

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

9TH SEPTEMBER 2020, AT 6.00 P.M.

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

Officers: Mrs. S. Hanley, Ms. J. Pickering, Ms. C. Flanagan, Mr D Riley and Ms. A. Scarce

23/2020 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

24/2020 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

25/2020 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 6TH AUGUST 2020**

The minutes of the meeting of Cabinet held on 6th August 2020 were submitted.

RESOLVED that the minutes of the meeting of Cabinet held on 6th August 2020 be approved as a true and correct record and signed by the Chairman.

26/2020 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 6TH AUGUST 2020**

Officers confirmed that the recommendation within the Overview and Scrutiny Board minutes from the meeting held on 6th August, had been discussed at the Cabinet meeting on the same day. It did not therefore need consideration at this meeting.

RESOLVED that the minutes of the meeting of the Overview and Scrutiny Board held on 6th August 2020 be noted.

27/2020 **DRAFT COUNCIL TAX SUPPORT SCHEME**

The Executive Director, Finance and Resources introduced the report and advised that the Council needed to produce this each year and had done so for a number of years. This year's scheme contained a number

of fundamental changes from the previous scheme which had provided a blanket 85% support.

The Revenue Services Manager provided further detail in respect of the changes, together with the rationale behind them. The report asked for authority to go out to consultation for the scheme and this was in two stages, the first with the major precepting authorities, and then the people with interest in the operation of the scheme, the residents of Bromsgrove. The key questions that would be included within the consultation were included within the appendices of the report. The key areas to note were:

- The administration of the scheme - currently it was based on Council Tax Benefit and was reactive to customer changes, such as an increase in income. It was heavy in administration and was difficult to recover the Council Tax as it became due.
- The new scheme was based on Council Tax discount and was designed to give clear percentages of discount linked to household income which made the scheme less responsive to change and gave customers a clear idea of how much support they would receive and the impact of any changes.
- It prevented the Council from continually having to assess claims and was more static and allowed the Council to be able to better budget for it. It also allowed the Council to be more responsible in the recovery of unpaid Council Tax.
- It would also be aligned with Universal Credit which would provide the appropriate information and would allow the Council to assess and determine any Council Tax support needed at an earlier stage. This would also help to increase take-up of Council Tax support, which had decreased.
- The current scheme was capped at 85%, the proposed new scheme would provide the poorest household with 100% discount.
- The housing element of Universal Credit would also be discounted, which was important for those low income households in rented accommodation.

There was a financial impact to the changes to the scheme, which would increase the cost of Council Tax support by approximately £350k which was shared between the major preceptors, approximately 12.5% by the Council and 71% by Worcestershire County Council. It was noted that whilst there was an increase in Council Tax support at present the Council Tax demanded from recipients was not always paid and there was currently around £400k outstanding; that non-collection brought an increased cost in bad debt collection and was ultimately written off. It was anticipated that the increase in support would improve the collection rates and balance out by reducing that bad debt that would be written off. It should be noted that following consultation there may be some adjustment to the final scheme.

The Portfolio Holder for Finance and Resources commented that at the Finance and Budget Working Group it had been noted that the amount of savings allowed had been reduced from £16k to £6k, which had raised some concerns. He appreciated that the report would come back again for a more detailed discussion once the consultation had been completed. Although it was noted that Universal Credit used £16k as the amount of savings and it was therefore questioned why the Council had decided to use £6k.

It was important that the Council looked after the most vulnerable in the district, who needed this support, particularly as at the current time there was over 92k people furloughed in the County and concerns were raised around the long term effect of this.

Members discussed a number of areas following presentation of the report, including:

- Difficulties around the savings perspective as the aim of benefits were hopefully to get the majority of people through a relatively short term situation.
- How easy was it to access the scheme for someone who was perhaps applying for Universal Credit for the first time. The Revenue Services Manager explained that within the existing scheme when someone applied for Universal Credit, the Council was advised by the DWP and this was treated as the claim for Council Tax Support, but currently additional information needed to be requested from the household. The proposed changes would enable the Council to assess entitlement from that initial notification.
- Members were pleased to see that the Council was relatively proactive but questioned the signposting process to ensure that anyone claiming in the future would be able to access any benefits they were entitled to – again Members were mindful that the future months held a lot of uncertainty for many residents. The Revenue Services Manager provided details of how the scheme was publicised through the Council's website, the main trigger for people was through the Council Tax recovery process. The scheme was publicised with any documents that were sent out to people and over the phone. One of the benefits for the new scheme would be that it was clearer for our own officers to identify what support was available.
- When there are changes, such as the current furloughing of people, the Council made sure that it promoted the support available through social media and other channels. The Council was quite proactive, and had liaisons with the main housing associations in Bromsgrove and a team within the Welfare Support Team who looked after the most vulnerable.
- It was suggested that a short email to all Councillors signposting what was available and where to find it would be useful. It was agreed that the Communications Team would also be contacted and asked to promote this in the coming months.

Members were reminded that the proposed scheme would not come into place until April 2021 should it be agreed. However, it was noted that whilst the existing scheme was capped at 85% within the Council's own scheme there were additional funds available through its Hardship Fund (and additional funding had also been provided through Central Government following Covid-19), which could be used to top up the support. This was an additional £150 for this year with a reduction in the amount that needed to be paid, on average £65.

RESOLVED that the Council will consult with the public and major precepting authorities on the introduction of a new income banded council tax support scheme for working age applicants to be implemented from 1st April 2021.

28/2020

BUDGET FRAMEWORK - PRESENTATION

The Executive Director, Finance and Resources took Members through a presentation in respect of the Budget Framework (included in the supplementary agenda). In so doing she highlighted the following:

- A general update in respect of the outturn position.
- A £231k underspend and its allocation across all areas of the Council in line with the strategic purposes.
- £1m in reserves for Economic Regeneration particularly in respect of Covid-19. Schemes to be funded from this were currently being worked on and it was hoped would come forward shortly.
- Just under £400k had been allocated to balances to bring these up to around 34.4m.
- There had been significant underspends and a more detailed summary position on these had been discussed at the Overview and Scrutiny Board's Finance and Budget Working Group the previous evening, which could be circulated to Cabinet Members.
- Balances position and detail around this – the minimal level of balances had been agreed by Members at around £1.1m. Whilst the Council was above that, in light of Covid-19 and the uncertainty its impact on Council services it was felt prudent to keep the levels at the maximum it could.
- Reserves – an amount had been set aside for Economic Development and £300k had been not been used and was used to balance the budget. There was also a significant Business Rates reserve, again it was important to mitigate against any loss of Business Rates following the impact of Covid-19. The Government may also re-set the Business Rates and it may also change if there are any amendments to the appeals system for this. There were also reserves for Services Reviews and IT Systems.
- Covid-19 Financial Impact – the Return to Central Government had been set for July and this showed the grants which had been

paid out on behalf of Central Government. There was a drop in Business Rates and it was projected that there would be a loss of £2m., which would be shared with Central Government and Worcestershire County Council. There was also likely to be an impact on Council Tax, Leisure Provision and Car Parking, some of which could be claimed back from Central Government. Currently £1.2m of Grant Funding had been received and a further claim would be completed at the end of September.

- Medium Term Budget Gap for 2021/22 moving forward for the next three years from £495k to £797k which was largely due to the loss of New Homes Bonus. The concern was the potential impact of Covid-19 going forward and areas that the Council could see a reduction in funding for – Members were reminded that previously the Council was looking at paying Central Government £750k a year, which had been taken out of the budget, but there was always the possibility that this would come back in again.
- Review of the Medium Term Financial Plan – assessing impact of Covid-19, Fees and Charges would come forward in December. Five service areas which have been subject to significant savings or overspends would be looked at in more detail, to ensure that this was reflected in 2020/21 and future years.
- Capital Programme - £300k underspend around borrowing, which was a concern as Members were making decisions on the back of Capital Programmes which then did not get spent.
- Central Government had advised that due to Covid-19 the Council would only receive a one year settlement and the Fair Funding review which was being looked at and the potential devolution and re-organisation which the Council did not currently know what this would look like, needed to be considered.

The Leader questioned whether the Council had a full understanding of the income streams which came in to it at present, the Executive Director, Finance and Resources commented that the income streams that it was getting were being updated weekly through the Corporate Management Team, this included car parking and planning applications, as there had been particular concerns around these areas. In respect of additional income for 2019/20 it was not as much as had been hoped, but was £70k above what had been expected. Income and Capital and Salaries were areas which were being looked at as there were some salary budgets which had been rolled forward, which needed to be addressed for the future.

The Portfolio Holder for Finance and Resources said this provided a comprehensive view of where the Council could be and luckily it had sufficient monies in balances to cover the gap if it had to, but he hoped that there would be other ways of doing this in order to retain the balances at the current position, which felt more comfortable in the current circumstances.

Members discussed the following in more detail:

- The Council had given around £23m in grants to local businesses – it was believed that this was around 1,800 businesses (it was 1,688 at the end of August).
- The money for Economic Recovery – concerns were raised around the future of many businesses and it was hoped that this would go towards supporting them. Colleagues were working with Portfolio Holders in this respect and once the £1m to this scheme was agreed at full Council on 16th September these would begin to come forward. This had not come up as an issue with the Finance and Budget Working Group when discussions had been held. It was accepted that it was important to get the local economy back up and running as soon as possible.
- Thanks were given to the Executive Director, Finance and Resources and her team for all their hard work in ensuring that the grants from Central Government went to those that needed them and the speed at which the Council had delivered these had been exceptional.
- The Executive Director, Finance and Resources commented that one of the things which there had been concern about was the interpretation of the Government Grants, the Council and the Team had been very clear around this and the Council had written to BIS advising that there were still a number of businesses that it had not been able to help due to the interpretation and advised that this really needed to be looked at again. The Council did not want to give out the grant and then for it to be re-claimed further down the line because it had been incorrectly allocated.
- There was a list of all the businesses which the Council had helped and this would be made available to any Members who wished to see it.
- Capital Programme – needed to be looked at with the economy in mind, hopefully some projects would come forward in order to help this. The Executive Director Finance and Resources advised that the wider Economic Development opportunity fund that remained available for investment opportunities, had been widened to allow for social gains as well as financial gains. In terms of the Capital programme we have just rolled it forward and now was the opportunity to do a more robust review of this and perhaps realign some of the funding already available.
- It was an excellent opportunity to invest in the District and stimulate growth and help people get back in to work.

The Leader took the opportunity to give a sincere thank you to the Executive Director, Finance and Resources for her work over the last 17 years at the Council and wished her well in her new venture.

RESOLVED that the presentation be noted.

29/2020

REVENUE MONITORING QUARTER 1 REPORT

The Executive Director, Finance and Resources introduced the report which set out the Revenue Monitoring for the first quarter using the new Strategic Purposes, which had been agreed by Council. Unfortunately, these showed a significant overspend, the Team had not allocated the Covid-19 grant as she had wanted Members to see a “clean” position that the Council is facing. This did not include Council Tax or Business Rates, which would not normally be included, but what was included was the losses from car parking. The position was not in fact as bad as it looked but it was important for Members to see the wider picture in respect of Covid-19. There were a number of explanations around some of the underspends and projects which had not been undertaken. She explained the position in respect of the Leisure Centre and the how this had to be shown for accounting purposes. The Government grant of £1.2m was much needed, together with the compensation fund. The position would be much clearer when Quarter 2 was produced as this would reflect the whole position.

The Executive Director, Finance and Resources advised Members that Human Resources had requested a shared allocation of the training budget, which would mean a reduction in it for Bromsgrove. This could be allocated back to the Councils savings target, which was important in the current circumstances. In respect of Capital, a budget of £4.371m and underspend of £200k against Living Independently and this was mainly on Disabled Facilities Grants. This was largely due to being unable to access Occupational Therapists into people’s homes from April through to June 2020.

The Portfolio Holder for Finance and Resources commented that, as had previously been discussed, the availability of Occupational Therapists and whether there was anything the Council could do to bypass this by employing them itself, as this had been an ongoing problem prior to Covid-19. The Executive Director, Finance and Resources confirmed that she would speak to the Head of Community Services in order to explore this option further.

In respect of car parking, the overspend of £240k was discussed and the proportion of this that would be refunded by Central Government. It was confirmed that this would not cover the period that the shops re-opened, but the Council chose to continue to allow free parking until the payment app was in place.

RESOLVED that the current financial position in relation to revenue and capital budgets for the financial period April 2020 – June 2020 as detailed in the report be noted.

RECOMMENDED:

- a) that a change in the 2020/21 Capital Programme of the S106 scheme already approved for Barnt Green Millennium Park –

Toilet £62k be reallocated to a new scheme at Bittell Road Recreation Ground in relation to infrastructure/fitness route improvements due the requirements of the original project no longer needed. (See 6.1 of the report) be approved;

- b) that the training budget held within the Human Resources service, is allocated to a shared service budget meaning that any training provided to our staff is beneficial to both Councils as we upskill our workforce be approved; and
- c) that the inclusion of the £1.154m of Government Grant in relation to Covid pressures and losses of income into the 2020/21 revenue budgets (see 3.6 of the report) be approved.

30/2020

NEW HOMES BONUS COMMUNITY GRANTS SCHEME

The Executive Director, Finance and Resources introduced the report and reminded Members of the New Homes Bonus Scheme that was in place. For 2020/21 there had been £144k funds to be allocated, as detailed in the appendix this had been allocated in full. There had been virtual meetings of the Panel with applicants attending. Where there was a reduction in the funding it was felt that either funding should be attracted from other sources or where it was felt two or three schemes were important and warranted the full amount and therefore other schemes had their contribution reduced. It was further confirmed that, as detailed within the scheme, for those that were allocated funding and they were unable to meet the requirements and conditions placed on them then the offer would be withdrawn.

The Leader thanked officers and Panel Members for all their hard work and commented that it was a good which had been well utilised.

RESOLVED:

- a) that the grants, as detailed in the Summary of NHB Grants Panel Recommendations attached at appendix 1 be approved; and
- b) that should the scheme continue into 2021/22 a full review of the process be carried out prior to the commencement of the grants allocation for that year.

The meeting closed at 7.00 p.m.

Chairman