



BROMSGROVE DISTRICT COUNCIL

YOU ARE HEREBY SUMMONED to attend a MEETING of BROMSGROVE DISTRICT COUNCIL to be held in the Council Chamber at Parkside at 6.00 p.m. on Wednesday 26th February 2020, when the business referred to below will be brought under consideration:-

Welcome

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 22nd January 2020 (Pages 1 - 24)**

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 (Pages 25 - 26)**

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. **Constitution Update Report (Pages 27 - 42)**

8. **Appointment of Committees Update (Pages 43 - 48)**

9. **Independent Remuneration Panel Report** (Pages 49 - 70)

10. **Recommendations from the Cabinet meeting held on 12th February 2020** (Pages 71 - 72)

To consider the recommendations from the meeting(s) of the Cabinet held on 12th February 2020.

11. **Recommendations from the Cabinet meeting held on 26th February 2020 (to be tabled at the meeting)**

To consider the recommendations from the Cabinet meeting held on 26th February 2020.

12. **To note the minutes of the meetings of the Cabinet held on 12th February 2020** (Pages 73 - 78)

13. **Alternative Budget Proposals - Bromsgrove Alliance** (Pages 79 - 82)

14. **Questions on Notice** (Pages 83 - 84)

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

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.

15. **Motions on Notice** (Pages 85 - 86)

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.

16. **Background Information on the recommendations from the Cabinet**

(i) **Pay Policy Statement** (Pages 87 - 96)

(ii) **Medium Term Financial Plan** (Pages 97 - 134)

(iii) **Council Tax Resolution (to follow/to be tabled at the meeting)**

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

TO ALL MEMBERS OF THE BROMSGROVE DISTRICT COUNCIL

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

22ND JANUARY 2020, AT 6.00 P.M.

PRESENT: Councillors R. J. Laight (Chairman), S. J. Baxter, S. R. Colella, R. J. Deeming, G. N. Denaro, S. P. Douglas, A. B. L. English, M. Glass, C.A. Hotham, S. A. Hughes, R. J. Hunter, H. J. Jones, A. D. Kent, J. E. King, A. D. Kriss, L. C. R. Mallett, K.J. May, M. Middleton, P. M. McDonald, H. D. N. Rone-Clarke, M. A. Sherrey, C. J. Spencer, P.L. Thomas, M. Thompson, J. Till, S. A. Webb and P. J. Whittaker

WELCOME

The Chairman welcomed Mr David Burrell, Chief Executive of the Primrose Hospice who gave a short presentation on the work of the Hospice. The Leader thanked him for attending and for the work that his dedicated team carried out.

65\19 **TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors A. Beaumont, S. Hession, R. Jenkins and K. Van der Plank. It was noted that Councillor L. Mallett would arrive late.

66\19 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

67\19 **MINUTES**

The minutes of the Council meeting held on 20th November 2019 were submitted. The following points were noted:

- Councillor H. Jones had asked for her comments on page 20 of the minutes, in respect of Councillor R. Hunter's notice of motion to be withdrawn.
- Councillor Hotham asked whether, as detailed in minute no. 61/19 on page 8 of the minutes, the copies of notes from the private meetings had been made available to at least Group Leaders, without the need for a Freedom of Information request. The Monitoring Officer clarified, that these had been provided to Councillor L. Mallett at his request and that should any other

Member wish to see them they would be made available, but no other requests had been received to date.

- On page 18 of the minutes it was clarified that Councillor P. Thomas had responded to Councillor S. Douglas' notice of motion and not the Leader, as had been stated.

RESOLVED that, subject to the preamble above, the minutes of the meeting of the Council held on 20th November 2019 be approved.

68\19

TO RECEIVE ANY ANNOUNCEMENTS FROM THE CHAIRMAN AND/OR HEAD OF PAID SERVICE

The Chairman highlighted a number of events which had taken place since the last Council meeting, including a number of Christmas events. He thanked all those who had been able to attend and those officers who had organised them and helped make them such a success.

The Chairman also advised Members that on Monday 20th January he had held a very successful meeting with all Group Leaders, the aim of which had been to ensure efficient and productive debate at this evening's meeting. He would elaborate on this later in the meeting, under the Motions on Notice item.

The Chairman also reminded Members that the Holocaust Memorial Service would take place in the Parkside Suite on Monday 27th January 2020 at 11.00 am.

There were no announcements from the Head of Paid Service.

69\19

TO RECEIVE ANY ANNOUNCEMENTS FROM THE LEADER

The Leader made the following announcements:

- Following the Council's challenge to the Valuation Office around the Business Rates payable on Burcot Lane site; the Valuation Office had reduced the Rateable Value and the Council had received a refund of £222,423.
- The bus shelter survey had been completed. It had transpired that the Council was responsible for fifty bus shelters, eighteen of which had been identified as requiring remedial work/replacement. A Capital bid has been included in the Budget Report to carry out this work over three years (£18k per year) and Officers were in the process of confirming that all eighteen were still serviced by a bus service.
- The Council was in the process of developing the Greenspace strategy, within this document the tree management, planting of wild flowers to encourage bio diversity would be included, and the climate control agenda would be explored in detail and delivered by an action plan.
- The Substance Misuse Multi-Agency Forum met for the first time on 15th January 2020. It had been well received with twenty six

partners around the table. It had been shocking to hear the impact that substance misuse had on a community. She thanked Councillor M. Thompson for working with her on this initiative.

Councillor Thompson thanked the Leader for her support with the Substance Misuse Forum and highlighted that this was a good example of dealing with a matter outside of the Notice of Motion process and working together to address an issue which impacted on many across the District.

Councillor R. Hunter thanked the Leader for responding in respect of bus shelters, which would be of benefit to many residents.

Councillor P. McDonald asked whether the Leader agreed that over the last ten years the increase in substance misuse was a result of the impact of it no longer being a priority to the Police due to the Government cutbacks which had been enforced on the services they provided. The Leader responded that substance misuse was a sad state of our society which was not restricted to this District and that she hoped the Council could support the Police and other partners in addressing this and make a really difference to those affected by it.

70\19

TO RECEIVE COMMENTS, QUESTIONS OR PETITIONS FROM MEMBERS OF THE PUBLIC

There were no comments, questions or petitions from members of the public on this occasion.

71\19

CONSTITUTION UPDATE REPORT

Councillor G. Denaro, the Portfolio Holder for Finance and Enabling introduced the report and in so doing highlighted to Members that the full rules relating to Council Procedures had been included within the report, however the alterations being proposed only related to items listed under paragraph 3.3 and 3.4.

However, the Deputy Leader advised that the Constitution Review Working Group had agreed at its meeting in November that the Head of Planning would be authorised to speak at Full Council meetings, as she had done successfully in November. This should have been included in the recommendations. Members were asked to accept his apologies for this oversight and agree this adjustment verbally. It was confirmed that amendments had been agreed by Group Leaders.

The recommendations were proposed by Councillor Denaro and seconded by Councillor K. May.

Councillor S. Baxter welcomed the changes in the report and made particular reference to the inclusion of ordinary business at the Annual Meeting of Council and the adding of an additional Council meeting in the new municipal year, however, Councillor Baxter warned that these

changes would not work unless the Council worked together. She made reference to the meeting that had been held on Monday 20th January with all the Group Leaders and the Chairman which she believed had shown really progress and she hoped that this would continue.

Councillor R. Hunter echoed the comments of Councillor Baxter, whilst recognising that in some circumstances there was a place for motions to be debated by all Members.

RESOLVED that the Council Procedure Rules be amended as detailed in Appendix 1 of the report with the addition of the Head of Planning and Regeneration at 16.1 of the Council Procedure Rules.

72\19

OPEN SPACES REPORT

Councillor A. Kent as Portfolio Holder for Planning and Regulatory Services presented the report and advised that this was a “hot topic” which had been raised on a number of occasions over the last few months. He highlighted a number of areas within the report; including that it was important to note that a developer was not obliged to consider passing the open space or play area provision to the Local Authority. If agreed, a letter would be sent to Central Government raising the Council’s concerns as detailed in the report.

The recommendations were proposed by Councillor Kent and seconded by Councillor P. Thomas.

Following presentation of the report the following areas were discussed in more detail:

- The report was a move in the right direction, however it was highlighted that a developer was able to move a play area/open space within a development after agreement had been reached. An example of this was provided at a site in Cofton Hackett.
- This was a national problem and that the management companies appointed often increased the charge for maintaining the area significantly.
- Members were thanked for taking the matter seriously and bringing forward the report.
- The inclusion of the matter within a review of supplementary planning guidance.

A suggested additional recommendation was put forward by Councillor C. Hotham and seconded by Councillor S. Baxter, in respect of when the Council was approached for searches and the inclusion of information about open spaces within the site and the use of a management company. The aim would be to make the information more accessible. Following discussion, Councillor Kent agreed to investigate this going forward and suggested that as things progress the matter could come back to Council if necessary. Following this discussion Councillor Hotham agreed to withdraw his amendment.

Councillor Kent reiterated the need for a change in legislation to address a number of areas and that he was happy for the matter to be discussed at the Strategic Planning Steering Group in more detail and if necessary a further report to be brought before Council as matters progressed.

RESOLVED:

- a) that Officers continue to consider applications on a case by case basis and agree where appropriate as a preferred option, off site provision thereby enhancing already existing facilities and what strategically is appropriate for adoption be approved;
- b) that where it is not possible to agree that there will be a presumption that the Council will adopt land where it meets the adoptable standard as agreed by the Council. That the Developer does all agreed works prior to handover, and that an acceptable commuted sum for the long term maintenance is agreed and paid to the Council be approved;
- c) that as part of a review of the relevant Supplementary Planning Guidance, Officers are tasked with the development of an open space adoptions and S106 policy. To incorporate standards and a cost calculator to enable a more standardised calculation to be achieved be approved; and
- d) that the situation nationally with regard to open space provision and the need to exercise the Council's role as community leader in writing to the Government to express its concern on behalf of its residents and to encourage a more regulated environment to be established in order that residents be safeguarded in situations where a developer chooses to retain these responsibilities be noted and approved.

73\19

RECOMMENDATIONS FROM THE CABINET - 4TH DECEMBER 2019 AND 15TH JANUARY 2020

Cabinet Recommendations 4th December 2019

Worcestershire Mineral Plan – Statement of Common Ground

Councillor A. Kent as Portfolio Holder for Planning and Regulatory Services presented the report. It was explained that the matter had been brought before Council for transparency, as he and the Leader were County Councillors.

Councillor Kent highlighted a number of areas within the report, namely that the plan contained no new allocations, the Minerals Local Plan covered the whole of the county of Worcestershire and, once adopted, would be a Development Plan Document and form part of the Development Plan for Worcestershire. This meant that it sat alongside the district Local Plans and the Waste Core Strategy and should be used

to determine any minerals-related planning matters in the county. It provided for the steady and adequate supply of minerals in the county until 2035. The Minerals Local Plan would be used by Worcestershire County Council to make decisions about planning applications for mineral extraction, processing and restoration. It would also be used by District Councils to ensure other types of development did not sterilise mineral resources or negatively impact mineral infrastructure.

It was further explained that the Minerals Local Plan must enable a steady and adequate supply of minerals from the county to contribute towards supplying both local and national demand. The majority of mineral working in the county was sand and gravel for the aggregate industry. Brick clay was also worked in the north of the county for brick making, a small amount of silica sand was dug for industrial purposes and a small amount of brine was extracted for making food-grade salt. There are also building stone, crushed rock and coal deposits in the county, but these were not currently worked.

The recommendation was proposed by Councillor Kent and seconded by Councillor K. May.

RESOLVED that the statement of common ground with regards to the Worcestershire Minerals Local Plan and that delegated authority to the Leader of the Council to sign and send the agreement to Worcestershire County Council on behalf of the Council be approved.

Fees and Charges

Councillor G. Denaro, the Portfolio Holder for Finance and Enabling introduced the report and advised that the progress and clarification relating to Fees and Charges, which had commenced last year had continued this year, with the following criteria being used as shown in paragraph 3.2 of the report:

- Service to be subsidised by Council
- Service to break even
- Was the service achieving surplus to offset other/overhead costs.

As highlighted in Paragraph 3.1 of the report it was also noted that CPI would be used on inflation rates in the future.

Councillor Denaro commented that the Finance and Budget Working Group had once again played a full part in this year's analysis and Heads of Service had attended to give any explanations required. Cabinet had also adopted in full, the recommendations from the Overview and Scrutiny Board which were included at page 67 within the agenda pack.

Councillor Denaro also took the opportunity thank the Executive Director for Finance and her officers for the time taken in producing this report and the Finance and Budget Working Group.

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It was explained that unfortunately the wording of the recommendations, which had been agreed by Cabinet had been incorrect and therefore a number of amendments were proposed including, recommendation (a) to enable the fees and charges to be implemented from 1st April 2020 **NOT** 1st February 2020. As these had not been advised to Members prior to the meeting, it was agreed that there would be a short adjournment to allow Members to consider the amendments.

The recommendations were proposed by Councillor Denaro and seconded by Councillor K. May.

It was noted that whilst the recommendations had been amended, this did not in any way impact on the actual Fees and Charges detailed in the report. It was further noted that the Overview and Scrutiny Board's Finance and Budget Working Group had considered the report in some detail, with the relevant Heads of Service attending to respond to any queries that the Group had.

Following the adjournment Members raised a number of queries in respect of the Fees and Charges, including the following:

- The discretionary increase/decrease for Leisure Services – it was explained that this was a commercial decision and was one which had been applied in previous years.
- The location of the North Bromsgrove car park – it was clarified that this was the new Leisure Centre car park.
- The recommendation from the Overview and Scrutiny Board in respect of an increase for the Primary Sports Projects – it was confirmed that this referred specifically to those projects and not the wider fees and charges for Leisure Services.

RESOLVED:

- a) that Council approve all fees and charges that are included within appendix 1 of the report;
- b) that Council approve the recommendations from the Finance and Budget Working Group as detailed at appendix 1 of the minute;
- c) that Council approve the 20% increase or decrease discretion on Leisure Services fees and charges throughout the financial year; and
- d) that all fees and charges included in Appendix 1 of the report be charged commencing 1st April 2020.

Cabinet Recommendation 15th January 2020

Cofton Hackett & Lickey and Blackwell Neighbourhood Plan

Councillor A. Kent, Portfolio Holder for Planning and Regulatory services explained that the Council had already considered the detailed contents of this plan in February 2019 when it was agreed it could go to examination and referendum, this was not therefore the opportunity to make further changes to the plan. The report confirmed that both of

these things have now happened successfully and it was now the Council's responsibility to confirm the plan as made, which was the same as when a local plan was adopted. It was noted that 86.35% of residents had backed the plan and Councillor Kent took the opportunity to thank all those involved in the process for an excellent piece of work.

The recommendation was proposed by Councillor A. Kent and seconded by Councillor K. May

RESOLVED that the Lickey and Blackwell and Cofton Hackett Neighbourhood Development Plan be 'made' (formally adopted) immediately in accordance with the relevant legislation.

BDC Response to South Worcestershire Development Plan

Councillor A. Kent, Portfolio Holder for Planning and Regulatory Services advised Members that the South Worcestershire Development Plan (SWDP) had been jointly prepared by the three South Worcestershire Councils (SWCs) – Malvern Hills; Worcester City and Wychavon, who had agreed to work together to roll the Plan forward. It was explained that, by this Council responding to the other councils plans the district was protected in the best way possible, by engaging positively in the planning process which was the purpose of the Planning Act and the NPPF requirements. It was appreciated that it might not always seem to be the case, but staying silent on such issues did not help this Council in progressing its own plan as similar discussions would have to take place, and by having positive and constructive relationships with other councils would be of benefit in the long term.

The Preferred Options Consultation set out where the SWCs consider new growth should be located, and the changes needed to the policies of the Adopted Plan to ensure they reflected the updated evidence base and national planning policy. The consultation document also considered what infrastructure was required to support new development.

Members' attention was drawn to paragraphs 4, 5, 10 and 12 of the response as detailed at page 227 of the report which clearly stated the Council's position and view on the document.

It was also noted that the Preferred Options Document had a housing target for South Worcestershire of 13,957 dwellings and for 295 hectares of employment land and identified a Spatial Development Strategy and Settlement Hierarchy to direct new growth until 2041. Section 17 also identified a number of new strategic site allocations to which the majority of new development would be directed. These included Worcester Parkway which would deliver 5,000 dwellings and 50 hectares of employment land; land at Throckmorton Airfield for 2,000 dwellings and 20 hectares of employment land and an expanded settlement at Rushwick to deliver 1,000 dwellings and 10 hectares of employment land.

The recommendation was proposed by Councillor Kent and seconded by Councillor K. May.

RESOLVED that the officer response to the South Worcestershire Development Plan preferred option consultation be approved by Council as its formal response and that it is confirmed with the South Worcestershire Councils as such.

South Staffs Local Plan Preferred Options

Councillor A. Kent, Portfolio Holder for Planning and Regulatory Services advised Members that they were being asked to endorse the officer response. This was not the full plan and as highlighted in the report there would be further opportunities for the Council to further understand and influence the content of the South Staffordshire Local Plan, which the Spatial Housing and Strategy and Infrastructure Delivery would be part of. South Staffordshire Council's current Local Plan Review consultation: This consultation set out a number of strategic approaches to new housing development, including potential broad locations and areas of search for development. It did not deal with matters such as employment, retail or other general policy approaches. South Staffordshire set out their commitment to plan to meet their own housing needs, together with a contribution of up to 4,000 dwellings towards the wider needs of the Greater Birmingham housing market area. By applying the Government's standard methodology for housing need, South Staffordshire's need for their proposed plan period of 2018-2037 was 4,845 dwellings, taken together with the contribution to the needs of the wider HMA, the Local Plan review was planning for 8,845 dwellings to 2037.

Councillor Kent highlighted the requirements of paragraph 137 of the National Planning Policy Framework (NPPF) in relation to the demonstration of exceptional circumstances for any Green Belt releases, and the need for this Council and South Staffordshire Council to consider this under the duty to co-operate moving forward.

The recommendation was proposed by Councillor Kent and seconded by Councillor K. May.

Members thanked Councillor Kent for a detailed explanation of all the documents he had presented at the meeting and concerns were raised that in some circumstances these had already been presented as the view of the Council, before consideration at a Council meeting. It was explained that due to deadlines it was not always possible for such documents to be brought before Council in a timely manner, but should any changes be made to the documents during discussions then these would be relayed to the relevant authority and the Council's response amended.

RESOLVED that the officer response to the Spatial Housing Strategy and Infrastructure Delivery consultation be approved by Council as its

formal response and that it is confirmed with South Staffordshire as such.

Market Hall Site – Meanwhile Use

Councillor K. May as Portfolio Holder for Economic Development advised Members that the Council had commissioned a review of this site (along with the former Dolphin Centre site) and as the Council had limited sites within its direct ownership it was necessary to assess fully all of the potential opportunities available. Continuing with this as a temporary solution would enable the Council to evaluate the success of the bird box whilst the review of the sites was concluded.

The recommendations were proposed by Councillor May and seconded by Councillor G. Denaro.

Following presentation of the report, Members discussed a number of areas in more detail, including:

- The history of the market hall site and the need for the Council to create something suitable and permanent on the site which would benefit residents. It was noted that within the Portfolio Holder's report, to be considered later on the agenda reference was made to the site being a long standing regeneration opportunity for Bromsgrove Town Centre.
- The Leader responded that the suggested options would be a short term fix to ensure that the site no longer remained empty and was being utilised, whilst a full evaluation of other options was being made.
- It was highlighted that the Overview and Scrutiny Board had been so impressed with the proposal that it had made a recommendations that the pop up site be made permanent.
- The cost of the evaluation of the site and whether the cost of the pop up option as a short term solution was value for money for residents. The Leader responded that investment had already been made on the site through Waitrose and that it was envisaged that the full development would take three years and therefore the pop up option would be a good starting point.
- How the site would be managed – Members were reminded that previously the Council had its own dedicated Economic Development Officer.
- Whether there was the need to spend any more money on the site should the pop up option be a success.
- Whether from a legal perspective it was possible to make the pop ups permanent. It was confirmed that legally the Council was not able to do so, as to make it permanent would mean that planning permission was required. Should this be successful and one of the options from the wider piece of work being carried out then this would be re-considered at a later date.
- As broadly speaking Members seemed to be in agreement that the pop up option was a good idea, whether it was possible to class this as a pilot facility with the option that should it be

successful the appropriate process would be gone through to make it permanent.

- The options and the one which Cabinet were proposing, was for a high quality creative space to be developed.
- Concerns continued to be raised in respect of its temporary nature and whether this would stop people from making a commitment, if there was the potential for it to be developed in another way at a later date.
- The Leader reiterated that at this stage Council were being asked to agree to a more detailed report being prepared to see what options were available in the long term. She was concerned that the site in its current state, had a negative impact on the Town Centre and she understood that retailers on the Worcester Road were supportive.

The role of the Overview and Scrutiny Board in pre-scrutinising the report and the detailed discussions which had taken place at its meeting in respect of this item. The importance of the impartiality of the Board as a critical friend and in providing a voice for the residents of the District was also discussed.

RESOLVED:

- that the approval of Option 1 as the preferred option be implemented and a release of £110k from balances to meet the required remaining funding for 2019/20; and
- that delegated authority to the Chief Executive, following consultation with the Portfolio Holder for Economic Development, the Town Centre and Strategic Partnerships to implement Option 1 be approved.

Worcestershire Regulatory Services Joint Board

Councillor A. Kent as Portfolio Holder for Planning and Regulatory Services explained that Members were being asked to agree the budget for the services provided by Worcestershire Regulatory Services, as detailed in the supplementary agenda 2 papers. The full report had been provided in the main agenda pack. It was noted that efficiencies had been made where possible and that this was the first year, in a number of years, when a small increase had been requested. Full details of what that increased would specifically cover were provided by Councillor Kent.

The recommendations were proposed by Councillor Kent and seconded by Councillor G. Denaro.

RESOLVED that Council approve the following for 2020/21:

- a) the base revenue partner contributions for 2020/21-2022/23;

Bromsgrove District	£439k
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Malvern Hills District Council	£386k
Redditch Borough Council	£529k
Worcester City Council	£499k
Wychavon District Council	£701k
Wyre Forest District Council	£463k

b) the partner percentage allocations for 2020/21 onwards;

	%
Bromsgrove District Council	14.55
Malvern Hills District Council	12.79
Redditch Borough Council	17.53
Worcester City Council	16.54
Wychavon District Council	23.24
Wyre Forest District Council	15.35

c) the additional partner liabilities for 2020/21 in relation to unavoidable salary pressure and increase in WRS pension forward funding rate;

Bromsgrove District Council	£13k
Malvern Hills District Council	£11k
Redditch Borough Council	£16k
Worcester City Council	£15k
Wychavon District Council	£21k
Wyre Forest District Council	£14k
Total	£90k

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- d) the additional partner liabilities for 2020/21 in relation to three additional Technical Officers;

Council	Tech Officer Primary Authority – 3 Months £000	Tech Officer Animal Activity £000	Tech Officer Gull Control £000
Bromsgrove District Council	1	6	
Malvern Hills District Council	1	9	
Redditch Borough Council	1	1	
Worcester City Council	1	4	30
Wychavon District Council	2	9	
Wyre Forest District Council	1	4	
Total	7	33	30

- e) the 2020/21 gross expenditure budget of £3,547k as shown in Appendix 1 to the report; and
- f) the 2020/21 income budget of £530k as shown in Appendix 3 to the report.

Quarter 2 Finance Monitoring Report

Councillor G. Denaro, Portfolio Holder for Finance and Enabling presented the Quarter 2 Finance Monitoring Report for Members consideration. He highlighted that the financial figures for Quarter 2 continued to show healthy progress. Whilst a proportion of the underspend projected of £360k was due to vacancies there had been a good pick up in Development Control, with large applications being received. The management review (if approved) would also contribute £85k. It was also noted that identified savings continued to be on track with £181k against a budgeted amount of £166k.

It was also confirmed that a grant of £50k for Development Control had been obtained, which was included within the recommendations before Members. It was also noted that the reprofiling of the Capital Programme at Appendix 4 had impacted on the interest budget and which had been amended accordingly.

The recommendations were proposed by Councillor Denaro and seconded by Councillor K. May.

RESOLVED:

- a) that an increase in the 2019-20 revenue budget of £50k for Development Management due to receipt of a planning enforcement grant from the Ministry of Housing, Communities and Local Government be approved; and
- b) the reprofiling of the capital programme due to officers completing a full review of the Capital Budget for 2019/20 – 2022/23 as detailed in appendix 4 of the report be approved.

Medium Term Financial Plan

Councillor G. Denaro, Portfolio Holder for Finance and Enabling, advised Members that the Cabinet and other attending Members had discussed the merits of the proposed Bromsgrove Heat Network project. After much discussion it had been agreed that as there were still a number of pertinent questions which remained unanswered that the item would be deferred pending further information. The recommendation in the Cabinet papers therefore would not be put to Council.

Councillor M. Thompson confirmed that the Overview and Scrutiny Board's Finance and Budget Working Group had also discussed this matter in detail and thanked the Leader for allowing those present at Cabinet to take part in the debate on this matter.

Management Review

The Leader introduced the report in respect of the proposed Management Review, highlighting that Members were aware of the desire to review the Management situation which had been delayed due to several limiting factors. However, the Cabinet were now in a position to proceed and Members were able to see from the report that the outcome of the review had resulted in a reduction to the management structure of three positions, brought about by different processes.

The report showed clearly the redistribution of various functions which had meant an increased workload across Heads of Service positions and the creation of a Financial and Customer Services role. Savings from the restructure proposed would amount to £54,221 for Bromsgrove District Council as listed on P. 314 paragraph 3.7 of the main agenda pack. It was noted that these would add to the considerable savings made over the years and would give an annual saving of £1.06m per annum. It was confirmed that the proposals needed to go out to consultation once approval was given. The Leader advised that she did not propose to repeat what was in this report but endorsed fully the 'light approach' which had been adopted for the proposals.

The recommendations were proposed by Councillor May and seconded by Councillor G. Denaro.

It was confirmed that the figures referred to on pages 314 and 315 on the main agenda pack referred to the HRA account, which was specific to Redditch Borough Council.

RESOLVED that the proposed changes to the Single Management Structure attached at Appendix C and the formal consultation with the affected staff and Trades Unions be agreed.

74\19

TO NOTE THE MINUTES OF THE MEETINGS OF THE CABINET HELD ON 4TH DECEMBER 2019 AND 15TH JANUARY 2020

The minutes from the Cabinet meetings held on 4th December 2019 and 15th January 2020 were submitted for information and noted by Members.

75\19

TO RECEIVE AND CONSIDER A REPORT FROM THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT AND THE TOWN CENTRE

Councillor K May, Leader of the Council and Portfolio Holder for Economic Development and the Town Centre presented her annual report and highlighted that Economic Development was a key priority for the Council. There were 17,500 businesses in North Worcestershire accounting for 52.5% of the County's business.

In terms of North Worcestershire; Bromsgrove consistently outperformed Redditch and Wyre Forest across multiple indexes such as the Vibrant Economy Index and Corporate Index. This was also the case in respect of key statistics, such as business, survival, unemployment, income, GVA and levels of qualification. The Council worked with public and private sector partners through the Bromsgrove Economic Partnership Group to address the challenges and opportunities for delivering local Economic Growth. The Leader reminded Members of the Peter Brett Associates (PBA) report commissioned by North Worcestershire Economic Development and Regeneration (NWEDR) that confirmed that whilst the District had a good track record in supporting start-up enterprise; more effort was needed to help businesses to grown and remain in the District and access was needed for a developing skills base. The PBA report had identified the review of the Bromsgrove District Plan as an opportunity to consider future employment land provision. The supply of Employment Land was a major constraint for Business Growth in the District. In the District Council Plan adopted in January 2017, 28 hectares of land was designated as employment land; and currently, approximately 5 hectares remained to be built out.

It was noted that the Redditch Eastern Gateway site was a 30 hectare site; with 20 hectares within Stratford Upon-Avon District Council and 10 hectares within Bromsgrove District. It was further noted that the project was progressing well and confirmation as to the Developers taking the 10 hectares within the District Boundary was awaited.

Many Property Consultancies reported that companies were constantly looking for commercial opportunities within the Bromsgrove district; some wanted to start a business, some were looking for office space and some just wanted to grow and stay in the District realising what great connectivity was offered with the motorway network and four trains an hour from Birmingham to Bromsgrove. The Managing Director of GJS Dillon had highlighted to her that there was only around 2 and a half months supply of office space available in the District and he had a list of around 40 businesses wanting to get into or expand in the area. It was anticipated that the Birmingham Congestion Charge/Vehicle Ban would only focus more attention on the District and the potential it offered.

The Leader went on to explain that the North Worcestershire Economic Strategy covered a five year period 2019-2024 and set out some of the key economic indicators across North Worcestershire as well as the attributes that made the area attractive to businesses and visitors. North Worcestershire Economic Development and Regeneration provided Business Support for both start-up and established businesses in line with the Economic Growth Strategy.

It was noted that the High Street faced many challenges in 2020 and she hoped that the Chancellor of the Exchequer would look to introduce further Business Rates relief for High Streets in his March Budget; so that entrepreneurs would come forward and help to stimulate the retail environment.

The Leader advised that the Council was currently reviewing its investment strategy to give it greater flexibility moving forwards with potential purchases. The reasoning behind this change was that the Council may wish to acquire assets where there was no material financial gain, or potentially even a loss, as the benefits to the wider area were deemed to be worth the reduced financial returns. Measures were being developed to ensure that these wider benefits were captured as part of the business case to ensure it was understood at the point of purchase the reasoning behind the purchase if not predominantly for financial gain.

Officers had also been tasked with commissioning work for the future of Bromsgrove Town Centre. This work would inform the Local Plan Review and incorporate a car parking strategy. The Local Centres Strategy and action plan comes to an end in 2020 and officers had been tasked with preparing a new strategy and action plan which would include Aston Fields.

The Leader went on to highlight the work of the Local Strategic Partnership for the District, under the chairmanship of Inspector David King. The vision for the Partnership was to 'Make Bromsgrove District the place to live, do business and to visit'. This Board brought a large number of partners around the table to discuss the issues that impact on residents and collectively looked at how they could be addressed.

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The Leader also took the opportunity to personally pass on her sincere thanks to the following, who had supported her work within her Portfolio; Kevin Dicks, Sue Hanley, Ostap Paparega and his team, Cheryl Welsh, Robert Spittle, Della McCarthy, Inspector David King, Reverend Paul Lewis, Jonathan Smith, Julie Heyes, Amanda Scarce and Joanne Gresham. That was not an exhaustive list; and she thanked everyone who had supported her.

In concluding her presentation, the Leader advised that Bromsgrove faced challenges, but it also offered a wealth of opportunities; the Meanwhile Space, the £50million investment going into the A38 and the FTTP Broadband. Bromsgrove had also been chosen as one of 36 Towns and Cities by OpenReach to roll out FTTP (Fibre to the Premises); the newest, fastest and most reliable 'future proof' fibre broadband is being implemented and was 13 miles from Birmingham and 16 miles from Worcester and was a great place to live, work and play.

Following presentation of her report, Members raised a number of questions and made a number of observations, to which the Leader responded when appropriate, including:

- Whether the LSP minutes could be made available to all Councillors and what monies, if any, the Council contributed to its work. Councillor May confirmed that the Council had contributed £22k in respect of staffing for the Sunrise Project.
- Whether any discussions had taken place in respect of this Council being a member of two LEPs and whether a decision had been made in respect of which one the Council would go with, should it only be able to be a member of one. Councillor May confirmed that should a decision in respect of this need to be made; it would be one which was brought back to full Council.
- Electric charging points and the need for these to be available for card payments.
- The NWEDR growth statistics, which had been discussed in detail at the Overview and Scrutiny Board meeting, as there had been confusion over the number of jobs predicated. Councillor May reiterated that the figure was based on the available land and that there were far more houses being built in the other areas hence the employment figure was matched to the housing growth.

Councillor Hughes made reference to the planned investment in car parks and asked about time frames and assurances that all car parks would also include electric charging points. She also suggested that Pay on Foot was the preferred option for many people and encouraged them to stay in the town centre for longer, without having to worry about parking restrictions. There was also a need for the machines to take other forms of payment, not just cash. She also asked for consideration to be given to free parking for blue badge holders. The Leader advised that she was happy to discuss the points raised under the Notice of Motion which Councillor Hughes had submitted, however Councillor

Hughes advised that should the Leader chose to respond to these points now, she would be happy to withdraw her motion. The Leader therefore provided the following response:

The Council had spent over £30k on its Car Parks in this district in the last 12 months. Council were reminded that there had been a car parking review undertaken by 202 Consultancy which set out some clear recommendations. This work had been divided into two parts;

Part One - Ostap Paparega and his team at NWEDR were addressing the areas around the future needs of Car Parking for the District, including how many spaces would be required? Were they in the right place? Should there be a need to deck a car park? These points would be addressed in the Commissioned Work for the future of Bromsgrove Town Centre.

Part Two - was basically the in house infrastructure Improvement Plan. This was the lining, lighting, resurfacing, payment methods including replacement of the payment machines Introductions of Payment Apps and this was currently being addressed by the Head of Environmental Services and his team. A report was to be brought back to Cabinet before September of this year.

The Leader concluded that work was actively taking place around the Council's car parks and had been for several months. The Council was and would always be ambitious for Bromsgrove.

On receipt of this response, Councillor Hughes confirmed that she was happy for her Notice of Motion to be withdrawn. The Leader thanked Councillor Hughes for her decision and further confirmed that she was keen for the Council to keep its car parking charges low.

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QUESTIONS ON NOTICE

Question Submitted by Councillor R. Hunter

"Please will you write, on behalf of this council, to the Leader of Worcestershire County Council and the Chief Executive of First Group to ask them to reverse the decision to cut services on Bromsgrove's 144 bus route?"

The Leader responded that she had spoken with the Cabinet Member for Highways at Worcestershire County Council regarding this matter and he had clarified the situation. The Bromsgrove 144 bus route was a purely commercial route. Worcestershire County Council had no influence over this route. First Group had altered the service between Bromsgrove and Birmingham to every hour as congestion issues in Birmingham had been sighted as the issue. Bus companies have a legal obligation to run to time within the permitted framework of being up to one minute early and up to five minutes late. The company had reduced this route in order to comply with this framework. The County Council

were not consulted on the change as they have no legal jurisdiction over the service as it is a purely commercially run service.

Question submitted by Councillor A. English

“I would like to ask what progress has been made in addressing the shortfall of pitches for Gypsy/Travellers in the district? There is an urgent need for the Council to provide pitches now. Waiting until the end of the Local Plan Review is not an option because it fails to address the urgent and legitimate Gypsy/Traveller need and thus further promotes unlawful and inappropriate development of the Green Belt.”

The Leader responded unfortunately the claims made were incorrect. Latest information from officers and from the ES14 return showed that currently Bromsgrove had a surplus of 6 Gypsy and Traveller pitches. Clearly there was, or will be a need to consider pitch provision going forward, however this had to be a matter for discussion primarily between the Council’s Planning Officer and Worcestershire County Council as it was general practice that the districts identify and make available appropriate land and the County provide the funding. Any review would ultimately inform the Council’s Local Plan but currently there was no urgent need.

Councillor May concluded that she would be happy to arrange for the officers to go through the figures with Councillor English.

Question submitted by Councillor J. King

“The Government has promised to encourage economic growth in the West Midlands and a substantial financial package is likely to be announced by the Chancellor of the Exchequer in his next Budget. Bromsgrove is a member of both Worcestershire and Greater Birmingham LEPs and has a track record as the home of a high rate of start up companies. What will the portfolio holder do to ensure that Bromsgrove now receives the funding which it needs to grow its economy and provide the infrastructure which will make it an attractive place to live, work and visit?”

The Leader responded that, as outlined in her Portfolio Holder’s Report, she sat on the Greater Birmingham and Solihull Local Enterprise Partnership Board and would continue to lobby for appropriate investment into the District in line with the Council’s Economic Strategy, not only around infrastructure, but around the four key pillars of Economic Growth as had been outlined earlier.

- Talent
- Infrastructure
- Technology
- Creativity

In terms of the Worcestershire LEP she confirmed that she would do exactly the same via our representative Councillor Fran Orborski from the Northern Alliance.

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MOTIONS ON NOTICE (TO FOLLOW IF ANY)

The Chairman advised that, prior to the meeting, the Group Leaders had agreed to a number of motions being withdrawn and the order that the remaining would be considered had been amended. The Chairman thanked the Group Leaders for their co-operation in this matter and he hoped that this would continue for future meetings.

Rough Sleepers in the District

Councillor M. Thompson advised Council that he had withdrawn his motion as he had spoken to the relevant Portfolio Holder and was happy to work directly with her on this matter.

Strategic Planning

Councillor S. Baxter advised that following discussions she had also agreed to withdraw her motion and a meeting with all Group Leaders and the relevant officers would be arranged to discuss the concerns that she had raised.

Car Parks

As previously discussed, Councillor S. Hughes also confirmed that she was happy for her notice of motion to be withdrawn.

Climate Change

Members considered the following notice of motion from Councillor S. Douglas.

“In light of the threat of Climate Change, this Council should take practical steps to combat its consequences.

Therefore, we call upon the Cabinet to carry out a full analysis of land in the ownership of the Council which would be available for the planting of wild flowers and trees.”

The motion was proposed by Councillor Douglas and seconded by Councillor H. Rone-Clarke.

Without debate and with the agreement of Councillor Douglas, it was agreed that this matter would be referred to the Cabinet for further consideration.

Defending our district against flooding

Members considered the following notice of motion from Councillor J. King.

“Council notes the considerable damage and disruption that recent floods have caused in our community and the likelihood of further problems as a result of climate change.

Council resolves to task the Overview and Scrutiny Committee with reviewing the resources made available for flooding prevention in our

community with a view to making more investment available if necessary from 2021/22.”

The motion was proposed by Councillor King and seconded by Councillor R. Hunter.

It was noted that this matter had tentatively raised at the Overview and Scrutiny Board meeting held on 13th January when Members had been in agreement to it being a subject worthy of more detailed scrutiny. With this in mind and with the agreement of Councillor King, it was agreed that the matter be referred to the Overview and Scrutiny Board for further consideration.

Show Pride in our LGBT Community

Members considered the following notice of motion from Councillor R. Hunter.

“Council notes that each year a Pride festival is organised in Worcester to recognise and celebrate our LGBT community.

Council believes that as a Worcestershire authority we should help to enhance the visibility of this important work.

Council resolves to fly the Rainbow Flag at the Parkside Building on Worcester Pride weekend which this year falls on 19-20 September and each year thereafter. Council further resolves to publicise our support for the event.”

The motion was proposed by Councillor Hunter and seconded by Councillor K. May. Councillor Hunter thanked Councillor May for her co-operation in this matter and was happy for the motion to be put to the vote without debate. Councillor H. Rone-Clarke highlighted that there would also be a Bromsgrove Pride event and requested that the Rainbow Flag also be flown for this event. Members were happy for this to happen.

On being put to the vote the Motion was carried.

Local Government Officers’ Pay

Members considered the following Notice of Motion submitted by Councillor P. McDonald:

“Council notes

Local Government has endured central government funding cuts of nearly 50% since 2010.

Between 2010 and 2020, councils will have lost 60p out of every £1 they have received from central government. The 2019 LGA survey of council finances found that 1 in 3 councils fear they will run out of funding to

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provide even their statutory, legal duties by 2022/23. This number rises to almost two thirds of councils by 2024/2025 or later.

The LGA estimates councils will face a funding gap of £8 billion by 2025. Faced with these cuts from central government, the local government workforce has endured years of pay restraint with the majority of pay points losing 22 per cent of their value since 2009/10.

At the same time as seeing their pay go down in real terms, workers experience ever increasing workloads and persistent job insecurity. Across the UK, an estimated 876,000 jobs have been lost in local government since June 2010 – a reduction of 30 per cent. Local government has arguably been hit by more severe job losses than any other part of the public sector.

There has been a disproportionate impact on women, with women making up more than three quarters of the local government workforce.

Our workers are public service super heroes. They keep our communities clean, look after those in need and keep our towns and cities running. Without the professionalism and dedication of our staff, the council services our residents rely on would not be deliverable.

*Government funding has been cut to the extent that a proper pay rise could result in a reduction in local government services. The government needs to take responsibility and fully fund increases in pay; it should not put the burden on local authorities whose funding *has* been cut to the bone.*

This Council:

- asks the Cabinet in the context of the budget setting process to support the pay claim submitted by GMB UNISON and Unite on behalf of council and school workers for a £10 per hour minimum wage and a 10 per cent uplift across all other pay points in 2020/21 and*
- calls on the Local Government Association to make urgent representations to central government to fund the NJC pay claim*
- [write](#) to the Chancellor and Secretary of State to call for a pay increase for local government workers to be funded with new money from central government.”*

The Motion was proposed by Councillor McDonald and seconded by Councillor S. Douglas.

In proposing the Motion Councillor McDonald advised that the motion was self explanatory and his concern was that with constant cut backs and staff being expected to carry out more duties that people were being

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expected to get pay on a reduced pay in real time terms. He highlighted that over the last ten years 60 pence out of every £1 received from Central Government had been cut. Local Government employees were some of the lowest paid workers in the public sectors and Councils were being expected to be run on a shoestring and relied upon the hard work of its employees. It was therefore important to pay its staff a decent fair wage. The urged the Council to support his motion and to write to the Secretary of State to ask for this to be funded by new money in order to recognise the loyalty of its employees.

Councillor G. Denaro, Portfolio Holder for Finance and Enabling responded that currently the Council paid its entire staff the Foundation Living Wage of £9.30 and currently none of its staff were paid less than £9.74. Members were reminded that the Council was part of the nationally (NJC) agreed pay scales which resulted from negotiations between the employer and the unions to ensure all of its employees had an award that was consistent with their colleagues across Local Government. In addition, the Council had not looked to make any detrimental changes to terms and conditions to enable savings to be delivered which a number of Councils had done.

To fund an increase of 10% to all employees earning over £10 would incur costs of around £900k. The Council currently had a 2% increase built into the budget which was in line with other Local Government bodies across the Country. Should this change through the NJC negotiations the Council would honour any percentage uplift agreed.

During the ensuing debate Members discussed how such matters had been addressed by other Councils and that previous pay increases received had been below inflation. Members also discussed the need to support its staff and to encourage new people to join the Council. Concerns were raised though as to who would be expected to pay for such an increase and the importance of support from Central Government in doing so. The importance of paying staff a fair wage was reiterated and whether such an increase would apply to all staff and how such an increase could be made viable.

Councillor Baxter asked for it to be made clear in the minutes that she was not opposed to a 10% increase for some staff, but that she could not agree to this being across the board.

In summing up, Councillor McDonald urged Members to support his Motion and the staff of this Council.

In accordance with Procedure Rule 18.3 a recorded vote was taken and the voting was as follows:

For the motion: Councillors Douglas, Hughes, Hunter, King, Mallett, McDonald, Rone-Clarke and Thompson (8)

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Against the motion: Councillors Colella, Deeming, Denaro, Glass, Jones, Kent, Kriss, May, Middleton, Sherrey, Spencer, Thomas, Till, Webb and Whittaker (15)

Abstentions: Councillors Baxter, English, Hotham (3)

On being put to the vote the Motion was lost.

Parcels of Land

Members considered the following Notice of Motion submitted by Councillor H. Rone-Clarke:

Across the district, there are parcels of land which neither the County, District Councils or BDHT are willing to claim responsibility for. This means that, where there is casework relating to this land, often this can stagnate and residents can be left without answers.

This council calls upon the leader, alongside the relevant portfolio holders and officers, to meet with representatives from BDHT and the County Council to, once and for all, establish the ownership of all disputed land across the district, as well as an action plan to resolve disputes for future land which is highlighted.

Furthermore, we call upon the aforementioned to work with Councillors to identify where there are questions of land ownership within their own wards.

The Motion was proposed by Councillor Rone-Clarke and seconded by Councillor L. Mallett.

In proposing the Motion Councillor Rone-Clarke advised that he believed that this was a matter which all Members came across and sympathised where there was a piece of land that nobody took responsibility for. He hoped that this would bring all the appropriate service providers together to come to a proper decision. Councillor Rone-Clarke suggested that there were many ways in which these pieces of land could be put to much better for example community gardens.

On being put to the vote the Motion was carried.

The meeting closed at 8.54 p.m.

Chairman

Bromsgrove District Council – 26th February 2020
Item 6 - Questions from the Public

1. From Mr Dennis Norton
Question to the Leader

Having given the Norton Collection to the people of Bromsgrove for their benefit and education, my question is, why should the Norton Collection Museum pay for the storage at the Bromsgrove Council Depot? As we are a Charitable Trust it would be much fairer to give us a peppercorn rent.

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Changes to the Council's Constitution

Relevant Portfolio Holder	Cllr G Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Non-key

1. SUMMARY OF PROPOSALS

- 1.1 This report asks the Council to consider proposed changes to the Council's Constitution in respect of the Substitutes attending Overview and Scrutiny Board meetings. These suggested changes have arisen following discussions between the four Group Leaders, at the most recent meeting of the Constitution Review Working Group.

2. RECOMMENDATIONS

- 2.1 That the Overview and Scrutiny Board Procedure Rules and Terms of Reference be amended as detailed in Appendices 1 and 2.

3. KEY ISSUES

Financial Implications

- 3.1 There are no direct financial implications arising directly from this report.

Legal Implications

- 3.2 The Council is required by law to maintain a constitution which sets out how the Council makes decisions.

Service / Operational Implications

- 3.3 Following on from discussions held at meetings of the Constitution Review Working Group the Group Leaders have requested that an amendment be made to the attendance of substitutes at Overview and Scrutiny Board meetings, to take account of extenuating circumstances. The final decision in respect of the attendance of a substitute for a Member of the Overview and Scrutiny Board on more than two occasions during a municipal year, would be at the discretion of the Chairman and considered on an individual basis.

Customer / Equalities and Diversity Implications

- 3.4 There are no specific customer or equalities implications arising from this report.

COUNCIL

26th February 2029

4. RISK MANAGEMENT

- 4.1 The main risks associated with the details included in this report are failure to comply with legislative and governance requirements which may expose the Council to the risk of challenge by way of judicial review or appeal which may result in awards of damages and costs against the Council and loss of reputation.

5. APPENDICES

Appendix 1 - Overview and Scrutiny Board Procedure Rules
Appendix 2 – Overview and Scrutiny Board Terms of Reference

6. BACKGROUND PAPERS

None

AUTHOR OF REPORT

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OVERVIEW AND SCRUTINY BOARD

Number of Members	11, none of whom shall be members of the Cabinet
Politically Balanced Y/N	Y
Quorum	6
Procedure applicable	<p>Rules</p> <p>Overview and Scrutiny Procedure Rules and Council Procedure Rules (with the exception of Council Procedure Rules 1-4, 9-11, 13.4, 13.5, 14, 18.2, 20.1 and 22) – where there is any conflict, Overview and Scrutiny Procedure Rules to take precedence</p>
Terms of Reference	<p>The general terms of reference of the Overview and Scrutiny Board will be to perform all overview and scrutiny functions on behalf of the Council in relation to any matter affecting the District and its inhabitants</p> <p>The specific terms of reference include:-</p> <ol style="list-style-type: none"> a. To receive and consider Councillor Calls for Action b. To perform the functions relating to Crime and Disorder Scrutiny (in accordance with the Police and Justice Act 2006) c. To receive and consider Petitions d. To scrutinise the Budget e. To monitor performance improvement f. To identify unsatisfactory progress or performance and make recommendations on remedial action to the Cabinet; g. To monitor the following Council documents/strategies <ul style="list-style-type: none"> • Council Plan • Council Annual Report • Improvement Plan • Performance Management Strategy/Data Quality Strategy • Quarterly Finance & Performance

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	Monitoring report
Special provisions as to the Chairman	None
Officer attendance	A Director is expected to attend each meeting. The relevant Head of Service is expected to attend for consideration of any item within his/her area of responsibility
Whipping arrangements	When considering any matter in respect of which a member of the Overview and Scrutiny Board is subject to a party whip, the Councillor must declare the existence of the whip, and the nature of it before the commencement of the Overview and Scrutiny Board's deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.
Substitutes	Substitutes are permitted subject to the restriction that each member of the Board may only nominate a substitute on up to two occasions during each municipal year (as set out in rule 1.3 of the Overview and Scrutiny Procedure Rules). In extenuating circumstances and upon application to the Chairman of the Overview and Scrutiny Board, this may be waived. [Substitutes cannot be used for Task Group meetings.]
Special provisions as to membership	Members of the Cabinet or the Chairman of the Council may not be a member of or substitute on the Overview & Scrutiny Board.

OVERVIEW AND SCRUTINY PROCEDURE RULES

1. Arrangements for Overview and Scrutiny

- 1.1** The Council will appoint an Overview and Scrutiny Board, as set out in Article 6 of this Constitution.
- a. The Overview and Scrutiny Board will have responsibility for the Council's overview and scrutiny and call-in functions, scrutiny of the budget, petitions, Councillor Calls for Action and scrutiny of the Crime and Disorder Reduction Partnership.
 - b. The Overview and Scrutiny Board will establish time limited Task Groups, the terms of reference of which will be agreed by the Board, to investigate issues in depth and agree reports prepared by the Task Groups; or itself undertake selected reviews.
 - c. The Overview and Scrutiny Board will have responsibility for monitoring performance improvement, identifying unsatisfactory progress or performance and making recommendations on remedial action to the Cabinet
 - d. The Overview and Scrutiny Board will have responsibility for monitoring the Council Plan and the Sustainable Community Strategy and making recommendations to Cabinet.
- 1.2** The Overview and Scrutiny Board will comprise 11 Councillors. All Councillors except members of the Cabinet may be members of the Overview and Scrutiny Board.
- 1.3** Where a Member of the Overview and Scrutiny Board is unable to attend a board meeting a substitute may attend in his or her place. The ability to appoint a substitute may only be exercised by Board members on up to two occasions during each municipal year. In extenuating circumstances and upon application to the Chairman of the Overview and Scrutiny Board, this may be waived. This rule does not apply to task group meetings.
- 1.4** The Overview and Scrutiny Board may (except in relation to call-ins) appoint such Task Groups as it considers appropriate to enable it to perform the overview and scrutiny functions on behalf of the Council. The size of each Task Group will vary according to the purpose for which it is established. The terms of reference, the chairmanship and membership shall be agreed by the Board. .

2. Co-optees

- 2.1 The Board shall be entitled to recommend to Council the appointment of a number of people as non-voting co-optees of the Board.

3. Meetings of the Boards

- 3.1 There shall be at least 9 ordinary meetings of the Overview and Scrutiny Board in each year.
- 3.2 There shall be not less than 1 meeting every 12 month period of the Overview and Scrutiny Board in its capacity to scrutinise and review the Council's responsibilities for the crime and disorder functions.
- 3.3 Extraordinary meetings may be called from time to time as and when appropriate.
- 3.4 An extraordinary meeting may be called by the Chairman of the Board or by any 3 members of the Board.

4. Quorum

The quorum for meetings of the Overview and Scrutiny Board shall be 6.

5. Participation in Meetings

No member may be involved in scrutinising a decision in which he/she has been directly involved. If any member of a Board finds that a decision in which he/she has been directly involved is to be scrutinised, he/she shall declare the fact to the relevant Board and take no part in the discussion and voting in the part of the meeting which relates to that decision.

6. Chairman

- 6.1 At its first meeting following the Annual Council Meeting the Board will:
- a. appoint one of its members as Chairman; and
 - b. appoint one of its members as Vice-Chairman.

7. Work Programme

7.1 The Overview and Scrutiny Board will be responsible for setting its own work programme and in doing so shall make provision for:-

- a. the views of members of the Overview and Scrutiny Board who are not members of the largest political group on the Council;
- b. the Cabinet Work Programme;
- c. suggestions of matters for scrutiny made by the Council or by Cabinet;
- d. suggestions of matters for scrutiny made by the Leader arising from his/her quarterly meeting with the Chairmen of the Overview and Scrutiny Board and Audit, Standards & Governance Committee in accordance with paragraph 7.2 below;
- e. suggestions of matters for scrutiny made by Councillors, members of the public or partner organizations;
- f. Councillor Calls for Action;
- g. Scrutiny of the Crime and Disorder Reduction Partnership;
- h. Petitions referred to the Overview and Scrutiny Board by the Chief Executive and Monitoring Officer;
- i. Scrutiny of the budget (Medium Term Financial Plan);

7.2 The Leader shall meet quarterly with the Chairman of the Overview and Scrutiny Board and Audit, Standards & Governance Committee with appropriate officers in attendance to review and, where appropriate, co-ordinate their respective work programmes.

8. Procedure at Board meetings

8.1 The Overview and Scrutiny Board shall at each meeting consider the following business:

- a. consideration of the accuracy of the minutes of the last meeting;

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- b. declarations of interest (including whipping declarations);
- c. responses of the Cabinet to reports of the Overview and Scrutiny Board;
- d. the Cabinet Work Programme;
- e. progress on on-going overview and scrutiny exercises (if appropriate);
- f. reports from the quarterly meetings between the Leader and Chairmen of the Overview and Scrutiny Board and Audit, Standards & Governance Committee (if appropriate);
- g. matters set out on the agenda for the meeting in accordance with paragraph 9 below;
- h. consideration of any matters referred to the Overview and Scrutiny Board in relation to call-in of a decision;
- i. any petitions referred by the Chief Executive or the Monitoring Officer;
- j. any Councillor Calls for Action which have been received;
- k. scrutiny of the Medium Term Financial Plan (if appropriate);and
- l. scrutiny of the Crime and Disorder Reduction Partnership.

9. Agenda items

- 9.1** Any member of the Board shall be entitled to give notice to the Chief Executive that he/she wishes an item relevant to the functions of the Board to be included on the agenda for the next available meeting of the Board. On receipt of such a request the Chief Executive will ensure that it is included on the next available agenda.
- 9.2** Where a matter is referred to the Board by the Council (including a matter referred by the Monitoring Officer under Council Procedure Rule 11.10), it shall be considered at either the first or second ordinary meeting of the Board following the referral.
- 9.3** The Board shall also respond, as soon as their work programme permits, to requests to review particular areas of Council activity from the Council, the Cabinet or the Leader (arising from his/her quarterly meeting with the Chairmen of the Overview and Scrutiny Board, and Audit, Standards & Governance Committee).

10. Rights of Board members to documents

- 10.1** In addition to their rights as Councillors, members of the Board have the additional right to documents and to notice of meetings as set out in the Access to Information Procedure Rules in part 9 of the Constitution.
- 10.2** Nothing in this paragraph prevents more detailed liaison between the Cabinet and/or the Board as appropriate depending on the particular matter under consideration.

11. Policy review and development

- 11.1** The role of the Board in relation to the development of the Council's Budget and Policy Framework is set out in detail in the Budget and Policy Framework Procedure Rules in Part 10 of the Constitution.
- 11.2** In relation to the development of the Council's approach to other matters not forming part of its Budget and Policy Framework, the Board may make proposals to Cabinet for developments in so far as they relate to matters within their terms of reference.
- 11.3** The Board and any Task Group may:
- a. hold enquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist them in this process;
 - b. conduct site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations;
 - c. ask witnesses to attend to address them on any matter under consideration;
 - d. pay to any advisers, assessors and witnesses a reasonable fee and expenses for doing so, provided that the budget set by the Council each year for such purposes is not exceeded.

12. Members and officers giving account

- 12.1** The Board or a Task Group may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role, it may

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require any member of the Cabinet, the Chief Executive and/or any senior officer to attend before it to explain in relation to matters within their remit:

- a. any particular decision or series of decisions;
- b. the extent to which the actions taken implement Council policy; and/or
- c. his/her performance

and it is the duty of those persons to attend if so required.

12.2 If any Councillor or officer is required to attend meetings of the Board, or a Task Group under this provision, the Councillor or officer will be given reasonable notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Board or Task Group. Where the account to be given to the Board will require the production of a report, then the Councillor or officer concerned will be given sufficient notice to allow for preparation of that documentation.

12.3 If the Councillor or officer is unable to attend on the required date, the Board or Task Group shall in consultation with the Councillor or officer arrange an alternative date for attendance.

13. Attendance by others

13.1 The Board and/or Task Groups may invite people other than those people referred to in paragraph 12 above to attend a meeting to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and members and officers in other parts of the public sector and shall invite such people to attend. The person invited will be given reasonable notice and the notice will state the nature of the item on which he/she is invited to attend and whether any papers are requested.

13.2 If the Board is to consider a motion referred to it by the Council meeting, the proposer and seconder of the motion shall (if they are not members of the Board) have the right to attend the relevant meeting and to explain the reasons for their motion, although they may not propose, second or vote on recommendations by the Board which arise from that motion.

13.3 If the Board or a Task Group invites a person to address a meeting or to give evidence, the following principles will be observed:

- a. the investigation will be conducted fairly and all members of the Board or Task Group will be given the opportunity to ask questions of attendees, and to contribute and speak;
 - b. those assisting the Board or Task Group by giving evidence will be treated with respect and courtesy; and
 - c. the investigation will be conducted so as to maximise the efficiency of the investigation or analysis.
- 14. Reports from the Board**
- 14.1** Once it has formed recommendations on proposals for development, the Board will make its report and findings public and will submit a formal report to the Chief Executive for consideration by the Cabinet.
- 14.2** If the Board cannot agree on one single final report to the Council or Cabinet as appropriate, then no more than one minority report may be prepared and submitted for consideration by the Council or Cabinet with the majority report.
- 14.3** The Cabinet shall consider the report of the Board within two months of it being submitted to the Chief Executive and shall issue a formal response to the report.
- 15. Consideration of Overview and Scrutiny Board Reports by the Cabinet**
- 15.1** The agenda for Cabinet meetings shall include an item to consider minutes and/or reports from the Board and reports of the Board referred to the Cabinet shall be included at this point in the agenda (unless they have been considered in the context of the Cabinet's deliberations on a substantive item on the agenda) within two months of the Board completing its report/recommendations.
- 15.2** The Cabinet will consider all reports and recommendations presented by the Board and will provide the Board with a response.
- 15.3** A Board report which includes one or more proposals which would require a departure from the Budget and Policy Framework will be considered in the first instance by the Cabinet. The Cabinet will decide whether to recommend to the Council that those proposals be implemented. If the Cabinet decides not to recommend to Council that those proposals be implemented, its decision, together with the reasons for that decision, shall

be reported back to the Board. The Board may then request the Chief Executive to place an item on the next available meeting of the Council to enable the Council to consider those proposals.

- 15.4** Once a report has been considered by the Cabinet and/or Council, and any questions or issues raised by the Cabinet and/or Council have been resolved, the Board will disband any Task Group appointed in connection with the preparation of that report.

16. Review of Overview and Scrutiny Board Reports

The Board will review implementation of recommendations made in any report not sooner than 12 months after consideration of its report by the Cabinet.

17. Call-in

- 17.1** Call-in should only be used in exceptional circumstances when members of the Overview and Scrutiny Board have evidence which suggests that the Cabinet did not take a decision in accordance with the principles of Decision Making in Article 13. Those principles are:-

- a. proportionality (i.e. the action must be proportionate to the proposed outcome);
- b. due consultation and the taking of professional advice from officers;
- c. respect for human rights;
- d. a presumption in favour of openness;
- e. clarity of aims and desired outcomes;
- f. due regard for the Council's environmental objectives;
- g. due regard for the Council's duties in relation to crime and disorder;
- h. clear explanations of the options considered and the reasons for the decision reached.

- 17.2** When a decision is made by the Cabinet, or a key decision is made by an officer with delegated authority from the Cabinet, or under joint arrangements, the decision shall be published, including where possible by electronic means, and shall be available at the main offices of the

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Council normally within 3 working days of being made. All members of the Council will be sent copies of the records of all such decisions within the same timescale, by the person responsible for publishing the decision.

17.3 That decision (which may take the form of the minutes of a meeting of the Cabinet) will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of 5 working days after the publication of the decision, unless the decision is the subject of a valid request for call-in.

17.4 A valid request is required to initiate call-in a decision referred to at 17.3 above. The request must be in writing addressed to the Monitoring Officer on the approved form (at Appendix B) giving the reasons for the request for call-in and must be:-

- signed by the Chairman of the Overview and Scrutiny Board; or
- signed by any other 3 members of the Overview and Scrutiny Board; or
- signed by any 5 members of the Council who are not members of the Cabinet

and in any case must:-

- state the reason(s) for the call-in; and
- be delivered to the Monitoring Officer by hand, post or email, within 5 clear working days of the publication of the decision.

The decision on whether the call-in is valid will be taken by the Monitoring Officer following consultation with the Chairman of the Overview and Scrutiny Board. The final decision shall rest with the Monitoring Officer. If the Monitoring Officer decides the call-in is valid the Monitoring Officer will notify the Chief Executive, who will notify the decision-taker of the request for call-in.

17.5 Implementation of the decision which is the subject of the call-in will be suspended from the date of receipt of the request for call-in pending consideration by the Overview and Scrutiny Board.

17.6 The call-in will be considered by the Overview and Scrutiny Board at either:

- a. the next scheduled meeting of the Overview and Scrutiny Board; or

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- b. a special meeting of the Overview and Scrutiny Board to be convened by the Chief Executive within 10 working days of receipt of the request to call-in, or such other date as may be agreed by the Chief Executive in consultation with the author of the call-in and the Chairman of the Overview and Scrutiny Board.
- 17.7** The Overview and Scrutiny Board will determine the call-in in such manner as it considers appropriate but in any event expeditiously and within a maximum of 20 working days from the date of the meeting at which the call-in is first considered by the Board. If more detailed evidence or consideration of the issues is required to determine the call-in, the Board may during that period hold one or more additional meetings to determine the call-in.
- 17.8** The Overview and Scrutiny Board may require the relevant Cabinet member with responsibility or another member of the Cabinet, if appropriate, to attend any meeting and explain the decision taken by Cabinet.
- 17.9** Having considered the decision subject to the call-in the Overview and Scrutiny Board will either:
- a. accept the decision without qualification or comment; or
 - b. require reconsideration of the decision setting out its reasons in a report; or
 - c. in exceptional circumstances refer the decision to the Council to consider whether the decision should be accepted without qualification or comment or reconsidered.
- 17.10** Exceptional circumstances referred to in paragraph 17.9c include, but are not limited to, decisions which the Overview and Scrutiny Board considers:-
- a. the Cabinet cannot in law take; or
 - b. is reserved to the Council; or
 - c. is contrary or not wholly in accordance with the Budget and Policy Framework.
- 17.11** If the Overview and Scrutiny Board accepts the decision without qualification or comment under paragraph 17.9a the decision may be implemented with immediate effect.

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- 17.12** If the Overview and Scrutiny Board refers the decision to the Cabinet for reconsideration under paragraph 17.9b implementation of the decision is deferred pending the meeting of the Cabinet at which it is reconsidered.
- 17.13** If the Overview and Scrutiny Board refers the decision to the Council under paragraph 17.9c implementation of the decision is deferred pending the meeting of the Council at which it is considered. If the Council decides to request the Cabinet to reconsider the decision, implementation of the decision remains deferred until the Cabinet has reconsidered the matter.
- 17.14** Any report of the Overview and Scrutiny Board or Council pursuant to paragraph 17.9b or c will be submitted to the Cabinet which will consider that report within 10 working days and either:-
- a. confirm the decision without modification; or
 - b. confirm the decision with modification; or
 - c. rescind the decision and if considered appropriate take a new one.

In each case the Cabinet must give reasons for its decision. The decision taken by the Cabinet following consideration of the report of the Overview and Scrutiny Board or Council on the call-in is final.

- 17.15** The Chairman or Vice-Chairman of the Overview and Scrutiny Board may attend any meeting of the Cabinet at which a report of the Overview and Scrutiny Board is being considered and may speak but not vote.
- 17.16** Any decision may be called in only once in respect any decision.
- 17.17** The call-in procedure shall not apply where the decision being taken by the Cabinet is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the interest of either the Council or public. The record of the decision and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The Chairman of the Overview and Scrutiny Board must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Chairman of the Board, the Vice-Chairman's consent shall be required. In the absence of both, the Chief Executive or his/her nominees' consent shall be required. Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency

17.18 The operation of the provisions relating to call-in and urgency shall be monitored annually by the Overview and Scrutiny Board, and a report submitted to Council with proposals for review if necessary.

18. The party whip

When considering any matter in respect of which a member of the Overview and Scrutiny Board is subject to a party whip, the Councillor must declare the existence of the whip and the nature of it before the commencement of the Board's deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

19. Petitions

All petitions shall be dealt with in accordance with the Council's Petition Protocol.

COUNCIL

26th February 2020

APPOINTMENT OF COMMITTEES 2019-20 - REVISED

Relevant Portfolio Holder	Cllr G Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton, Head of Legal, Equalities & Democratic Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 Members are asked to approve the appointment and composition of the Council's Boards and Committees for the remainder of the 2019-20 Municipal Year. The need for this to be revised is following a recent change to the political proportionality.

2. RECOMMENDATIONS

- 2.1 That for the ensuing Municipal Year, the Committees set out in the table in Appendix 1 of the report be appointed and that the representation of the different political groups on the Council on those Committees be as set out in that table until the next Annual Meeting of the Council, or until the next review of political representation under Section 15 of the Local Government and Housing Act 1989, whichever is the earlier; and
- 2.2 That Members be appointed to the Committees and as substitute members in accordance with nominations to be made by Group Leaders.

Financial Implications

- 3.1 There are no direct financial implications arising from this report.

Legal Implications

- 3.2 Sections 15 -17 of the Local Government and Housing Act 1989 place a duty on Councils to allocate the seats on certain committees in proportion to the size of the political groups on the Council.

COUNCIL

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Service / Operational Implications

- 3.3 The Council is required by law and/or its own Constitution to appoint various Boards and Committees, agree their terms of reference and to agree the allocation of seats which are subject to the rules of political proportionality. It must review the political balance on an annual basis or when any changes to the political proportionality occur.
- 3.4 The rules of political proportionality mean that the political balance of the Council needs to be reflected in the political composition of individual Boards and Committees. In addition, the total number of seats allocated to each group must reflect the political balance of the Council.
- 3.5 The proposed allocation of seats on each Board/Committee is done on a strict mathematical basis.
- 3.6 It should be noted that from the mathematical calculation there are currently vacancies on the Appeals, Appointments and Statutory Officers' Committees. These have been allocated on an alphabetical basis (by both the Committee and Group names).
- 3.7 When the Council reviewed the constitution in June 2015, it agreed the principle of substitute members on the Planning and Licensing Committees undertaking the same training as the full members of the Committees. In order that such training can be run effectively by including all Councillors for whom it is most relevant, group leaders area asked to identify who will act as substitute members for the Licensing and Planning Committees for this municipal year.
- 3.8 For all other committees substitutes will be notified to the Democratic Services Officers, as required on the instruction of the Group concerned.

Customer / Equalities and Diversity Implications

- 3.9 No implications have been identified.

4. RISK MANAGEMENT

- 4.1 There are no significant risks associated with this item.

COUNCIL

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5. **APPENDICES**

Appendix 1 Revised Committees and Allocation of Committee Places
2019-20

6. **BACKGROUND PAPERS**

None

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POLITICAL BALANCE CALCULATION 2019/20 (revised Feb 2020)

The figures in *italics* are the mathematical calculations.

Committee	Cons 17 54.84% of total	Lab 3 9.68% of total	Lib Dem 3 9.68% of total	Bromsgrove Alliance 8 25.81% of total	Total
Overview and Scrutiny Board	6 <i>6.03</i>	1 <i>1.06</i>	1 <i>1.06</i>	3 <i>2.84</i>	11 11 members on Board <i>11</i>
Licensing Committee	6 <i>6.03</i>	1 <i>1.06</i>	1 <i>1.06</i>	3 <i>2.84</i>	11 11 members on Cttee <i>11</i>
Planning Committee	6 <i>6.03</i>	1 <i>1.06</i>	1 <i>1.06</i>	3 <i>2.84</i>	11 11 members on Cttee <i>11</i>
Audit, Stds & Gov'ce Committee	5 <i>4.94</i>	1 <i>0.87</i>	1 <i>0.87</i>	2 <i>2.32</i>	9 9 members on Cttee <i>9</i>
Electoral Matters Cttee	4 <i>3.84</i>	1 <i>0.68</i>	1 <i>0.68</i>	1 <i>1.81</i>	7 7 members on Cttee <i>7</i>
Appeals	3 <i>2.74</i>	0 <i>0.48</i>	0 <i>0.48</i>	2 <i>1.29</i>	5 5 members on Cttee <i>5</i>
Appointments	3 <i>2.74</i>	1 <i>0.48</i>	0 <i>0.48</i>	1 <i>1.29</i>	5 5 members on Cttee <i>5</i>
Statutory Officers	3 <i>2.74</i>	0 <i>0.48</i>	1 <i>0.48</i>	1 <i>1.29</i>	5 5 members on Cttee <i>5</i>
TOTAL	36	6	6	16	64
<i>Exact Mathematical Entitlement</i>	<i>35.10</i>	<i>6.20</i>	<i>6.20</i>	<i>16.52</i>	64

To calculate % 100 divide by 31 (no of overall Members) x overall no of members on the committee x numbr of members in group = %
Calculation - no of members on committee x % total of group (i.e. 11 x 54.84% = 6.03)

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Response to the IRP Report and Recommendations

Relevant Portfolio Holder	Cllr G Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Non-key

1. SUMMARY OF PROPOSALS

- 1.1 This report asks the Council to consider additional recommendations to those proposed by the Independent Remuneration Panel (IRP) as attached at Appendix B.

2. RECOMMENDATIONS

Council is asked to RESOLVE

- 2.1 **that recommendations 1, 3, 4, 5 and 6 of the Independent Remuneration Panel (IRP) for 2020-21 as detailed in Appendix B be approved;**
- 2.2 **that the additional Special Responsibility Allowances as detailed in Appendix A to this report be approved; and**
- 2.3 **that future Special Responsibility Allowances (SRAs) be adopted at the first budget meeting of a term of office and multipliers be held for a further three years subject only to Basis Allowance adjustments.**

3. KEY ISSUES

Proposals and Rationale

- 3.1 Noting the requirement for the Council to have regard to the recommendations and report of the Independent Remuneration Panel and following discussions with all Group Leaders, it is proposed that recommendations 1, 3, 4, 5 and 6 as detailed on page 9 of the IRP report be agreed by Council.
- 3.2 In addition to the recommendations from the IRP and having regard to the specific circumstances unique to this Council, Group Leaders were minded to make the following additional proposals for Council's consideration (as detailed in Appendix A):
- 3.2.1 That Cabinet Portfolio Holders receive an increase of 0.2 to the multiplier used in calculating their SRA, giving them a multiplier of 1.5. This adjustment had been proposed by the IRP and resisted by this Council back in 2013/14. However, it is now believed that the workload carried out by a Portfolio Holder justifies this

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increase and that the workload will further increase for some portfolios following approval of the Management Structure review. This increase would also apply to the Leader and Deputy Leader as they both hold portfolios, giving them a multiplier of 3.2 and 2.2 respectively.

- 3.2.2 That the Chairman of the Licensing Committee's multiplier is increased to 0.75 to recognise that the Chairman or Vice Chairman are required to sit on all sub committees which taken place, the number of which has increased in recent years.
- 3.2.3 That the Vice Chairmen of the Overview and Scrutiny Board, Planning and Licensing Committees receive a payment of a multiplier of 0.15. This is in recognition of the work that those Members carry out within these specific roles.
- 3.2.4 That each remaining Member of the Overview and Scrutiny Board receives a payment of a multiplier of 0.1. This is in recognition of the key role that Overview and Scrutiny plays in the democratic process and the additional duties that these Members carry out in attending meetings of the Board's working groups, which are made up purely of Members of the Board.
- 3.2.5 That a Chairman of a Task Group (who must be a Member of the Overview and Scrutiny Board) received a single payment of £500 upon appointment to that role.
- 3.2.6 A Member acting as a substitute at the Overview and Scrutiny Board will receive a payment of 1/9th of the allowance following attendance (using the current basic allowance this would equate to £60 per meeting for 2020-21). Again, this is in recognition of the key role that the Board plays in the democratic process.

Financial Implications

- 3.3 If the Council makes changes to the current Special Responsibility Allowances in line with those suggested in Appendix A there would be an additional cost to the Council, above what has already been budgeted for, of approximately £12k which has been included in the Revenue Bids of the Medium Term Financial Plan.

Legal Implications

- 3.4 The Council is required to maintain a Panel of people from outside the Council to consider and recommend to it:

The level of basic and special responsibility allowances paid to Councillors and Travel, subsistence and dependent carers' expenses for Councillors.

The Council is required to "have regard" to the recommendations of the Panel. However, it is not obliged to agree to them. It can choose to implement them in full or in part, or not to accept them.

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Service / Operational Implications

- 3.5 The current allowances paid by the authority are shown in the IRP Report Appendix B, together with the allowances recommended by the Panel. Appendix A shows the proposed recommendations together with the current allowances paid by the authority.

Customer / Equalities and Diversity Implications

- 3.6 There are no specific customer or equalities implications arising from this report.

4. RISK MANAGEMENT

- 4.1 Payments to Councillors can be a high profile issue. The main risks are reputational. However, the Council is transparent about the decisions made on allowances. The Allowances Scheme and sums paid to Councillors each year are published on the Council's website.

5. APPENDICES

Appendix A - Summary and Costings of suggested alternative recommendations.

Appendix B – IRP Report and Recommendations

6. BACKGROUND PAPERS

None

AUTHOR OF REPORT

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Bromsgrove District Council – Proposed SRA's for Members

Role	Recommended Multiplier	Current Multiplier	Recommended Allowance £	Current Allowance (paid) £	Proposed Multiplier	Proposed Allowance to be paid	Overall Cost using Proposed Multiplier
Basic Allowance – all Councillors	1	1	4,526	4,437	1	4,526 (x 31)	140,306
Special Responsibility Allowances:							
Leader	3	3	13,578	13,237	3.2	14,483	14,483
Deputy Leader	1.75	2	7,920.50	8,874	2.2	9,957	9,957
Executive Members (Cabinet Portfolio Holders)	1.5	1.3	6,789	5,768	1.5	6,789 (x 4)	27,156
Chair of Overview and Scrutiny Board	1.5	1.3	6,789	5,768	1.3	5,884	5,884
Chair of Overview and Scrutiny Task Groups	0.25	0.3	1,131.50	1,331, Paid pro-rata for length of task group	To be replaced with a £500 single payment on appointment, in addition to the allowance as Member of the Board. Say 2 x per year		1,000

Role	Recommended Multiplier	Current Multiplier*	Recommended Allowance £	Current Allowance (paid) £	Proposed Multiplier	Proposed Allowance to be paid	Overall Cost using Proposed Multiplier
Chair of Audit, Standards and Governance Committee	0.25	0.3	1,131.50	1,331	0.3	1,358	1,358
Chair of Planning Committee	1	1.3	4,526	5,768	1.3	5,884	5,884
Chair of Licensing Committee	0.3	0.3	1,357.80	1,331	0.75	3,394	3,394
Group Leaders Payment to the Leader of the largest opposition political party elected at the ballot box and Leader(s) of any other political groups min of 2 members (not applicable to the Leader of the Council)	0.25	0.25	1,131.50	1,109	0.25	1,131 (x 3)	3,393

Role	Recommended Multiplier	Current Multiplier*	Recommended Allowance £	Current Allowance (paid) £	Proposed Multiplier	Proposed Allowance to be paid	Overall Cost using Proposed Multiplier
Chair of Appointments Committee (BDC only)	0.03	0.03	135.78 per meeting	133 per meeting	0.03	136 per meeting (say 1 per year)	136
Chair of Electoral Matters Committee (BDC only)	0.03	0.03	135.78 per meeting	133 per meeting	0.03	136 per meeting (say x 2 per year)	272
Chair of Appeals Panel (BDC only)	0.03	0.03	135.78 per meeting	133 per meeting	0.03	136 per meeting (say x 1 per year)	136
Each Member of the Overview & Scrutiny Board to receive a payment.	Introduction of a payment for each Member as they expected to perform additional duties through chairing of Task Group and attending working group meetings. Substitutes will receive £60 (1/9 th of allowance) on attendance.				0.1	453 (x 9 Members) 60 (x9)	4,077 540
Vice Chairman of Overview & Scrutiny Board	Chair the meetings in the absence of the Chairman and attend the Chairman's briefing in order to support the Chairman.				0.15	679	679
Vice Chairman of Planning Committee	Chair the meetings in the absence of the Chairman and attend the Chairman's briefing in order to support the Chairman.				0.15	679	679
Vice Chairman of Licensing Committee	Chair the meetings in the absence of the Chairman and attend the Chairman's briefing in order to support the Chairman.				0.15	679	679
TOTAL COST							£220,013

**Independent Remuneration Panel
for Worcestershire District Councils**

Annual Report and Recommendations for 2020-21

Bromsgrove District Council

January 2020

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Recommendations

The Independent Remuneration Panel recommends to Bromsgrove District Council the following:

- 1. That the Basic Allowance for 2020-21 is £4,526 representing a 2% increase.**
- 2. That the Special Responsibility Allowances are as set out in Appendix 1.**
- 3. That travel allowances for 2020-21 continue to be paid in accordance with the HMRC mileage allowance.**
- 4. That subsistence allowances for 2020-21 remain unchanged.**
- 5. That the Dependent Carer's Allowance remains unchanged.**
- 6. That for Parish Councils in the District, if travel and subsistence is paid, the Panel recommends that it is paid in accordance with the rates paid by Bromsgrove District Council and in accordance with the relevant Regulations.**

Introduction

The Independent Remuneration Panel (IRP) has been appointed by the Council to carry out reviews of the allowances paid to Councillors, as required by the Local Government Act 2000 and subsequent legislation. The Panel has carried out its work in accordance with the legislation and statutory guidance.

The law requires each Council to "have regard" to the recommendations of the Independent Panel. We noted that last year the Council supported the recommendations of the Panel other than that the Special Responsibility Allowances remain at the current multipliers used by the Council.

This year the Panel offered to meet with the Group Leaders of the Council to discuss any other particular issues. Members of the Panel met with the Leader and Deputy Leader of the Council on 11 November. A number of issues were discussed including the Special Responsibility Allowances (SRAs) for Planning, Licensing and Audit Committees and also the SRA for the Deputy Leader. In addition attracting new Councillors and the importance of Overview and Scrutiny in local government was discussed.

The Leader and Deputy agreed to provide evidence to support increasing the SRA for those discussed. The Panel received evidence from the Leader and Deputy and has made the following observations:

In the case of the Deputy Leader the Panel feels there was not enough quantified evidence to justify an increase in the multiplier for the role.

For Planning and Licensing Chairs there was not enough evidence to be able to make an informed decision. The Panel is deferring a decision on these multipliers pending comparable evidence across the IRP membership to be gathered for the Panel.

Finally, in terms of Audit, the Panel noted that delegation has been made for the Committee to approve the Council accounts, however this already happens in other Local Authorities and so the role is not significantly different to justify a multiplier increase. The Panel has, however, noted this is an important delegation and will further explore the Audit Chair role for all of the five Councils as part of its work programme for next year.

The Panel is always willing to consider further information and/or evidence the Council or individual Councillors may wish to submit for consideration in reviewing SRAs.

At this point we would like to stress that our recommendations are based on thorough research and benchmarking. We have presented the Council with what we consider to be an appropriate set of allowances to reflect the roles carried out by the Councillors. The purpose of allowances is to help enable people from all walks of life to become involved in local politics if they choose.

The Panel does, however, acknowledge that in the current challenging financial climate there are difficult choices for the Council to make. Ultimately it is for the Council to decide how or whether to adopt the recommendations that we make.

Background Evidence and Research Undertaken

There is a rich and varied choice of market indicators on pay which can be used for comparison purposes. These include:

- National survey data on a national, regional or local level;
- Focussed surveys on a particular public sector;
- Regular or specific surveys;
- Use of specific indices to indicate movement in rewards or cost of living.

As background for the decisions taken by the Panel this year we have:

- Analysed and considered the Annual Survey of Hours and Earnings (ASHE) statistics for 2019 which gives the mean hourly wage rate for Worcestershire at £14.88.
- Benchmarked the Basic Allowance against allowances for comparable roles paid by the Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" Councils for each authority.
- Considered local government pay awards.
- Reviewed information from the West Midland Members Allowance Survey 2019.
- Considered the inflation rate (CPI) which was 1.5% in November 2019 (ONS).

In 2015, Worcester City Councillors recorded time spent on Council business for a number of weeks. This enabled the Panel to confirm the number of hours per week for front line councillors, which is used in consideration of the recommended basic allowance.

We give more details about these areas of research in Appendix 2.

The figure being recommended by the Panel of £4,526 for the Basic Allowance appears reasonable and appropriate when compared to other Local Authorities.

Arising from our research, in **Table 1** we have included information showing the Members' allowances budget for Basic and Special Responsibility Allowances paid for 2018-19 as a cost per head of population for each Council. To give context, we have included details of the proportion of net revenue budget spent by each Council on basic and Special Responsibility allowances.

In **Table 2** we show the average payment per member of each authority of the Basic and Special Responsibility Allowances, which illustrates the balance between the level of Special Responsibility Allowances paid and the Basic Allowance.

Table 1 - Total spend on Basic and Special Responsibility Allowances (SRA) as a cost per head of population 2018-19 figures

Authority, population¹ and number of Councillors	Total spend Basic Allowances	Total spend on SRA	SRA as a percentage of total Basic Allowance	Cost of total basic and SRA per head of population	Total of basic and SRA as a percentage of Net General Revenue Fund expenditure %
	£	£	%	£	%
Bromsgrove DC (31) 95,768	136,350	60,697	45.01	2.05	1.80
Malvern Hills DC (38) 75,339	163,274.80	65,517.37	40	2.93	2.99
Redditch Borough (29) 84,500	100,881	38,706	38.37	1.65	1.46
Worcester City (35) 100,405	150,117	68,016	45.31	2.17	1.64
Wychavon (45) 118,738	192,241	69,087	35.94	2.08	1.95

Table 2 - Average allowance per Member of each authority (Basic and Special Responsibility Allowances, 2018 – 19 figures)

Authority (number of Councillors)	Amount £
Bromsgrove District (31)	6,356.35
Malvern Hills District (38)	6,020.85
Redditch Borough (29)	4,813.37
Worcester City (35)	6,232.37
Wychavon District (45)	5,807.29

¹ ONS population figures mid 2019. Totals for Basic and Special Responsibility allowances paid are as published by each authority for the 2018-19 financial year.

Basic Allowance 2020 - 21

Consideration in calculating the Basic Allowance

In considering the Basic Allowance note is taken of:

- The roles and responsibilities of Members; and
- Their time commitments – including the total average number of hours worked per week on Council business.

We then apply a public service discount of 40% to reflect that Councillors volunteer some of their time to the role. As part of the Panel's assessment and analysis in June 2019 of a random sample of IRP reports from "Nearest Neighbour" councils we identified that other panels reported that they also apply a 40% public service discount. The Panel remain of the opinion that this level of public service discount is appropriate.

The Basic Allowance is paid to all Members of the Council.

Whilst each Council may set out role descriptions for Councillors, the Panel accepts that each councillor will carry out that role differently, reflecting personal circumstances and local requirements.

However, we consider the Basic Allowance to include Councillors' roles in Overview and Scrutiny, as any non-Executive member of the Council is able to contribute to this aspect of the Council's work. It is for this reason that we do not recommend any Special Responsibility Allowance for members of the Overview and Scrutiny Committee. We also consider that ICT could be included in the Basic Allowance as it is generally more readily available to individuals than in previous years. However, we are comfortable that specific local decisions may be made about how ICT support is provided.

During the round of meetings held with Leaders during autumn 2019, all raised the issue of the SRA recommended for the Chair of Overview and Scrutiny. The Panel's position had always been that the Chair of Overview and Scrutiny has a very important and independent statutory role to scrutinise and, where appropriate, to challenge or question decisions taken or planned to be taken by the Council, as set out in the Local Government Act 2000. The Panel considered that this should be reflected in the award of an SRA equivalent to that of a Cabinet Portfolio Holder (i.e. a multiplier of 1.5.). As a result of concerns raised, the Panel has reviewed its position on the SRA for Chair of Overview and Scrutiny in this reporting cycle but it is not persuaded that this SRA should be reviewed downwards as suggested by some Councils. In reaching this decision the Panel has taken account of the "Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities" published in May 2019, which reinforces the significance and importance of the role of Overview and Scrutiny in holding an authority's decision makers to account on behalf of their electorate.

As mentioned earlier, in 2015 Worcester City Councillors recorded the time spent per week on Council business for a number of weeks during the early autumn. This was considered to reflect an appropriate "average" period of time for meetings and other commitments. The results from this survey showed that the average input

was 10 hours and 50 minutes per week. This figure matches the one used for a number of years by the Panel, based on previous research with constituent councils, to calculate the basic allowance.

We reviewed the levels of wage rates for Worcestershire as set out in the ASHE data (details in appendix 2) and the benchmark information available to us from the Chartered Institute of Public Finance and Accountancy (CIPFA) "nearest neighbours" authorities as part of our research into the level of basic allowance recommended. We are also aware that the majority of local government employees received an average of 2% increase in pay in April 2019 (dependent on scale).

The research information used in considering the level of the Basic allowance is set out at appendix 2.

Special Responsibility Allowances (SRA) 2020-21

General Calculation of SRAs

The basis for the calculation of SRAs is a multiplier of the Basic Allowance as advocated in the published Guidance.

The Panel has reviewed the responsibilities of each post, the multipliers and allowances paid by similar authorities. As in previous years, the Panel has benchmarked the allowances against those paid by authorities listed as "Nearest Neighbours" by CIPFA.

The Panel has been asked on occasions to consider recommending SRAs for Vice-Chairs of Committees. Having considered the evidence presented to us and the nature of the roles, as a principle the Panel does not recommend SRAs for Vice-Chair roles.

Appendix 1 to this report sets out the allowances recommended for 2020-21.

Mileage and Expenses 2020-21

The Panel notes that the Council has used the HMRC flat rate for payment of mileage for Councillors and recommends that this continues. The Panel was asked to make a recommendation in relation to mileage rates for privately owned electric vehicles. The Panel notes that councils generally apply the HMRC Approved Mileage Allowance Payment (AMAP) rates for employees and council members using their own privately owned vehicles for official business. The Panel notes that whilst HMRC introduced an Advisory Electric Rate (AER) for electric vehicles in September 2018, this rate does not apply to privately owned electric vehicles and the AMAP rate should, therefore, continue to be used where the AMAP rates are applied by Councils.

The Panel is satisfied that the current levels of subsistence allowances are set at an appropriate level and recommends that these continue.

The Panel notes that the Council's Scheme of Members' Allowances provides that Dependant Carer Allowances are payable to cover reasonable and legitimate costs incurred in attending approved duties and recommends that this provision continues.

Allowances to Parish Councils 2020-21

The Independent Remuneration Panel for Worcestershire District Councils acts as the Remuneration Panel for the Parish Councils in each District.

This year the Panel has not been asked to make recommendations on any matters by any Parish in Bromsgrove/Malvern Hills/Redditch/Worcester City/ Wychavon.

The Independent Remuneration Panel

The Members' Allowances Regulations require Local Authorities to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to the authority about allowances to be paid to Elected Members and Local Authorities must have regard to this advice. This Council's Independent Remuneration Panel is set up on a joint basis with 4 of the other 5 District Councils in Worcestershire. Separate Annual Reports have been prepared for each Council.

The members of the Panel are:

Terry Cotton, Interim Chair of the Panel - Terry spent 34 years working in central and local Government, mostly managing regeneration programmes across the West Midlands. Until May 2011 he worked at The Government Office for The West Midlands where he was a Relationship Manager between central and local Government and a lead negotiator for local performance targets. Following voluntary early severance in May 2011, he worked part-time in Birmingham's Jewellery Quarter, setting up a new business led community development trust and currently works part-time for Worcestershire County Council's Road Safety Team. He is also a trustee of a small charitable trust providing grants to grassroots community initiatives in deprived communities.

Caroline Murphy – Caroline has 20 years' experience of working in public and voluntary sector organisations, including three West Midlands Local Authorities and the Civil Service. She was a senior Education Manager at Wolverhampton City Council until 2011 developing and delivering a large part of the 14-19 Pathfinder, during which time her department was recognised as achieving Beacon Council Status. She has a wealth of experience at building partnerships. Caroline now works as freelance Education, Skills and Development Adviser supporting individuals and organisations with strategic management, quality assurance and improvement, safeguarding, regulation compliance, research and evaluation, data protection and developing policies and procedures. She has worked in a consultancy capacity for a number of organisations, specialising in those who support vulnerable young people. She also spent 14 years as the Vice Chair of Governors of a primary school in Birmingham.

Jonathan Glover – Jonathan has over 30 years' experience working in central and local government. He has worked mostly in central government, in a range of departments and disciplines. These include: regional finance and accounts; building management; personnel management; contract management. At a local level he specialised in employment support for people with disabilities. Returning to a regional role, he ensured projects throughout the West Midlands region, which were receiving European Commission grants, complied with EC financial and regulatory compliance. Since leaving the civil service he has worked in both the public and private sector. Jonathan

was a governor at his local junior school for eight years. He was vice chair of the full governing body, representing the school at Ofsted inspection and appeal panels; chair of its curriculum sub committee; and a member of personal and finance sub committees. He was a member of several recruitment and interview panels, including for a new headteacher.

Reuben Bergman – Reuben is a Fellow of the CIPD with significant senior HR leadership experience across a range of public sector organisations in both England and Wales. He currently runs a HR Consultancy Business in Worcestershire providing advice and support on managing change, employment law, HR policy development, mediation, management coaching and employee relations. Reuben has led successful equal pay reviews in three separate local authorities and is known for his successful work in managing change and developing effective employee relations. He is a qualified coach, mediator and a Shared Service architect. He has won national awards for his work on employee engagement and the development of an innovative Café style leadership development programme.

Matthew Davies – Matthew qualified as a Social Worker in 2008, and subsequently worked in Worcestershire and Jersey in the Channel Islands with children, their families and carers. On returning to Worcestershire in 2013 he worked with children in the care of the local authority before he was appointed as a Safeguarding Manager in Worcestershire in 2014, a role he continued in Manchester City until 2017. Currently he's employed as an Independent Reviewing Officer in Worcestershire. Independent Reviewing Officers are Social Workers, who are also experienced social work managers whose duty is to ensure the care plans for children in care are legally compliant and in the child's best interest. Passionate about learning and development Matthew is a guest speaker who contributes toward the West Midlands Step Up To Social Work Programme for the West Midlands, contributing toward the learning of social workers in training. He is also an Independent Panel Member of an Independent Fostering Agency, contributing toward the approval of prospective and established foster parents for children in care.

The Panel has been advised and assisted by:

- Claire Chaplin and Margaret Johnson from Worcester City Council;
- Darren Whitney, Amanda Scarce and Jess Bayley from Bromsgrove and Redditch Councils;
- Mel Harris from Wychavon District Council;
- Lisa Perks from Malvern Hills District Council.

The Panel wishes to acknowledge its gratitude to these officers who have provided advice and guidance in a professional and dedicated manner.

Terry Cotton, Interim Chair of Independent Remuneration Panel

Appendix 1

Independent Remuneration Panel for District Councils in Worcestershire Recommendations for 2020-21

Bromsgrove District Council

Role	Recommended Multiplier	Current Multiplier *	Recommended Allowance £	Current Allowance (paid) £
Basic Allowance – all Councillors	1	1	4,526	4,437
Special Responsibility Allowances:				
Leader	3	3	13,578	13,237
Deputy Leader	1.75	2	7,920.50	8,874
Executive Members (Cabinet Portfolio Holders)	1.5	1.3	6,789	5,768
Chair of Overview and Scrutiny Board	1.5	1.3	6,789	5,768
Chair of Overview and Scrutiny Task Groups	0.25	0.3	1,131.50	1,331, Paid pro-rata for length of task group
Chair of Audit, Standards and Governance Committee	0.25	0.3	1,131.50	1,331
Chair of Planning Committee	1	1.3	4,526	5,768
Chair of Licensing Committee	0.3	0.3	1,357.80	1,331
Political Group Leaders	0.25	0.25	1,131.50	1,109

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Chair of Appointments Committee (BDC only)	0.03	0.03	135.78 per meeting	133 per meeting
Chair of Electoral Matters Committee (BDC only)	0.03	0.03	135.78 per meeting	133 per meeting
Chair of Appeals Panel (BDC only)	0.03	0.03	135.78 per meeting	133 per meeting

*Council agreed to keep these multipliers (minute 75/18)

Appendix 2

Summary of Research

Chartered Institute of Public Finance and Accountancy (CIPFA) "Nearest Neighbour" authorities tool.

No two Councils or sets of Councillors are the same. Developed to aid local authorities in comparative and benchmarking exercises, the CIPFA "Nearest Neighbours" Model adopts a scientific approach to measuring the similarity between authorities. Using the data, Bromsgrove District Council's "nearest neighbours" are:

- Stroud
- Lichfield
- Maldon
- South Staffordshire
- Harborough
- Tewkesbury

Information on the level of Basic and Special Responsibility Allowances was obtained to benchmark the levels of allowances recommended to the Council.

Annual Survey of Hours and Earnings (ASHE) Data on Pay

<https://www.nomisweb.co.uk/reports/lmp/la/contents.aspx>

<https://www.nomisweb.co.uk/query/construct/summary.asp?reset=yes&mode=construct&dataset=30&version=0&anal=1&initset=>

Published by the Office for National Statistics, the Annual Survey of Hours and Earnings (ASHE) shows detailed information at District level about rates of pay. For benchmarking purposes the Panel uses the levels for hourly rates of pay excluding overtime. This is multiplied by 11 to give a weekly rate, which is then multiplied by 44.4 weeks to allow for holidays. This was the number of hours spent on Council business by frontline Councillors which had been reported in previous surveys and substantiated by a survey with Worcester City Councillors in the autumn of 2015. The rate is then discounted by 40% to reflect the element of volunteering that each Councillor undertakes in the role. Applying this formula would produce a figure of £4,360 per annum.

CPI (Consumer Price Inflation)

In arriving at its recommendations the Panel has taken into account the latest reported CPI figure available to it, published by the Office for National Statistics. This was 1.5% for November 2019.

Local Government Pay Award

The Panel was particularly mindful of the latest Local Government pay award implemented from 1 April 2019. For the majority of Local Government employees this resulted in a pay increase of 2% on 1st April 2019.

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CABINET RECOMMENDATIONS TO THE COUNCIL

Cabinet meeting 12th February 2020

Pay Policy Statement

Members considered a report in respect of the Pay Policy Statement for 2020/21.

RECOMMENDED to Council that the Pay Policy as detailed in Appendix 1 to the report be approved.

Medium Term Financial Plan

Members considered the Medium Term Financial Plan for 2020/21 to 2023/24.

RECOMMENDED to Council that

- a) Approve the Unavoidable costs as attached at Appendix1:
 - 2020/21 £420k
 - 2021/22 £333k
 - 2022/23 £289k
 - 2023/24 £45k

- b) Approve the Revenue Bids as attached at Appendix 2 and Appendix 4 (revenue implications of capital spend):
 - 2020/21 £317k
 - 2021/22 £226k
 - 2022/23 £173k
 - 2023/24 £144k

- c) Approve the Identified savings as attached at Appendix 3:
 - 2020/21 £510k
 - 2021/22 £677k
 - 2022/23 £746k
 - 2023/24 £817k

- d) Approve the Capital Programme bids as attached at Appendix 4:
 - 2020/21 £166k
 - 2021/22 £87k
 - 2022/23 £52k
 - 2023/24 £34k

- e) Approve the capital programme as attached at Appendix 5:
 - 2020/21 £4.371m
 - 2021/22 £12.744m
 - 2022/23 £3.743m
 - 2023/24 £1.888m

- f) Approve the net general fund revenue budget :.

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2020/21 £11.812m
2021/22 £11.572m
2022/23 £11.511m
2023/24 £11.324m

- g) Approval the increase of the Council Tax per Band D @ £5 for 2020/21.
- h) Approve the transfer to Balances of £170k for 2020/21.
- i) Approve release of up to £72.5k from balances in 2019/20 to provide funding towards the District Heating Feasibility Study forward to Detailed Project Development (DPD) Phase.

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

12TH FEBRUARY 2020, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Leader), G. N. Denaro (Deputy Leader),
M. A. Sherrey, P.L. Thomas and S. A. Webb

Observers: Councillor S. P. Douglas, Councillor P. M. McDonald and
Councillor H. D. N. Rone-Clarke

Officers: Mr. K. Dicks, Mrs. S. Hanley, Ms. J. Pickering, Mrs. C. Felton,
Ms J. Willis and Ms. A. Scarce

69/19 **TO RECEIVE APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor A. Kent.

70/19 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

71/19 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING
OF THE CABINET HELD ON 15TH JANUARY 2020**

The Minutes of the Cabinet meeting held on 15th January 2020 were submitted. It was noted that on page 14 there was a typographical error, in the final paragraph reference was made to the workload of "offices" and it was noted that this should be by officers.

RESOLVED that the minutes of the Cabinet meeting held on 15th January 2020 be approved as a correct record.

72/19 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY
BOARD HELD ON 13TH JANUARY 2020**

It was noted that the recommendations detailed in the minutes of the Overview and Scrutiny Board held on 13th January 2020, had been considered at the previous Cabinet meeting.

RESOLVED that the minutes of the Overview and Scrutiny Board meeting held on 13th January 2020 be noted.

73/19

NOTICE OF MOTION - COUNCILLOR S. DOUGLAS

Councillor May invited Councillor Douglas to speak to her motion which had been referred to Cabinet from the full Council meeting held on 20th January 2020.

Councillor Douglas explained that whilst she would not address the Climate Change agenda as it had already been agreed that it was a crisis. She suggested the need for all publicly owned, BDHT and local businesses with private land to be identified for planting. She felt that the creation of a simple data base listing who owned particular pieces of land and action taken would be useful. This was an opportunities for neighbours and communities to take on some responsibility for the planting and subsequent maintenance to enhance their environments and at the same time taking steps to reducing climate harm. She also made reference to a recent report from the Woodland Trust which had highlighted the need for action to be taken and whilst the number of trees planted had double in recent years there was still the need to do more.

Councillor Douglas' gave a number of examples where such work had already been carried out and where there would be the possibility of perhaps a small copse being planted with flowers under the trees. Such planting would bring pleasure and enjoyment to those carrying out the work together with passers-by. It also brought communities together and provided an educational opportunity for young people.

It was appreciated that in some cases the ground preparation needed to be carried out by either Worcestershire County Council's Highways Team or other organisations, but was sure that with their co-operation this could be addressed. There were a number of options in respect of trees that were planted which were inexpensive and therefore the cost of such projects would out way the positive impact from them.

Councillor May responded that the planting of trees and woodland and creation of areas for wildlife was an ongoing theme in the management of the Council's green spaces and, since 2000, had seen the planting of approximately 15,000 trees as new native woodland creation, the planting of a further 2,000 individual park and street trees in urban open spaces and a more than tenfold increase in habitat for water voles and other wildlife on Council-owned land where feasible and beneficial to do so.

Whilst the Council faced varying demands for the use of the remaining land in its ownership, the Green Space Strategy would continue to identify opportunities for tree planting, wildlife habitat creation and maintaining/creating wildlife connections where these could be successfully balanced with other land uses.

Councillors M. Sherrey and S. Webb also advised Members that they had met with Officers to discuss plans for the future.

Councillor Douglas said she was encouraged by the response she had received and thanked Councillor May for considering the motion.

74/19

PAY POLICY STATEMENT

The Executive Director, Finance and Resources reminded Members that this was a statutory document which had to be produced every year, since the inception of the new legislation some five years ago, and whilst it referred to the following year, the details within it were based on the current year. This was due to the national pay award for 2020/21 not currently being agreed and the review of the management restructure being out to consultation.

Members' attention was drawn to the table on page 36 of the report which showed the current spinal points and the table on page 38 which provided the shared cost allocation to this Council. It was noted that the allocation in respect of the Head of Worcestershire Regulatory Services was a shared post across six district authorities.

RECOMMENDED that the Pay Policy as detailed in Appendix 1 to the report be approved.

75/19

MEDIUM TERM FINANCIAL PLAN

In presenting the Medium Term Financial Plan for 2020/21 to 2023/24 the Executive Director, Finance and Resources highlighted to Members a number of areas, including the following:

- The Council Tax for the authority would be considered at the Cabinet meeting on 26th February when all of the calculations for the precepting bodies had been received. These would be agreed over the next two weeks.
- It was noted that the Council had only had confirmation of a one year budget from Central Government and estimates had been made for future years.
- The table on page 45 of the report demonstrated the changes in the financial projections and the pressures and savings achieved, which resulted in a final transfer to balances of £170k.
- Unavoidable costs were highlighted, in particular the Local Plan Review and independent highways advise that the Council had received and would need as part of the evidence gathering process for the review.
- Bids including the revenue impact of capital bids, including the development of a strategy development for parks and green spaces and financial support to the Sunrise Project through the Bromsgrove Partnerships. It was also highlighted that support to development of the community hubs in Libraries had been discussed in detail at the Overview and Scrutiny Board.

- Appendix 3 of the report provided details of the additional savings and income, with reference being made to the removal of the estimated payment to the Birmingham LEP.
- The reduction in pension deficit was also highlighted and that it had been felt prudent to transfer £200k to reserves as it was accepted that investments could be volatile.
- The reprofiling of the of the capital programme to more accurately reflect planned spend in future years. It had also been acknowledged that the Investment and Acquisition Strategy of £20m had been a little optimistic.
- The amount of New Homes Bonus (NHB) had been confirmed as being more than anticipated for 2020/21. It was not expected that there would be any legacy payments in future years.
- There was uncertainty around the position in respect of what business rates would look like in the future.
- Pressures in future years were highlighted in the table on page 49 of the report.
- The projected position in respect of the general fund balances in future years and savings needed to maintain balances at the recommended level.

More detailed information was provided in respect of the District Heating Network, which was detailed on pages 52 to 54 of the report. Particular reference was made to the detailed discussions which had been held at the meeting on 15th January and responses to the questions raised at that meeting. The project had now been broken down in to two specific stages and it was confirmed that in respect of the first stage funding had now been secured from the Healthcare Trust of £10k. As the cost of the first stage was £42.5k and that £10k had also been secured from Bromsgrove School, the cost to this Council was now £22.5k. This may further reduce should BDHT choose to make a contribution towards the project. Should the project go ahead to stage 2 then there would be a potential further cost to the Council of £40k but again partners would be asked to make a further contribution.

It was noted that the initial costs of the project and the consultant had been paid for by a Government grant and LEP funding, so there had not been any cost to this Council.

The Leader thanked the Executive Director, Finance and Resources and the wider management team for all their hard work in preparing the Medium Term Financial Plan. This was reiterated by the Portfolio Holder for Finance and Enabling who felt this was the most positive for a number of years.

Following presentation of the report, Cabinet Members and those Members attending as observers were invited to ask any questions or comment on the report.

- It was confirmed that the District Heating Project had been deferred at the previous meeting and was now included within the

recommendations under recommendation (i). It was further confirmed that originally £42.5k had been included, but this had now been reduced following contributions from the Health Care Trust and Bromsgrove School totalling £20k, reducing the liability to this Council.

- Councillor P. McDonald acknowledged the reduction of the cost of the first stage to this Council to £22.5k, but questioned what would happen in respect of the funding of the second stage. The Executive Director, Finance and Resources responded that the cost of stage 2 was £120k of which a Heat Network Grant of 67% from Central Government would be received, leaving the Council's liability of £40k. It was confirmed that the other partner organisations would be contacted with a view to them also making a contribution to this second stage, which would reduce the Council's liability. It was further confirmed that discussions the partners organisations would be taking place and these would be followed up with a written request.
- Councillor McDonald also asked for clarification in respect of the NHB Community Grants Scheme funding. The Executive Director, Finance and Resources confirmed that due to the increased amount received this would be £147k for the 2020/21 Scheme.
- Councillor H. Rone-Clarke commented that he had recently attended the Charford Hub where he had been advised of both the work of the Sunrise Project and the Swanswell Project and questioned the role of the Swanwell Project. The Head of Community Services confirmed that the Swanswell Project provided an alcohol and drug recovery service.

RECOMMENDED to full Council

- a) Approve the Unavoidable costs as attached at Appendix 1:
2020/21 £420k
2021/22 £333k
2022/23 £289k
2023/24 £45k
- b) Approve the Revenue Bids as attached at Appendix 2 and Appendix 4 (revenue implications of capital spend):
2020/21 £317k
2021/22 £226k
2022/23 £173k
2023/24 £144k
- c) Approve the Identified savings as attached at Appendix 3:
2020/21 £510k
2021/22 £677k
2022/23 £746k
2023/24 £817k
- d) Approve the Capital Programme bids as attached at Appendix 4:

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Cabinet
12th February 2020

2020/21 £166k
2021/22 £87k
2022/23 £52k
2023/24 £34k

- e) Approve the capital programme as attached at Appendix 5:

2020/21 £4.371m
2021/22 £12.744m
2022/23 £3.743m
2023/24 £1.888m

- f) Approve the net general fund revenue budget:

2020/21 £11.812m
2021/22 £11.572m
2022/23 £11.511m
2023/24 £11.324m

- g) Approval the increase of the Council Tax per Band D @ £5 for 2020/21.

- h) Approve the transfer to Balances of £170k for 2020/21.

- i) Approve release of up to £72.5k from balances in 2019/20 to provide funding towards the District Heating Feasibility Study forward to Detailed Project Development (DPD) Phase.

The meeting closed at 6.30 p.m.

Chairman

BROMSGROVE ALLIANCE – ALTERNATIVE BUDGET 2020-2024

The main figures in bold represent changes to the cabinet proposed budget. The calculated totals now include these revised figures.

In addition to this proposed budget the group would also implement, subject to a detailed review, a cost neutral electric car pool scheme for staff.

Each change will now be explained:

- 1) Incremental progression and inflation: This figure has been reduced for 2023/2024 from £456000 to £290000. It is considered that a year on year increase of 70% is excessive and even taking a cautious approach 8% is more than enough.
- 2) Unavoidable pressures: The plan review is forecast to cost around £630,000 over three years. History suggests that this is an overly ambitious target. In addition with uncertainty over the status of the Foxlydiate housing number allocation, no idea of cross border housing requirement and no indication of how much employment land we will allocate. It seems we have no idea of what it is we are planning for. We would therefore advocate extending this plan review cost over the more realistic period of 5 years.

This saves some £84,000 p.a. over the first 3 years. In addition we consider that the use of outside consultants to advise on highways matters has run its course and ceases to be useful. We therefore propose to reduce this spend to £75,000 in 2020/21 and £25,000 in 2021/22 and zero thereafter. Hence, this line reflects these yearly changes.

- 3) New revenue bids etc. The increase shown here reflects the provision of three shopper/shuttle minibuses. The estimated revenue running cost is £32,000 per bus. Three routes would be; a station to town centre continuous shuttle bus. A Wythall, Hillcrest, Beoley, Rowney Green, Alvechurch, Barnt Green, Blackwell, Bromsgrove circular route; and a Hagley, Clent, Holy Cross, Belbroughton, Dodford, Bournheath, Bromsgrove circular route.

All connecting outlying communities to the town centre. Reducing car use, isolation and helping regenerate the town centre.

To further up the profile of Bromsgrove it is suggested that £15,000 p.a. is spent promoting and supporting the three fine museums the district has in order to increase tourism to the town.

The final additional cost to this section is £57,000 p.a. to enable free swimming to be offered to all young people under the age of 18. Promoting health and wellbeing.

We would also capitalise the £30,000 earmarked for market improvements.

- 4) Saving and additional income: Here we see the bus revenue from ticket sales. This has modestly been predicted as £36,000 in the first year then £51,000, £61,000 in 2022/2023 and reaching £78,000 in 2023/2024.
- 5) Having studied the actuarial calculations we see no requirement for a £200,000 pension reserve. The savings suggested on the pension deficit are realistic and cautious as they stand.
- 6) We see no reason as to why the estimated increase in council tax for 2023/2024 should not mirror that predicted for the previous year. Hence a modest rise of £25,000 to this figure.
- 7) Interest payable is increased to reflect the 3 minibus purchase cost of £120,000 over 10 years. Say 3% of £60,000. £2,000 p.a.
- 8) MRP goes up £12,000 to cover the above capital.
- 9) We would be surprised if a similar discount was not applicable for early pension payment in 2023/2024 as was offered in 2020/2021. An increase of £31,000.

The above provides a more balanced budget for the period and an overall deficit reduction from £1,842,000 to £1,624,000. Whilst still more needs to be done on achieving the promised savings in the efficiency plan the above shows an improved position of £218,000 over the 4 year period. At the same improving local connectivity with a comprehensive minibus scheme, support for tourism through the museum fund and free swimming for young people.

Furthermore, we would like to introduce a staff electric car pool. Currently, BDC spend £63,000 on staff mileage charges per year. Representing 140,000 miles approximately. It is suggested that it is inevitable that some mileage will need to be paid, an estimate of £8,000 is used. Hence, available to cover the running cost of electric vehicles is some £55,000. 13 electric cars can be purchased for £325,000 with a 5 year warranty. 5 year resale £91,000. Borrowing £234,000 at an MRP of £46800 and interest £4000. Each car would cover approximately 9000 miles per year. Charging cost is approximately £4000.

Summary:

Current spend. p.a. £63000

Inevitable mileage	£8,000
Purchase costs	£51,000
Charging costs	£4,000
Total cost p.a.	£63,000

Therefore cost neutral.

And a greener environmentally friendly Council.

Proposed BAG budget.	2020 to 21	2021 to 22	2022 to 23	2023 to 24
	£000	£000	£000	£000
Departmental base budget	11730	11749	11806	11806
Incremental progression and Inflation	192	249	269	290
Unavoidable pressures	301	182	165	171
New revenue bids etc	454	393	341	312
Saving and additional income	-396	-578	-657	-745
Saving on pension deficit overpayment	-436	-409	-380	-409
Provision for housing benefit overpayment	100	100	100	100
LEP savings	-150	-150	-150	-150
Net revenue budget	11795	11536	11494	11375
Financing				
Funding from reserves	-200	-338	0	0
Transfer to reserves	0	0	0	0
Business rate net position	-2444	-2474	-2510	-2510
New homes bonus	-1774	-610	-295	0
Collection fund surplus	-245	0	0	0
Council tax	-8484	-8739	-9064	-9401
Investment income	-161	-309	-450	-536
Interest payable	388	502	540	544
MRP	823	1048	1217	1405
Discount on advance pension payment	-71	-143	-214	-71
Funding total	-12168	-11063	-10776	-10569
General Balances				
Open balance	4301	4674	4201	3483
change	-373	473	718	806
In year release	0	0	0	0
Close balance	4674	4201	3483	2677
Change in balances from start	-373	100	818	1624

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Bromsgrove District Council – 26th February 2020
Item 14 - Questions on Notice

1. From Councillor S. Hughes

Question to the Leader

What is this council doing to protect the Grade II listed URC Congregational Church on Windsor Street? The 350 year old church and much loved heritage asset has been allowed to fall into a complete state of disrepair, will the Leader provide reassurance that the council will do everything in its power to reverse this decline?

2. From Councillor R. Hunter

Question to the Leader

The Government recently pledged £5billion to improve bus and cycle routes in every region outside of London. This is to pay for new zero carbon buses, more frequent services and more affordable fares. It will also fund 250 miles of new separated cycle routes. What will this council do to make sure Bromsgrove gets its fair share of this funding to deliver the public transport and cycling improvements we need?

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NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor P. McDonald.

“We call upon the Cabinet to write to ‘First Worcestershire’ to reverse its latest cuts to the 144 service which is vital for many to get to work and for children to get to school; as well as those going about their daily business.”

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CABINET

2020

PAY POLICY STATEMENT 2020/21

Relevant Portfolio Holder	Cllr Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Deb Poole, Head of Transformation and Organisational 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 2020/21

2. RECOMMENDATIONS

Cabinet 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.

CABINET

2020

The information provided is based on the current pay structure and is subject to any national pay award for 2020/21 being agreed

Legal Implications

- 3.3 These are already included in the report

Service / Operational Implications

- 3.4 This report precedes the Management Restructure. The Management Restructure is subject to consultation therefore the current pay policy is as defined in 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 2020/21

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 20 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.

Agenda Item 16a

6. Within each grade there are a number of salary / pay points. Up to and including grade 11 scale, at spinal column point 43, the Council uses the nationally negotiated pay spine. Salary points above this are locally determined. The Council's Pay structure is set out below. .

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	1	2	17,364	17,711
2	2	5	17,711	18,795
3	5	9	18,795	20,344
4	9	14	20,344	22,462
5	14	19	22,462	24,799
6	19	24	24,799	27,905
7	25	30	28,875	32,878
8	30	34	32,878	36,876
9	34	37	36,876	39,782
10	37	40	39,782	42,683
11	40	43	42,683	45,591
Manager 1	Hay evaluated	43%	55,756	58,030
Manager 2	Hay evaluated	45%	58,030	60,412
Head of Service 1	Hay evaluated	51%	66,312	69,019
Head of Service 2	Hay evaluated	61%	79,574	82,822
Head Of Service 3	Hay evaluated	68%	88,777	92,025
Executive Director	Hay evaluated	74%	96,355	100,145
Deputy Chief Executive	Hay evaluated	80%	106,099	108,254
Chief Executive	Hay evaluated	100%	130,011	135,317

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 "Gauge" 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 2020 (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 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.

Agenda Item 16a

Post Title	% of Chief executive salary	Pay range (minimum) £	Pay range (maximum) £	Incremental points	Cost to Bromsgrove District Council £
Chief Executive	100%	130,011	135,317	3	66,407
Deputy Chief Executive	80%	106,099	108,254	3	53,588
Executive Director of Finance and Resources. (Also S151 Officer)	74%	96,355	100,145	3	49,125
Head of Worcestershire Regulatory Services	68%	88,777	92,025	3	<i>This is a shared post across 6 district Authorities at a cost of £15,066 each</i>
Head of Customer Access and Financial Support	61%	79,574	82,822	3	40,599
Head of Planning and Regeneration	61%	79,574	82,822	3	40,599
Head of Transformation and Organisational Development	61%	79,574	82,822	3	40,599
Head of Legal, Equalities and	61%	79,574	82,822	3	40,599

Democratic Services					
Head of Environmental Services	61%	79,574	82,822	3	40,599
Head of Leisure and Cultural Services	61%	79,574	82,822	3	40,599
Head of Community Services	61%	79,574	82,822	3	40,599

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 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 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 2020 this is £17,364 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 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. 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 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.

CABINET

12th February 2020

MEDIUM TERM FINANCIAL PLAN 2020/21 – 2023/24

Relevant Portfolio Holder	Councillor Geoff Denaro, Portfolio Holder for Finance and Enabling Services
Relevant Head of Service	Jayne Pickering, Executive Director Finance and Corporate Resources
Non-Key Decision	

1. SUMMARY OF PROPOSALS

1.1 To enable members to consider and approve the Medium Term Financial Plan for the period 2020/21 – 2023/24 to include General Fund Revenue and Capital together with budget proposals. The report includes recommendations to Council to enable a balanced budget to be set for 2020/21 and the proposed Council Tax for 2020/21. The recommendations will then be presented to Council on 26th February together with the resolutions once we have received all of the precepting bodies Council Tax calculations.

2. RECOMMENDATIONS

2.1 Cabinet is asked to recommend to Full Council;

2.1.1 Approve the Unavoidable costs as attached at Appendix1:

2020/21 £420k
2021/22 £333k
2022/23 £289k
2023/24 £45k

2.1.2 Approve the Revenue Bids as attached at Appendix 2 and Appendix 4 (revenue implications of capital spend):

2020/21 £317k
2021/22 £226k
2022/23 £173k
2023/24 £144k

2.1.3 Approve the Identified savings as attached at Appendix 3:

2020/21 £510k
2021/22 £677k
2022/23 £746k

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12th February 2020

2023/24 £817k

2.1.4 Approve the Capital Programme bids as attached at Appendix 4:

2020/21 £166k

2021/22 £87k

2022/23 £52k

2023/24 £34k

2.1.5 Approve the capital programme as attached at Appendix 5:

2020/21 £4.371m

2021/22 £12.744m

2022/23 £3.743m

2023/24 £1.888m

2.1.6 Approve the net general fund revenue budget ::

2020/21 £11.812m

2021/22 £11.572m

2022/23 £11.511m

2023/24 £11.324m

2.1.7 Approval the increase of the Council Tax per Band D @ £5 for 2020/21.

2.1.8 Approve the transfer to Balances of £170k for 2020/21.

2.1.9 Approve release of up to £72.5k from balances in 2019/20 to provide funding towards the District Heating Feasibility Study forward to Detailed Project Development (DPD) Phase. The briefing note is attached at Appendix 1.

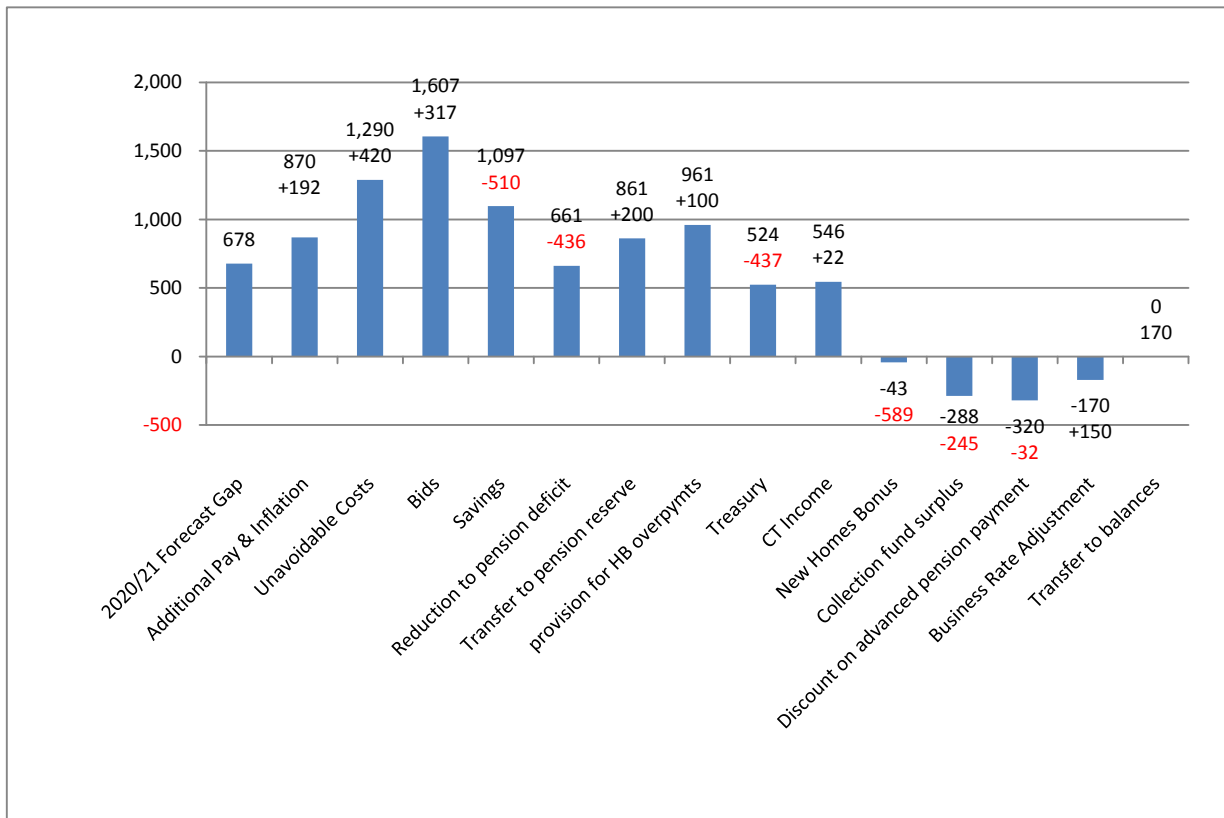
3. KEY ISSUES

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. This year a 4 year plan is proposed to 2023/24. 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:

- Run and grow a successful business
- Work and financial independence
- Living independent, active & healthy lives
- Affordable and sustainable homes
- Communities which are safe, well maintained and green

- 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 Over the last 12 months the Finance and Budget working group, as established by the Overview and Scrutiny Board 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.
- 3.4 Officers have factored in a number of assumptions into the Medium Term Financial Plan to update it in line with revised calculations and information from officers and Government.
- 3.5 The table below demonstrates the changes in the financial projections and budget gap for 2020/21 based on the original estimation of a £678k gap as presented in February 2019. Following the table there are explanations of the reasons for the changes resulting in an achieved balanced budget for 2020/21.



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3.6 Additional pay and inflation (£192k)

A pressure to the budget is general inflation on utility costs along with additional costs in relation to pay. The additional costs relating to pay inflation are above that initially anticipated. The original budget included 1% pay award however current negotiations are proposing a 2% which is therefore included in the estimated position above.

3.7 Unavoidable Costs (£420k)

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 2019/20 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 of £420k are identified at Appendix 1. These include;

- Community funding increase due to additional New Homes Bonus being received 20/21 £70k
- Bromsgrove District Plan Local Plan review. To provide funding for the evidence base for Local Plan review (assumed to be £200k-£220k p.a.), plus money for Independent Highways advice, assumed to diminish year on year from approx £100k p.a. to £50k p.a., to zero. – total 2020/21 - £320k.

3.8 Bids including Revenue impact of Capital Bids (£317k)

In addition to the unavoidable pressures revenue bids have been identified and included at Appendix 2 and Appendix 4 (revenue implications of capital spend). Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies. The total bids for 2020/21 of £317k include;

- The development of a Strategy development for Parks and green spaces (£50k)
- Financial Support to Bromsgrove Partnerships Sunrise Project (£28k)
- Funding to increase capacity of the civil enforcement officers (£15k)
- Funding to support the development of community hubs in the libraries in the District (£50k)
- The costs associated with the revenue implications of capital expenditure. Appendix 4 (£41k)

3.9 Identified Savings/ additional income (£510k)

Identified savings and additional income of £510k are detailed at Appendix 3. These are proposed to ensure that budget pressures can be met and demonstrate the additional income that the Council is generating. This includes;

- The removal of the estimated payment to the Birmingham LEP. This was a projection of an amount that may have be payable following the Councils decision to move to the Worcestershire Pool. The budget is proposed to be removed as there is no call on this funding.
- A reduction in insurance budgets of £130k due to a new insurance contract being tendered.
- Savings from the management review (subject to consultation) £54k
- Reduction in enabling costs £45k

3.10 **Reduction to pension deficit (£436k)/Transfer to pension reserve (£200k)**

An actuarial assessment of the council's pension liabilities has seen a sizeable reduction in the historic pension deficit payments due to significantly better performance than was expected from investments by the pension fund. Pension deficits are re calculated every 3 years and can be volatile therefore a decision has been made to allocate £200k of the savings to an earmarked reserve which will be available to manage any pension actuary adverse changes.

3.11 **Provision for HB overpayments (£100k)**

The Council provides £15m of Housing Benefit payments from the DWP. There is currently no bad debt provision for Housing Benefit overpayments has been made and therefore an assessment has been made and the additional £100k is proposed to provide funding for these debts.

3.12 **Treasury (£437k)**

The decrease of £437k is driven by two factors. The first is a reprofiling of the capital programme to more accurately reflect planned spend which has moved expenditure into future years and also reduced planned spend. Secondly officers undertook a review of the length of asset lives where appropriate which in some cases resulted in an increase in asset life. This reduces the minimum revenue provision (MRP) per year for assets where the asset life increased, though not reducing the total amount of MRP required to be provided over the life of those assets.

3.13 **Council Tax (£22k)**

The Council is allowed to increase Council Tax by up to 2% or £5 whichever is higher without the need for a referendum. This is less than the previous assumption of 2.99% and therefore there is a projected loss of income for 2020/21 – 2023/24. The current projections include £5 increase and therefore the demand on the collection fund to meet the Council's own needs will be £8.484m. The Council Tax relating to the Councils services will rise from £223.00 to £228.00.

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In addition the Council pay parish precepts estimated at £923k which are funded from Council tax income from the specific parish area. These will form part of the resolutions to Council on 26th February 2020.

3.14 New Homes Bonus (NHB) (£589k)

3.14.1 The amount of NHB for 2020/21 has been confirmed as £1.774m which is £589k more than anticipated in the MTFP. This is due to the Band D equivalent properties being more than anticipated due to redevelopments being delivered in the District. The 2020/21 income would be generated from 579 band D equivalent properties. However the 0.4% levy on growth equates to 173 properties which results in an annual reduction of £303k in New Homes Bonus received.

3.14.2 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 2020/21 this equates to £144k.

3.15 Council Tax Surplus (£245k)

This is the estimated surplus based on the latest 2019/20 collection fund information.

3.15 NNDR Income

The Council is currently participating in a pan-Worcestershire Business Rates Pool (WBRP) pilot for the 75% Business Rate Retention for 2019-20 financial year. This one year arrangement is at no detriment to our financial position based on our former membership of the Greater Birmingham and Solihull Business Rates Pool. As part of the Finance Settlement approval was granted for the Council to be a member of a Worcestershire Pool for 2020-21 that also includes the Fire Authority. Again there is no detriment to the Council in joining this pool and whilst the position for the Council has been projected at a baseline from the current position for future years it is expected that additional growth may be generated which will be reported in the quarterly financial reports. In addition the position in relation to further appeals and resultant uncertainty due to the impact on performance of the Pool remain a concern; this is being managed by the S151 Officer in conjunction with the other treasurers within the Pool. It is unknown if Business Rate Pools will cease when the new funding system is introduced. The planned Business Rates baseline reset in 2021 could result in a reduction in the ability to retain business rates growth and therefore there is a risk this will impact adversely on our overall funding position.

3.16 Future Years

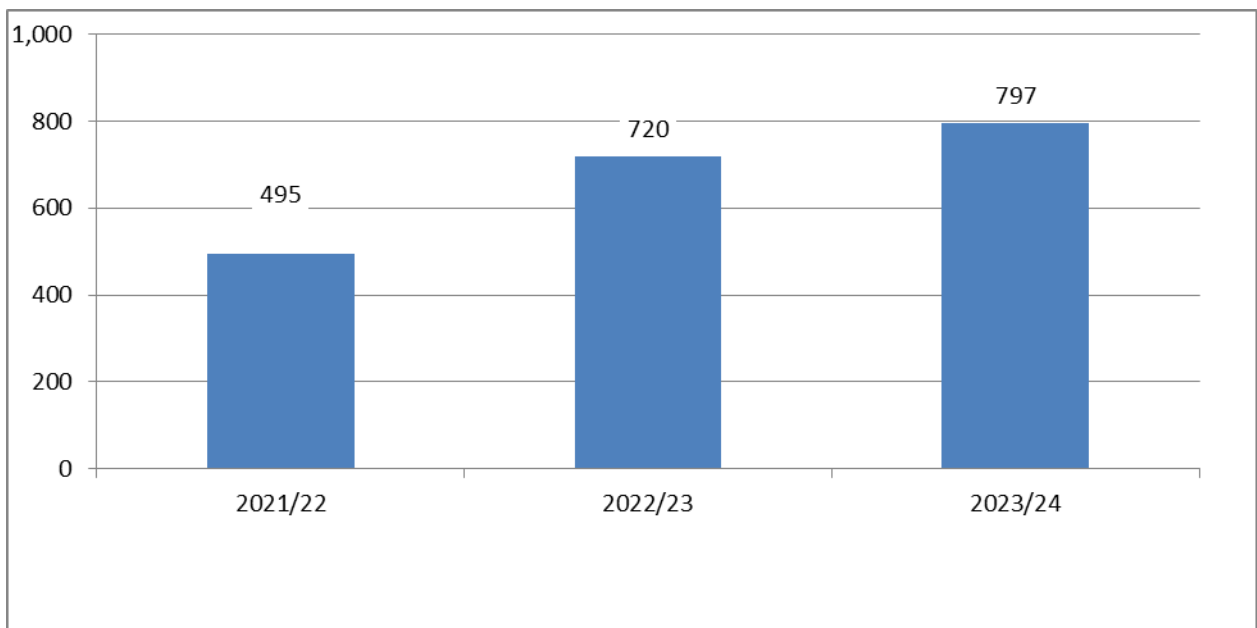
Further consultation is awaited from the Government on plans for reform of local government finance that has now been delayed until 2021. The Council is currently taking part in a pan Worcestershire pilot of 75% business rates

retention in 2019-20. The timetable for introducing 75% business rates retention across England and the fair funding review has been deferred until 2021-22. The Council continues to remain vulnerable to other changes in respect of local government finance, such as the rules for distributing new homes bonus. In addition the Government has yet to provide clarity on the impact of Brexit, including such issues as the replacement arrangements for EU funding streams that may benefit the Council, the procurement regime after Brexit and many other aspects of EU law that impact on local government activities;

Assumptions have been made in the financial plan for the following years including

- The final year of the New Homes Bonus Scheme in 2020/21. There is no further funding included in the MTFP for “new” monies from 2021/22 which will result in a considerable funding gap for the Council. In addition members will need to consider the impact on the community group funding being withdrawn from 2021/22. The New Homes Bonus for 2021/22 will reduce to £610k (from £1,774k 2020/21) and 2022/23 to £295k before being withdrawn for 2023/24.
- Currently the Council allocate 25% of the current year New Home Bonus for Community group funding this amounted to £144k for 2020/21 but will not be available for future years.
- Increases in Council Tax at 2%
- Baseline position for Business Rates as currently there is limited information available on any proposed changes to funding

This results in a medium term financial gap to 2023/24 as follows:



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3.16.2 Members are advised that there is a great level of uncertainty around the funding available from Central Government from 2021/22. The budget presented above shows the position should all New Homes Bonus be removed with no reallocation of central funding to offset this shortfall. In addition there will be a change to the government methodology on the calculation of the amount individual local authorities need to spend (fairer funding review) and a reset of the business rates baseline figures. The total shortfall over the three years is £2.010m.

3.16.2 Whilst it is important to see the step improvement in the budget projections there remain significant savings to be made over the Financial Planning period. There is a need to consider how these savings can be made and it is proposed that officers consider the following areas to present options available to reduce costs and grow income to Members in the Autumn. The areas to consider include:

- Improving income through commercial activities and income from regeneration investments
- Increase in income and reduction in spend on Environmental Services
- Increase in income and reduction in spend on Leisure Services

BROMSGROVE DISTRICT COUNCIL

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A more detailed table is below:

BROMSGROVE PROPOSED REVENUE BUDGET 2020/21 - 2023/24				
	2020-21	2021-22	2022-23	2023-24
	£000	£000	£000	£000
Departmental base budget	11,730	11,749	11,806	11,806
Incremental Progression/Inflation on Utilities	192	249	269	456
Unavoidables Pressures	420	333	289	45
Revenue Bids & Revenue impact of capital bids	317	226	173	144
Savings and Additional income	-360	-527	-596	-667
Reduction to pension deficit payments	-436	-409	-380	-409
Provision for Housing Benefits overpayments	100	100	100	100
Saving on Birmingham LEP contribution	-150	-150	-150	-150
Net Revenue Budget Requirement	11,812	11,572	11,511	11,324
FINANCING				
Funding from reserves	-200	-338	0	0
Transfer to pension reserve	200	0	0	0
Business Rates Net Position	-2,444	-2,474	-2,510	-2,510
New Homes Bonus	-1,774	-610	-295	0
Collection Fund Surplus (Council Tax)	-245	0	0	0
Council Tax	-8,484	-8,739	-9,064	-9,376
Investment Income	-161	-309	-450	-536
Interest Payable	386	500	538	542
MRP (Principal)	811	1,036	1,205	1,393
Discount on advanced pension payment	-71	-143	-214	-40
Funding Total	-11,982	-11,077	-10,790	-10,528
General Balances				
	2020-21	2021-22	2022-23	2023-24
	£000	£000	£000	£000
Opening Balances 20/21 (projected)	4,301	4,471	3,976	3,256
Contribution (from) / to General Balances	170	-495	-720	-797
Agreed in year release of balances				
Closing Balances	4,471	3,976	3,256	2,459

3.17 General Fund

3.19.1 The level of the general fund balance is currently projected at £4.301m. The minimum level of balances recommended is £750k however Members have agreed that a more reasonable level is £2m. It is clear that further savings are required over the period to maintain balances at the recommended level.

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3.18 Collection Fund

3.18.1 The anticipated collection fund surplus is £1,790k, which will be distributed amongst the major preceptors using the prescribed formulae. This Council's share of the surplus payable as a one off sum is £245k.

3.19 Precepts

3.19.1 The precepts from Worcestershire County Council, Hereford and Worcester Fire Authority and the West Mercia Police and Crime Commissioner are due to set their precepts in the week commencing 10th February. This will enable the Council to set the Council Tax on 26th February 2020, which is in advance of the 29th February deadline on precepts being received. These are included in the resolutions.

3.20 Capital Programme

3.20.1 The Capital Programme has been considered to propose any new bids required to deliver services to the community. These are included at Appendix 4 with the proposed complete Capital Programme at Appendix 5. The borrowing costs have been factored into the revenue budget for the financial plan. There are detailed business cases available for all capital projects should members wish to consider them further.

3.21 District Heating Network

3.21.1 At the Cabinet meeting on 15th January Members received a presentation in relation to the potential District Heating Network. A detailed discussion was held following the presentation and members requested that a number of questions be addressed and the item be deferred until the next meeting. The project summary and responses to questions are attached at Appendix 7. There is grant funding that is available for the scheme from the Government via the Heat Network Development Unit (HNDU) which would fund 67% of the associated costs.

3.21.2 The funding requested from the Council is to meet the costs associated with Stages 1 & 2 however, there is a break after Stage 1 to enable a review and therefore the maximum funding of £74.2k may not be required.

3.21.3 Stage 1 of the project is to drill the boreholes to test for a ground source heat-pump, to provide technical advice in relation to the bore hole and, should the borehole be successful, to update and confirm the technical analysis of the proposed heat networks as a whole, including integration of the borehole results. The outcome of this stage will be a strong indication whether the project is likely to be viable and partners will be able to decide at this point whether they want to proceed to Stage 2.

Stage 1

Work element	Cost	Funding split 67% v 33%	
		HNDU bid	Match
Borehole Drilling	£70k	£47.5k	£22.5k
Technical Advice and Analysis	£60	£40k	£20k
TOTAL	£130k	£87.5k	£42.5k

3.21.4 The indicative costs for this stage are £130k for the borehole and the related technical advice. This will be funded by the grant of £87.5k and partner contributions of £42.5k. Funding has been secured from Bromsgrove School of £10k therefore a cost to the Council of £32.5k for the first stage if no further contributions are offered by stakeholders.

3.21.5 Stage 2 of the project will be a detailed Outline Business Case and project plan, that will enable progression to commercialisation of the project (attracting investment, grants, legal agreements and procurement in order to commence build and operation). During this stage, the legal, financial and commercial aspects of the project will be explored, which will give the opportunity for future investment, risks and benefits for each partner to be apportioned.

Stage 2

Work element		Cost	Funding split 67% v 33%	
			HNDU bid	Match
Outline Business Case and detailed plan	Technical /Commercial	£30	£20k	£10k
	Financial	£60k	£40k	£20k
	Legal	£30	£20k	£10k
TOTAL		£120k	£80k	£40k

3.21.6 The indicative costs for this stage are £120k. This will be funded by the grant of £80k and partner contributions of £40k. At this point officers are in discussion with Bromsgrove School, Worcestershire County Council and other potential stakeholders. The maximum cost to this Council would be £40k should no other contributions be forthcoming.

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3.21.7 The maximum cost to the Council to fund both stages of the initial work is £72.5k. The request is to release this from balances dependant on the success of each stage.

3.21.8 Approval of grant funding will be in April if successful, with an indicative result given before then. No work will be undertaken prior to the agreement of grant funding being received.

Legal Implications

4.1 As part of the budget and the Council Tax approval process, the Council is required by the Local Government Finance Act 1992 to make specific calculations and decisions in approving a balanced budget for the following financial year and setting the Council Tax Level. These will be included in the report to Cabinet and Council on 26th February 2020.

5 Service / Operational Implications

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

6 Customer / Equalities and Diversity Implications

6.1 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.

7 Risk Management

7.1 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.

7.2 Risk Management - Chief Financial Officer (CFO) Opinion on the Estimate Process and Reserve Levels Section 25 of the Local Government Act 2003

requires the CFO to report to the Council when it is making the statutory calculations required to determine its Council Tax or precept.

Government guidance states, '*The authority is required to take the report into account when making the calculations. The report must deal with the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. What is required is the professional advice of the CFO on these two questions. Both are connected with matters of risk and uncertainty. They are interdependent and need to be considered together.*'

7.3 **Section 25: Report of the CFO - Robustness of the Estimates**

The Chief Financial Officer's opinion is that the estimates are robust, although there are a number of risks and uncertainties as set out below. Whilst relevant budget holders are responsible for individual budgets and their preparation, all estimates are scrutinised by Financial Services staff and Management Team prior to submission to Members..

The Council's revenue and capital budgets are 'joined up', both for next year's budget and for the longer term. This means that the full cost of the proposed Capital Programme is reflected in the revenue estimates. Both revenue and capital budgets include the funding needs of the Council.

The main risks in the 2020/21 budget relate to:

- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental risk registers to ensure managers are aware of any variances to budget.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates income. It is difficult to predict the likely income with accuracy. It will be affected by many variables beyond the Council's control, for example, the level of appeals by ratepayers against their rating assessments. The funding mechanism gives a degree of in year protection against volatility but this only defers the impact of variances to future years.
- European Union Withdrawal (Brexit) – the overall effects of Brexit are difficult to quantify. It does remain a significant risk, which will only become clear when the final withdrawal takes place. This will require careful attention
- Central Government Funding – the MTFP shows income from NHB reducing to zero in 2023/24. This may change as a result of the Fair Funding Review. As already stated, government are consulting on a revised funding formula. There is no certainty around any of the streams of government funding. The current

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shortfalls in the MTFP need to be addressed over the next 12 months.

8. Appendices

Appendix 1 - Unavoidable Pressures

Appendix 2 - Revenue Bids

Appendix 3 - Identified savings

Appendix 4 - Capital bids

Appendix 5 - Capital Programme

Appendix 6 - Budget by Strategic Purposes.

Appendix 7(i) – Bromsgrove Heat Network Project Summary

Appendix 7 (ii) – Bromsgrove Heat Network FAQs

Author of report

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UNAVOIDABLE PRESSURES - BDC

Appendix 1

Service	Strategic Purpose	Description of Pressure	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'001
Business Transformation	Enabling	Chris 21 system annual costs - one year only. New ERP system will replace for future years	4	0	0	0
Corporate Management	Enabling	New Homes Bonus - Community funding increase due to additional New Homes Bonus being received 20/21	70	0	0	0
Planning & Regeneration	Communities which are safe, well maintained and green	For Evidence base for Local Plan review (assumed to be £200k-£220k p.a.), plus money for Independent Highways advice, assumed to diminish year on year from approx £100k p.a. to £50k p.a.,to zero.	320	300	250	0
Planning & Regeneration	Communities which are safe, well maintained and green	Statutory Press notices for Planning Applications	13	13	13	13
BDC Reg Client	Communities which are safe, well maintained and green	Worcestershire Regulatory Services (WRS) Salary Pressures	13	20	26	32
			420	333	289	45

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NEW REVENUE BIDS - BDC

Appendix 2

Service	Strategic Purpose	Description of revenue bid	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Private Sector Housing Team	Affordable and sustainable home	IDOX licence fee	1	1	1	1
Housing Strategy Team	Affordable and sustainable home	Housing IT System upgrade - CBL	14	0	0	0
CCTV	Communities which are safe, well maintained and green	Increase in contract cost for digital systems	5	5	5	5
Welfare Assistance	Work and financial independence	Support to the Bromsgrove Partnership's Sunrise Project	28	29	29	0
Car Parks / Civil Enforcement	Run and grow a successful business	Funding for a part time Civil Enforcement Officer	15	15	15	15
Car Parks / Civil Enforcement	Run and grow a successful business	Increase in the cost by Wychavon DC for delivering the On Street and Off Street Enforcement	20	20	20	20
Democratic Services & Members support	Enabling	To reflect the additional member allowance costs.	12	12	12	12
Parks & Open spaces	Living independent, active & healthy lives	Strategy development - Parks and green spaces/play and pitch/sport dev/section 106 adoption	50	0	0	0
Business Development - Cultural	Run and grow a successful business	Replacement covers for market stall and upgrades to frameworks	30	0	0	0
Planning & Regeneration	Communities which are safe, well maintained and green	To support the development of community hubs within Libraries in the district	50	50	50	50
Planning & Regeneration	Communities which are safe, well maintained and green	Salaries - to support the transition to Central Government provision of the Land Charges service	50	52	0	0
			275	184	132	103

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Agenda Item 16b

SAVINGS & ADDITIONAL INCOME - BDC

Appendix 3

Service	Strategic Purpose	Description of saving	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Lifeline	Living independent, active & healthy lives	New Lifeline Digital Upgrade	-11	-23	-29	-36
Printing & Reprographics	Enabling	Additional Savings from New Print Contract	-5	-5	-5	-5
Corporate Management	Enabling	New Homes Bonus - Community group funding.	0	-74	-74	-74
Corporate Services	Enabling	Management Review	-54	-54	-54	-54
Corporate Services	Enabling	Reduction in enabling costs - 1% per annum	-45	-90	-135	-180
Corporate Services	Enabling	Saving on the estimated payment to the Greater Birmingham & Solihull Local Enterprise Partnership	-150	-150	-150	-150
CAFS	Work and financial independence	Full Service review	-30	-30	-35	-35
Environmental Services	Communities which are safe, well maintained and green	Income from Worcestershire County Council (WCC) for design services provided by Engineering & Design Team	-2	0	0	0
Environmental Services	Communities which are safe, well maintained and green	Inflation on WCC income for verge maintenance	-2	-3	-4	-5
Environmental Services	Communities which are safe, well maintained and green	Garden waste income	-25	-25	-25	-25
Bereavement Services	Communities which are safe, well maintained and green	Additional income from new structure re commercialism	-11	-20	-28	-40
Finance	Enabling	Insurance contract saving	-130	-130	-130	-130
Finance	Enabling	Savings arising from New Finance Enterprise System.	0	-30	-35	-40
Facilities Management	Run and grow a successful business	Historic Budgets no longer required.	-2	-2	-2	-2
Facilities Management	Run and grow a successful business	Historic Budgets no longer required.	-1	-1	-1	-1
Facilities Management	Run and grow a successful business	Additional income in relation to rents for land around the district	-4	-4	-4	-4
Business Development	Enabling	Extra income for rental of the Parkside rooms	-1	-1	-1	-1
Sports and Arts Development	Living independent, active & healthy lives	Reduction in Sports Development budgets	-5	-5	-5	-5
Business Development	Run and grow a successful business	Reduction in NNDR budgets for Town centre Market stalls	-7	-7	-7	-7
Parks and Events	Communities which are safe, well maintained and green	Reduction in Tree Works Budgets	-5	-5	-5	-5

Service	Strategic Purpose	Description of saving	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Development Control	Communities which are safe, well maintained and green	Savings on car mileage budgets	-4	-4	-4	-4
Development Control	Communities which are safe, well maintained and green	Various general supplies and service budgets savings	-2	-2	-2	-2
Strategic Planning	Communities which are safe, well maintained and green	Savings on employee Expenses budgets and other supplies and sevrice budgets	-6	-6	-6	-6
Strategic Planning	Communities which are safe, well maintained and green	Savings on consultant fee budgets	-1	-1	-1	-1
Building Control	Communities which are safe, well maintained and green	Savings on photocopying & Print budgets	-2	-2	-2	-2
Building Control	Communities which are safe, well maintained and green	Savings on ICT budgets	-1	-1	-1	-1
Building Control	Communities which are safe, well maintained and green	Savings on marketing budgets	-2	-2	-2	-2
BDC Reg Client	Run and grow a successful business	Inflationary increase	-2	-2	-2	-2
BDC Reg Client	Run and grow a successful business	Inflationary increase	-2	-2	-2	-2
0.00						
			-510	-677	-746	-817

CAPITAL BIDS - BDC

Appendix 4

Service	Strategic Purpose	Description	Capital implications				Revenue Implications			
			2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000	2020-21 £'000	2021-22 £'000	2022-23 £'000	2023-24 £'000
Lifeline	Work and financial independence	New Lifeline Digital Upgrade	57	34	34	34	6	6	6	6
Environmental Services	Communities which are safe, well maintained and green	Replacement of Environmental Services Computer System	39	0	0	0	23	23	23	23
Environmental Services	Communities which are safe, well maintained and green	New Environmental Services Fleet Management Computer System	17	0	0	0	12	12	12	12
Environmental Services	Communities which are safe, well maintained and green	Replacement of bus shelters	18	18	18	0	0	0	0	0
Parks & Events	Communities which are safe, well maintained and green	Sanders Park Play Area - Replacement for Tripod Swings (Health and Safety)	35	35	0	0	0	0	0	0
			166	87	52	34	41	41	41	41

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Bromsgrove District Council - Capital Programme 2020/21 - 2023/24

Description	strategic purposes	Funding	2020/21 Total	2021/22 Total	2022/23 Total	2023/24 Total
			£'000	£'000	£'000	£'000
Burcot Lane	Communities which are safe, well maintained and green	Public works loan board and grant homes england	1,000	9,275	0	0
Funding for DFGs	Living independent, active & healthy lives	Grant income WCC	750	750	0	0
Home Repairs Assistance	Living independent, active & healthy lives	Long Term Debtors	50	50	0	0
New Digital Service	Living independent, active & healthy lives	Capital Receipts/Borrowing	57	34	34	34
Fleet Replacement	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	1,184	481	1,591	204
Cemetery Extension infrastructure at at North Bromsgrove Cemetery Phase Two	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	8	8	7	0
Wheeled Bin Purchase	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	94	94	94	0
Replacement Parking machines	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	120	0	0	0
Fleet Management Computer System	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	17	0	0	0
Environmental Services Computer System	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	38	0	0	0
Bus Shelters	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	18	18	18	0
Regeneration Fund	Enabling	Capital Receipts/Borrowing	1,000	2,000	2,000	1,650
Sanders Park Play Area - Replacement for Tripod Swing (Health and Safety)	Communities which are safe, well maintained and green	Capital Receipts/Borrowing	35	35		
TOTAL CURRENT CAPITAL PROGRAMME			4,371	12,744	3,743	1,888

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Bromsgrove District Council Budget 2020/21 - 2023/24	Final Budget 2020/21 £'000	Final Budget 2020/21 £'000	Final Budget 2020/21 £'000	Final Budget 2021/22 £'000	Final Budget 2021/22 £'000	Final Budget 2021/22 £'000	Final Budget 2022/23 £'000	Final Budget 2022/23 £'000	Final Budget 2022/23 £'000	Final Budget 2023/24 £'000	Final Budget 2023/24 £'000	Final Budget 2023/24 £'000
Strategic purpose	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
Enabling of the Authority	8,153	-2,439	5,713	8,096	-2,509	5,586	8,215	-2,588	5,627	8,259	-2,655	5,604
Communities which are safe, well maintained and green	13,215	-8,131	5,085	13,582	-8,347	5,235	13,721	-8,483	5,239	13,624	-8,551	5,073
Affordable and sustainable home	951	-256	695	943	-259	683	949	-262	687	953	-264	689
Living independent, active & healthy lives	869	-577	292	847	-822	26	854	-960	-105	870	-967	-96,752
Financing	2,119	-13,931	-11,812	1,272	-12,349	-11,077	1,586	-12,376	-10,790	1,779	-12,305	-10,528
Work and financial independence	-13,837	14,264	427	-13,821	14,288	466	-13,809	14,288	479	-13,826	14,288	462
Financing	1,016	-1,413	-397	991	-1,413	-421	1,000	-1,413	-413	1,008	-1,413	-405,006
Grand Total	12,487	-12,484	-0	11,911	-11,411	495	12,517	-11,794	720	12,668	-11,868	797

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District Heat Networks - Frequently asked questions

Are there other heat networks in the UK, how do we know they are effective?

There are over 5000 district heat networks in the UK and several in the Midlands e.g. in Birmingham, Coventry, Leeds, Leicester, Nottingham, Sheffield and Warwick University:

See attached

- Government - Heat Network Case Studies
- Association of Decentralised Energy – Heat Networks in the UK

Why there aren't more heat networks in market towns ?

This is probably just a reflection of smaller local authority teams taking longer to develop projects, as well as lower heat densities in some cases. There are a number of heat networks in development in market towns. Some examples of other towns developing heat networks: Colchester (Commercialisation, although this is outside the Town Centre on a greenfield site); Barnsley (Detailed Project Development, DPD), St Helens (Feasibility), Crawley (Commercialisation); Stratford-upon-Avon (DPD); Bridgend (Commercialisation).

How is so much carbon saved?

- A heat network enables the cost effective incorporation of low carbon heat sources at scale.
- The proposed heat sources are:

Ground Source Heat Pumps (GSHP):

- heat in aquifer water = zero carbon
- requires electricity to upgrade aquifer heat to necessary temperatures (through a heat pump) but 1 unit of electricity in = 3 units of heat out, so still much better than a gas boiler or direct electrical heating and increasingly grid electricity comes from renewable sources
- a gas Combined Heat and Power unit is lower carbon than burning gas and using electricity at property-level - until a certain level of grid decarbonisation occurs, by which time you would look to replace it with an alternative lower carbon heat source

District Heat Networks - Frequently asked questions

What is the situation with funding contributions from other Stakeholders?

- Mutually co-operative relationships will be vital to the success of this project and we have been very grateful for the time and information given by Stakeholders to this project so far, as well as offers of funding.
- Initially Key Stakeholders were asked by Officers whether they could contribute a small amount of match-funding to demonstrate commitment to the project and £10k was immediately forthcoming from Bromsgrove School whereas Public Sector stakeholders have had to go through more lengthy approval processes.
- All parties seem fully behind the project at this stage and Bromsgrove School have committed £10k funding towards the DPD stage of the project. BDHT and the NHS have advised they are taking the project forward to their boards January / February 2020. The Chief Executive, Kevin Dicks, is following up with Partners regarding match-funding.
- As part of the regular Board meetings that will be necessary between key Partners, match-funding contributions for Stage 2 can be finalised.
- Until there is more information the end of Stage 1, it is not known what the final locations of the energy centre etc. will be. During Stage 2 the commercial, financial and legal structures for any future heat network will be developed to balance risk and benefit for all Partners.

What is involved in a test borehole?

- The British Geological Society (BGS) holds data from all boreholes that have been drilled in the area and this has been reviewed as part of the Feasibility Study.
- The purpose of the test borehole is to both confirm the geology and the water characteristics to better estimate the costs of the boreholes.
- The test borehole can become one of the final heat network boreholes.
- A drilling rig will be set up on Bromsgrove School grounds by a specialist company at this stage.
- A borehole would be drilled 200m into the aquifer. This is a common process e.g. undertaken by water companies.
- Timing of drilling will be set to minimise noise disruption to surrounding areas.
- The actual drilling should only take a few weeks.

District Heat Networks - Frequently asked questions

- After the drilling rig is removed only a manhole cover is visible.

How does heat loss during heat transport and transmission affect the viability of the project?

- The amount of pipework involved is estimated at 7.5 kilometres. This is highly insulated.
- The heat losses on the heat network (e.g. distribution pipes, heat exchangers) will decrease the carbon saving (and cost saving), it is important to minimise this through good design.
- On a networked system you would use 'smart' controls to efficiently blend low carbon technologies to meet the profile of demand and deliver the carbon and financial benefit that we are seeking. These can also enable the system efficiency to be similar to property level efficiency even given system losses.

Will work be required inside connected buildings?

Heat would most likely be transferred to the heating systems of connected buildings via heat exchangers at each building which would be approximately the size of a boiler. The network has been designed at temperatures compatible with existing heating systems in general, so would not require significant internal changes for connected buildings, though the arrangements for individual building would be confirmed at stage 2.

Is it possible to recycle the heat within buildings?

The heat emitted within buildings will remain and reduce demand on the network as long as the building is well insulated.

Will it be possible to link new developments to the system?

From the existing Bromsgrove Local Plan:

To contribute to the carbon reduction target, the Council will support large scale low/zero carbon energy generation projects when adverse impacts are addressed satisfactorily. For developments in areas where low carbon/ renewable resources/opportunities are available and technically feasible, the Council will expect the development to incorporate the relevant technologies, such as photovoltaic and district heating network. Where there is a firm plan on the delivery of a district heating supply developments nearby will be required to connect to these energy supplies.

What happens if the heat transfer pipes burst?

District Heat Networks - Frequently asked questions

Given the huge emphasis and need to be thermally efficient, Heat Network pipes are generally fitted with leak detection systems to allow rapid response and targeting of any leaks. A major incident could take out a network pipe and connected buildings but the same would be true for mains gas pipes.

How will the build of the network impact on the roads in the district, what level of disruption will there be?

- The size of pipes will be determined during the DPD stage of the work but the scale is likely to be around a 220 mm diameter (circa 9 inches).
- As with any infrastructure project, there would be some temporary disruption during construction. The majority of pipework would be routed via soft-dig and minor roads. Using the current phased rollout plans New Road and the Stourbridge road junction with Market Street would be temporarily affected. Roadworks will be staged and would not require full closure of both side of the road, this is similar to works on other utilities such as water and gas and would be managed accordingly. Our Consultant has had preliminary discussions with Strategic Planning and Highways as to future planned development and the possibility of co-ordinating with other planned works to minimise disruption.

What is the availability of grant funding of the project from Central Government, what are the associated deadlines and what would be the impact if the funding for detailed project development from Central Government was not received?

- The HNDU funding programme is an open rolling programme with a budget agreed every 12 months by the Treasury. An application was submitted by this year's deadline of 3rd January. Unfortunately all the 2019/20 funding had been allocated so if the project was accepted it would be funded in the 2020/21 financial year subject to Treasury approval.
- Without the government funding to prime the project it would not be viable to proceed. However the Bromsgrove project is a good fit with the funding requirements and we were advised by our heat network specialist in HNDU to pursue the application.

What is the urgency for a decision?

- In order to be sure of applying to the government Heat Network Investment Project (HNIP) for funding towards construction of the heat network, we would need to have an Outline Business Case completed by the end of 2020.

District Heat Networks - Frequently asked questions

Although the project could access other funding sources, this project is a good fit for HNIP funding and it would be ideal if we could apply for it.

- To achieve this Officers will begin working now on procuring project management subject to funding, with the aim of this commencing in April if funding is received.

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APPENDIX 7(i)

Bromsgrove District Heat Network Project Summary

Drivers

- Bromsgrove District Council declared a Climate Emergency last year.
- It is important to urgently develop key infrastructure, to underpin the major changes that are needed.
- A well designed heat network would deliver a carbon saving within buildings at a scale not achievable by any other means.

Heat networks

- A heat network connects multiple consumers and supplies heat and power from a centralised energy centre, and can be tailored to reduced carbon emissions and energy costs.
- Decarbonising heat supply is generally challenging but a heat network can deliver deep and sustained carbon reduction in an area, through enabling the incorporation of low carbon technologies at scale, with flexibility to expand and include other low or zero carbon technologies over time.
- A wealth of information, evidence¹ and Case Studies² are available from central government, who have made Heat Networks a key part of their Clean Growth Strategy.³ Heat networks are predicted to be a significant contributor to decarbonising heat (circa 18% of heat supply towards the 2050 UK target of net zero carbon).
- There is central government guidance and financial support towards planning and design of heat networks. There is no guarantee that this support will continue to be available in the long-term:
 - the Heat Networks Development Unit (HNDU)⁴
 - capital “gap” funding for commercialisation and construction of through the Heat Network Investment Project⁵.

¹ <https://www.gov.uk/guidance/heat-networks-overview>

² <https://www.gov.uk/government/publications/heat-network-case-studies>

³ <https://www.gov.uk/government/publications/clean-growth-strategy/clean-growth-strategy-executive-summary#our-clean-growth-strategy>:

‘2 Rolling out low carbon heating

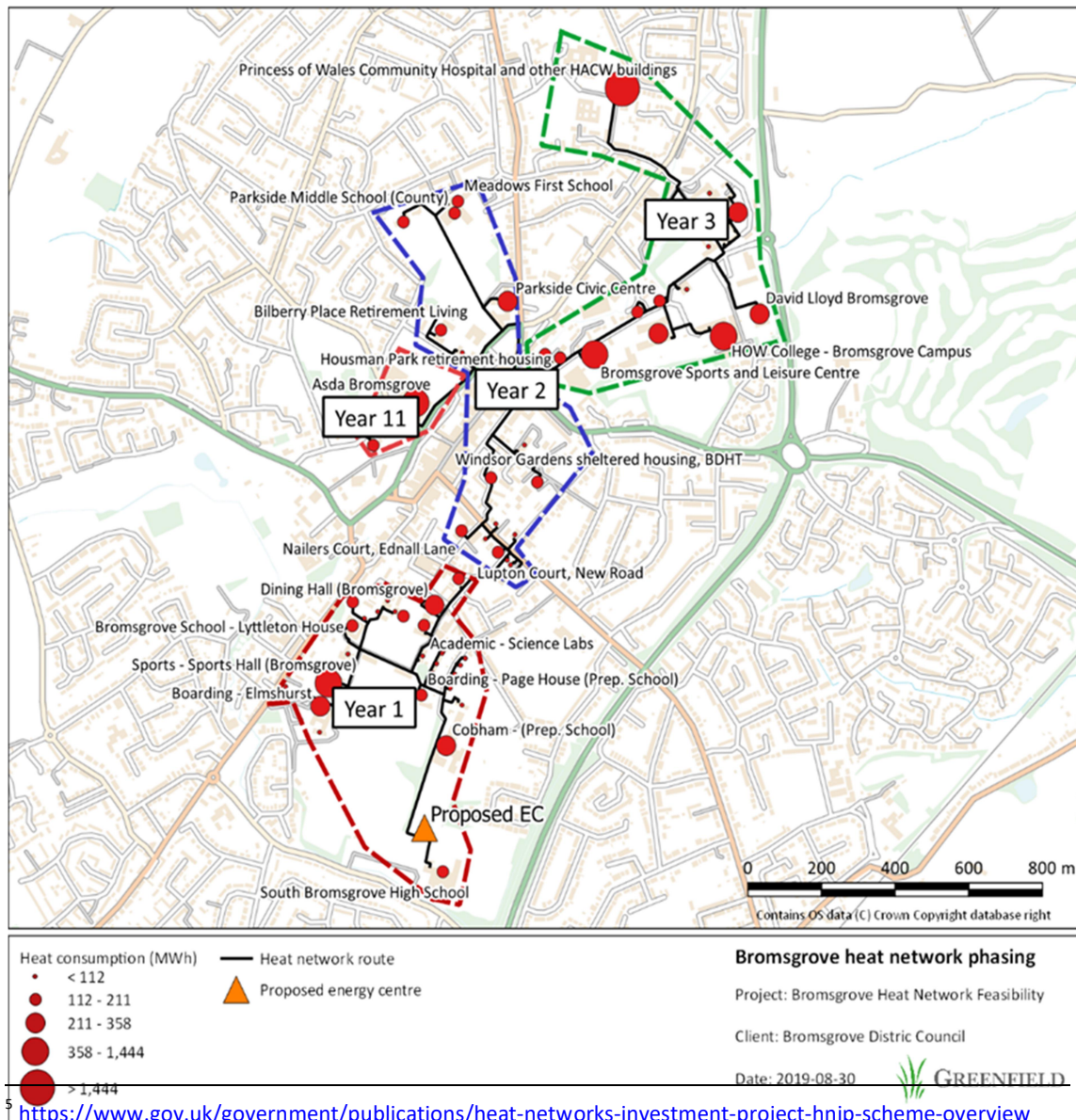
17) Build and extend heat networks across the country, underpinned with public funding (allocated in the Spending Review 2015) out to 2021

⁴ <https://www.gov.uk/guidance/heat-networks-delivery-unit>

Bromsgrove studies

- An energy mapping and master planning study and a techno-economic feasibility study have been completed, showing the potential for a heat network to work in the identified area of Bromsgrove town (see Figure 1) .
- The work to date has funded through the Department of Business, Energy and Industrial Strategy (BEIS) Heat Network Delivery Unit (HNDU), Worcestershire LEP and North Worcestershire Economic Development and Regeneration unit (NWEDR).

Figure 1 Proposed heat network



Proposed Bromsgrove Heat Network

The network consumers identified cover retail, leisure, residential and healthcare establishments.

- Key stakeholders, with over 54% of the total annual heat demand are Bromsgrove School, Princess of Wales Community Hospital, Bromsgrove District Council and Bromsgrove District Housing Trust. They have already expressed interest in the future development of the scheme and expressed a willingness to commit financially to the detailed project development.
- A joint stakeholder project group will be necessary to drive the detailed project development forward and deliver any future outcomes.

Potential Benefits

- Provide new low carbon infrastructure that with effective management and the renewal of components as required will last indefinitely.
- Unlock the possibility of significantly reducing the town's carbon emissions. Initial estimates (with the consumers identified and technologies proposed) suggest an annual average of 1,560 TCO₂.
- Deliver 5% reduction in heat related costs (i.e. energy costs plus reduced plant liability).
- Retain energy expenditure in the local economy (partially displacing gas and power exported from national networks). The scheme will generate in the region of £2.2m per year.
- Offer some protection against energy price volatility.
- Bring inward investment.
- Provide a potential opportunity for revenue generation for the council (and others) as owners/investors in the scheme. (The ownership and investment strategy between the key stakeholders will need to be resolved during Stage 2 of detailed project development, to determine how any commercial benefit would be shared.)
- Demonstrate that Bromsgrove District is open and supportive to low carbon technology and innovative enterprise.

Bromsgrove Heat Network Proposed Energy Sources

Technology

- A Ground Source Heat Pump (GSHP) system - boreholes sunk into the underground aquifer bring warm water (<15°C) to the surface, where this is converted to higher/useable temperatures using a heat pump arrangement, which works like a refrigeration mechanism, in reverse. The marginally cooled water (typically 3-5 °C less) is then returned to the aquifer.
- Gas-powered Combined Heat and Power (CHP) unit - would generate electricity at the same time as heat, to supply Bromsgrove School and to supply electricity to power the GSHP. CHPs are common technology e.g. Bromsgrove Sports and Leisure Centre has a CHP.
- Gas boiler back-up sufficient to supply the whole network if needed (and meet the peak demand in the depths of winter).
- From a long-term perspective, it should be noted that supply technology can be changed within a heat network; this is one of its key advantages. CHP emits less carbon than separate gas boilers and grid electricity, but is not a renewable technology. However, its relative cost effectiveness, in part from electricity revenue, can enable the initial establishment of the network infrastructure. Later on, e.g. after the lifetime of the initial CHP plant, lower carbon technologies can be introduced, when they may also be more cost-effective and the initial infrastructure costs have been paid down.

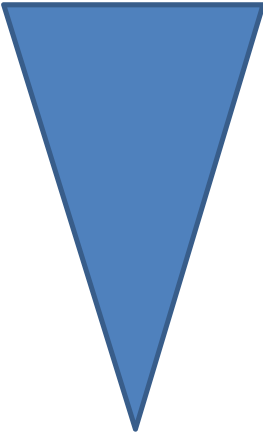
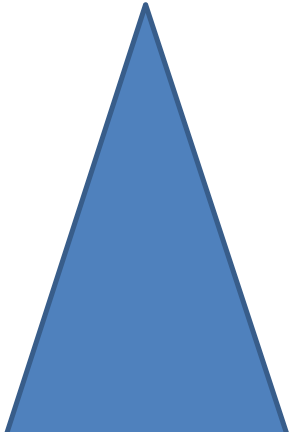
Location

- The GSHP, CHP, gas boiler back-up and any thermal or electricity storage required would be co-located in an Energy Centre (circa 15m x30m approximately the size of 40 parking spaces).
- Following an assessment of options as part of the feasibility study, Bromsgrove School was identified as the preferred location from a techno-economic perspective (co-location of sufficient space for boreholes and Energy Centre, high heat and electricity demand nearby, soft dig between these components).
- Another option for the Energy Centre is the Princess of Wales Hospital or the Energy Centre components could be somewhat dispersed.
- During the Detailed Project Development, the merits of these various options can be considered, taking into account the results of the test borehole and Financial, Commercial and Legal considerations.

Potential Delivery Model

- Delivery models have been out of scope of work to date, which was aimed at investigating whether a heat network was technically and economically possible. A Commercial Business Case would be developed in the next stage of detailed project development, to enable stakeholders to understand the options for this project and to decide which delivery model is preferable.^{6 7}

Figure 2 Overview of potential delivery models

<u>Type of delivery model</u>	Typical emphasis on commercial returns	Typical emphasis on socio-environmental benefits
<u>A.Private sector led</u>		
<u>B.Public-private shared leadership</u>		
<u>C.Public sector led</u>		
<u>D.Community company (CoCo)</u>		

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/717798/Strategic_and_Commercial_Case_development.pdf

⁷ https://www.scottishfuturetrust.org.uk/files/publications/SFT_Delivery_Structures_2013.pdf

Potential Financial Model

- As an energy infrastructure investment project, returns on this investment would be based on the long term revenues from heat and power (possibly cooling in future) sold to private and public consumers by a local energy company. BDC could be involved in that investment / ownership or it could be others (including external third parties). HNDU hold a list of third parties interested in investing in heat networks⁸.
- Indicative investment figures and IRRs have been produced as part of the Feasibility Study (see Fig 3 and 4), the Business Case is robust and viable unless there are large or multiple changes. However the scope of the study was technical and economic rather than financial i.e. is it likely enough that a heat network producing significant carbon savings is both technically possible and economically favourable to warrant further investigation.
- An Economic and Financial Business Case would be developed in the next stage, to enable stakeholders to understand the finance options for this project.⁹

Heat Networks Investment Project (HNIP)¹⁰

- The government has set up an investment programme to provide funding to enable technically and economically feasible projects that would deliver significant environmental and social benefits but where commercialisation and construction costs significantly outweigh revenue returns, meaning that return on investment is unattractive.
- A scheme with significant carbon savings and other benefits can bid for the amount of investment required to enable an IRR that will meet the investment criteria of the potential investors.
- For example, based on analysis so far, over £5 million HNIP investment could be bid for towards the Bromsgrove Heat Network, to enable an IRR of 7% for the investors of the other £15 million.

⁸ <https://www.gov.uk/guidance/heat-networks-overview>

⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/717802/Economic_and_Financial_Case_development.pdf

¹⁰ <https://www.gov.uk/government/publications/heat-networks-investment-project-hnip-scheme-overview>

Figure 3

Capital Cost

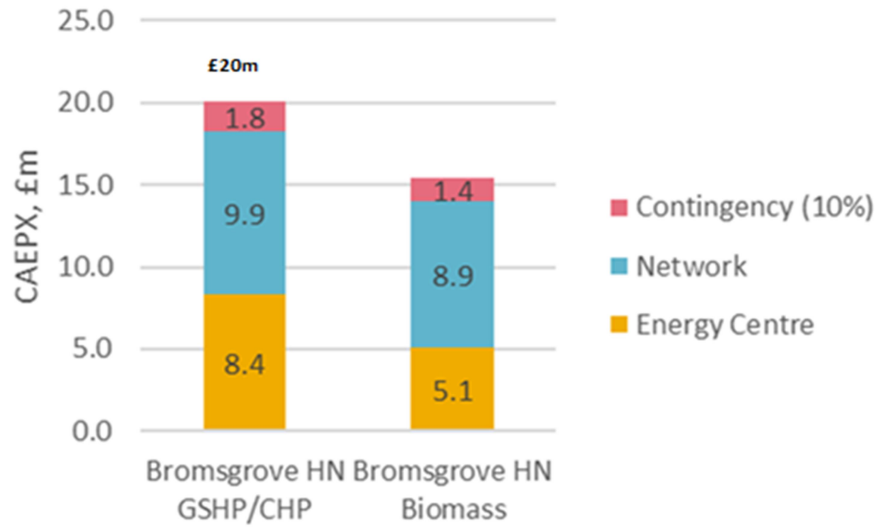
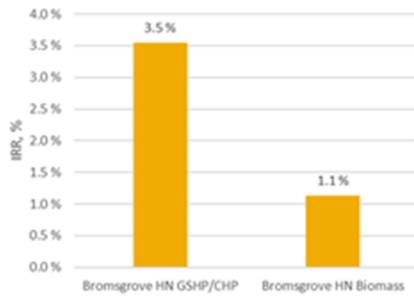


Figure 4

Return on investment, benefits to Council

IRR



- Investors could be stakeholders e.g. BDC and/or external.
- Return on investment would come from the sale of heat and power to connected buildings.
- Full Outline Business Case from DPD would be used to attract grant funding such as HNIP to achieve an IRR that would attract further investment.
- BDC would also benefit from reduced heating costs for connected buildings e.g. Parkside, Everyone Active.

		GSH/ CHP	Biomass
IRR 5.0 %	£m	2.6	4.9
	% capex	12.7 %	32.0 %
IRR 7.0 %	£m	5.0	6.1
	% capex	24.7 %	39.5 %
IRR 10.0 %	£m	7.0	6.9
	% capex	35.1 %	45.1 %

**Grant support,
e.g. HNIP**



Funding the Detailed Project Development

Overall Budget

	Total cost	Funding split 67% 33%	
		HNDU bid	Match
Stage 1	£130k	£87.5k	£42.5k
Stage 2	£120k	£80k	£40k
TOTAL	£250k	£167.5k	£82.5k

Stage 1

Work element	Cost	Funding split 67% v 33%	
		HNDU bid	Match
Borehole Drilling	£70k	£47.5k	£22.5k
Technical Advice and Analysis	£60	£40k	£20k
TOTAL	£130k	£87.5k	£42.5k

Stage 2

Work element		Cost	Funding split 67% v 33%	
			HNDU bid	Match
Outline Business Case and detailed plan	Technical /Commercial	£30	£20k	£10k
	Financial	£60k	£40k	£20k
	Legal	£30	£20k	£10k
TOTAL		£120k	£80k	£40k

BDC have submitted a bid to HNDU for 67% of the total amount required, plus full funding for a Project Manager for the next stage. Approval of funding will be in April if successful, with an indicative result given before then.

Stage 1 requires an initial commitment of £42.5k from stakeholders, of which £10k has already been obtained from Bromsgrove School. Other stakeholders are considering contributing match funding. We have noted your concerns and will include a break-point after Stage 1, where Stakeholders can decide whether or not to progress to Stage 2.