



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 11TH APRIL 2018

AT 6.30 P.M.

COMMITTEE ROOM, PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),
B. T. Cooper, M. A. Sherrey, C. B. Taylor and P. J. Whittaker

AGENDA

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 Cabinet held on 7th March 2018 (Pages 1 - 8)
4. Minutes of the meeting of the Overview and Scrutiny Board held on 26th March 2018 (to follow)
 - (a) To receive and note the minutes
 - (b) To consider any recommendations contained within the minutes
5. Addendum to Hardship Policy April 2018 (Pages 9 - 14)
6. Market Options Report (Pages 15 - 34)
7. Finance Monitoring Quarter 3 Report (Pages 35 - 46)

8. To consider any other business, details of which have been notified to the Head of Legal, Equalities and Democratic Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

3rd April 2018



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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

7TH MARCH 2018, AT 6.00 P.M.

PRESENT: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),
B. T. Cooper, M. A. Sherrey, C. B. Taylor and P. J. Whittaker

Observers: Councillors S. R. Colella and L. Mallett

Officers: Mrs. S. Hanley, Mrs. C. Felton, Mr C. Forrester, Mrs B. Talbot,
Mrs. H. Mole, Ms. T. Beech, Mr M. Austin and Ms. A. Scarce

94/17 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

95/17 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

96/17 **MINUTES**

The Minutes of the Cabinet meeting held on 21st February 2018 were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on 21st February 2018 be approved as a correct record.

97/17 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 12TH FEBRUARY 2018**

It was confirmed that the recommendations within the minutes in respect of the Medium Term Financial Plan 2018/19 – 2021/22 had been considered at the Cabinet meeting held on 21st February 2018. It was agreed that it would be more appropriate to consider the recommendations in respect of the Air Quality Management Area, Kidderminster Road, Hagley under that item of the agenda.

The minutes of the Overview and Scrutiny Board meeting held on 12 February were noted.

98/17

PERFORMANCE REPORT

The Deputy Chief Executive gave a brief overview of the Performance Report and advised Members that officers from the relevant areas were present to respond to any questions that arose. The Measures Dashboard was also displayed to assist Members. This was the first Corporate Performance report, which would in future be presented every two months covering a specific strategic purpose at each meeting together with a set of key corporate measures. This initial report considered the strategic purpose 'Keep my place safe and looking good'.

The following areas were highlighted and discussed in detail:

- Anti-Social Behaviour – example of data, which Safer Bromsgrove drilled down into with real time data being considered by the Group. It was noted that there had been a spike which had referred to a particular individual and details of how this had been dealt with were noted. Members discussed how this could have a huge impact on such data and on a particular area. It was noted that often the school holidays also triggered a spike in incidents.
- Environmental Services – the top 5 high profile demands were detailed for each of the Place Teams. The main areas were fly tipping and litter and it was noted that following the move to the Place Teams, who were able to react locally, with positive feedback having been received.
- In respect of bulky waste, it was noted that there had been a change in the way this service was provided, with a central team now responding to requests, which had proved more cost effective.
- Members thanked the Place Teams for their hard work and asked if there was any new initiative to deal with fly tipping. It was confirmed that a greater use of covert cameras was being planned with resources being used to raise the profile of their use and a lesson learnt from how they had previously been used. It was hoped that with additional cameras this would help combat the problem. It was also noted that there had been a number of successful, high profile; prosecutions which it was also hoped would act as a deterrent.
- Work was also being carried out with Safer Bromsgrove and the Police to obtain funding for signage to also be used as a deterrent.
- Members questioned the formalities which businesses had to go through to legally use the tips and were concerned that this may lead to fly tipping as an alternative. Officers were not aware of the bureaucracy that needed to be gone through for small commercial operators and agreed to investigate this matter further.

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- Members raised the issue of education for young children in respect of recycling and whether visiting schools was something which had been considered.
- Members asked how the recycling rate compared with other authorities both locally and nationally. Officers confirmed that Bromsgrove had the highest rate within Worcestershire, with the national highest figure being 65%. This referred to those authorities who provided free garden and food waste collections.
- There were a number of projects planned which would highlight the need to eliminate cross contamination in recycling, which was currently a problem.
- It was confirmed that the tips were solely run by Worcestershire County Council and the figures were not including within those of the Council.
- The report also included a snap shot of the survey undertaken by the Bromsgrove Community Panel and concerns were raised in respect of feeling safe in the community after dark.
- The report also covered a number of key corporate measures, including sickness. A new system had been used and the figures included within the report were those for 2016/17. The number of days absence per full time equivalent was 8.10 days. The figures for 2017/18 would not available until April.
- Members asked whether return to work interviews were held and Officers confirmed that they were and the new system would allow for these to be recorded more accurately and for Human Resources and Payroll to be able to access them to ensure that they were being carried out appropriately.
- It was further confirmed that the figures were slightly below the average for other public sector organisations and the figures had remained broadly the same in recent years.

RESOLVED that the Corporate Performance Report be noted.

99/17

AIR QUALITY MANAGEMENT AREA - KIDDERMINSTER ROAD, HAGLEY - POTENTIAL REVOCATION

The Leader welcomed the Chairman of the Overview and Scrutiny Board, Councillor L. Mallett and Councillor S. Colella as a Member of the Board and as Ward Councillor for Hagley West. He proposed that the Cabinet considered recommendation a) that Worcestershire Regulatory Services (WRS) reverse the proposal to revoke the Hagley AQMA after consideration had been given to the other recommendations.

It was noted that recommendation d) that the Council increase the AQ monitoring points in Hagley from Stakenbridge Lane to the B4187 (Worcester Road junction) had already been discussed and actioned following the Overview and Scrutiny Board meeting.

Councillor Colella was invited to speak and in so doing explained the reason for the request that the revocation of the AQMA be reversed. He raised concerns around the current monitoring process and the use of the small test tubes which were analysed on a monthly cycle with a mean average being taken over a year. It was stated that there was equipment available which able to produce both a maximum and minimum reading, this was important as there were peak traffic times and the impact of residents would be higher particular for those travelling to school on foot or cycling. Hagley had carried out numerous investigations and research and had heard from experts. It was clear that traffic in the area had increased due to the recent developments and therefore it was difficult to understand how the current position had been reached. It was acknowledged that financial support would be needed to carry out such testing, but it was understood that in the not too distant future Central Government would be making available a number of grants for local authorities who needed to improve air quality in their areas.

Mark Cox responded to a number of points raised by Councillor Colella and explained that the testing that was used provided robust quality assurance and meet DEFRA guidelines. The monitoring to which Cllr Colella had referred was used to record measures with a rapid turnover and had a set up cost of around £30k this did not include the cost of maintenance, electricity etc or for the cost of analysing the data collected and calibration. This method was currently being used on the Worcester Road in Wychbold in order to ascertain whether an AQMA was required in that location. This method had also been used in Hagley initially to assess the area. The monitors needed to be in place for 6 months. It was accepted that air quality was a wide concern generally and that DEFRA had guidelines and protocols to follow in respect of AQMA's inception and revocation. The national objective, which took into account "peaks and troughs", was not being exceeded in the case of the Hagley AQMA and therefore it was not appropriate or necessary for it to be retained.

Members noted the availability of such equipment and commented that they had not been aware of this. Mark commented that this had in fact been used initially in Hagley when considering whether it was appropriate to establish an AQMA in the area.

Members had some sympathy with Councillor Colella's concerns in respect of the use of the mean average measurements and how the levels could fluctuate dependent on the weather and the traffic movement in the area. It was questioned whether by revoking the AQMA this would impact on the monitoring and the availability of funding for further investigations within that area and considered whether by

revoking the AQMA the monitoring would be made easier as it did not have to be so strictly based on the guidelines set out by DEFRA.

Mark explained that the annual average over a 3 year period took into account fluctuations and was confident that it met the DEFRA requirements and that there was no longer levels that we needed under the AQMA regime. He further advised Members that the grants referred to by Councillor Colella, were primarily used for larger authorities such as London and Birmingham who had particularly poor air quality and had been mandated to produce clean air. There were a large number of clean air zones which demanded attention throughout the country and it was very likely that they would receive the bulk of this funding.

The Leader referred to recommendation b) that the Council invest in sensitive and appropriate monitoring equipment in all its AQMAs and whilst he sympathised and accepted the need in principle, he requested further detailed costings to be brought back to Cabinet in order to give further consideration as to whether it was appropriate to fit these in all areas or in particular ones. It was noted that detailed monitoring had been carried out in all AQMAs in order to establish them initially and that the monitoring in Hagley had meet the requirements of DEFRA in order for it to be revoked. It was also confirmed that by revoking the AQMA it did not mean that the monitoring would stop, this would continue and the areas where it would take place had been discussed with the relevant ward Members and was being put in place, as requested in recommendation d).

In respect of monitoring for Particulate Matter as detailed in recommendation c) Mark Cox explained to Members that these levels were not monitored across the County but it had not been indicated that there was a particular problem. Any measures of nitrogen dioxide would impact on the particulate levels and whilst there were some issues in Bromsgrove there were none in Hagley.

Councillor Mallett suggested that there was a need to focus on actions being taken rather than on the challenge of monitoring and that it was likely that the reduction which was influencing the revocation of the AQMA was most likely due to a number of reasons, which were undeterminable. However, it was noted that there remained issues in respect of traffic problems in a number of areas, for example along the Worcester Road in Bromsgrove where it was clear that the traffic had got worse, with an increase in the number of vehicles and those vehicles taking longer to travel along the road. It was therefore important, to establish the levels and for appropriate monitoring to take place, whilst understanding the need to take the financial implications of any additional monitoring into account, before making a decision.

Members went on to discuss a number of other areas in more detail, including:

- The work of a Residents' Air Quality Task Group which was established in Hagley.

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- The impact of diesel engines and the increase in levels of other CO² emissions.
- The national objectives under the DEFRA guidelines.
- Where the monitoring, using the more detailed equipment, was carried out initially.
- The monitoring was not there to improve the air quality but as a benchmark.
- There was no categorical explanation as to why the levels had reduced in respect of the Hagley AQMA.
- The revocation of the AQMA would not impact on the monitoring – if it were to be retained then any application for grant funding in the future would not be looked on favourably if the Council had an AQMA that did not meet the DEFRA guidelines.
- Preventative work such as the synchronising of traffic lights.
- Concerns that although the AQMA was revoked that residents would not accept that there had been improvements to the air quality.
- The levels were not borderline but well below the recommended level.
- The challenges facing WRS and the need for them to work closely with Worcestershire Highways in light of recent concerns raised in respect of issues which had been raised following developments where it has been proven that the information from WCC was not accurate. This was referred to within recommendation e).
- It was confirmed that monitoring would continue for a further 3 years and the locations had been reviewed following discussions at the Overview and Scrutiny Board.
- Concerns around this Council and WCC encouraging residents to walk and cycle yet the monitors were not on the road sides but by residential properties. It was confirmed that they were placed on the residential properties as part of the DEFRA guidelines.

It was confirmed that should the AQMA be revoked monitoring would continue and this would be provided to DEFRA for background information only. WRS would continue to work with WCC and assert pressure where possible to ensure that air quality was considered at every opportunity.

In respect of the recommendations from the Overview and Scrutiny Board, Cabinet

RESOLVED:

- a) that the Council increase the Air quality monitoring points in Hagley from Stakenbridge Lane to the B4187 (Worcester Road junction);
- b) that Worcestershire Regulatory Services continues to engage fully and positively with Worcestershire County Council Highways to resolve known local Highways issues that exist along AQMAs and adjoin carriageways that effect air quality and health; and

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- c) that further costings be obtained and presented to a future Cabinet meeting in respect of the Overview and Scrutiny Board recommendations b) and c).

Following the review of the air quality monitoring in Hagley, which had been undertaken and in light of the levels having fallen below the national objectives that required the adoption of an air quality management area Cabinet

RECOMMEND TO COUNCIL that Kidderminster Road, Hagley AQMA be revoked.

The meeting closed at 7.15 p.m.

Chairman

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ADDENDUM TO COUNCIL TAX SUPPORT - HARDSHIP POLICY

Relevant Portfolio Holder	Cllr B Cooper
Portfolio Holder Consulted	√
Relevant Head of Service	Amanda Singleton, Head of Customer Access and Financial Support
Wards Affected	All Wards
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 On Thursday 18th January Worcestershire County Council (WCC) made the following resolution:

"This Council recognises the challenges young people face transitioning out of the care system into adulthood. Research from The Centre for Social Justice found that 57% of young people leaving care have difficulty managing their money and avoiding debt when leaving care.

This Council aspires to champion the children and young people in its care, enabling them to have the best possible outcomes. To improve outcomes for Care leavers this Council believes the cliff edge of the current council tax system needs to be reformed to help Worcestershire's young people transition into an independent and successful adult life.

This Council believes care leavers are a particularly vulnerable group for council tax debt.

The Children and Social Work Act 2017 places corporate parenting responsibilities on district councils for the first time, requiring them to have regard to children in care and care leavers when carrying out their functions.

This Council resolves to underline its commitment to corporate parenting and improving outcomes and requests Worcestershire's six council tax billing authorities to support the transition of care leavers who become council tax payers by:

Reducing their net liability for council tax under the national scheme and after council tax support to zero, until the care leaver's 21st birthday.

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Introducing a transitional discretionary discount scheme to enable a reduction of liability for council tax up to and including zero from their 21st birthday until the care leaver's 25th birthday."

- 1.2 This was endorsed by Leaders across the county at Leaders Board on 1st February 2018 with an amendment to provide full support until the care leavers 25th birthday.
- 1.3 In order to achieve this aim Bromsgrove District Council must make an amendment to its Council Tax Support (CTS) Hardship Policy.
- 1.4 It is proposed to that this requirement be met by way of an addendum (Appendix 1) for 2018/19, until such time as the review of the Council Tax Support Scheme 2019 (CTSS) is completed and a decision as to whether it should be included in the core CTSS can be made.

2. RECOMMENDATIONS

- 2.1 **The Cabinet is asked to RECOMMEND to Council that the addendum to the Council Tax Support Hardship Policy 'Support for Care Leavers' be agreed.**

3. KEY ISSUES

Financial Implications

- 3.1 It was agreed at Leaders Board to use the discretionary hardship funds to reduce council tax liability to zero for care leavers under the age of 25 with effect from 1st April 2018, where the care leaver is in receipt of some council tax support for at least part of the year.
- 3.2 The cost of providing the support to care leavers as set out in the addendum to the CTS Hardship Policy 'Support for Care Leavers' is currently estimated to be £8k per annum based on current details provided by WCC, but this will fluctuate depending on numbers of care leavers in the district.
- 3.3 Leaders agreed that should the financial burden or additional administrative costs become unmanageable for any district then that district council reserves the right to seek financial assistance from WCC.

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Legal Implications

- 3.4 Section 131A 1c of the Local Government Finance Act 1992, as amended by the Local Government Finance Act 2012 sets out the requirement for Council's to develop and adopt localised Council Tax Support Schemes, and provides the Council with discretionary powers to provide additional support.

Service/Operational Implications

- 3.5 It is reliant on WCC to notify the district council promptly of all care leavers under the age of 25 living in the district, and to advise the council as a young person is leaving care in the future to ensure that the necessary administration can be undertaken in respect of Council Tax liability.
- 3.6 The administrative burden is unknown at this stage. The expectation is that the adjustments can be absorbed within existing resources. However there is provision within the agreement with WCC to seek further financial assistance if necessary.

Customer / Equalities and Diversity Implications

- 3.7 This will provide further opportunity to support financial independence in the district in line with the Council's strategic purpose.
- 3.8 An equality impact assessment (EIA) has been carried out and the following benefits identified:

Eliminate unlawful discrimination, harassment and victimization:

Proposal for extra support up to the age of 25 years to support a vulnerable group and reduce the financial gap between care leavers and their peers.

Advance Equality of opportunity between different groups:

Proposed changes will not directly impact any other age groups and the changes will advance equality of opportunity for care leavers with their peers.

Foster good relations between different groups: The additional support will reduce the financial burden for care leavers and in turn reduce the gaps currently faced between this vulnerable group and their peers, promoting community cohesion.

- 3.9 Care leavers are considered to be disproportionately disadvantaged when transitioning to adulthood compared with other young people. As a council, we act as Corporate Parents for all care leavers. Any

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potential unfairness to other vulnerable persons as a result of their age has been considered. The Hardship Fund is available to people of any age to apply for additional support and their need would be assessed on a case by case basis. This eliminates or minimises potential unfairness towards other vulnerable young persons.

4. RISK MANAGEMENT

- 4.1 The Children and Social Work Act 2017 places corporate parenting responsibilities on district councils for the first time, requiring them to have regard to children in care and care leavers when carrying out their functions. Failure to agree to the addendum would result in the council offering a lower rate of support to care leavers than the rest of the County and could result in legal challenge.

5. APPENDICES

Appendix 1 - Addendum to CTS Hardship Policy – Care Leavers

6. BACKGROUND PAPERS

WCC Minutes of Council meeting 18th January 2018
Leaders Board Report 1st February 2018
BDC CTS Hardship Policy

AUTHOR OF REPORT

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COUNCIL TAX SUPPORT SCHEME – HARDSHIP POLICY

Addendum to Council Tax Hardship Fund Policy effective from 1st April 2018.

SUPPORT FOR CARE LEAVERS

1. The Children and Social Work Act 2017 places corporate parenting responsibilities on district councils requiring them to have regard to children in care and care leavers when carrying out their functions.
2. In recognition of the challenges young people face transitioning out of the care system into adulthood, additional support will be provided to young adults leaving the care of Worcestershire County Council and living in the Bromsgrove District, to cover the shortfall between Council Tax liability and payment of Council Tax Support.
3. Net liability for council tax and after council tax support will be reduced to zero, until the care leaver's 25th birthday, whilst they are living independently, in the district and liable to pay Council Tax.
4. Worcestershire County Council are required to provide details of care leavers meeting this criteria as soon as possible to avoid over payment of council tax, and reduce the need for refunds.
5. The award will be made directly to the relevant council tax account for which the care leaver is liable and for which council tax support is in payment for all or part of the relevant financial year. There will be no cash alternative.
6. A care leaver is defined as a person aged 25 or under, who has been looked after by a local authority for at least 13 weeks since the age of 14; and who was looked after by the local authority at school-leaving age or after that date.
7. Where any other criteria might apply for example, a care leaver living with partner and jointly liable, a financial assessment would be carried out to understand financial need and appropriate level of additional support to be provided.

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FUTURE OF BROMSGROVE MARKET

OPEN REPORT

Relevant Portfolio Holder	Cllr Karen May Deputy Leader and Portfolio Holder for Economic Development, Regeneration and Town Centre
Portfolio Holder Consulted	√
Relevant Head of Service	Kevin Dicks – Chief Executive
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Key decision

1. SUMMARY OF PROPOSALS

- 1.1 The operation of Bromsgrove Town Centre Outdoor Market is currently managed by North Worcestershire Economic Development & Regeneration (NWedr), a shared service hosted by Wyre Forest District Council (WFDC) established under a Collaboration Agreement in May 2011. In 2015, WFDC appointed CJ Events (Warwickshire) Ltd (CJ Events) to operate the market, following a competitive procurement process.
- 1.2 In December 2017, CJ Events decided to serve notice on their licence agreement. In light of this decision, this report sets out options for the future operation of the market.

2. RECOMMENDATION

- 2.1 **The Cabinet is requested to consider the following two options for the future management and operation of Bromsgrove Town Centre Outdoor Market and RESOLVE which option it wishes to select:**
 - 1) **OPTION 1: the management of Bromsgrove Town Centre Outdoor Market is recommissioned/ contracted to an external provider for an initial term of 3 years with an option to renew for a further term of between 2 and 5 years with the contract to be managed by the NWEDR shared service OR:**
 - 2) **OPTION 2: the management and operation of Bromsgrove Town Centre Outdoor Market to be brought back ‘in-house’ with authority to be delegated to the Chief Executive in consultation with the Deputy Leader and Portfolio Holder for Economic Development, Regeneration and Town Centre to determine where a new markets team sits within the Council and/or NWEDR structure.**

- 3) To recommend to Council that up to £40,000 is released from the economic development reserve to fund the potential costs of an 'in house' service for the first 12 months of its operation and that the Capital Programme for 2018/19 be increased by £25,000 funded from capital receipts should OPTION 2 be recommended by Cabinet.

3. KEY ISSUES

Financial Implications

3.1 External Operation

The appointment of an external contractor to manage the market provides the Council with an opportunity to secure a guaranteed fixed annual income for the duration of the licence agreement. This contract will also include a quarterly rental fee for the use of Bromsgrove District Council owned equipment for the duration of the 3 year contract and paid directly to the Council. Responsibility for the maintenance, repair and replacement of the stalls would be taken on by an external operator, as well as any future investment in new stalls. When the original procurement process was undertaken in 2015, four bids were received by potential operators, all offering to the Council a fixed income over the 5 year term of the agreement, demonstrating that the running of the market represents a viable proposition to potential operators.

3.2 Internal Operation

Operating the market 'in-house' would result in a net cost to the Council. Officers have undertaken an initial assessment of income and expenditure based on various scenarios of income generated. The detailed figures are attached at Appendix 1. In addition there would be an initial capital out-going of £25,000 to purchase a van and a trailer. It is worth noting that there would be future investment in new stalls estimated at £55,000 which would have to be factored into future financial projections.

3.3 The Summary of the detailed projections is as follows:

SUMMARY OF NET POSITION RE IN HOUSE MODEL £

TOTAL EXPENDITURE - minimum cost	101,630
	-
TOTAL INCOME - maximum income	113,880
NET POSITION SURPLUS	-12,250

TOTAL EXPENDITURE - minimum cost	101,630
TOTAL INCOME - minimum income	-84,760
NET POSITION DEFICIT	16,870

TOTAL EXPENDITURE - maximum cost	129,130
	-
TOTAL INCOME - maximum income	113,880
NET POSITION DEFICIT	15,250

TOTAL EXPENDITURE - maximum cost	129,130
TOTAL INCOME - minimum income	-84,760
NET POSITION DEFICIT	44,370

3.4 As can be seen above the estimated projections reflect a deficit position for the Council on the majority of the scenarios. In addition there would have to be a release of capital receipts of £25k to fund associated vehicle costs. Should an in house model be recommended it is proposed that up to £40k be released from the economic development reserve to enable the first 12 months of provision to be funded.

Legal Implications

3.5 NWedr currently directly manages the Bromsgrove Outdoor Market on behalf of the Council, under a Collaboration Agreement relating to the provision of Economic Development and Regeneration Services between the Council, Redditch Borough Council and WFDC, which is the host authority.

3.6 The current delegation to WFDC is for the operation of the market in Bromsgrove, including the letting of stalls and general day to day management of

the market. Between 2011 and February 2016, the market was run 'in-house' by NWedr.

- 3.7 Following a competitive procurement process in 2015, an external operator CJ Events was appointed by WFDC to run the market. CJ Events manages the day to day operations of the market with the contract between WFDC and the contractor. NWedr is responsible for the management of that contract and ensuring that performance is in line with agreed targets. CJ Events have served notice on the licence agreement and the licence (and CJ Events' operation of the market) will terminate on 4th June 2018.

- 3.8 The Council could now choose to ask WFDC to procure a new operator to run the market. Any procurement process would have to be run so as to ensure that the winning contractor delivered "best value" to the Council. Best value may be secured through a combination of a financial return (through licence fee, hire of equipment etc.) and socio-economic benefits for the town (proposed special events, increase of footfall, community involvement etc.). The evaluation of the tenders would be undertaken in line with the proposed criteria attached at Appendix 2.

- 3.9 Should a co-operative of market traders or a similar body wish to submit a tender application to run Bromsgrove town centre outdoor market the application will be evaluated and scored in the same manner as all other submissions and in line with Wyre Forest District Council procurement policy (as the host organisation of the shared service).

- 3.10 Alternatively the Council could bring the operation of the market back 'in-house', either taking it out of the NWedR shared service and operating the market itself or reverting back to the previous arrangement where NWedR operated the market. This could be on an interim or a permanent basis – taking operation of the market in-house would not preclude the Council from running a procurement process at a later date.

- 3.11 The Council may also wish to explore this in-house option if following a procurement process it does not have confidence that any of the bidders offer the requisite "value" and sufficiently guarantee the security and continuity of the market.

Service / Operational Implications

- 3.12 In July 2015, Cabinet resolved that the management of Bromsgrove Outdoor Market be externalised and that delegated authority be given to WFDC to undertake a procurement process to select and appoint a suitable provider. Prior to this, the market services were managed by NWedr on behalf of Bromsgrove District Council.

- 3.13 Following a competitive tendering process, CJ Events Warwickshire Ltd (CJ Events) was appointed to operate the market on a 5 year licence arrangement commencing in February 2016.

- 3.14 The winning bid from CJ Events scored well against the agreed evaluation criteria of cost and quality and they were appointed on the basis of a strong proposal. The proposal included a financial offer to the Council of £95,000 over the five year duration of the licence agreement.

- 3.15 CJ Events took on the operation of the market in February 2016 and since then the management of the licence agreement has been pro-actively managed by the Head of NWEDR and the Bromsgrove Centres Manager.

- 3.16 On 3rd December 2017, WFDC received formal notification of CJ Events intention to terminate the licence agreement with the contractual six months notice given. This means that CJ Events licence will terminate on 4th June 2018. The Council now needs to decide how to move forward to ensure that a vibrant market offer can continue to be delivered.

- 3.17 The Council has liaised with the market traders to ascertain their views. The traders were invited to a briefing session held on Tuesday 27th February 2017. Concerns and questions raised by the market traders were addressed by the Officers and assurances given that the views of the market traders would be taken on board and considered as part of the options presented to Cabinet. Traders were also advised of the Wyre Forest District Council procurement process should they wish to form a co-operative and submit a tender proposal to run the outdoor market. Officers will continue to keep the traders up to date on the agreed process going forward.

Future options

- 3.18 Officers have reviewed the potential options available to the future management and delivery of Bromsgrove Town Centre Outdoor Market and identified two options as follows:

Option 1: NWedr continues to manage the market and commences a new procurement process to appoint a suitable external operator; with the procurement and contracting process to select and appoint a contractor to manage Bromsgrove Outdoor Market to be delegated to Wyre Forest District Council;

Option 2: The market is brought back 'in-house' and a new markets team is created either within Bromsgrove District Council or NWedr;

- 3.19 An options appraisal for both of the options is set out as follows:

Option 1:

- Market continues to be managed by NwedR and run by an external operator, seeking innovation in the way the market is operated and an improvement of the existing offer
- Bromsgrove District Council receive an annual fixed sum from an operator to operate a general market as part of a licence agreement

Description:

- 3-day per week general market (Tuesday, Friday and Saturday)
- Specialist and themed markets
- External operator responsible for all aspects of running the market
- Operator collects stall charges on Council behalf
- NwedR and Bromsgrove Centres Management undertake the day-to-day management of the contract including Performance Management reviews and monitoring
- Operator to undertake day-to-day onsite management of the market and collection of fees including on-the-day casual bookings

NB Advice from WFDC Legal and Procurement officers suggested that it may be possible to speak to the operator that had the second highest score as part of the procurement exercise held in 2015 (subject to the operator honouring their original proposal) and that they could operate the market for the remainder of the 5 year term that CJ Events were contracted to deliver. However, given the passage of time and the fact that the Council is required to secure best value through any procurement exercise, it is advised that if the Council was minded to select Option 1, that it should commence a new procurement process.

Advantages / benefits	Disadvantages/Risks
<ul style="list-style-type: none"> • Offers a consistency in approach and management • Annual guaranteed income which enables the Council to forecast income and set budgets; operator is able to keep its expenditure down through economies of scale of running multiple markets and specialist knowledge thereby increasing the potential for the Council to receive a set income • Operator takes on the responsibility for the secure storage and transportation of all market related equipment and market stalls and equipment • Additional income received from operator for the hire and use of Bromsgrove District Council owned market stalls and equipment • Increase to stall fees made in agreement and consultation with NwedR to protect the interests of the stall holders and market • Operator to take responsibility for providing cover for any team sickness, leave or leaving post 	<ul style="list-style-type: none"> • Under performance of external market operator • External operator serves notice on the contract before end of three year term • May attract a lower financial offer to run the outdoor market • Stall rate increase requested

- | | |
|---|--|
| <ul style="list-style-type: none"> • Specialist knowledge and expertise in running a professional market operation • Capacity and experience to hold specialist markets and events across multiple days (e.g. week long Christmas market, weekend long food festival) • Covered by all relevant insurance and indemnity policies, health & safety, risk assessments etc • External operator would have experience of working in partnership with Local Authorities, BIDs and Town Centre Management Frameworks as well as taking part in national initiative such as ‘Love Your Market’ and ‘Small Business Saturday’ • Minimal expenditure for Council • Confidence that the delivery of the market is under the management of a professional operator • Protection of the Council reputation and credibility | |
|---|--|

Option 2:

Either Bromsgrove District Council or NWedr undertake the responsibility for the financing, management and operation of Bromsgrove Town Centre Outdoor Market.

2 (a) The market could be run via the creation of a new dedicated markets team comprised of a Markets Manager, Senior Market Operative and two Market Operatives or:

2 (b) The market is directly managed by the Bromsgrove Centres Manager with a Senior Market Operative and two Market Operatives recruited to run the day to day operation of the market. A ‘Centres Assistant’ role could be recruited to support the wider work of the Centres Manager.

Description:

- 3-day per week general market (Tuesday, Friday and Saturday)
- Potential for specialist and themed markets
- Bromsgrove District Council or NWedr employees & agency staff as required store, transport, erect and take down stalls
- Council retains stall charge income
- Bromsgrove District Council or NWedr responsible for the collection of stall fees
- Bromsgrove District Council or NWedr recruits and manages a markets team
- All current and future financial and personnel requirements to maintain and

<p>sustain the outdoor market is the responsibility of BDC or NWedr</p> <ul style="list-style-type: none"> • Cover for the loss of staff, sickness, long term sickness and associated costs the responsibility of Bromsgrove District Council or NWedr • All relevant licenses, public liability, health & safety implications the responsibility of Bromsgrove District Council
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Advantages / benefits	Disadvantages/Risk
<ul style="list-style-type: none"> • The Council takes full responsibility for the future financing, management and operation of Bromsgrove Town Centre Outdoor Market • Supported by the majority of current stall holders • All fees generated by the market will be paid directly to Bromsgrove District Council • Bromsgrove District Council / NWedr has direct relationship with market traders • Opportunity to implement a frequent meeting regime with market stall traders to strengthen communication and partnership working • Bromsgrove District Council has control of implementing any stall charge rises or decreases • Bromsgrove District Council has a social reputation and responsibility to work with the local community and businesses • Opportunity to reinvest income from the Bromsgrove town centre outdoor market as part of the commercialism agenda • If the market is within the responsibility of the Centres Manager (option 2b) then there is the potential for a stronger link between the town centres management function and the 	<p><u>Cost implications</u></p> <p>Staffing costs:</p> <ul style="list-style-type: none"> • Markets Manager (under option 2a only) • Centres Manager assistant (under option 2b only) • Markets Officer (onsite) • Operatives (stands, waste removal) <p>Other costs:</p> <ul style="list-style-type: none"> • Mileage and expenses • Admin and back office (booking, taking stall payments etc) • Vehicles to transport market stalls • Fuel costs • Maintenance of vehicles, MOT, tax, insurance • Maintenance and replacement of stalls • Council does not have the ability to benefit from economies of scale from running multiple markets which increases the cost of running a market operation and reduces the net income to a level which is not profitable. • Cost of implementing a stall fee collection and payment process • Operational budget to run specialist and themed markets and events and associated marketing campaigns • Costs of covering annual leave, sickness • Costs and loss of income

<p>operation of the market. There would not be a need to recruit a 'Markets Manager' under this option as the Centres Manager could take responsibility for marketing and developing an events plan. To increase capacity a 3 day per week 'Centres Assistant' role could be created to provide support to the current Centres Manager. The cost of an Assistant post is estimated at £15k per annum (salary + on-costs) which is £7,200 pa lower than the cost of a Markets Manager post.</p>	<p>associated with the cancellation of markets due to adverse weather conditions, highways work etc.</p> <ul style="list-style-type: none"> • Loss of staff and need to pay for Agency staff to cover • Lack of specialist knowledge and experience of running an outdoor market • No consistent income generation and ability to forecast year-on-year • Insular approach and not reacting to other local and national initiatives • Resources to implement a coherent and professional marketing and communications strategy to promote the market and specialist events • Option 2(b) – The Bromsgrove Centres Manager role is completely different to the role of a Markets Manager and is a specialist function. The remit of the Centres Manager is focused on developing Bromsgrove Town Centre and the other six centres identified in the Council's Centres Management Strategy 2017-2020 through the delivery of strategic initiatives and working in partnership with other agencies to support the vibrancy of the centres. Managing the market is not part of the Centres Manager Job Description and it would result difficulty in delivering the wider Centres Management Strategy.
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Summary and Conclusions

- 3.20 It is considered by officers that a professional and experienced markets operator will create a competitive, diverse, sustainable and thriving market that will add to the overall offer and vibrancy of Bromsgrove town centre. This option will also

ensure a seamless transition of market management giving the town centre market traders and businesses confidence that the market will continue to be an integral economic driver to increase footfall and visitor numbers to the town centre. A new operator will be in a strong position to take management of the markets quickly and efficiently and in effect “hit the ground running” ensuring the existing events programme will be delivered and enhanced. Furthermore, given the Council’s limited resources and expertise in running markets, it is considered that the management of the market by an external operator (Option 1) above provides the best opportunity to fully maximise the income to the Council, at the same time as making savings in expenditure.

- 3.21 With the strong town centre management structure, experience and skills of the NWedr team and the commitment to build the market into a strong asset for the town centre means NWedr are best placed to manage an external procurement process and contract manage a new markets operator. The Bromsgrove Centres Manager will be pivotal in the early performance management of the licence agreement and developing a positive relationship with the new operator.
- 3.22 A draft tender specification and evaluation criteria has been prepared (Appendix 2) and it is anticipated that a procurement process would take 4 weeks from the date of this report, which means that a new operator could be appointed to commence the running of the market in early June, meaning that there are no service or operational implications and NWedr would strive to achieve a seamless transition with minimal disruption to the markets operation. The evaluation criteria has been amended to place more emphasis on securing an operator that is socially responsible and community focused and can demonstrate a robust approach to performance management and monitoring. Specifically the tenders will be evaluated on a 60/40 basis in favour of quality over price. If it is not possible to award the contract to a suitable operator then it is possible that ‘temporary’ arrangements could be put in place to run the market by utilising staff from the Environmental Services team i.e. to erect and dismantle stalls. A report will need to be brought back to Cabinet to re-consider the available options.
- 3.23 An alternative option is to take the operation of the Bromsgrove Town Centre outdoor market back ‘in-house’ – 2 variations of this option are presented for members’ consideration. An in-house operation would be favoured by the traders and would ensure that the market is run in a socially responsible manner. However, Council run markets are in decline and are becoming less viable as external operators are increasing their presence and proving to be successful in attracting new traders and speciality events. The advice received from NABMA in 2015, demonstrated that the case for operating an in-house market is now weak and that to secure the market’s future it would be best run by a specialist external operator. Experience from the past shows that it is difficult to make a Council run market succeed.
- 3.24 It will take time to establish the appropriate infrastructure and frameworks for the market operation to be undertaken in house and contingency plans would need to be put in place to ensure a market is able to be run in the interim period. The

timeline for each option is set out at 3.28. It is envisaged that the Council will have to subsidise the in house operation of the market – whilst it is most important that the market needs to be vibrant and attract people to the town the cost to the council is an important consideration. The Council would find it difficult to generate the same level of income from running a single market as an external operator that is operating multiple markets on a national scale. External operators are able to keep their costs down and therefore increase the income generated by their markets due to being able to generate economies of scale which helps to reduce staff costs and overheads.

- 3.25 It is likely that it will take a minimum of 3 months from the date of this meeting to establish a markets team – however dependent on the recruitment of staff this could take 6 months or even longer. This could result in there being a gap between the current operator finishing and the new team being put in place. It is likely to take up to 6 months to develop the marketing offer and to put in place the appropriate systems and processes required to operate the market effectively and efficiently. Members should be advised that recruiting a Markets team may be difficult as it is not expected that there will be a large pool of suitable candidates. Whilst there is an option (2b) for the Centres Manager role to ‘manage’ the market which could negate some of these issues and enable the markets to be operated in the short term Members should note that it is a very different role to a Markets Manager role and it will detract from the work that the Centres Manager is currently delivering. Furthermore, managing the market does not form part of the post holder’s Job Description and is not part of the remit of the Centres Management function currently managed by NWedr.
- 3.26 It is possible that ‘temporary’ arrangements could be put in place to cover the break between the current operator and a new ‘in-house’ team being put into place by utilising staff from the Environmental Services team i.e. to erect and dismantle stalls and for the Centres Manager to oversee the arrangements; this arrangement has significant risks – detracting the Centres Manager from her core role and the potential reduction in quality.
- 3.27 In summary, it is considered that with an in-house option that there will be a limited opportunity to grow the market and income to the Council will not be guaranteed as experience shows that income generated by a Council run market fluctuates from year to year. The capacity and know-how to run speciality markets and special events will be limited which means that the ambition to create a vibrant offer within the Town Centre will not be realised. If the Council is minded to take the market operation back ‘in-house’, then a decision will need to be made as to where the function should sit, this could either be within the NWedr shared service or directly managed by the Council itself. If the Council prefers the function to return to the NWeDR service then it will need to instigate a discussion with the other two shared service partners. It is proposed that this decision should be determined in line with the delegation at paragraph 2.1.

3.28 The timescales for each option are as follows:

Timescales Option 1

Activity	Timescale
Advertise Tender Opportunity	Monday 16 th April 2018
Deadline for submissions	Monday 14 th May 2018
Evaluation and Scoring completed	Friday 18 th May 2018
Appointment of new operator	Monday 21 st May 2018
Contracting and handover period	Monday 21 st May 2018-Saturday 2 nd June 2018
Launch date	Tuesday 5 th June 2018

Timescales Option 2

Activity	Timescale
Job Description, Person Specification and Job Evaluation process completed for proposed new roles	Friday 4 th May 2018
Advertise vacancies	Friday 11 th May 2018
Closing date	Friday 1 st June 2018
Shortlisting	w/c 4 th June 2018
Temporary arrangements for operation of market put in place	Tuesday 5 th June 2018
Interviews scheduled	w/c 11 th June 2018
Appointments	By Friday 15 th June 2018
New markets team in place and market is 're-launched'	July / August - depending on candidate availability and notice periods
Marketing plan in place	November / December 2018

NB The timescales for option 2 (a) and 2(b) are the same.

Customer / Equalities and Diversity Implications

3.29 Operators would be required to demonstrate their commitment to equal opportunities and diversity through the procurement process. If the market is brought back in-house then the Council will be required to produce a new Equality Impact Assessment.

4. RISK MANAGEMENT

4.1 The key risks are outlined in the options appraisal at paragraph 3.19.

5. APPENDICES

Appendix 1: In-house operation: projected costs and income

Appendix 2: Proposed Evaluation Criteria

6. BACKGROUND PAPERS

Cabinet Report April 2015: Bromsgrove Market

AUTHORS OF REPORT

Name(s): Cheryl Welsh – Bromsgrove Centres Manager
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APPENDIX 1

Item	Costings 17/18 figures	"One off" Costs £	Annual Cost £
<p>Market Manager: Band H</p> <p>Overall management/ responsibility of market operation & associated staff including</p> <ul style="list-style-type: none"> • marketing and promotion • budgets • trader liaison • bookings • risk assessments • health and safety • addressing day to day issues <p>Hours 3 days @7.4 = 22.20 hrs per week. $22.20 / 37 = 0.61$</p>	<p>Top Band H: £27,344</p> <p>Plus "on costs"£9,297</p> <p>to include:</p> <ul style="list-style-type: none"> • National Insurance • Pension • Employee related insurance • Statutory sick pay • Public liability insurance • Training costs <p>£36,641 x .061 = 22,351</p>		<p>22,351</p>
<p>Senior Market Operative: Band F</p> <p>Responsible for putting up/taking down stalls. Responsible to Market Manager & responsible for two Market Operatives.</p> <p>Hours 4am to 8.30am & 4.30 pm to 6.30pm = 6.5 hours x 3 days</p> <p>= 19.5 hours per week. $19.5/37 = 0.53$</p>	<p>Top Band F: £22,393</p> <p>Plus on costs: £7,614</p> <p>£30,007</p> <p>X 0.53 = 15,904</p>		<p>15,904</p>

Item	Costings 17/18 figures	"One off" Costs £	Annual Cost £
<p>Market Operatives: Band D</p> <p>Put up and take down stalls</p> <p>Hours 4am to 8.30am & 4.30 pm to 6.30pm = 6.5 hours x 3 days = 19.5 hours per week. 19.5/37 = 0.53</p>	<p>Band D: £17,513</p> <p>Plus on costs: £5,954</p> <p style="text-align: right;">£23,467</p> <p>0.53 = £12,438</p> <p>X2 = £24,875</p>		24,875
<p>TOTAL STAFFING</p> <p>Other Costs</p> <p>Transit Tipper Van/4x4 Land Rover or similar type vehicle with sufficient power to tow a fully laden trailer</p> <p>Trailer: 20ft long Flat bed, high sided double axle</p>	<p>Purchase: £20,000 (second hand) - capital</p> <p>Annual running costs:</p> <ul style="list-style-type: none"> • Vehicle excise duty £250 • MOT £50 • Insurance £1,250 • Servicing/Maintenance £1,000 • Miscellaneous £1,000 • Fuel £1,500 <p>Purchase: £5,000 (Second hand)</p> <p>Annual maintenance/MOT</p>	<p>20,000</p> <p>5,000</p>	<p>63,130</p> <p>5,050</p> <p>250</p>

Item	Costings 17/18 figures	"One off" Costs £	Annual Cost £
Market Stalls, tables, canopies, fixing equipment, etc (already in BDC ownership)	Potential future replacement cost based on Sept 2014 £55,000	0	
Staff mileage expenses			200
Protective clothing/uniform and equipment			500
Marketing/ Advertising			2,000
IT/laptops/tablets Mobile phone			1,000
Electricity			3,000
Overheads	Based on estimated council overheads		20,000
Depreciation on equipment			5,000
Miscellaneous			1,500
TOTAL OTHER COSTS			38,500
ESTIMATED MINIMUM COSTS		25,000	101,630
OTHER POTENTIAL COSTS			
<i>Agency staff</i>	<i>£5,000</i>		<i>5,000</i>
<i>Storage for van/trailer/equipment – covered over if Council owned facility not available</i>	<i>Rent, rates, energy</i>		<i>7,500</i>
<i>*NNDR on market (not yet assessed)</i>	<i>£15,000 (estimated NNDR payable)</i>		<i>15,000</i>
TOTAL OTHER POTENTIAL COSTS			27,500
ESTIMATED MAXIMUM COSTS		25,000	129,130

Above staffing requirement is based on similar arrangements that were in place before the NWedr Shared service took on the operation of the market.

Markets Manager – dedicated specialist role focused on developing and managing the market offer, developing relationships with traders, identifying special events and promotions, bringing new traders in and developing a marketing strategy (working closely with the Centres Manager).

Senior Operative – management of the day to day operations of the market ensuring safe and effective running of the market; erection, dismantling and storage of the stalls; responsibility of associated equipment i.e. vehicle/ trailer, ensure effective risk management and contingency plans are in place; collect casual rents, liaison with the traders and supervision of the traders, dealing with the general public, organising other events as appropriate.

Market Operatives (x2) - erecting and letting market stalls to traders, collecting casual rents, maintaining and storing market stalls and all associated accessories and tools, ensuring the fabric of the Market stalls and all relevant tools and equipment are maintained and safe, dealing with the general public and ensuring their requirements are met, to attend to traders reasonable requests and needs.

POTENTIAL INCOME GENERATED

Day and charge per stall	A) Ave no. of stalls per week per annum	B) Ave no. of stalls per week per annum Best Scenario	C) Ave no. of stalls per week per annum Worst Scenario
Tues @£28	33	25	15
Fri @ £28	33	25	20
Sat @ £28	33	25	20
Total income per week	£2,772	£2,100	£1,540
Income Projections	£144,144 plus mobile unit @ £4,680 (£30 per day)	£109,200 plus mobile unit @ £4,680 (£30 per day)	£80,080 plus mobile unit @ £4,680 (£30 per day)
TOTAL ESTIMATED INCOME	£148,824	£113,880	£84,760

Based on 33 no 3m x 3m pitches plus one mobile unit

Agenda Item 6

Appendix 2 – Proposed Evaluation Criteria for Procurement of an External Operator

All Tenders will be evaluated on a 60/40 in favour quality over price.

Quality Criteria (100% will be converted to 60% of the total tender score)	Weighting
<p>1. <u>Method of Operation</u></p> <p>Please describe in detail how you propose to manage and operate the Bromsgrove town centre outdoor market.</p>	30%
<p>2. <u>Specialist themed markets and campaigns</u></p> <p>Please describe in detail your proposed programme or action plan for specialist themed markets and campaigns.</p>	20%
<p>3. <u>Advertising, Marketing and Promotions</u></p> <p>Please describe in detail how you will develop a marketing and promotional strategy for Bromsgrove outdoor market.</p> <p>Include how you will promote the market, attract new and diverse businesses in particular young people and entrepreneurs, offer start up incentives and improve the digital presence of the market.</p>	15%
<p>4. <u>Communication and Customer Care</u></p> <p>Please describe in detail how you will provide high quality communication and customer care with NWedR, Bromsgrove District Council, market traders, members of the public, town centre businesses and partners.</p>	10%
<p>5. <u>Corporate and Social Responsibility, Service, Utilities, Recycling and Waste Management</u></p> <p>Please give details on how you propose to add social value to this Contract. Please include effective protection of the environment, prudent use of natural resources, working with town centre businesses.</p> <p>Please give details of the day-to-day management of waste, litter and ensuring the town centre is left clean and tidy.</p>	15%
<p>6. <u>Performance Management</u></p>	10%

Agenda Item 6

<p>Please demonstrate how you approach and manage the quality of information in your organisation. Please include the provision of management and performance information, reporting to NWedR, self-monitoring systems and new industry practices.</p>	
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CABINET

11th April 2018

Finance Monitoring Quarter 3 2017/18

Relevant Portfolio Holder	Councillor Brian Cooper
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non Key Decision	

1. Purpose and Summary

To report to Cabinet on the Council’s financial position for Revenue and Capital for the Financial period April – December 2017 (Quarter 3 2017-18).

2. Recommendations

The Cabinet is asked to

RESOLVE

- 2.1 That Cabinet note the current financial positions for the period April – December 2017 as detailed in the report.

RECOMMEND

- 2.2 The Cabinet is asked to **RECOMMEND** to Council that a retrospective increase in the 2017/18 Capital Programme of £78k for the Disabled facilities Grants is approved. This reflects the recent funding received from the DCLG for the provision of adaptations.
- 2.3 The Cabinet is asked to **RECOMMEND** to Council that a retrospective capital virement of £100k 2017/18 from the vehicle replacement to the infrastructure works at the Bromsgrove depot is approved. This is due to improvements undertaken in relation to Phase 1 of the depot car park resurfacing.

3. Revenue budgets

- 3.1 This report provides details of the financial performance of the Council. The purpose of this report is to ensure officers and members have relevant information to consider the overall financial position of the Council. The report reflects the finances across all of the Strategic Purposes to enable Members to be aware of the level of funding attributed to each area and how this compares to budget. The summary at 3.4 shows the financial position for revenue funding for the period April – December 2017. A year end forecast is presented for Quarter 3 to ensure budget holders can assess the projected outturn position of their service areas.
- 3.2 Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed. This report aims to focus on the key variances from budgets to ensure that these are addressed appropriately during the year.
- 3.3 As Members are aware officers have recognised that there were savings in 2016/17 that had not been forecast in previous reports. As part of **Page 35** monitoring during 2017/18, budget holders and

CABINET

11th April 2018

Heads of Service are working with the finance team and portfolio holders to improve the quality of the future forecasting.

3.4 The £13.511m original budget as included in the table below, is made up of the budget approved in February 2017 of £11.112m which is then adjusted to reflect capital charges and interest of £2.332m (increase to £11.112m) together with transfers of reserves of £67k.

In addition the Latest Budget 2017/18 of £13.739m includes transfers to/from reserves of £232k. Appendix 1 shows the movement in reserves of £492k which includes £232k as noted above and the planned budgeted release of reserves of £317k.

**Revenue Budget summary
Financial Year 2017/18 – Overall Council**

Please note figures have been rounded

Strategic Purpose	Original Budget 2017/18 £'000	Latest budget 2017/18 £'000	Budget to date April – Dec 2017/18 £'000	Actuals to date April – Dec 2017/18 £'000	Variance to date April – Dec 2017/18 £'000	Projected outturn 2017-18 £'000	Projected variance 2017/18 £'000
Keep my place safe and looking good	4,242	4,412	3,166	3,182	16	4,374	-38
Help me run a successful business	-636	-636	-483	-500	-16	-641	-4
Help me be financially independent	245	151	826	789	-37	122	-28
Help me to live my life independently	572	573	368	335	-33	540	-33
Help me find somewhere to live in my locality	977	1,002	759	644	-115	905	-96
Provide Good things for me to see, do and visit	824	963	730	773	43	963	0
Enable others to work/do what they need to do (to meet their purpose)	5,539	5,525	4,195	4,177	-19	5,504	-21
Capital	1,748	1,748	1,311	1,311	0	1,748	0
Total	13,511	13,739	10,873	10,712	-163	13,518	-221
Corporate Financing	-11,762	-11,991	-7,615	-7,488	127	-11,842	148
Capital (Corporate)	-1,748	-1,748	-1,311	-1,311	0	-1,748	0
Grand Total	0	0	1,947	1,913	-36	-72	-72

Financial Commentary:

Keep my place safe and looking good

These budgets include those relating mainly to environmental services, planning, lifeline, CCTV and other activities to deliver against the purpose to ensuring an area is both safe and attractive for the community.

Having reviewed the variance position, the below explains variances over £25k:

- Shortfall in income from Building control of **£51k**. Building control operates in an increasingly competitive marketplace and whilst all opportunities are explored it is clear that the number of competitors is rising. Unlike its competitors, LA Building control is required by law to operate solely on a cost neutral basis and its performance and charging regimes are publically accountable. The application-specific fees charged in the face of strong competition, and therefore the income received, accords with this requirement. In addition complications have arisen, with regard to undertaking consultancy work for other authorities and offering additional services in being unable to obtain requisite levels of professional indemnity insurance. This is currently curtailing some of these activities but it is hoped the situation can be resolved in due course. This is mainly due to lower fee generating applications being received.
- Shortfall in planning application income of **£217k**. There has been a low number of applications received. It is projected the income will show a significant shortfall at year end of over **£267k** and this is due to large planning applications not being received.
- These shortfalls are offset by savings made within CCTV due to efficiencies on telephones and accommodation charges **£52k**.
- In addition there are savings within strategic planning due to salary vacancies **£92k**.
- Further savings on Repairs and Maintenance of vehicles of **£206k** and other general supplies have resulted in an overall saving to the budget.

Help me run a successful business

The budgets within the strategic purpose include economic development, car parking, all licenses and costs associated with the town and other centres within the District.

There are no variances over £25k to report in the third quarter.

Help me be financially independent

The strategic purpose includes all costs relating to the support of benefits and the administration and delivery of Council Tax services in the District.

The variance within this strategic purpose relates to additional income received from recoveries by court action.

Help me to live my life independently

There are a number of budgets relating to the delivery of the strategic purpose including ; Lifeline, Community Transport and Disabled facilities grants.

There has been additional income generated on Lifeline services along with savings being made on telephones and accommodation **£33k**.

Help me find somewhere to live in my locality

The costs associated with homeless prevention, housing strategy and land charges are all included in the strategic purpose.

There has been additional income received within local land charges - **£66k** projected for the year 2017/18. There are also savings made within Housing Strategy due to staff vacancies and also some savings made on supplies and services budgets to BDHT **£30k**.

Provide Good things for me to see, do and visit

The majority of budgets within this purpose relate to Leisure and Culture services.

There are no variances over £25k to report in the third quarter.

Enable others to work/do what they need to do (to meet their purpose)

All support services and corporate overheads are held within the enabling purpose. These include; IT, HR , Finance, Management team and other support costs.

There are a number of unallocated savings that sit within the corporate / enabling service. It is anticipated that these will be offset by service savings during the year as detailed at Appendix 2. At quarter 3 there is an underspend of **£168k** within ICT in relation to software licenses following a full review of all expenditure required to meet license costs. This saving currently offsets the pressure relating to the unallocated savings.

Corporate Financing

There is an overspend within Corporate financing which is mainly due to the charge for minimum revenue provision (MRP) being higher than anticipated due to lower capital receipts being available and utilised than included in the budget.

4. Efficiency Plan

4.1 The efficiency plan was presented to Council in October 2016. Appendix 2 reflects the efficiency plan compared with the current delivery of savings as identified in the Medium Term Financial Plan along with the additional savings that have been projected to be delivered in 2017/18. This now shows an additional saving of £569k against the initially estimated savings plan.

Risks of delivery

4.2 There are a number of savings/ efficiencies that will be identified as part of the current work on analysing the 2016/17 outturn position. Heads of Service are working with the

Directors as the strategic purpose leads to undertake a detailed review of all cost heads to understand the cost recovery on all areas and the nature of the savings from 2016/17 to enable these to be given up for 2017/18 to meet the efficiency plan targets. In addition savings from vacancies are to be released from individual service budgets and used to offset the savings plans for 2017/18.

5. Cash Management / Borrowing

5.1 The financial position in relation to borrowing at the start of the financial year and the expected end of year positions is shown in the table below. This shows the borrowing position at the end of quarter 3.

Date	£m	Position
As at 31 st March 2017 (Actual)	3.1	Borrowing
As at 30 th December 2017	4.0	Borrowing
As at 31 st March 2018 (Forecast)	14.0	Borrowing

6. Interest and Investments

6.1 An interest payable budget has been set of £54k for 2017/18 due to expenditure relating to current borrowing.

6.2 At 30th December 2017 there were no short term investments held

CABINET

11th April 2018

7. Capital Budgets

**Capital Budget summary
Financial Year 2017/18 – Overall Council**

7.1

Please note figures have been rounded

Strategic Purpose	Revised Budget 2017/18 £'000	Budget to date April – Sept 2017/18 £'000	Actuals to date April – Sept 2017/18 £'000	Variance to date April – Sept 2017/18 £'000	Projected outturn 2017-18 £'000	Projected variance 2017/18 £'000
Keep my place safe and looking good	1,875	1,407	1,320	-86	1,749	-126
Help me be financially independent	6	4	0	-4	6	0
Help me to live my life independently	941	724	600	-124	851	-90
Provide Good things for me to see, do and visit	5,607	4,621	4,530	-91	5,324	-283
Enable others to work/do what they need to do (to meet their purpose)	135	101	22	-79	49	-86
Totals	8,564	6,857	6,473	-384	7,979	-585

Finance commentary:

Keep my place safe and looking good

Projects are under way however an amount of the fleet replacement budget will be requested to be moved into future years, this is due to the timescales for ordering and receiving the vehicles. An amount will be left at the end of the financial year not required based on a saving made between actual costs and estimated costs. In addition a capital virement is requested of £100k in 2017/18 to enable the funds for the phase 1 resurfacing of the depot car park. The funding for this project is currently allocated to the fleet replacement programme but requires allocation to a separate project to accurately reflect depreciation and to track the costs associated with the project. Phase 2 has been approved for 2018/19-2019/20.

Help me to live my life independently

There has been a low uptake on the Home Repairs assistance project and the CCTV project is currently under review. Therefore, these projects will be requested to roll into 2018/19.

Additional funding of £78k was received from the DCLG as part of the Autumn Statement. The funds are to be allocated to the Disabled Facilities Grants and utilised in 2017/18. Officers have been working to ensure the funding is allocated to projects to ensure that it is fully utilised.

Provide Good things for me to see, do and visit

There are a number of s106 projects that have been delayed due to consultations having to take place with

residents and parishes. It will therefore be requested to roll forward the budgets into 2018-19.

Enable others to work/do what they need to do (to meet their purpose)

The IT projects included in enabling which have commenced in the third quarter of the year are expected to continue into the new financial year. As such, any unspent amounts will be requested to roll into the new financial year, 2018-19, to enable the projects completion.

8. Earmarked Reserves

- 8.1 The projected position at the start and end of next financial year is shown in Appendix 1. The balances on earmarked reserves are reviewed at the financial year end.

9. General Fund Balances

- 9.1 The General Fund Balance as at the 31th March 2017 was £4.316m. A balanced budget was approved in February 2017 to include identified savings which have been built into individual budget allocations. This also included a planned return to balances for 2017/18 of £259k.

10. Legal Implications

- 10.1 No Legal implications have been identified.

11. Service/Operational Implications

- 11.1 Managers meet with finance officers on a monthly basis to consider the current financial position and to ensure actions are in place to mitigate any overspends.

14. Risk Management

- 14.1 The report includes the risks associated with the delivery of the savings within the efficiency plan

APPENDICES

Appendix 1 – Earmarked Reserves
Appendix 2 – Savings and Efficiency Plan

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FINANCIAL RESERVES STATEMENT 2017/18

Appendix 1

Please note these figures have been rounded

Description	Balance b/fwd 1/4/2017	Transfers in existing reserve 2017/18	Transfers out existing reserve 2017/18	New Reserve 2017/18	C/fwd 31/3/2018	Comment
	£'000	£'000	£'000	£'000	£'000	
Building Control	-7	0	0	0	-7	To Fund the mobile working project
Building Control Partnership	-43	-28	23	0	-49	Partnership income has to be reinvested in the service behalf of the shared service
Business Transformation	-11	0	0	0	-11	Towards organisational development following the staff survey
Commercialism	-50	0	9	0	-41	To help fund costs in relation to commercialism projects
Community Safety	-33	0	3	0	-30	Grant funding received to fund associated community projects
Community Services	-40	0	0	0	-40	To help towards a district network feasibility study
Economic Regeneration	-501	0	0	0	-501	To fund the Economic Development opportunities across the District
Election Services	-203	0	0	0	-203	To support the delivery of individual electoral registration and to set aside a reserve for potential refunds to government
Environmental Services	-15	0	10	0	-5	To help towards the unauthorised trespass prevention scheme and Tree works within the district
Equalities	-11	0	0	0	-11	To fund license fees
Financial Services	-587	-44	0	0	-631	The reserve includes the small business rate relief grant that will offset the costs in future years. In addition a number of reserves / grants have been set aside to support residents through the changes to welfare reform
Housing Schemes	-366	0	36	0	-330	To support the feasibility and implementation of housing schemes across the district
ICT/Systems	-211	0	100	0	-111	To provide for replacement ICT systems
Leisure/Community Safety	-267	0	154	0	-113	Grant received and reserves set aside to support a number of leisure and well being schemes across the District
Litigation Reserve	-5	0	0	0	-5	To provide funding for any potential legal challenges
Local Development Framework	-142	0	0	0	-142	To fund the costs associated with the Core Strategy
Local Neighbourhood Partnerships	-16	0	0	0	-16	Grant received in relation to liveability schemes
Other	-98	0	8	0	-91	To support apprentices, set up costs and other general reserves
Planning & Regeneration	-100	0	62	0	-38	Support for a review of Transport, Highways & Infrastructure implications
Regulatory Services (Partner Share)	-33	0	0	0	-33	BDC Share of WRS grant related reserves
Replacement Reserve	-556	0	217	0	-340	To fund replacement vehicles and plant
Shared Services Agenda incl Joint CE	-311	0	0	0	-311	To fund potential redundancy and other shared costs
Grand Total	-3,606	-72	621	0	-3,057	

Agenda Item 7

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SAVINGS TO DELIVER THE EFFICIENCY PLAN 2017/18

Area	Cost reduction / Additional income growth/ Alternative Service Delivery	2017/18	Income projection 2017/18	Projected Variance	Comments April - September
		£'000	£'000	£'000	
Leisure Services	Additional income from the redeveloped Leisure Centre	106	0	106	The new provider takes over the site at the end of November. The income will be in line with the tender and generated over a 3 year period. Therefore it is not anticipated that income will be achieved in 2017/18. However the overall income to be realised will deliver £700k to the Council which is £200k more than originally estimated.
Cross Organisational	Increases in income and growth (including compliance in relation to Council Tax)	75	273	-198	Additional income was identified to deliver the figure included in the efficiency plan. The income projections were approved as part of the MTFP which superceeded the efficiency plan.
Cross Organisational	Alternative Models of Service Delivery - Reviewing the provision of services with the aim to redesign and work with other partners to deliver savings	140	10	130	The commercial work that is being undertaken by officers will not deliver additional income or savings in 2017/18. Other savings have been achieved to ensure that the shortfall on income is mitigated
Customer Access & Financial Support	Improved efficiencies by moving to a new system for Revenues and Benefits	80	70	10	Savings to be achieved as identified within the shared service and migration to one system across both Councils.
Cross Organisational	Organisational Management Review	135	88	47	A number of service reviews have delivered management savings. Further savings to be realised from a wider management review
Cross Organisational	Reduce waste in system	90	120	-30	Additional savings were included in the MTFP in relation to reducing waste from processes and systems. These saving projections were approved as part of the MTFP which superceeded the efficiency plan.
Cross Organisational	Reset budget from baseline of 2015/16	50	734	-684	Additional savings were included in the MTFP in relation to resetting the budget from previous years. These saving projections were approved as part of the MTFP which superceeded the efficiency plan.
Additional Business Rate Growth	Based on assumptions of additional growth from sites across the District – regeneration of the town centre	50	0	50	The additional business rate take is not yet known and will be reviewed when the formal return is submitted to Government in December. A prudent approach has been taken at quarter 2 to show no growth for 2017/18
TOTAL NEW SAVINGS / USE OF BALANCES /		726	1,295	-569	

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