



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 24TH NOVEMBER 2021

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

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

AGENDA

1. **To receive apologies for absence**

2. **Declarations of Interest**

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

3. **To confirm the accuracy of the minutes of the meeting of the Cabinet held on 20th October 2021 (Pages 1 - 8)**

4. **Minutes of the meeting of the Overview and Scrutiny Board held on 18th October 2021 (Pages 9 - 16)**

(a) To receive and note the minutes

(b) To consider any recommendations contained within the minutes

Cabinet is asked to note that there is a recommendation in these minutes for Members' consideration.

5. **Financial Outturn 2020/21 Report (Pages 17 - 24)**

6. **Medium Term Financial Plan 2022/23 to 2024/25 (Pages 25 - 40)**

7. **Outside Bodies - Cabinet Appointment (Pages 41 - 46)**

8. **To consider any urgent business, details of which have been notified to the Head of Legal, Democratic and Property Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting**
9. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

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

<u>Item No.</u>	<u>Paragraph(s)</u>	
10	3	"

10. **Financial Update Regarding Leisure Services (Pages 47 - 60)**

Parkside
 Market Street
 BROMSGROVE
 Worcestershire
 B61 8DA

K. DICKS
Chief Executive

16th November 2021

If you have any queries on this Agenda please contact
Jess Bayley-Hill

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GUIDANCE ON FACE-TO-FACE MEETINGS

Due to the current Covid-19 pandemic Bromsgrove District Council will be holding this meeting in accordance with the relevant social distancing arrangements for holding face-to-face meetings at a local authority.

Please note that this is a public meeting

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

GUIDANCE FOR ELECTED MEMBERS ATTENDING MEETINGS IN PERSON

In advance of the Cabinet meeting, Members are strongly encouraged to consider taking a lateral flow test, which can be obtained for free from the NHS website. Should the test be positive for Covid-19 then the Member must not attend the meeting, should provide their apologies to the Democratic Services team and must self-isolate in accordance with national rules.

Members and officers are strongly encouraged to wear face coverings during the Cabinet meeting, unless exempt. Face coverings should only be removed temporarily if the Councillor / officer requires a sip of water and should be reapplied as soon as possible. Refreshments will not be provided by the venue, therefore Members and officers are encouraged to bring your own supply of water.

Hand sanitiser will be provided for Members to use throughout the meeting.

The meeting venue will be fully ventilated and Members and officers may need to consider wearing appropriate clothing in order to remain comfortable during proceedings.

PUBLIC ATTENDANCE

Members of the public are able to access meetings of Cabinet in person if they wish to do so. However, due to social distancing requirements to ensure the safety of participants during the Covid-19 pandemic, there will be limited capacity and members of the public will be allowed access on a first come, first served basis. Members of the public in attendance are strongly encouraged to wear face coverings, to use the hand sanitiser that will be provided and will be required to sit in a socially distance manner at the meetings. It should be noted that members of the public who choose to attend in person do so at their own risk.

In line with Government guidelines, any member of the public who has received a positive result in a Covid-19 test on the day of a meeting should not attend in person and should self-isolate in accordance with the national rules.

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.



INFORMATION FOR THE PUBLIC

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- You can inspect agenda and public reports at least five days before the date of the meeting.
- You can inspect minutes of the Council, Cabinet and its Committees/Boards for up to six years following a meeting.
- You can have access, upon request, to the background papers on which reports are based for a period of up to six years from the date of the meeting. These are listed at the end of each report.
- An electronic register stating the names and addresses and electoral areas of all Councillors with details of the membership of all Committees etc. is available on our website.
- A reasonable number of copies of agendas and reports relating to items to be considered in public will be made available to the public attending meetings of the Council, Cabinet and its Committees/Boards.
- You have access to a list specifying those powers which the Council has delegated to its Officers indicating also the titles of the Officers concerned, as detailed in the Council's Constitution, Scheme of Delegation.

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- Meeting Agendas
- Meeting Minutes
- The Council's Constitution

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

20TH OCTOBER 2021, AT 6.00 P.M.

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

Observers: Councillor C. A. Hotham and Councillor M. Thompson

Officers: Mr. K. Dicks, Mrs. S. Hanley, J Howse, Ms. C. Flanagan,
Mrs. R. Green, Mr. M. Dunphy, Mr S Shammon and
Mrs. J. Bayley-Hill

19/21 **TO RECEIVE APOLOGIES FOR ABSENCE**

Councillor M. Thompson joined the meeting remotely. Officers explained that there was a requirement under the Local Government Act 1972 for elected Members to attend formal Committee meetings in person. For this reason, Councillor Thompson observed the meeting but did not participate in the proceedings.

20/21 **DECLARATIONS OF INTEREST**

Councillor P. Thomas declared a pecuniary interest in Minute Item No. 23/21 – Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 – due to his position as a private sector landlord. He left the meeting during consideration of this item and took no part in the debate or voting thereon.

Councillor S. Webb declared an other disclosable interest in Minute Item No. 28/21 – Catshill Neighbourhood Plan Adoption – due to her role as ward Councillor for Catshill South and because she resided in the ward.

21/21 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 15TH SEPTEMBER 2021**

The minutes of the meeting of Cabinet held on 15th September 2021 were submitted.

RESOLVED that the minutes of the Cabinet meeting held on 15th September 2021 be approved as a true and correct record.

22/21 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 13TH SEPTEMBER 2021**

Members considered the minutes of the Overview and Scrutiny Board meeting held on 13th September 2021. Officers confirmed that all of the recommendations detailed in these minutes had been considered at the previous meeting of Cabinet.

Cabinet welcomed the Chairman of the Overview and Scrutiny Board, Councillor C. Hotham, to the meeting. Councillor Hotham highlighted the work of the Finance and Budget Working Group, which had recently reviewed a list of debts owed to the Council and the length of time that these debts had been owed. Members had been pleased to learn that the system for co-ordinating the repayment of debts to the Council was well managed and Officers were thanked for their hard work in respect of this matter.

RESOLVED that the minutes of the meeting of the Overview and Scrutiny Board held on 13th September 2021 be noted.

23/21

ELECTRICAL SAFETY STANDARDS IN THE PRIVATE RENTED SECTOR (ENGLAND) REGULATIONS 2020

The Portfolio Holder for Strategic Housing and Health and Well Being presented a report on the subject of the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020.

Cabinet was informed that the legislation introduced a requirement for landlords to undertake electrical safety checks at their properties every five years. This brought electrical safety standards into line with existing gas safety standards. Any failures in electrical safety standards that were identified during an inspection would need to be reported to the local authority and the landlord would have 28 days in which to take action to address these problems. Fees would be introduced for non-compliance, which would be £1,000 for a first offence and £3,000 for subsequent offences.

RECOMMENDED that the proposed financial penalty charges for non-compliance set out within this report are adopted and the respective enforcement powers of the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 are delegated to the Head of Community and Housing Services.

(Prior to consideration of this item, Councillor P. Thomas declared a pecuniary interest due to his position as a private sector landlord. He left the meeting and took no part in the debate or voting thereon.)

24/21

MOBILE HOMES ACT 2013 - INTRODUCTION OF LICENSING FEES

The Portfolio Holder for Strategic Housing and Health and Well Being presented a report detailing the background to the proposed introduction of licensing fees under the Mobile Homes Act 2013.

Cabinet was informed that the licensing of mobile homes was a statutory duty and covered areas such as the issuing of new licences, transfers of licences and site compliance. The proposed fees took into account the costs incurred by the Council in relation to the licensing regime. Members were informed that prior to the introduction of charges the only

recourse available to the local authority was to take court action for non-compliance and there were financial implications to this for the Council. Under the new regime, cases could be referred to tribunal where costs of £5,000 could be applied.

The content of the report was subsequently discussed by Members in some detail. Questions were raised about the reasons why the proposed fees had been suggested at the level detailed in the report. Officers explained that the fees were based on the costs of the time usually spent working on licensing mobile homes.

Reference was also made to the frequency with which inspections would take place at mobile home sites to ensure compliance with licensing conditions. Cabinet was informed that all mobile home sites would be subject to at least an annual inspection. In reality, the Council tended to be contacted during the year regarding licensing matters so often inspections occurred more frequently than once a year as a result of such queries.

Consideration was given to the fees that would apply to mobile home sites. Concerns were raised that smaller sites, consisting of two or three mobile homes, might struggle to pay the fee, particularly if residents were also required to pay Council Tax. By contrast, larger mobile home sites would potentially be paying a more manageable fee, particularly if the cost could be shared between residents. Officers clarified that larger mobile home sites tended to be operated by management groups that were familiar with their roles and responsibilities. For this reason, there was often less action required from the Council at larger sites than at smaller sites, which did not tend to be operated by these types of companies. Furthermore, Members were informed that only residents for whom the mobile home was their primary residence would be required to pay Council Tax for their property.

During consideration of this item Officers commented that in the report it was being proposed that the fees should be introduced from September 2021 onwards. However, these fees could not be applied retrospectively. Instead, they could only apply, subject to approval by Council, from 4th November 2021 onwards.

RECOMMENDED that

- 1) The Mobile Home Fee Structure is approved and implemented from 4th November 2021 to all relevant sites throughout Bromsgrove District reviewed on an annual basis; and
- 2) The recovery of expenses through enforcement action is approved and implemented to all relevant sites throughout the District.

The Policy Manager presented an updated Community Engagement Strategy for the Council for Members' consideration.

Cabinet was advised that the Community Engagement Strategy had been reviewed to help ensure that the Council could continue to engage effectively with local stakeholders. The Covid-19 pandemic had impacted both on how the Council conducted engagement and on how people chose to engage with the authority. There were some key points that needed to be taken into account when amending the strategy, including the Council's equalities duties and the statutory engagement requirements for certain departments, such as the Planning Service. Members were also asked to note that different stakeholders would potentially choose to engage with the Council in different ways.

RESOLVED that the Community Engagement Strategy be noted and endorsed.

26/21

BROMSGROVE DISTRICT COUNCIL'S DUTY TO CO-OPERATE STATEMENT WITH SOLIHULL

The Strategic Planning and Conservation Manager presented Bromsgrove District Council's Duty to Co-operate Statement with Solihull Metropolitan Borough Council.

Cabinet was informed that Bromsgrove District Council had been in dialogue with Solihull Metropolitan Borough Council for some time regarding their local plan. Concerns had been raised at an earlier stage by Bromsgrove District Council about the level of growth proposed by Solihull Metropolitan Borough Council. The projected growth had subsequently been reduced in size and Bromsgrove District Council had entered into dialogue with Solihull Metropolitan Borough Council regarding the infrastructure that would be needed to support the housing growth and it had been agreed that changes would need to be made to the Local Plan in respect of the housing growth in Bromsgrove District, particularly around Wythall, and the infrastructure that would be available. These changes had been raised with the planning inspector who had raised no substantive comments on the matter.

During consideration of this item, Members noted that the report had already been discussed at a meeting of the Strategic Planning Steering Group. The report had been well received by those Members who had attended that meeting.

RECOMMENDED that the Statement of Common Ground is signed by the Leader of the Council and submitted to Solihull Metropolitan Borough Council.

27/21

BROMSGROVE DISTRICT COUNCIL'S APPROACH TO THE DRAFT BLACK COUNTRY PLAN

The Strategic Planning and Conservation Manager presented Bromsgrove District Council's Approach to the Draft Black Country Plan.

Members were advised that the draft Black Country Plan was at an early stage in the Local Plan process. The plan was being developed for the four local authorities in the Black Country area and was therefore a relatively lengthy document. In respect of the duty to co-operate, the housing and employment needs for the Black Country were significant, with the four authority areas unable to accommodate 30,000 of the additional houses required. This meant that those houses needed to be accommodated elsewhere but there was uncertainty about where these houses would be located and when they would need to be developed. In the draft Black Country Plan it was noted that the houses would need to be developed across the Housing Market Area (HMA) but the land that could potentially be used to accommodate some of the houses in Bromsgrove District had been rejected in that plan for this purpose. A development of 115 houses was proposed for a site north of Hagley, though some issues had been identified with how the site had been assessed, the infrastructure that would be available and the implications for the green belt. Therefore, Bromsgrove District Council was commenting that the evidence to support the allocations proposed in the draft Black Country Plan was not robust.

Under the duty to co-operate, Bromsgrove District Council would welcome further opportunities to enter into dialogue with the local authorities in the Black Country regarding the content of the Black Country Local Plan. It was anticipated that a further update on the plan would be available for consideration in summer 2022.

RECOMMENDED that the Council endorses the officer response to the Draft Black Country Plan and that it is confirmed with the Black Country Authorities as such.

28/21

CATSHILL NEIGHBOURHOOD PLAN ADOPTION

The Strategic Planning and Conservation Manager presented the Catshill Neighbourhood Plan for Members' consideration.

The draft Catshill Neighbourhood Plan had been considered by Cabinet in February 2021. Since then the Catshill Neighbourhood Plan had been submitted for the consideration of an independent examiner, who had been happy with the content subject to a small number of minor amendments. The Catshill Neighbourhood Plan had subsequently been published and had been the subject of a local referendum on 7th October 2021. In total 88% of electors had voted in favour of adopting the Catshill Neighbourhood Plan and 12% had voted against, with a turnout of 16%.

Members commented that the content of the Catshill Neighbourhood Plan would be good for Catshill. The residents who had turned out to vote in the referendum were thanked for participating in the process.

RESOLVED that

- 1) The result of the referendum on the Catshill and North Marlbrook Parish Neighbourhood Plan, held on 7th October 2021, is duly noted

RECOMMENDED that

- 2) the Catshill and North Marlbrook Parish Neighbourhood Plan be 'made' (formally adopted) immediately, in accordance with the relevant legislation.

(Prior to consideration of this item, Councillor S. Webb declared an other disclosable interest due to her role as ward Councillor for Catshill South and because she resided in the ward.)

29/21

BUDGET FRAMEWORK REPORT

The Executive Director of Resources presented the Budget Framework report, which outlined the steps that would be taken as part of the budget setting process over the winter and the proposed method for Member engagement during this process.

Cabinet was advised that the budget would be very complicated and would be developed at a challenging time for local government, so it was important to ensure that Members were properly engaged in the process of developing the budget. A number of Members had previously requested further information about the budget setting process and local government finance and the proposals in respect of Member engagement would help to address this.

Different methods would be used to present budget data for Members' consideration, including tables comparing current financial projections with data for previous years. Member workshops and other meetings would be held to enable Members to discuss budget matters at an early stage, rather than in February, directly before the budget was set at Council.

Members welcomed the proposals detailed in the report and the opportunities provided for Member engagement in the budget setting process, including the involvement of the Finance and Budget Working Group. Reference was made to the hard work of the Financial Services team in respect of the budget and Members thanked Officers for this.

During consideration of this item, the Chairman of the Overview and Scrutiny Board, Councillor C. Hotham, advised that scrutiny Members had pre-scrutinised the report. The majority of scrutiny Members had

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welcomed the proposals detailed within the report and had welcomed a constructive approach to Member engagement.

RESOLVED that that the updated member engagement plan for the 2022/23 Budget and Medium Term Financial Plan Report is noted and supported.

The meeting closed at 6.47 p.m.

Chairman

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

18TH OCTOBER 2021, AT 6.00 P.M.

PRESENT: Councillors C.A. Hotham (Chairman), J. Till, S. J. Baxter, A. J. B. Beaumont, S. R. Colella, R. J. Deeming, M. Glass, R. J. Hunter, A. D. Kriss and P. M. McDonald

In Attendance: Councillor G. Denaro – Portfolio Holder for Finance and Enabling

Officers: Mr. J. Howse, Ms. D. Poole and Mrs B. Talbot

Democratic Services Officer: Mrs. J. Gresham

27/21

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received from Councillor H. Jones and Councillor C. Spencer with Councillor M. Glass in attendance as named substitute.

The Chairman explained that he needed to leave the meeting at 6.45pm due to another engagement and that the Vice-Chairman would chair the meeting in his absence, if necessary.

28/21

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

There were no declarations of interest nor of any Party Whip.

29/21

TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 13TH SEPTEMBER 2021

The minutes of the Overview and Scrutiny Board meeting held on 13th September 2021 were submitted for Members' consideration.

Councillor R. Hunter requested that change be made to the previous minutes regarding the recommendation made in respect of the Bromsgrove Town Centre Management Strategy – 2021 Action Plan. He stated that it was his understanding that the recommendation was made as follows:

'that the Cabinet resolves to adopt the Bromsgrove Town Management Strategy – 2021 Action Plan and at the earliest opportunity that the relevant officers revisit the Town Centres with Ward Members and other interested parties to update the plan and offer support'.

This amendment was supported by the Board and the Democratic Services Officer present undertook to make the amendment.

RESOLVED that the minutes of the Overview and Scrutiny Board meeting held on 13th September 2021 be approved.

30/21

STAFF SURVEY

The Head of Business Transformation, Organisational Development and Digital Strategy introduced the update regarding the Staff Survey and informed Members that there had been delays experienced in administering the Staff Survey due to the Covid-19 pandemic and associated restrictions. However, planning was well underway for the next Staff Survey which was due to take place later in 2021.

The Human Resources & Development Manager provided further information to the Board and highlighted the following for Members' attention:

- Although some delays had been experienced for the full Staff Survey there had been a number of smaller surveys carried out over the course of 2021 in order to maintain regular contact with staff. Information on these smaller staff Surveys were considered during a Board meeting held in March 2021.
- The majority of the questions to be included in the next full Staff Survey would be the same as were included in previous surveys in order to provide consistency during the analysis. Members were advised that some questions would be included following discussions with CMT in order to provide some organisational specific focus.
- The Staff Survey would be administered and analysed by an external provider through the Local Government Association (LGA) and that the data collected would be undertaken at a level that ensured confidentiality however still allowed meaningful information to be gathered. It was envisaged that the information would be available early in 2022.
- Communications would be sent out during November to encourage staff to take part in the survey. Those members of staff

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who did not readily have access to IT equipment would be provided with alternative ways to complete the survey.

Following the presentation Members were invited to ask any questions arising from the report. In doing so Members were interested in understanding how many staff would be surveyed. It was stated that all 850 members of Council staff would be invited to complete the survey.

In respect of the survey questions, some Members were concerned that by including additional questions might compromise the outcome of the results. The Human Resources & Development Manager assured Members of the Board that, although there would be some service specific questions, there would be little room for modification of the questions by CMT and that the external provider would analyse the results to ensure impartiality when analysing the responses. Members were keen to see a copy of the final questions and officers undertook to provide them once they were available.

Members were also interested in the cost of the Staff Survey and whether this would be shared across both Councils. Officers were unsure as to the final cost of the of survey as it was not yet known whether the analysis undertaken would need to be significant or more high level. However, Members were assured by the Executive Director of Resources that a budget had been set to undertake surveys and that this would not be exceeded.

Some Members required further reassurance that this was the case and also that the Cabinet were fully aware of the expected costs of the survey. With this in mind, the following recommendation was made by the Board:

'the Cabinet are fully informed of the higher and lower cost of the Staff Survey.'

On being put to the vote the recommendation was agreed.

There was detailed discussion regarding whether it would be possible to split the responses received by Council so that a clearer picture could be established regarding those members of staff who worked solely at Bromsgrove District Council. It was thought by some members of the Board that despite Bromsgrove and Redditch Councils being separate, they operated under a shared service agreement and therefore it was important to fully understand how this affected staff rather than separating the data. Officers confirmed that it was not possible to split

the data as it could potentially compromise the confidentiality of the responses and make staff reluctant to take part. However, the following recommendation was made:

'that Cabinet seriously consider ways in which future Staff Surveys are split'

On being put to the vote the recommendation was lost.

RECOMMENDED that the Cabinet are fully informed of the higher and lower cost of the Staff Survey.

31/21

BUDGET FRAMEWORK REPORT

The Executive Director of Resources was welcomed to meeting in order to present the Budget Framework report. In doing so the following was highlighted for Members' attention:

- Due to a complex Budget for 2022, the prioritisation of resources and unprecedented levels of uncertainty, it was reported that the report provided an updated member engagement plan for the 2022/3 Budget and Medium-Term Financial Plan. The updated plan was being proposed as a result of previous requests from members of increased reasonable engagement from all Members when considering future budgets.
- Workshops would be offered to all Members in order to help them better understand Local Government finance and any potential changes to funding in the future. It was also hoped that these workshops would produce quality conversations with all Members in respect of future budget setting. This initiative was welcomed by most Members as an opportunity for increased reasonable engagement in the budget setting process.

The Chairman explained that this report seemed to outline a huge step forward in Budget setting for the future and looked forward to being able to contribute to the process in the coming years.

RESOLVED that the Budget Framework be noted.

32/21

LIBRARIES TASK GROUP - CABINET RESPONSE

At this point Councillor C. Hotham, left the meeting and Councillor J. Till chaired the remainder of the meeting in her role as Vice-Chairman.

Councillor S. Colella presented the Cabinet Response to the Libraries Task Group in his role as Chairman of the Task Group.

During consideration of the item, he expressed that it was a disappointing response from the Cabinet, particularly in light of the hard work and effort that Members and Officers had put in during the investigation. He explained that all of the recommendations were rejected by the Cabinet, some on the basis that libraries were a Worcestershire County Council (WCC) or that some of the recommendations made were statutory duties undertaken by WCC and were already carried out during consultation processes. It was expressed by some Members that the response from Cabinet was not helpful when approaching the scrutiny process and that partnership working at County and District was important. It was reiterated that by Members of the Board that a possible solution to some of the Task Group recommendations might have been a letter or email sent to WCC requesting that they consider the possibility of undertaking the recommendations themselves, or perhaps some of the District Councillors who were also County Councillors might raise awareness at future WCC meetings.

Some Members also expressed that the response from Cabinet was brief and negative in tone and did not seem to have considered the ethos of the Task Group and the circumstances under which the Task Group investigation was carried out. As part of the investigation, Members had been reassured by WCC that, although there would be some changes experienced as part of the new strategy, the impact would not be at the detriment of Bromsgrove's Libraries. It was felt that this finding alone made the investigation worthwhile as it would alleviate anxieties from local residents across the District. Members were informed that the response had been supplied in a standard Democratic Services template that could be amended for future responses.

After a detailed debate regarding the resubmission of the Task Group findings to Cabinet it was proposed that the Task Group be reconvened with a view to presenting slightly amended recommendations for Cabinet's consideration. In addition to this it was noted that it would be useful to invite the Leader of the Council and the Portfolio Holder to a meeting of the group in order for them to be provided with the rationale of the investigation prior to its reconsideration at Cabinet. The Democratic Services Officer present undertook to make arrangements to recommence the process. Councillor S. Baxter expressed that she would be happy to sit on the Task Group and it was agreed that she would be included in any future meetings.

RESOLVED that the Libraries Task Group be reconvened in order to resubmit their report to Cabinet.

33/21

FINANCE AND BUDGET WORKING GROUP - UPDATE

In the absence of the Chairman a written statement in respect of the Finance and Budget Scrutiny Working Group was read out on his behalf by Councillor J. Till.

'A meeting was due to take place on 14th October 2021. The main agenda item was the final budget outturn for 2021-2021. Unfortunately, this was still to be finalised and so was withdrawn. The only other item due to be considered was the Budget Framework report which was moved to this evening's meeting. The Working Group therefore did not meet.'

RESOLVED that the Finance and Budget Working Group update be noted.

34/21

CORPORATE PERFORMANCE WORKING GROUP - UPDATE

Members were reminded that, at their last meeting, the Board had agreed the changes to the Terms of Reference of the Corporate Performance Working Group. The main change that was agreed was that substitute Members of the main Board would now be permitted to sit on the Corporate Performance Working Group at future meetings. It was also agreed that the Chairman of the Working Group would be required to be a Member of the main Overview and Scrutiny Board.

Nominations for the Chairman of the group were requested and Councillor J. Till proposed that she be elected chairman for the remainder of the municipal year. This nomination was seconded and on being put to the vote this was agreed.

The Democratic Services Officer present undertook to send out communications to the members of the Board and any named substitutes to establish interest in becoming members of the Working Group.

RESOLVED that Councillor J. Till be appointed Chairman of the Corporate Performance Working Group for the remainder of the municipal year.

35/21

TASK GROUP UPDATES

It was confirmed that, as agreed earlier in the meeting, the Libraries Task Group would be reconvened.

There were no further Task Group Updates.

RESOLVED that the Task Group Update be noted.

36/21

WORCESTERSHIRE HEALTH OVERVIEW AND SCRUTINY COMMITTEE - UPDATE

Councillor S. Baxter presented the update in respect of the Worcestershire Health Overview and Scrutiny Committee (HOSC) and reported that the Committee had met twice since the last meeting of the Board.

It was explained to Members that the first meeting that was held on 21st September 2021 and was predominantly concerned with discussions around Mental Health provision in the County. Members were informed that there had been challenges to Mental Health Services during the Covid-19 pandemic and associated lockdown however it was confirmed that services were still available for Child and Adolescent Mental Health Services (CAMHS), Adult Mental Health Services and Older Adult Mental Health Services.

In addition to this item, HOSC Members were presented with an update on Maternity Services in the County and the results of an inspection by the Care Quality Commission were shared with the Committee.

The second meeting of HOSC took place on 18th October 2021. This meeting was primarily concerned with Community ambulances and Primary Care (GP) Access within the County. Members were informed that there were concerns around the flow of ambulances around the County and the delays experienced in handover times. It was reported that although the services were continuing it had not always been possible to get a face-to-face appointment with a GP during the Covid-19 pandemic and there was a growing demand from patients for these to recommence more frequently.

Councillor S. Baxter also noted that there was work being undertaken in respect of Integrated Cares Systems and in particular place-based systems within local areas that involved a more local implementation approach. It was stated that the discussions were ongoing and that public consultations would be carried out in the future.

RESOLVED that the Worcestershire Health Overview and Scrutiny Committee Update be noted.

37/21

CABINET WORK PROGRAMME

The Democratic Services Officer present informed the Board that the following item which was due to be considered by the Board on 22nd November had been postponed.

- Declaration of Land Surplus to Requirement – Marsh Way, Catshill South, Peshurst Road, Sideslow and Foxglove Way

It was confirmed that the item would be monitored and would appear on the Overview and Scrutiny Board's Work Programme prior to its consideration at Cabinet.

RESOLVED that the Cabinet Work Programme be noted.

38/21

OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME

Members requested that an item in respect of CCTV be included on the Boards' Work Programme for consideration at a future meeting.

RESOLVED that the Overview and Scrutiny Board Work Programme be noted.

The meeting closed at 7.27 p.m.

Chairman

Revenue Outturn 2020/21

Relevant Portfolio Holder	Cllr Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester
Report Author	Job Title: Head of Finance & Customer Services email:chris.forrester@bromsgroveandredditch.gov.uk Contact Tel: 0152764252
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. Purpose and summary

The purpose of this report is to set out the Council’s Revenue outturn position for the financial year April 2020 – March 2021 (subject to final accounts closedown procedures and audit).

2. Recommendations

The Cabinet is asked to resolve

- 2.1 To note the outturn financial position in relation to the revenue budgets for the year April 2020 – March 2021 as detailed in the report.

That Cabinet recommend to Council

- 2.2 that £228,736 be transferred from the General Covid Grant to the Council’s general fund to balance the outturn position for 2020/21.

3. Revenue budgets

- 3.1 This report provides details of the revenue outturn position of the Council for 2020/21 and performance against budget.
- 3.2 This report presents the financial outturn position and performance against budget by service (for example ‘Environmental Services’).
- 3.3 Table 1 below sets out the revenue outturn position compared to budget:

Table 1: Summary Revenue Outturn 2020/21

Service	2020/21 Original Budget	2020/21 Revised Budget	2020/21 Revised Actuals	2020/21 Variance
	£	£	£	£
Regulatory Client	207,208	194,818	210,946	16,128
Business Transformation & Organisational Development	1,707,974	1,562,447	1,486,244	-76,202
Chief Executive	1,585,088	1,844,322	1,928,958	84,636
Community & Housing GF Services	1,076,023	805,300	705,052	-100,248
Corporate Financing	-11,812,000	-11,261,625	-11,514,569	-252,944
Environmental Services	2,780,695	2,734,139	3,423,943	689,804
Financial & Customer Services	1,340,726	1,253,385	1,214,559	-38,826
Legal, Dem' & Property Services	1,458,600	1,493,003	1,378,214	-114,788
Planning, Regeneration & Leisure Services	1,655,685	1,374,208	1,395,385	21,176
Grand Total	0	0	228,736	228,736

Note: The Revised Budget reflects in year approved adjustments to the Original

3.4 The above table shows that the revenue outturn position was overspent by £228,736 in total. It should be noted that this position is before any allocation from any remaining balances in relation to General Covid-19 Grant funding.

3.5 This report will now set out a financial commentary on this outturn position by service area.

Regulatory Client (Total overspend of £16k)

3.6 The above table shows that in summary this service area was overspent by circa £16k. The main variation was as follows:

- £24k underperformance on licence income due to the impact of Covid-19.

Business Transformation & Organisational Development (Total underspend of £76k)

3.7 The above table shows that in summary this service area was under by circa £76k. The main variations being as follows:

- £75k underspend on training and organisational development. Training and organisational development have underspent on the corporate training budget due to COVID-19 having had a direct impact on the ability to deliver training. There is currently a review being undertaken on how training will be provided moving forwards, including opportunities for moving towards higher levels of remote training as appropriate.

Chief Executive (Total overspend of £85k)

3.8 The above table shows that in summary this service area was overspent by circa £85k. The main variations being as follows:

- £62k overspend on corporate services due to higher than originally budgeted for pension costs which resulted from budgets not accurately reflecting actuarial updates. These issues have now been resolved within future budgets.

Community & Housing GF Services (Total underspend £100k)

3.9 The above table shows that in summary this service area was under by circa £100k. The main variations being as follows:

- £40k underspend on lifeline due to salary savings.
- A number of minor underspends spread across a range of budget areas including savings on reallocating demand for temporary accommodation from the Burcot Lane Hostel to BDHT. Covid-19 (and the associated funded programmes) has also led to a reduction in financial pressure / demand associated with homelessness cases.

Corporate Financing (Total underspend £253k)

3.10 The above table shows that in summary this service area was under budget by circa £253k. The main variations being as follows:

- £245k saving on interest payable due to a lower than forecast borrowing requirement, lower cost of borrowing and a reduced Minimum Revenue Provision charge (due to underspends on the capital programme).

Environmental Services (Total overspend of £690k)

3.11 The above table shows that in summary this service area was overspent by £690k. The main variations being as follows:

- £339k overspend on waste management. This was due to some additional commercial Waste Disposal Costs. A Business case has been put forward to address this going forwards in the budget. There are also increased costs from Severn Trent on disposal of septic waste and overspends on additional overtime due to out of Hours Callout costs (which is being reviewed corporately). This has now been addressed and amended in the budget for the new financial year.

- £101k underspend on tree management. This was due to vacant posts. It should be noted that this area is currently going through a service review.
- £512k loss of carparking income against budget due to the impact of Covid-19 (noting that these losses are after accounting for some additional support from Government in relation to the sales, fees and charges support scheme).

Financial & Customer Services (Total underspend of £39k)

3.12 The above table shows that in summary this service area was under budget by £39k. The main variations being as follows:

- £41k underspend in accounts and financial management due to significant vacancies. It should be noted that plans are in place to strengthen the Finance Team and recruit to these vacant posts.

Legal, Democratic & Property Services (Total underspend of £115k)

3.13 The above table shows that in summary this service area was under budget by £115k. The main variations being as follows:

- £39k saving in members and democratic support due to vacancies in the team.
- £70k saving in business development due to a combination of salary savings (due to vacancies) and the successful recovery of previous year overcharges on water costs.

Planning, Regeneration & Leisure Services (Total overspend of £21k)

3.14 The above table shows that in summary this service area was overspent by £21k. The main variations being as follows:

- Development control had an overspend of £270k. This was primarily driven by a £200k charge due to losing a planning appeal to a developer. This was offset by a number of underspends within planning budgets, due particularly to vacancies (linked to difficulties in recruitment caused by a national scarcity of this skillset) and increased numbers of planning application income (linked to Covid-19).
- It should be noted that Leisure budgets would have been significantly overspend in year had it not been for the General Covid-19 Grant provided to the Council, which allowed these pressures to be offset as explained below.

Covid grant

- 3.15 It is clear that budget and budgetary performance for the 2020/21 financial year was significantly impacted by the Covid-19 pandemic. Covid-19 distorted many expenditure budgets – as demonstrated above – typically through reducing income levels significantly (eg car parking), increasing Leisure costs, and reducing some costs areas which were operationally restricted as a result of Covid.
- 3.16 In recognition of this negative impact on the Council’s resources (and particularly for district councils reduced income levels achievable for car parks and Leisure), the council was awarded £1.255 million General Covid-19 Grant in 2020/21 (and £0.411 million in 2021/22). This income was not budgeted for when the Council set its budget back in February 2020. Strict control was maintained over the accounting for these monies.
- 3.17 In total £476k of expenditure was applied from this General Covid-19 Grant in the 20/21 year, £356k of which was paid to the Council’s outsourced provider of the Bromsgrove Sports and Leisure Centre. This was in recognition of the impact of Covid-19 on the ability of the provider to operate in accordance with the (pre- Covid) agreed contract.
- 3.18 The current position of the General Covid-19 Grant is set out in detail in Appendix 1 which shows that there is sufficient funds (at circa £766k) available to allocate circa £228k to fund the 20/21 overspend as set out in section 3.3, thereby bringing the 2020/21 position to balance without pressure on the General Fund.

4. Treasury and Cash Management

- 4.1 As at 31st March 2020, the Council had £4.75m of short term borrowing, no long term borrowing, and had placed £2m in investment accounts to generate an income for the Council.

5. General Fund Balances

- 5.1 The general fund balance was maintained at £4.4m (subject to the £228k overspend set out in section 3.3 being funded from the General Covid Grant as set out in 3.18).

6. LEGAL IMPLICATIONS

No legal implications have been identified.

7. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 7.1 The Outturn position relates to all strategic purposes.

Climate Change Implications

7.2 No climate change implications were identified.

8. OTHER IMPLICATIONS

Equalities and Diversity Implications

8.1 No equalities and diversity implications were identified.

Operational Implications

8.2 Managers meet with finance officers to consider the current financial position and to ensure actions are in place to mitigate any overspends.

9. RISK MANAGEMENT

9.1 Managing financial risks features in the corporate risk register for the authority.

Appendix 1: General Covid Fund Grant Account at 8 November 2021

Appendix 1: General Covid Fund Grant Account at 8 November 2021

General Covid-19 Grant Funding	£
Amount Received (four initial tranches)	1,254,853
Amount spent 19/20	12,059
Amount spent 20/21	476,465
Remaining balance at 31/3/21 (pre balancing outturn)	766,329
Planned use of grant to balance outturn position	228,736
Remaining balance at 31/3/21 (post balancing outturn)	537,593
Fifth tranche of grant (21/22)	411,102
Total remaining covid grant (prior to 21/22 pressures)	948,695

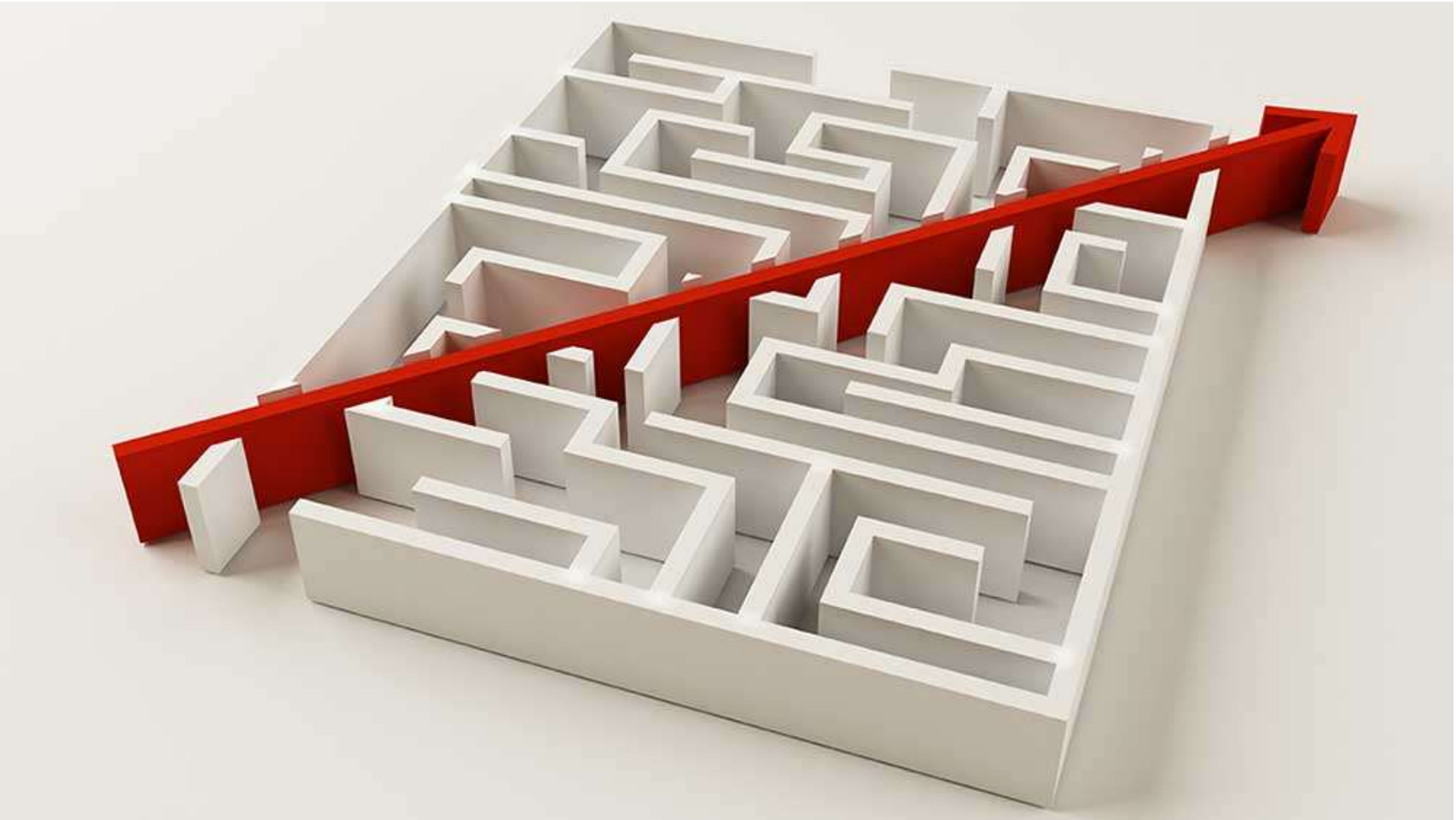
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2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25

November 2021







Agenda

1. Financial Context
2. The Budget and the law
3. Local government finance - some essentials
4. The Budget Setting cycle
5. Funding
6. Risks
7. Project Finance and Resources
8. Next Steps
9. Conclusions



1. Financial Context – BDC Balances

RESERVE BALANCES			
Feb 21 Forecasts	31/3/22	31/3/23	31/3/24
	(£m)	(£m)	(£m)
General Fund (NB minimum = £1.5m)	4.3	4.3	3.2

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- The Council’s financial reserves are currently adequate (but no more) – and above minimum levels - but forecast to reduce without further action.
- Note: to achieve these numbers - savings of circa £0.5m per annum over the term need to still be delivered.
- Note: All forecasts need to be updated for Covid-19 and other matters.
- Note: There is significant planning uncertainty risk currently.

Conclusion: This financial position and context is challenging. The Financial Strategy should therefore focus on at least maintaining General Fund balances.

2. The Budget and the law

LG Act 1972 (Section 151) states that “every local authority shall make arrangements for the proper administration of their financial affairs...”

LG Act 1988 and LG Finance Act 1992 - requirement to set a balanced budget / set Council Tax by 12 March

Localism Act 2011 - a referendum required for council tax increases above higher of £5 or 2%



3. Local government finance - some essentials

Capital v Revenue: Capital grants / receipts cannot fund revenue deficits.

Capital spending and borrowing is NOT 'free money'

Collection v General Fund: We collect and redistribute.

4. The Budget Setting cycle



5. Funding (Revenue)

Income Stream (20/21)	£ million
Business Rates	2.4
Council Tax	8.5
New Homes Bonus	1.7
<i>General Covid Grant*</i>	<i>1.7</i>

- *General Covid Grant monies relate to 20/21 and 21/22*
- *NB: Government's baseline needs assessment and the Settlement Funding Assessment underpins the Council's funding.*



Council Tax – Beware the Multiplier!

- NB: Due to the CT cap – a decision in any one year not to increase CT – has a recurring year on year impact on the General Fund!! In effect you can never ‘catch this back up’.

Impact on General Fund of zero CT rise	Year 1	Year 2	Year 3	Year 4	TOTAL
	£m	£m	£m	£m	£m
Impact of not increasing by £5 in Year 1	0.2	0.2	0.2	0.2	0.8
Impact of not increasing by £5 in Year 2		0.2	0.2	0.2	0.6
Impact of not increasing by £5 in Year 3			0.2	0.2	0.4
Impact of not increasing by £5 in Year 4				0.2	0.2
Total over the Medium Term (4 years)					2.0



6. Risks

- Future of Local Government Finance (inc NHB) and the Fair Funding Review??
- Future of business rates and the business rates reset??
- Covid – impact on service demand, Leisure services collection rates???

= Planning Uncertainty

NB: Levelling up funding brings opportunity but also risk

7. Project Finance and Resources

- **Strengthen the Finance Team** – improving scope, quality and consistency of advice
- Improve **Financial Management arrangements** – better accuracy, better monitoring and better outcomes
- Improve **communication and engagement** on finances (members and staff) – building awareness and understanding
- Improved **budget setting** through better resource planning and prioritisation – linked to improved business planning
- Develop a **clear financial improvement plan** (held and owned by CMT) – to at least maintain levels of General Fund reserves

8. Next Steps – Budget and MTFs

- 1) Finalise Outturn and clarify starting position
- 2) CMT working to identify options to re-prioritise limited resources:
 - a) Options for doing things differently / more efficiently / Options to stop doing
 - b) Options to increase income
 - c) Options to remove budget 'slack'
 - d) Options to release earmarked reserves back to general fund.
- 3) Present options for Budget back to Cabinet

9. Conclusions and summary

- The financial position and context is challenging.
 - The Financial Strategy should therefore focus on at least maintaining General Fund balances.
 - Strict rules and various statute heavily regulates the Local Gov Finance and budget setting process
 - Budget setting is a cycle – not a one off
 - Funding comes predominantly from CT and business rates
 - Risks include significant amounts of uncertainty
 - Next steps are to present budget options
-

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Outside Body Appointments 2021/22 - Amendment

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	
Relevant Head of Service	
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: 01527 881429
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. **RECOMMENDATIONS**

It is recommended that Cabinet considers the amendment to the nominated Outside Bodies, as detailed at Appendix 1, and that the Portfolio Holder for Strategic Housing and Health and Well Being, be approved as the Cabinet's representative on the Health Improvement Group (HIG).

2. **BACKGROUND**

- 2.1 At the Cabinet meeting held on 15th September 2021, the nominations and appointments to the Outside Bodies were approved. It has been noted that appointments to the Health Improvement Group (HIG – a sub group of the Worcestershire Health and Well Being Board), stated that there should be one representative for North Worcestershire.

Officers have since received confirmation from Worcestershire County Council, Public Health that the Membership required one representative from each of the six Districts in North Worcestershire.

The relevant Portfolio Holder is usually nominated onto this Outside Body.

3. **FINANCIAL IMPLICATIONS**

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

4. **LEGAL IMPLICATIONS**

- 4.1 No specific legislation governs the appointment or nomination of members to outside bodies by the Council. Depending on the nature of

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the relationship the Council has with the organisation, the legal status of the organisation, its corporate, charity or other status and its constitution, there are differing legal implications for the members sitting on these bodies.

- 4.2 The Local Authorities (Indemnities for Members and Officers) Order 2004 governs the Council's ability to indemnify members sitting on outside bodies.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The action proposed in this report supports the strategic purpose "an effective and sustainable Council".
- 5.2 Cabinet reviews a number of outside body appointments on an annual basis to ensure that those bodies to which the Cabinet puts forward nominations continue to address the needs and aspirations of the District.

Climate Change Implications

- 5.3 There are no specific climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no specific equalities and diversity implications.

Operational Implications

- 6.2 A number of bodies ask the Council to make appointments to them for terms of office which vary from one year upwards.
- 6.3 The Council has previously agreed that a number of such appointments, usually to national or regional bodies, should be made by office. Where there are specific requirements for appointments these are shown against the organisations in the appendix.

7. RISK MANAGEMENT

- 7.1 There would be risks arising if the Council failed to make appointments to the Outside Bodies listed in this report; the nature of the risk would vary depending on the type of body in question. The Council needs to participate in certain Outside Bodies to ensure that existing governance arrangements can be complied with. On other bodies the risk would be less severe but non-participation would detract from the Council's ability to shape and influence policies and activities which affect the residents of Bromsgrove.

8. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 1 – Amended appointment to the Health Improvement Group (HIG) Outside Body.

Background Papers:

Terms of reference and governing documents of organisations are held by Democratic Services.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Geoff Denaro	October 2021
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	November 2021

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Outside Bodies By Office (Cabinet appointments) – amended

Organisation	Number of representatives and length of term	Representatives 2019/2020 Rolled over for 2020/2021	Nominations 2021/2022
Health Improvement Group (HIG – a sub group of the Worcestershire Health and Wellbeing Board)	1 rep for each of the 6 districts in North Worcestershire	Cllr Shirley Webb	Cllr Shirley Webb

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Cabinet

24th Nov 2021

Financial Update Regarding Leisure Services

Relevant Portfolio Holder		Councillor Philip Thomas, Portfolio Holder for Leisure, Cultural Services and Community Safety
Portfolio Holder Consulted		
Relevant Head of Service		Ruth Bamford, Head of Planning, Regeneration and Leisure Services and Claire Felton, Head of Legal, Democratic and Property Services
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: 01527 881429	
Wards Affected		N/A
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		Living Independent, Active and Healthy lives
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended		

1. RECOMMENDATIONS

The Cabinet is asked to RESOLVE that:-

- 1) The impact of Covid-19 on Council's contracted Leisure service and the steps taken to mitigate the financial risks in this regard are noted;
- 2) the financial context and the financial impact in this regard are noted;
- 3) the options available to the Council (*as outlined in Appendix 1*) are noted; and
- 4) the proposal to negotiate a 2021/22 deed of variation to the contract (*outlined in Appendix 1*) is approved.

Cabinet

24th Nov 2021

2. BACKGROUND

- 2.1 In 2017 the Council entered into a 21-year leisure operating contract (LOC) with SLM to deliver Leisure Management Services on behalf of BDC to operate Bromsgrove Sports and Leisure Centre (BSLC). This contract sets out the legal and financial arrangements for the provision of leisure services by SLM at BSLC.
- 2.2 The Health Protection (Coronavirus Restrictions) (England) (No.4) Regulations 2020 (the Restrictions) put a legal obligation on leisure operators to close leisure centres during certain periods of 2020-21. These periods of closure were Specific Changes in Law under the terms of the LOC.
- 2.3 Since 20th March 2021 the Government originally announced the temporary closure of all gyms and leisure centres as part of the Covid response and the measures that have followed. Many facilities offering vital health, leisure and wellbeing services to the community have been badly affected and many have fallen between the cracks of most announced support packages.
- 2.4 In response to this, the Local Government Association (LGA) issued guidance to Councils on how they could provide practical support to facilities to ensure that they would be in a position to open and continue to operate to deliver these vitally needed services to the community.
- 2.5 As Members will be aware, SLM delivers a range of Council Services through the LOC and these services play an important role in ensuring the mental and physical wellbeing of local communities. Public Health England (PHE) reports that regular physical exercise can reduce the risk of many chronic conditions as well as contributing strongly to mental wellbeing and connectivity with others.
- 2.6 Throughout the periods of closure and lockdown, SLM have continued to provide repurposed support to members through the delivery of streamed workout videos and community information online. Whilst this has been far from ideal, it has been a lifeline for many people.
- 2.7 As the industry remobilises, work continues with officers and the management team at SLM to work through a package of support that will enable continuity of service and a rebuilding of customer confidence moving forward.
- 2.8 It is fair to say that all leisure operators are facing serious financial challenges with the loss of income and high standing cost of running a facility and that the failure of this provision would present the Council with difficult choices.

Cabinet

24th Nov 2021

- 2.9 Where a leisure operator fails this report has highlighted some indicative costs that would be relevant in different scenarios, but it is fair to say that with any scenario, the costs to a Council are significant and would include those associated with;
- maintaining the facility
 - TUPE transferring staff back to the Council
 - Loss of income while the facilities are closed
 - Retendering of services
 - Repayment of borrowing
 - Repayment of grant funding
 - Contractual penalties
- 2.10 At the present time the Council faces the following uncertainties:
- The Covid-19 pandemic looks set to continue but for what period of time and to what degree remains uncertain;
 - The short, medium and long term impact of the Covid-19 pandemic on the Leisure industry remains uncertain;
 - The Leisure industry has been significantly impacted by Covid-19 (in terms of cost base and demand for services).
- 2.11 The purpose of this report is therefore to:
- Update Members on the impact of Covid-19 on the Council's contracted Leisure service and the steps taken to mitigate the financial risks presented by Covid in 2020/21 and 2021/22;
 - Update Members on the financial context and the financial impact;
 - Update Members on the legal and commercial position;
 - Advise Members on the options available to the Council moving forward; and
 - Seek Cabinet support for the next steps and mitigating actions.
- 2.12 It is not anticipated that the facility will be in a position to turn a profit for the remainder of the calendar year and in this context it is proposed that the Council continue to work with SLM to ensure the provision of services by extending the agreements that Council have made to date to the end of the calendar year, during any period of opening, on an open book basis with no profit accruing to SLM during this period.
- 2.13 It is then proposed that for the period January 2022 to March 2022 where SLM anticipate that the business may move into a profit making position, the Council would receive 100% of such profit for this period recognising that in an uncertain environment it is also possible that the Council may need to continue to support losses as above.

2.14 It is fair to say that whilst this enables services to be delivered with some certainty to the end of the financial year, the challenge for future years remains. Officers are working with the SLM management team to provide projections for the business beyond March 2022 and this will necessitate further reporting to Members in due course.

3. FINANCIAL IMPLICATIONS

3.1 The financial context to the contract can be summarised as follows:

- The cost to the Council of building the Leisure centre was £14.85 million. £12.07 million being financed from borrowing (internal and external).
- The budgeted income levels (in the Medium Term Financial Plan (MTFP) approved in February 2021) compared to the current forecast are:

	20/21 £m	21/22 £m	22/23 £m	23/24 £m
(Income)/Expenditure				
Budgeted	(0.194)	(0.426)	(0.557)	(0.588)
Forecast	0.356	0.085	TBC	TBC
Variance	0.550	0.511	TBC	TBC

- As reported in the Council's Revenue Outturn position for 20/21, The £550k pressure in 2020/21 (which itself is net of £150k Sports England grant funding) has been funded from the General Covid-19 Grant. It is anticipated that the estimated 2021/22 pressure of £511k can also be funded from the General Covid-19 Grant, although it must be noted that the full impact of Covid-19 on the Council's finances remains uncertain at this point in time.
- It should also be noted that at this point, given the uncertainties in the (Covid-19 impacted) Leisure Industry, it is not possible to calculate, within a reasonable degree of accuracy, what the impact on future years' budgets is likely to be. Furthermore, including an estimate at this stage could prejudice the Council's negotiation position. As Covid-19 restrictions ease, it is anticipated that the data available on Leisure related footfall will become ever richer, enabling more certain forecasts in this area. As a consequence, it is anticipated that the 2022/23 Budget setting process will need to clearly identify the risks and uncertainties on this matter over the coming months.

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4. LEGAL IMPLICATIONSLegal Position to Date

- 4.1 As stated in the background section above, Bromsgrove District Council entered into a 21-year LOC with SLM in 2017 for the provision of leisure services at BSLC.
- 4.2 Due to the closure of services during the Covid-19 pandemic, the financial terms of the LOC in the period April 2020 to June 2021 could not be achieved and therefore agreement was reached with SLM to amend specific terms of the LOC.
- 4.3 The Council recognises the significant impact that the COVID -19 pandemic (the “Outbreak”) has had on the leisure industry and has worked with SLM to reach mutually acceptable agreements (the “COVID Agreements”) in response to the Outbreak. The Covid Agreements vary specific terms of the LOC.
- 4.4 The Covid Agreements divide the Outbreak into distinct phases. Certain phases of the Outbreak were periods of enforced closure by the Government under *Health Protection (Coronavirus Restrictions) (England) Regulations 2020* (the Restrictions). Other phases of the Outbreak were periods in which leisure facilities were permitted but not required by the Government to open, and some restrictions were in place during some of this period.
- 4.5 The Covid Agreements recognise that the phases of forced closure are Specific Changes in Law under the terms of the LOC. Consequently, provided SLM complies with its obligations to mitigate the effects of the Specific Change in Law, the Council is required under the LOC to make payments to cover SLM’s net operating costs during the periods of forced closure. These payments do not include any element of profit.
- 4.6 The Covid Agreements also recognise that the periods of limited operation of leisure facilities during periods of reopening do not constitute a Specific Change in Law. Contractually, therefore, the Council is not required to make payments to SLM but acknowledges SLM’s need for support during these unprecedented times.
- 4.7 Looking forward, assuming restrictions are not reimposed, the ongoing position remains positive but uncertain and as a result, arrangements for the short to medium term will need to be negotiated between the Council and SLM.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Council's partnership with SLM is part of its commitment to support activities for healthy lifestyles in the District.

Climate Change Implications

- 5.2 There are no climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no equalities and diversity implications.

Operational Implications

- 6.2 The information provided in this report relates to the ongoing operation and delivery of leisure services within the district.

7. RISK MANAGEMENT

- 7.1 The Council has been continually mitigating its liability by ensuring that SLM reduce costs wherever possible, maximise income and take no profit element. The Covid Agreements between the Council and SLM relating to COVID-19 expressly exclude profit.

- 7.2 The Council have been regularly reviewing SLM costs and ensuring that they relate only to the LOC and have actually been incurred through an 'Open Book' process.

- 7.3 The Council continue to assess the national landscape and the Sport England Guidance on Local Authority Contracts.

- 7.4 Officers meet with SLM regularly to assess the current legal/commercial position in the context of Covid and beyond.

8. APPENDICES and BACKGROUND PAPERS

- Appendix 1 – Exempt Information
Appendix 2 – Exempt information

Cabinet

24th Nov 2021

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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