2015)



Commercial applications are now being dealt with more quickly than they were in September 2015. Some applications still require additional work to make them acceptable, but in general that is also being achieved more quickly.

Redditch Borough Council

Time taken to determine commercial applications in days over time (Since Feb 2015)



In Redditch the time taken to determine commercial applications has always been good. Variations between individual applications have been evened out more recently and time taken has improved even further.

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APPENDIX 2

ADDITIONAL INFORMATION RELATING TO THE DEVELOPMENT MANAGEMENT SHARED SERVICE

Pension Funding

The pension funding is made up of 2 elements.

Backfunding – this amount is provided on a 3 year basis by the actuary and reflects the payments required to fund any deficit for prior year pension liabilities.

Forward funding – this is the % rate that is provided by the actuary and reflects the % of employer contributions of the gross pay cost to ensure future pension liabilities are funded

When a TUPE transfer is made the backfunding budget remains with the original Council and payments are made to the pension provider from this Council

The forward funding rate is applied to the gross pay and therefore is payable by the new employing Council. The invoice to the shared service Council will include a % share of all costs including the forward funding of pensions.

Redundancy

As part of the shared service arrangement the costs of severance and redundancy are shared across the 2 organisations in the % share agreed as part of the business case.

Salary costs

Whilst the budget for the staffing establishment in Bromsgrove for 2016/17 is £573k, the cost to support the delivery of the volume of planning applications received in a timely way is £597k. When comparing this cost with the revised shared service staffing cost of £585k there is a saving of £12k to the Council from 2017/18.

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MEDIUM TERM FINANCIAL PLAN 2017/18-2020/21

Relevant Portfolio Holder	Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To enable to consider the final revenue position and the Capital Programme for 2017/18-2020/21.

2. RECOMMENDATIONS**2.1 Cabinet is asked to recommend to Full Council****2.1.1 The approval of the return / release from balances of :**

2017/18 £259k (return)
 2018/19 £37k (release)
 2019/20 £467k (release)
 2020/21 £494k (release)

2.1.2 Approve the additional income / efficiencies as attached at Appendix 2:

2017/18 £1.113m
 2018/19 £626k
 2019/20 £177k

2.1.3 Approve the Capital Programme bids as attached at Appendix 1:

2017/18 £289k
 2018/19 £46k
 2019/20 £1.108m

2.1.4 Approval of the Increase of Council Tax by £5 per Band D equivalent for 2017/18**2.1.5 That the budget savings and pressures for 2018/19 – 2020/21 are subject to change due to the potential impact of changes to service delivery and the localisation of Business Rates together with any changes to New Homes Bonus.**

3. KEY ISSUES

Financial Implications

- 3.1 The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made. For 2017/18 a 4 year plan is proposed to 2020/21. The plan addresses how the Council will provide financial funding to the Strategic Purposes and ensure residents receive quality services to meet their needs in the future. The Purposes that drive the financial considerations are :
- Help me find somewhere to live in my locality
 - Provide good things for me to see, do and visit
 - Help me live my life independently
 - Help me run a successful business
 - Help me be financially independent
 - Keep my place safe and looking good
- 3.2 When reviewing the budget projections officers consider the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next 4 years.
- 3.3 As Members are aware there continue to be considerable pressures facing the Council over the next 4 years as a result of a number of issues including:
- Potential further reductions in New Homes Bonus Grant
 - Impact of Negative Revenue Support Grant
 - Impact of the Localisation of Business Rates scheme
 - Transfer from Housing Benefit to Universal Credit
- 3.4 Officers will continue to work with our partners to identify the costs that may be associated with some of these changes.
- 3.5 Settlement
- 3.5.1 The provisional settlement was announced in mid December 2016. A number of issues were included within the information, including;
- Confirmation of continuing cuts to RSG
 - Updated Core Spending Power
 - Projections of Council Tax income increased on 2016/17 Settlement

- Additional flexibility on Social Care
- New approach to distributing New Homes Bonus
- Shift in funding from Lower to Upper Tier services in particular the creation of the Improved Better Care Funding
- Ability to increase Council Tax by 2% of £5, whichever is the greater, without triggering a referendum

3.5.2 However it is worth noting that there has been no clarification on the next stage of consultation on 100% Business Rate Reform. This is expected in the near future in 2017.

3.6 Revenue Support Grant

3.6.1 This Council in common with virtually every other Council in the country signed up to the government offer of a four year funding settlement. This brought more certainty to the funding figures but not complete certainty or protection from changes to the funding levels as described below.

3.6.2 As Members are aware from previous reports the Revenue Support Grant for the Council was withdrawn from 2016/17 with 2 years of transitional grant being paid to reduce the impact of the income shortfall. A grant of £118k was paid in 2016/17 with £114k due in 2017/18.

3.6.3 Within the current projections there is an assumption that a repayment will be made to Government in 2019/20. This is due to the calculated core spending power for the Council being less than the estimated funding received. For 2019/20 the provisional settlement provides for a £750k repayment. Officers have projected that this will continue into 2020/21.

3.7 Business Rates

3.7.1 For 2017/18 the government assessed baseline for business rates is £1.599m, if business rates grow above the baseline, then this council keeps a proportion of that funding. The opposite applies for any losses with the Council having to repay some of its formula funding.

3.8 New Homes Bonus (NHB)

3.8.1 The amount of NHB for 2017/18 has been confirmed as £1.912m which is £210k more than anticipated in the MTFP.

3.8.2 The Government announced in the settlement figures a reduction in the number of years for which NHB payments are made from six to four. They also unexpectedly announced that NHB would not be paid for what they term as baseline growth, or housing growth that would

happen naturally. This equates to a 0.4% levy that discounts 165 from the NHB calculation.

3.8.3 The Government also announced in the settlement that they expect to make further changes to NHB in future years. So not only can we expect significantly less than we would have earned, there is also increased risk to this funding stream in future years.

3.8.4 The MTFP will continue to be refreshed annually to take account of future changes in funding.

3.8.5 An assumption has been made that the Community Bid scheme will continue at a level of 25% per annum based on the additional New Homes Bonus payable for the year. For 2017/18 this equates to £144k.

3.9 Council Tax

3.9.1 The Council will decide the level of the council tax for 2017/18 on 28 February. If the recommendations contained in this report are approved, the demand on the collection fund to meet the Council's own needs will be £7,580,550 representing a £5 increase on Band D Council Tax compared to the current financial year. The Council Tax relating to the Councils services will rise from £205.24 to £210.24.

3.10 General Fund

3.10.1 The level of the general fund balance is currently £4.1m. Depending on the level of draw down from balances for 2016/17 it is anticipated that £3.5m will remain at 1st April 2017.

3.10.2 Should the budget be approved as included in the projections above the draw down over the 4 years will be £739k and therefore maintain £2.8m for future use. The projected budget proposed draw down is £1.3m less than was originally included in the Efficiency Plan.

3.11 Collection Fund

3.11.1 The collection fund has a declared surplus of £537k as at March 2017 which will be distributed amongst the major preceptors using the prescribed formulae. This Councils share of the surplus payable as a one off sum is £88k.

3.12 Precepts

3.12.1 The precepts from Worcestershire County Council, the Hereford and Worcester Combined Fire Authority, and the West Mercia Police Authority have not yet been received. The precepting bodies have until 28 February to provide this information, which will be needed to enable

the Council to make its formal decisions. Precept notifications have been received from all of the parish and town councils.

3.13 Capital Programme

3.13.1 The Capital Programme has been extended to a 4 year rolling and officers are currently working to ensure that the level of expenditure falls within the current estimated project allocation. Those schemes that are funded from S106 are not included in this report as they have already been approved during the legal agreements, however they will form part of the final programme as reported to members later this month. The borrowing costs associated with any schemes have been factored into the summary statement. The Capital Programme is attached at Appendix 3 for consideration.

3.14 Efficiency Plan

3.14.1 The Efficiency Plan as approved in October included a number of areas whereby the costs to the Council could be reduced in a number of ways. The following key themes were identified to enable officers to manage the shortfalls in funding:

- Identifying opportunities to increase income and growth
- Identify alternative models of delivery in the provision of services and to consider the most appropriate provider
- Identify further efficiency by continuing to drive waste out of services and reduce cost
- Continue to redesign services to provide quality support and service to the customer whilst releasing savings
- Assessing the value for money of service provided and demonstrating where resources can be realigned note 1
- Designing services across public and voluntary sector organisations to secure better outcomes and reduce overall spend
- Resetting future budget to meet prior years expenditure and income

3.14.2 The budget includes the delivery of the savings and income as identified in the Efficiency Plan. It should be noted that whilst annual savings have been included to meet those referred to in the plan there may be changes to funding and services delivered from 2018/19 that require alternative savings and income profiles to be delivered. Therefore further detailed reports will be presented to members advising of the relevant income and savings to be delivered.

3.15 Current Position

3.15.1 When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. Unavoidable includes the ongoing effects of pressures identified during 2016/17

together with any issues that have been raised as fundamental to maintaining service provision as part of the budget process. In addition income shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. The pressures and income shortfalls are :

- Shortfall in income from Land Charges due to a reduction in demand on the service £50k
- Cost of Licenses for Smartphones and ipads to ensure that officers have appropriate resources to undertake their roles
- Unavoidable cost increases from Microsoft for licenses. Whilst this increase is marginal in 2017/18-2018/19, it increases to £108k in 2020/21 and is therefore factored into the budget projections

3.15.2 In addition to the unavoidable pressures a revenue bid has been proposed to provide funding for St Bazils Foyer to enable them to continue to provide 24 hour support for vulnerable young people.

3.15.3 In addition to Heads of Service proposed savings there have been a number of suggestions from staff in relation to efficiencies and income that could be realised. These are currently under review and will be presented to the member finance working group and Cabinet at a future meeting.

3.16 Financial Position

3.16.1 The final summary position at Appendix 1 includes the financial impact of the above in addition to the following assumptions:

- 1% pay award in relation to the National Agreement in place
- General inflationary increases in relation to contract arrangements
- Payment of “negative grant “ to the Government in 2019/20 and 2020/21 of £740kpa. This remains to be confirmed as part of the localisation of business rates implementation
- Increases as per the fees and charges proposals
- Borrowing costs
- An estimation of the New Homes Bonus income based on planning numbers
- Additional growth income estimated in relation to the Business Rates receivable by the Council

3.17 The Finance and Budget working group, as established by the Overview and Scrutiny Committee has met on a regular basis to review costs, fees and charges and the capital programme and have made a number of recommendations to Cabinet.

3.18 Service / Operational Implications

3.18.1 The MTFP will enable services to be maintained and, where achievable, improvements to the community.

Customer / Equalities and Diversity Implications

3.19 The impact on the customer has been reduced due to the savings being realised by reduction of waste in the services and ensuring that all service that create value to the customer are resourced.

4. RISK MANAGEMENT

4.1 To mitigate the risks associated with the financial pressures facing the Authority regular monitoring reports are presented to both officers and Members to enable proactive action being undertaken to address any areas of concern. Risks include:

- Reductions in government funding leading to a reduction in the level of services delivered to the public
- Reductions in business rates income as a result of appeals or reduction in the rateable value leading to a lower level of income for the Council.
- Identification of sufficient and ongoing revenue savings to deliver a balanced budget.
- Allocation of sufficient resources to meet the needs of service delivery and the Councils priorities.
- Maintain adequate revenue and capital balances as identified in the MTFP to ensure financial stability.

The regular financial monitoring by Officers and Cabinet will provide a framework to mitigate the above risks.

5. APPENDICES

Appendix 1 – Summary Position
Appendix 2 – Additional income / Efficiencies
Appendix 3 – Capital bids

AUTHOR OF REPORT

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Appendix

SUMMARY POSITION 2017/18 – 2020/21

APPENDIX 1

	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000
Departmental Expenditure (Starting Position)	11,556	10,932	10,587	10,766
Incremental Progression/Inflation on Utilities/ Adding back previous one off use of reserves	165	210	272	47
Unavoidables	0	317	0	0
Revenue Bids/Revenue impact of capital bids	61	2	84	18
Savings and Efficiencies	15	0	0	0
Additional income	-647	-249	-177	0
Transfer to reserves - S31 Grant transfer	-467	-376	0	0
Release of reserves no longer required	250	-250	0	0
Release of reserves to fund shortfall	0	0	0	0
Net Service Expenditure	10,932	10,587	10,766	10,831
Interest Payable	54	404	400	500
MRP (Principal)	151	242	258	409
Recharge to Capital Programme	-25	-25	-25	-25
Net Operating Expenditure	11,112	11,208	11,399	11,714
Admin Subsidy Grant Reduction	0	0	0	0
Transitional Grant	-114	0	0	0
Business Rates Retention (Baseline Funding)	-1,170	-1,492	-1,546	-1,498
Negative Revenue Support Grant	0	0	740	740
Funding from Business Rate Growth	-150	-150	-150	-150
Section 31 Grant	-500	0	0	0
New Homes Bonus	-1,912	-1,770	-1,896	-1,989
New Homes Bonus Community Scheme	144	110	118	124
Collection Fund Surplus (Council Tax)	-88	0	0	0
Council Tax	-7,581	-7,870	-8,198	-8,448
Proposed Funding (from Balances) / to balances	259	-37	-467	-494
Funding Total	-11,113	-11,208	-11,398	-11,714
Shortfall	-0	-0	0	0

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SAVINGS & ADDITIONAL INCOME - BDC

APPENDIX 2

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000
Legal & Democratic Services	Additional income generated from external work together with structure review	-8	-19	0	0
Environmental Services	Bulky Collections - increase income budget in line with actual figure 16/17	-10	0	0	0
Environmental Services	Bulky Collections - multiplier effect	-10	0	0	0
Environmental Services	Bulky Collections - additional work income	-8	-2	-2	0
Environmental Services	Trade Waste - additional income (net after deduction of tipping costs)	-8	-7	0	0
Environmental Services	Burial Fees - Following approval of Fees and Charges	-18	-5	-5	0
Reg Client	Savings with Worcestershire regulatory Services together with additional Dog Warden Income	-13	0	0	0

Appendix

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000
Reg Client	Additional Licensing Income	-3	0	0	0
Reg Client	Additional Taxi Licensing Income	-8	0	0	0
Corporate	Amalgamating Arlingclose Contract	-5	0	0	0
Corporate	General Savings and review of printing	-33	0	0	0
Corporate	Review of corporate administrative functions	-16	-5	-1	0
Leisure and Cultural	Potential additional income from new provider for the Leisure Centre	-204	-324	0	0
Leisure and Cultural	Commercial Pricing Review	-5	0	0	0
Leisure and Cultural	Artrix Funding Agreement - to reduce the cost to the Council by exploring other models of delivery including asset transfer	0	-60	0	0

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000
Leisure and Cultural	Caretaking & Cleaning Review	-15	0	0	0
Planning Services	Additional income from cross boundary activities	-18	-2	-2	0
community services	Savings from the payment of fees to the provider of the administration of the Disabled Facilities Grants	-50	0	0	0
community services	Potential savings as a result of the review of service delivery	0	-30	0	0
community services	Lifeline - new business generated	-40	-20	0	0
Planning Services	Savings as a result of Shared Service (Development Management)	-13	0	0	0
Planning Services	Additional income for charging developers for pre application advice	-15	0	0	0

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000
Planning Services	Additional income from additional planning applications	-60	0	0	0
Business Transformation and IT	Review of staffing within support services (HR)	-10	0	0	0
Business Transformation and IT	General savings	-10	0	0	0
Business Transformation and IT	Additional income from providing paid for Equalities workshops	-3	0	0	0
Business Transformation and IT	Changes to work practices	-5	0	0	0
Business Transformation and IT	Savings from translation costs	-1	0	0	0
Customer Access and Financial Support	Various savings to service	-56	0	0	0

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000
Leisure and Cultural	Sale of Bromsgrove Museum	-8	0	0	0
Legal and Democratic Services	Various	-10	0	0	0
community services	Review of service delivery	-10	0	0	0
Customer Access and Financial Support	Savings realised from the new revenues and benefits system	-30	0	0	0
Customer Access and Financial Support	Review of staffing within the shared service	-40	-10	0	0
Customer Access and Financial Support	Additional income received from benefit overpayment recovered	-20	0	0	0
Customer Access and Financial Support	Additional income received through income recovery	-30	0	0	0
Environmental Services	Memorial Income Bereavement Services	-2	-3	-3	0
Environmental Services	Place contract Income from Parish Councils and other bodies	-12	-3	-4	0
Environmental Services	Growth in the garden waste collection service	0	-9	-9	0

Department	Description of saving	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000
Environmental Services	income from solar panels	-7	0	0	0
Environmental Services	External Driver CPC training income	0	-1	-1	0
Corporate	Procurement savings from contract renegotiation	-50	0	0	0
Corporate	Vacancy Management	-80	0	0	0
Corporate	Further savings in line with Efficiency Plan - management review	-41	-81	-50	0
Corporate	Alternative models of Service delivery in line with Efficiency Plan	-130	-45	-100	0
		-1,113	-626	-177	0

CAPITAL BIDS - BDC

APPENDIX 3

Department	Description	Funding Source i.e. Grant, Borrowing, Reserve,	CAPITAL IMPLICATIONS				Commentary
			2017-18 £'000	2018-19 £'000	2019-20 £'000	2020/21 £'000	
Environmental Services	Replacement lighting at the Depot	Borrowing	23	0	0	0	will provide a saving on electricity £5k
Environmental Services	Vehicle Replacement	Borrowing			1,071	0	to continue to support the 10 year replacement programme
Environmental Services	Wheelie Bin Purchase	Borrowing/S106	85	36	27	0	to purchase new bins when they are damaged / stolen and for new properties
Leisure & Cultural Services	Sanders Park - Replacement of the Pond drainage pipework.	Borrowing	10	0	0	0	The underground pipe work has been survey and is severely compromised by its age and root damaged as such a full replacement is required.
Leisure & Cultural Services	Barnt Green Millenium Park - Toilet	Balances	62	0	0	0	To provide a unisex toilet in Barnt Green Millenium Park to ensure the community have appropriate facilites when visiting the park and local shops in the village
Leisure & Cultural Services	Hagley - Community Hub	Grant/Borrowing	0	0	0	0	To provide financial support towards a new community centre to serve Hagley and the wider community to provide a one stop hub for services and to enhance the provision and accessibility for council and other public sector services- bid for £600k under further development
Leisure & Cultural Services	Hagley- Scout Hut	Grant/Borrowing	100	0	0	0	To provide financial support towards a new Hagley Scout Hut to ensure that accessiblity is available for all children within the community particularly with the increase from the new developments
Business Transformation	SAN Storage Capacity	Borrowing	10	10	10	0	to provide for area network capacity
			289	46	1,108	-	

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Appendix

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CABINET

1st February 2017

ICT Infrastructure Resource

Relevant Portfolio Holder	Cllr G Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole, Head of Transformation & OD
Wards Affected	N/A
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSAL

- 1.1 At full council on 23rd November 2016 a report regarding ICT Infrastructure resource was resolved and it was agreed a second paper would be presented to Cabinet and Council following a procurement exercise to find a potential supplier to undertake the main ICT infrastructure functions.
- 1.2 The initial procurement exercise is now complete and therefore this report outlines the findings of that exercise and makes a recommendation to Cabinet and Council about a way forward. Certain information contained in this report is confidential and for that reason the main body of the report will be made public but Appendix 1 which includes exempt information will remain confidential.

2. RECOMMENDATIONS

Cabinet is requested to **RECOMMEND**:

- 2.1 That the Head of Transformation and Organisational Development proceeds with the procurement of a contract to deliver the ICT infrastructure functions with the preferred supplier as set out in Appendix 1.

3. KEY ISSUES**Financial Implications**

- 3.1 The current cost to Bromsgrove District Council (BDC) for providing the service is £34,093 per year. This includes the salary and on-costs for the two posts effected.

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1st February 2017

Legal Implications

- 3.2 Subject to Member approval to proceed, the next stage would be to enter into a legal contract with the preferred the supplier to deliver the ICT Infrastructure functions based on an initial 12 month contract with the option to extend for a further 12 months.
- 3.3 Key to ensuring the Authority could not be left with a contract it finds does not deliver to the standards required, the procurement advert stated we will require the ability to terminate the contract with 90 days' notice (following the initial 90 days of the contract commencement date) for any reason.
- 3.4 As previously reported, if the outsourcing to an external provider proceeds this will constitute a relevant transfer for the purposes of the TUPE (Transfer of Undertakings, Protection of Employment) Regulations. The rules provide that where in house services are transferred to external providers existing members of staff TUPE across to the new contractor. This will affect one member of staff. Any issues in this regard will be managed as part of the process in accordance with usual HR procedures.
- 3.5 The information set out in the main body of this report is non-exempt and is available publically. The information set out in Appendix A includes details that are commercially sensitive to those companies which submitted tenders and to the Council. Accordingly the information is exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

Service / Operational Implications

- 3.6 This proposal presents a solution to correct a particular ongoing issue in the service due to the problem of recruiting staff with the types of skills required within the ICT Infrastructure service. The overall organisational approach remains that of sharing internal resource where ever possible.
- 3.7 The ICT Infrastructure Officer and ICT Infrastructure & Network Officer posts play a key role in maintaining day to day delivery of the ICT service to the Authority. Their main function is to ensure that the servers and storage which enable the business applications to work, are operating successfully. This includes the servers for Emails, Finance, Payroll, Revs & Bens, Elections etc.

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- 3.8 In addition the team have been involved in several 'power off' situations at both Parkside and Redditch Town Hall and are key to closing down services correctly and returning them to a working state. Further power off situations may occur at both sites and currently only 1 person is available with the correct skillset to cover this task.
- 3.9 Senior managers are aware that the current lack of resource is having a detrimental effect on the remaining personnel and that this issue needs to be resolved as soon as possible to maintain staff morale and avoid absence.
- 3.10 As mentioned above, resource is currently being purchased on an ad-hoc basis whilst we try to maintain a service with only 1 of the 2 posts filled. The resource comes from several different companies and trying to maintain continuity of service is becoming increasingly difficult.

Customer / Equalities and Diversity Implications

- 3.11 There are no customer / equalities and diversity implications.

4. RISK MANAGEMENT

- 4.1 There is a risk that the external provider will not deliver the service to the level provided by the current internal team. This risk will be addressed by ensuring, as far as possible, that there are appropriate contractual obligations imposed on the external provider.
- 4.2 The impact of outsourcing could inadvertently increase pressure in the short term, on existing members of ICT whilst the new service is procured and then implemented. The result of increased pressure could lead to additional sick leave but this has been mitigated by securing additional temporary resource from external companies.
- 4.3 To be balanced against the risks outlined above, is the risk that if no action to pursue outsourcing is taken then the Council is likely to continue to encounter recruitment problems which over a period of time may undermine the ability for the service to be provided.

5. APPENDICES

Appendix 1 – Not included: Exempt item

6. BACKGROUND PAPERS

None

CABINET

1st February 2017

AUTHORS OF REPORT

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CABINET28th February 2017**PAY POLICY STATEMENT 2017/18**

Relevant Portfolio Holder	Cllr Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole, Head of Transformation and Economic Development
Ward(s) Affected	n/a
Ward Councillor(s) Consulted	n/a

1. SUMMARY OF PROPOSALS

To enable Members to approve the Pay Policy for 2017/18

2. RECOMMENDATIONS

The Committee is asked to RECOMMEND to Council that the Pay Policy as detailed in Appendix 1 to the report be approved.

3. KEY ISSUES

- 3.1 The Localism Act requires English and Welsh local authorities to produce a Pay Policy statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March each year for the subsequent financial year. The Pay Policy Statement for the Council is included at Appendix 1.

The Statement must set out policies relating to-

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between-
 - (i) The remuneration of its chief officers, and
 - (ii) The remuneration of its employees who are not chief officers.

The provisions within the Localism Act bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.

Financial Implications

- 3.2 All financial implications have already been included as part of the budget setting process and posts are fully budgeted for.

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28th February 2017

Legal Implications

3.3 These are already included in the report

Service / Operational Implications

3.4 There are no implications in relation to this report

Customer / Equalities and Diversity Implications

3.5 There are no implications in relation to this report

4. RISK MANAGEMENT

There are no implications in relation to this report

5. APPENDICES

Appendix 1 - Pay Policy 2017/18

AUTHOR OF REPORT

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APPENDIX 1

BROMSGROVE DISTRICT COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2017 – 2018 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Managers 1 - 2, Head of Service 1, Head of Service 2, Head of Service 3, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Redditch Borough Council.

Appendix

6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 49, the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. The Council's Pay structure is set out below. This includes the increases for grade 1-11 as agreed by the National Joint Council for 2017.

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	6	9	15,014	15,375
2	9	14	15,375	16,781
3	13	17	16,491	17,722
4	17	22	17,722	20,660
5	21	25	20,138	22,659
6	25	30	22,659	26,822
7	30	36	26,822	31,601
8	35	40	30,784	35,444
9	39	43	34,538	38,236
10	42	46	37,306	41,025
11	45	49	40,557	43,821
Manager 1	Hay evaluated	43%	53,055	55,218
Manager 2	Hay evaluated	45%	55,218	57,530
Head of Service 1	Hay evaluated	51%	63,099	65,675
Head of Service 2	Hay evaluated	61%	75,719	78,810
Head Of Service 3	Hay evaluated	68%	84,476	87,567
Executive Director	Hay evaluated	74%	91,687	95,293
Deputy Chief Executive	Hay evaluated	80%	98,980	103,020
Chief Executive	Hay evaluated	100%	123,725	128,775

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7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the "Guage" Job Evaluation process..
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
10. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
11. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band.

Senior Management Remuneration

12. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2017 (assuming no inflationary increase for these posts).
13. Bromsgrove District council is managed by a senior management team who manage shared services across both Redditch Borough and Bromsgrove District

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Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

Title	% of Chief executive salary	Pay range (minimum) £	Pay range (maximum) £	Incremental points	Cost to Redditch Borough Council £
Chief Executive	100%	123,725	128,775	3	64,388
Deputy Chief Executive	80%	98,980	103,020	3	51,510
Executive Director of Finance and Resources. (Also S151 Officer)	74%	91,687	95,293	3	47,647
Head of Worcestershire Regulatory Services	68%	84,476	87,567	3	<i>This is a shared post across 6 district Authorities at a cost of £14,595 each</i>
Head of Customer Access and Financial Support	61%	75,719	78,810	3	39,405
Head of Planning and Regeneration	61%	75,719	78,810	3	39,405

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Head of Transformation and Organisational Development	61%	75,719	78,810	3	39,405
Head of Legal, Equalities and Democratic Services	61%	75,719	78,810	3	39,405
Head of Environmental Services	61%	75,719	78,810	3	39,405
Head of Leisure and Cultural Services	61%	75,719	78,810	3	39,405
Head of Community Services	61%	75,719	78,810	3	39,405

Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

16. The Council does not apply any bonuses or performance related pay to its chief

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officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

Additions to Salary of Chief Officers (applicable to all staff)

17. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
- a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
 - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation provided it is relevant to the post that an employee occupies within the Council.
 - c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service.
 - d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
 - e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
 - f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
 - g. market forces supplements in addition to basic salary where identified and paid separately;
 - h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
 - i. attendance allowances.

Payments on Termination

18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or

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relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

20. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

21. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:
 - a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - b. Any bonuses so paid or receivable by the person in the current and previous year;
 - c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - d. Any compensation for loss of employment and any other payments connected with termination;
 - e. Any benefits received that do not fall within the above.

Lowest Paid Employees

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2017 this is £15,014 per annum.
23. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
24. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
25. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or

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wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

26. The current pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive as [1:10.5] and; between the lowest paid employee and average chief officer as [1:4.6]. The multiple between the median (average) full time equivalent earnings and the [Chief Executive] is [1:5.3] and; between the median (average) full time equivalent earnings and average chief officer is [1:2.8].
27. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Accountability and Decision Making

28. In accordance with the Constitution of the Council, the Council is responsible for setting the policy relating to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. Decisions about individual employees are delegated to the Chief Executive.
29. The Appointments Committee is responsible for recommending to Council matters relating to the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer, Section 151 Officer and Chief Officers as defined in the Local Authorities (Standing Orders) Regulations 2001 (as amended);
30. For the the head of Paid Service, Monitoring Officer and the Chief Finance Officer, the Statutory Officers Disciplinary Action Panel considers and decides on matters relating to disciplinary action.

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CABINET28th February 2017**TREASURY MANAGEMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY 2017-18 TO 2019-20**

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	
Relevant Head of Service	Jayne Pickering
Wards Affected	All
Ward Councillor Consulted	None specific
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 Members are asked to approve the strategy statement for treasury management and investments in order to comply with the Local Government Act 2003.

2. RECOMMENDATIONS

- 2.1 The Cabinet is asked to **RECOMMEND** to Full Council:
- 2.1.1 the Strategy and Prudential Indicators shown at Appendix 1.
 - 2.1.2 the Authorised Limit for borrowing at £15 million, should borrowing be required.
 - 2.1.3 the maximum level of investment to be held within each organisation (i.e. bank or building society) as detailed at £2.5 million, subject to market conditions.
 - 2.1.4 the updated Treasury Management Policy shown at Appendix 2.

3. KEY ISSUES**Financial Implications**

- 3.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public services (the CIPFA TM Code) and the Prudential Code require local authorities to set the Treasury Management Strategy Statement (TMSS) and Prudential Indicators each financial year. The TMSS also incorporates the Investment Strategy as required under the CLG's Investment Guidance.

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3.2 CIPFA has defined Treasury Management as:

“the management of the organisation’s investments, cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

3.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Treasury management risks are identified in the Council’s approved Treasury Management Practices and include:

- Liquidity Risk (Adequate cash resources)
- Market or Interest Rate Risk Fluctuations in the value of investments).
- Inflation Risks (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risks (Impact of debt maturing in future years).
- Legal & Regulatory Risk (Compliance with statutory and regulatory requirements)

3.4 In addition, the Local Government Act 2003 requires the Council to ‘have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable’.

3.5 The revised CLG guidance issued in November 2011 makes it clear that investment priorities should be security and liquidity, rather than yield and that authorities should not rely just on credit ratings, but consider other information on risk.

3.6 The guidance requires investment strategies to comment on the use of treasury management consultants and on the investment of money borrowed in advance of spending needs.

3.7 In formulating the Treasury Management Strategy and the setting of the Prudential Indicators, the Council adopts the Treasury Management Framework and Policy recommended by CIPFA.

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Legal Implications

- 3.8 This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

Service/Operational Issues

- 3.9 None as a direct result of this report.

Customer/ Equalities and Diversity

- 3.10 None as a direct result of this report.

4. RISK MANAGEMENT

- 4.1 Failure to manage the Treasury Management function effectively to ensure the delivery of maximum return within a secure environment. Controls in place to mitigate these risks are as follows:

- Regular monitoring of the status of the organisations we invest with
- Daily monitoring by internal officers of banking arrangements and cash flow implications.

5. APPENDICES

Appendix 1 - Treasury Management Strategy Statement and Investment Strategy 2017/18

Appendix 2 – Treasury Management Policy Statement

AUTHOR OF REPORT

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Email: sam.morgan@bromsgroveandredditch.gov.uk

**Treasury Management Strategy Statement
And
Investment Strategy
2017/18**

1. Introduction

- 1.1 On 17th March 2010, the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Council to approve an investment strategy before the start of each financial year. A copy of the Council's Treasury Management Policy Statement is in Appendix 2.
- 1.2 The purpose of this TMSS is, therefore, to approve:
- Treasury Management Strategy for 2017/18
 - Annual Investment Strategy for 2017/18
 - Prudential Indicators for 2017/18, 2018/19 and 2019/20
 - Minimum Revenue Provision (MRP) Statement.
- 1.3 This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4 The Council has surplus operational cash balances and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 1.5 All treasury activity must comply with relevant statute, guidance and accounting standards. External Context
- 1.6 Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers

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exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

Credit outlook:

- 1.7 Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

CABINET28th February 2017**2. Background - Local Context**

The Council currently has £4.5m in short-term investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, subject to holding minimum working capital of £2m.

The Council is currently debt free. However as existing capital receipts are used to finance capital expenditure and reserves are used to finance the revenue budget, there is a continued diminution of these resources. It is anticipated that the Council will need to borrow to fund capital expenditure for its larger capital projects. The forecast borrowing requirement is shown in the balance sheet analysis in Table 1 below.

2.1 Table 1: Balance Sheet Summary and Forecast

	31.3.2016 Actual £m	31.3.17 Estimate £m	31.3.18 Estimate £'000	31.3.19 Estimate £'000	31.3.20 Estimate £'000
General Fund CFR	7.10	11.89	16.68	18.50	20.14
Total Capital Financing Requirement	7.10	11.89	16.68	18.50	20.14
Less existing external borrowing**	0	-	-2.00	-6.15	-5.28
Internal borrowing					
Less: Usable reserves	-7.42	-7.42	-6.01	-4.55	-2.51
Less: Working capital	-1.00	-2.47	-2.52	-2.52	-2.52
Investments (or new borrowings)	6.33	-2.00	-6.15	-5.28	-9.83

** Note: anticipated borrowing is shown in the last row of the table.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that an Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation.

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3. Interest Rate Forecast

- 3.1 The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.
- 3.2 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.25%, and that new long-term loans will be borrowed at an average rate of 3.5%.

4. Borrowing Strategy

- 4.1 The Council has always been debt free and has not entered into any long-term borrowing arrangements due to the level of significant capital receipts. However, the Medium Term Financial Plan estimates that the ongoing utilisation of existing capital receipts will result in them having reduced to a level that will necessitate having to borrow to fund part of the current capital programme and future capital expenditure.
- 4.2 The balance sheet forecast in table 1 shows that the Council is likely to have a likely borrowing requirement of £10m over the next three financial years.

Objectives: The Council's chief objective when borrowing money will be to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source and flexibility.

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The Public Works Loan Board (PWLB) and its successor body will most likely be the lender of choice given the relative straightforwardness and flexibility of such borrowing, but the Council will also investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates but without compromising flexibility.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below in Table 2)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except the Worcestershire County Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities, for example operating and finance leases, hire purchase.

Strategy

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

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5. Investment Objectives Strategy

Objectives: Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income.

Strategy: The Council's surplus cash is currently invested in call accounts or term deposits with banks and building societies which, by their nature, are unsecured. Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes, where practicable, during 2017/18.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the UK, USA and the European Union. Australia and Switzerland are well advanced with their own plans. Meanwhile, changes which took place to the UK Financial Services Compensation Scheme and similar European schemes in July 2015 mean that most private sector investors are now partially or fully exempt from contributing to a bail-in. The credit risk associated with the Council making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however remain stubbornly low.

The Council will also consider investment of surplus monies in pooled Money Market Funds which provide much greater diversification of credit risk as well as high liquidity (same-day access to the investment).

Over the past 24 months, invested funds have ranged between £4 million and £16.5 million; but as capital receipts and reserves continue to be utilised the core investments balances (i.e. not including day-to-day operational surpluses) are expected to be much lower over the forthcoming years.

The Council may invest its surplus funds with any of the counterparties defined in Table 2 below, subject to the time and cash limits (per counterparty) shown below.

CABINET28th February 2017**Table 2: Approved Investment Counterparties**

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a
AAA	£2.5m 5 years	£3m 20 years	£3m 50 years	£2m 5 years
AA+	£2.5m 5 years	£3m 10 years	£3m 25 years	£2m 5 years
AA	£2.5m 4 years	£3m 5 years	£3m 15 years	£2m 5 years
AA-	£2.5m 3 years	£3m 4 years	£3m 10 years	£2m 3 years
A+	£2.5m 2 years	£3m 3 years	£2m 5 years	£2m 2 years
A	£2.5m 13 months	£3m 2 years	£2m 5 years	£2m 2 years
A-	£2.5m 6 months	£3m 13 months	£2m 5 years	£2m 2 years
BBB+	£1.5m 100 days	£2m 6 months	£1m 2 years	£1m 1 year
BBB	£1.5m next day only	£1m 3 months	n/a	n/a
None	£1.5m 6 months	n/a	£3m 25 years	£500k 1 year
Pooled Funds	£2.5m per fund			

Investments in the categories outlined above are:

Banks Unsecured: call and notice accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies. These investments are subject to the risk of credit loss via a bail-in should the banking regulator determine that the bank/building society is failing or likely to fail.

Banks Secured: covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are exempt from bail-in and are secured on the financial institution's assets, which limits the potential losses in the unlikely event of insolvency.

Government: Investments with local authorities or guaranteed by national governments, investments with multilateral development banks. These are not subject to bail-in, and there is an insignificant risk of insolvency.

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Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Risk Assessment and Credit Ratings:

Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

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Other Information on the Security of Investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If necessary, surplus monies will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For Money Market Funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. Such investments will be limited to those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the

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definition on high credit quality. The Council will limit non-specified investments to £2.5 million in total.

Council's Banker – The Council's current accounts are held with HSBC Bank plc. The lowest long-term credit rating for HSBC Bank plc is 'AA-' (reference Table 2). Should the bank's credit rating be downgraded to BBB or BBB-, the Council may continue to deposit surplus cash with HSBC Bank plc providing that investment can be withdrawn on the next working day.

Table 3: Portfolio Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£3m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£3m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£2m per country
Unsecured investments with Building Societies	£3m in total
Money Market Funds	£7.5m in total

6. Policy on the use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments to reduce interest rate risk and to increase income or reduce costs. Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (such as swaps, forwards, futures and options). These will only be used where they can be clearly demonstrated to reduce the overall level of risk exposed to the Council.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria and their value will count against the counterparty credit limit.

7. Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

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Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

As the Council does not have long-term debt the limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed rate or variable rate basis. Whether new loans are borrowed at fixed or variable rates will ultimately depend on the rates available at the time of borrowing, expectations of future interest rate movements and the management of the associated risks.

Fixed rate investments and borrowings are described as those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Fixed Rate Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Lower	Upper
Under 12 months	0%	100%
12 months and within 24 months	0%	100%
24 months and within 5 years	0%	100%
5 years and within 10 years	0%	100%
10 years and above	0%	100%

Note: the Council does not have fixed rate long-term borrowing; the limits above have been set to provide flexibility to borrow in the most appropriate maturity band(s) when such borrowing is undertaken.

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Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2017/18	2018/19	2019/20
Limit on principal invested beyond year end	£2m	£1.5m	£1m

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

	Target
Portfolio average credit score	6, which is equivalent to a credit rating of 'A'

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

	Target
Total cash available within 3 months	£3m

8. Annual Minimum Revenue Provision Statement 2016/17 (MRP)

- 8.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

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- 8.2 The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 8.3 The CLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.
- 8.4 The Council's Capital Financing Requirement is positive and relates to unsupported capital expenditure. MRP will be determined by charging the expenditure over the expected useful life of the relevant assets as the principal annuity with an annual interest rate of 4% starting in the year after the asset becomes operational. The annuity method recognises the time value of money, resulting in less charge in early years, rising as time goes on.
- MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- 8.5 Where loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.
- 8.6 Capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19.

Based on the Council's estimate of its Capital Financing Requirement on 31st March 2016, the budget for MRP has been set as follows:

	31.03.2017 Estimated CFR £'000	18/19 Estimated MRP £'000
Supported capital expenditure before 01.04.2008	0	0
Unsupported capital expenditure from 01.04.2008	100	151

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9. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

9.1 The Executive Director of Finance and Resources will report to Full Council on treasury management activity / performance and Performance Indicators as follows:

- Quarterly against the Strategy approved for the year.
- The Council will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- Full Council will be responsible for the scrutiny of treasury management activity and practices.

10. Other Items

10.1 CIPFA's Code of Practice requires the Executive Director of Finance and Resources to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities. Responsibility for scrutiny of the Treasury Management function will rest with the Council. The Executive Director of Finance and Resources will ensure that adequate training is provided for all relevant Members during the financial year.

10.2 The Council has appointed Arlingclose Limited as treasury management advisers; receiving specific advice on investment, debt and capital finance issues.

Prudential Indicators 2017/18 – 2020/21

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. The objectives of the Prudential Code are to ensure that the capital investment plans are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

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Estimates of Capital Expenditure: The Council's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the Budget report.

Capital Expenditure and Financing	2017/18 Revised £000s	2018/19 Estimate £000s	2019/20 Estimate £000s	2020/21 Estimate £000s
General Fund	6,466	4,789	1,830	1,631
Total Expenditure	6,466	4,789	1,830	1,631
Financing and Funding				
Capital Receipts	(1,000)	(1,000)	(1,057)	(1,108)
Government Grants	(370)	(323)	(323)	(323)
Reserves	(694)	(250)	(250)	-
Section 106	(408)	(200)	(200)	(200)
Revenue	(150)	0	0	0
Total Financing				
Unsupported Borrowing	(3,844)	(3,016)	0	0
Total Financing and Funding	(6,466)	(4,789)	(1,830)	(1,631)

2. Capital Financing Requirement:

2.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	31.03.17 Estimate £'000	31.03.18 Estimate £'000	31.03.19 Estimate £'000	31.03.20 Estimate £'000
General Fund	11,890	16,680	18,500	20,140
Total CFR	11,890	16,680	18,500	20,140

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed

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the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Estimate £000s	31.03.18 Estimate £000s	31.03.19 Estimate £000s	31.03.20 Estimate £000s
Borrowing	2,000	8,250	9,660	9,660
Finance leases	0	0	0	0
Total Debt	2,000	8,250	9,660	9,660

Total debt is expected to remain below the CFR during the forecast period.

3. Actual External Debt:

3.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2016	£'000
Borrowing	nil
Other Long-term Liabilities	-
Total	nil

4. Authorised Limit and Operational Boundary for External Debt

4.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

4.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's

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existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

4.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

4.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2018/19 Estimate £'000
Borrowing	15,000	15,000	15,000	15,000
Other Long-term Liabilities	0	0	0	0
Total	15,000	15,000	15,000	15,000

4.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

4.6 The Executive Director of Finance and Corporate Resources has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of Full Council.

Operational Boundary for External Debt	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Borrowing	12,000	12,000	12,000	12,000
Other Long-term Liabilities	0	0	0	0
Total	12,000	12,000	12,000	12,000

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Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Revised %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Fund	2.91	1.80	5.78	6.02

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2017/18 £	2018/19 Estimate £	2019/20 Estimate £
General Fund - increase in annual band D Council Tax	5.00	5.00	5.00

Adoption of the CIPFA Code of Practice: The indicator below demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 17 th March 2010.

The Council has incorporated the changes from the revised 2011 CIPFA Code of Practice into its treasury policies, procedures and practices.

Appendix 2

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

- 1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.
- 1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- 1.3 The Council (i.e. full Council) will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Full Council and for the execution and administration of treasury management decisions to Executive Director of Finance and Resources, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 1.5 The Council is responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

- 2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

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- 2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”
- 2.4 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk.
- 2.5 The Council’s primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council’s investments followed by the yield earned on investments remain important but are secondary considerations.

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