



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 16TH FEBRUARY 2022

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors K.J. May (Leader), G. N. Denaro (Deputy Leader),
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 19th January 2022 (Pages 1 - 14)

4. Minutes of the meeting of the Overview and Scrutiny Board held on 17th January 2022 (Pages 15 - 22)

(a) To receive and note the minutes

(b) To consider any recommendations contained within the minutes

5. Sustainable Warmth Funding (Pages 23 - 30)

This report is due to be pre-scrutinised at the meeting of the Overview and Scrutiny Board scheduled to take place on Tuesday 15th February 2022. Any recommendations on this subject arising from this meeting will be reported for Cabinet's consideration in a supplementary pack.

The Background Papers for this item have been published in a separate Background Papers Pack for this meeting.

6. **The Council's 2022/23 Budget and Medium Term Financial Plan 2022/23 to 2024/25 Draft** (Pages 31 - 60)

This report is due to be pre-scrutinised at the meeting of the Overview and Scrutiny Board scheduled to take place on Tuesday 15th February 2022. Any recommendations on this subject arising from this meeting will be reported for Cabinet's consideration in a supplementary pack.

7. **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**

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

7th February 2022

**If you have any queries on this Agenda please contact
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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.

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 take a lateral flow test on the day of the meeting, 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 Committee meeting, should provide their apologies to the Democratic Services team and must self-isolate in accordance with national rules.

Members and officers must wear face masks during the Cabinet meeting, unless exempt. Face masks should only be removed temporarily if the Councillor / officer requires a sip of water or when speaking 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.

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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 must not attend in person and must 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.



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- 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.
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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

19TH JANUARY 2022, AT 6.00 P.M.

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

Observers: Councillor C. Hotham (Chairman of the Overview and
Scrutiny Board)

Officers: Mr. K. Dicks, Mrs. S. Hanley, J Howse, Mr. G. Revans,
Mr O. Paparega, Ms. C. Flanagan, Mr. M. Dunphy, Mr. K. Hiron,
Mr D Riley, Ms. A. Delahunty and Mrs. J. Bayley-Hill

38/21 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

39/21 **DECLARATIONS OF INTEREST**

Members briefly discussed the circumstances in which a Councillor might need to declare an interest in respect of Minute Item No. 44/21 – Council Tax Empty Homes Discount and Premiums. Clarification was provided that a declaration would need to be made by any Member who owned a property that had been vacant for two years or more, or a property that would have been vacant for two years by 1st April 2022.

There were no declarations of interest.

40/21 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 24TH NOVEMBER 2021**

The minutes of the Cabinet meeting held on Wednesday 24th November 2021 were submitted.

RESOLVED that the minutes of the Cabinet meeting held on Wednesday 24th November 2021 be approved as a true and correct record.

41/21 **BROMSGROVE HOMELESSNESS GRANT 2022/23 (PREVIOUSLY THE FLEXIBLE HOMELESSNESS SUPPORT GRANT AND HOMELESSNESS REDUCTION GRANT)**

The Portfolio Holder for Strategic Housing and Health and Well Being presented a report detailing the Council's proposed use of the Homelessness Prevention Grant, which had been received from the Government, in 2022/23. Cabinet was informed that some of the projects that would receive funding had been provided with financial support by the Council in previous years. However, it was also

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proposed that relatively new schemes should receive funding, including the Sunrise Project launched in 2021 for a period of two years and the Sanctuary Scheme, which was designed to enable victims of domestic abuse to remain in their homes wherever possible. Officers were thanked for their hard work during the Covid-19 pandemic to address homelessness and on homelessness prevention.

During consideration of this item, reference was made to the Citizens Advice Bureau (CAB). Members were informed that the CAB had notified the Council that the local branch of the organisation was due to lose funding in 2022. There was the possibility that additional financial support would be required from the Council to support the CAB and this might need to be taken into account when considering the allocation of the Bromsgrove Homelessness Prevention Grant in 2023/24.

RESOLVED that

- 1) The following initiatives be approved to receive allocation of funding 2022/23:

Grant Allocation	2022/23 £ (up to)
Young Persons Pathway Worker – support to prevent homelessness for under 25's	26,000
Worcestershire Strategic Housing Partnership Co-ordinator – contribution towards county-wide development and delivery of housing initiatives in partnership with other agencies	6,300
Hopes - Single Person and Childless Couples Homelessness Prevention Service top up	5,424
St Basils Crash Pad – provide a unit of emergency accommodation to young homeless people	10,909
NewStarts - Provide Furniture and Volunteering Opportunities for Ex-Offenders – supports tenancy sustainment and provides future employment opportunities/reduces risk of reoffending	15,000
Fry/Accord Housing Related Support – helping ex-offenders remain housed/seek employment	23,224
St Basils Foyer – provides stable accommodation/support for young people - 14 units – fully occupied during last financial year	30,000
Managing Temporary Accommodation Costs for BDHT	15,500
CCP- outreach and prevention service targeting rough sleepers and those at risk of rough sleeping.	25,082
North Worcestershire Basement Project - Support for young people at risk of	40,000

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homelessness	
bdht – Homelessness Reduction Act New Burdens	36,975
Step Up – Private Tenancy Scheme	18,200
Sunrise Project intensive support (2 year project agreed 2021)	39,000
Sanctuary Scheme for victims of Domestic Abuse	10,000
Citizens Advice – Targeted Debt Intervention	23,000
No First Night Out/No Second Night Out	£7,280
Total committed expenditure	331,894

- 2) delegated authority be granted to the Head of Community and Housing Services following consultation with the Portfolio Holder for Strategic Housing to use any unallocated Grant during the year or make further adjustments as necessary to ensure full utilisation of the Grants for 2022/23 in support of existing or new schemes.

42/21

BROMSGROVE RESPONSE TO SOUTH STAFFORDSHIRE PREFERRED OPTION LOCAL PLAN

The Strategic Planning and Conservation Manager presented Bromsgrove District Council's proposed response to the South Staffordshire Preferred Option Local Plan. Cabinet was informed that South Staffordshire Council was in a similar position to other local authorities in producing a Local Plan. A response from Bromsgrove District Council to South Staffordshire Council's Preferred Option Local Plan had been provided for Members' consideration and largely welcomed the proposals that had been brought forward. However, the response noted that South Staffordshire Council had identified a figure of 4,000 houses to meet the wider needs of the Greater Birmingham and Black Country Housing Market Area (GBHMA), which appeared to have been mainly informed by the content of the GBHMA Strategic Growth Study carried out in 2018. The response had commented that this was one of a range of strategic studies that could inform calculations about the number of houses that could be developed for the GBHMA and Bromsgrove District Council would be taking into account a wider range of documents when reaching its own conclusions about the number of houses that should be developed in the GBHMA.

During consideration of this item, Members noted that the name of the previous Portfolio Holder for Planning and Regulatory Services had been listed on the report. Officers confirmed that this would be amended for the Council meeting.

RECOMMENDED that the Council endorse the officer response to the South Staffordshire Local Plan and that it is confirmed with South Staffordshire Council as such.

43/21

BROMSGROVE DISTRICT COUNCIL CAR PARKS - ADOPTION OF CASHLESS PAYMENTS AND OPERATIONAL PROCEDURES FOR RECREATION ROAD SOUTH CAR PARK AND CHURCHFIELDS MULTI-STOREY CAR PARK

The Leader and Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships presented a report on the subject of the adoption of cashless payment systems and operational procedures for Recreation Road South Car Park and Churchfield Multi-Storey Car Park.

Cabinet was reminded that in November 2020 Members had approved a five-year investment plan for the Council's car parks, including agreement to enter into negotiations with ASDA to lease the Recreation Road South Car Park. Unfortunately, these options had fallen through, so the Council had had to explore alternative options for management of this car park. Following the successful launch of the MiPermit cashless payment app in Bromsgrove, it had been concluded that it would be a good time to extend the cashless payment option to payment machines in the Council's car parks. This followed on from proposals detailed in the report considered in November 2020, which had concluded that when the Council replaced the relatively old ticket machines in Bromsgrove car parks, consideration should be given to introducing a cashless payment system.

Prior to drafting the report in respect of cashless payments, Officers had completed an equality impact assessment. As part of this process, consultation had been undertaken with users of the Council's car parks in order to obtain their views about the cashless payment option. The results revealed that whilst 62 per cent of users would use the cashless option 38 per cent had indicated that they would not be open to using a cashless payment system. This indicated that a cash payment option needed to remain available to customers. The proposals detailed in the report reflected the need to retain an option for payments by cash alongside the introduction of a cashless system. The exception to this would be Churchfields Multi-Storey Car Park, where only cashless payment systems would be made available and there would be no payment machines, due to concerns regarding historic trends in terms of vandalism in the car park.

Following the presentation of the report, Members discussed the financial costs detailed in the report and action that had already been undertaken in terms of expenditure on upgrading the Council's car parks. Officers explained that the tables in the report detailed expenditure to date as well as the planned expenditure in the 2022/23 and 2023/24 financial years. The works detailed in the five-year plan were due to be completed by 2024/25. Cabinet was advised that whilst the Council received approximately £1 million income per year in car parking revenue, the authority was also responsible for maintaining the car parks and there were financial costs associated with this work.

Reference was made to the location of the Recreation Road South and Parkside car parks. Officers clarified the location of these car parks and confirmed that they were owned by Bromsgrove District Council. Whilst the Council had allocated budgets to the works that would be undertaken in these car parks, this would not be spent on remedial works on the highways, which remained the responsibility of Worcestershire County Council.

During consideration of this item, Councillor C. Hotham, Chairman of the Overview and Scrutiny Board, explained that the report had been pre-scrutinised at a recent meeting of the Board. Concerns had been raised at this meeting that whilst customers could pay £3 to park all day in the Churchfields Multi-Storey Car Park the cost of all day parking was £5 per day at other car parks. Members of the Board had raised concerns that this might discriminate against customers, particularly elderly customers, who might not have access to a credit card to make a cashless payment.

Cabinet concluded the debate by thanking the residents who had participated in the consultation process. The feedback that had been provided had been really valuable and had helped to inform decisions about the payment system that would be in place moving forward.

RESOLVED that

- 1) A Cashless Payment System (CPS) option be adopted for all Pay & Display car parks within the District, to be operational as soon as possible. Every car park, except Churchfields Multi-storey Car Park, will retain one ticket machine which will accept cash payments;
- 2) A 'Pay & Display' system be installed in Recreation Road South Car Park, with CPS option, to replace the current outdated and failing 'Pay on Foot' system, again to be operational as soon as possible;
- 3) Churchfields Multi-storey Car Park be used as a long stay car park only. This will be accessible by a Virtual Permit or Parking app only (refer to 2.4), with no cash payment being acceptable.

RECOMMENDED that

- 4) A reduced Budget, as shown in 3.1 - Budget Comparisons Table, to be amended as part of the medium-term financial plan review.

44/21

COUNCIL TAX EMPTY HOMES DISCOUNTS AND PREMIUMS

The Financial Support Manager presented a report on the subject of Council Tax Empty Homes Discounts and Premiums. Members were advised that there were two different types of empty homes:

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- Second homes, that were furnished but which were not any person's main residence. There was already a policy in place that stipulated that there was no discount on Council Tax offered to owners of second homes and Officers were not proposing that this situation should change.
- Vacant dwellings, which were unoccupied and substantially unfurnished. Under existing policies, owners of existing vacant properties were required to pay 50 per cent of the Council Tax on the property for the first six months and 100 per cent of the Council Tax thereafter. Owners of new vacant homes had a 100 per cent discount on their properties for the first three months, a 50 per cent discount on the following three months and were only required to pay 100 per cent of the Council Tax due if the property remained vacant after six months. Changes were proposed to the arrangements for discounts in these circumstances.

Under the proposals detailed in the report, the graduated discount system for new homes would be removed. Vacant homes, both in terms of existing properties and new homes, would be required to pay 100 per cent of Council Tax after a short period of time had elapsed.

There were also discounts that could apply to local authority housing. Whilst Bromsgrove District Council did not manage any housing stock, there was always the possibility that the authority could do so in the future. Discounts on Council Tax for Council houses could be invested in housing stock. For these reasons, it was proposed that this discount should remain.

The report proposed the introduction of premium payment requirements for properties that had been vacant for a significant period of time. These premiums would apply from 1st April 2022 onwards. Property owners would be required to pay a 100 per cent premium for homes that had been vacant for between two and five years, 200 per cent premium for homes vacant between five and ten years and a 300 per cent premium for homes vacant for ten years or more. The intention of the Government had been that vacant properties that were genuinely on the market for sale would not be subject to a premium and Councils needed to take this into account when introducing premiums. However, the Council had noted that the local housing market was buoyant, there were some doubts about whether legally these properties could be excluded from the premium and the Council had discretionary powers not to apply the premium if considered appropriate and assessments regarding applicability of this discretion could be made on a case by case basis.

In proposing the recommendations, the Portfolio Holder for Finance and Enabling explained that the Council was trying to reduce the proportion of homes in the district that were empty. The number of empty homes in the District on the date of the meeting were higher than the national average but it was hoped that measures such as the introduction of a

premium payment for long-term vacant properties would help to deter property owners from keeping their properties vacant.

During consideration of this item, reference was made to the Finance and Budget Working Group's recent debate in respect of this matter. The group had raised concerns about the 100 per cent discount on vacant homes only applying for the first 14 days after a property became vacant. Following the group's meeting, the Portfolio Holder for Finance and Enabling had discussed this concern with the Leader of the Council and they had concluded that the length of time in which this discount would apply could be extended to up to 30 days. This amendment was agreed by Cabinet.

Reference was made to the aims of the proposals in terms of taking action to reduce the numbers of empty homes in the District. Members commented that it would be in the financial interests of developers to sell their new homes, although it was also noted that some developers delayed sales in order to maintain demand, which could impact on house prices. Officers clarified that the application of Council Tax premiums was just one method available to Councils that could be used to discourage property owners from keeping their properties empty. There were other options, including those detailed in housing legislation, which could also be used to deter empty homes.

Members also discussed the potential implications of planning policies for the number of homes available to purchase in the District. Cabinet was advised that the National Planning Policy Framework (NPPF) allowed Councils to take various actions in relation to planning policy but this was separate to Council Tax provisions.

Reference was made to the 25 per cent discount on Council Tax for single occupancy properties. Members noted that this would continue to apply in the case of properties with a single inhabitant but would not be extended to other properties.

Consideration was given to the wording for the recommendations that had been recorded in the report. Officers confirmed that there had been a typographical error in the report, which should have distinguished between Class A second homes with a planning restriction and Class B second homes without a planning restriction.

RECOMMENDED that

- 1) From 1st April 2022 the level of Council Tax discount to be applied under Section 11A (4) and Section 11A (4A) for each class of dwellings as defined by The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended) will be:

Class A ["second homes with a planning restriction"] 0%: no discount

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Class B [“second homes without a planning restriction”] 0%: no discount

Class C [“vacant dwellings”]

- a. Where the dwelling has been unoccupied and unfurnished for a continuous period of not more than 30 days - 100% discount
- b. Where the dwelling has been unoccupied and unfurnished for more than 30 days - 0%: no discount.
- c. Where the dwelling is
 - i. unoccupied and substantially unfurnished; and
 - ii. the owner of the dwelling is a local housing authority; and
 - iii. when next in use the dwelling will be occupied under the provisions of the Housing act 1985

100% discount.

Owner will be defined by reference to section 6(5) and 6(6) of the Local Government Finance Act 1992 .

For the purposes of Class C when considering whether a dwelling falls within the description any period of occupation, not exceeding 6 weeks, during which it was not unoccupied and substantially unfurnished shall be disregarded.

Class D [“dwellings requiring major repair works”] - 100% discount

- 2) From 1st April 2022 the additional council tax premium applied under section 11B of the LGFA '92, for long-term empty dwellings will be
 - i) For a dwelling that has been a long-term empty dwelling for less than 5 years – 100% premium
 - ii) For a dwelling that has been a long-term empty dwelling for 5 years or more, but less than 10 years – 200% premium
 - iii) For a dwelling that has been a long-term empty dwelling for at least 10 years – 300% premium
- 3) The Head of Financial and Customer Services on a case-by-case basis may consider a reduction to the long-term empty premium.

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The Leader and Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships presented a report on the subject of the Levelling Up funding that had been awarded to Bromsgrove for regeneration of the former market hall and Windsor Street sites. The Council had been awarded £14.5 million Levelling Up funding. Some of this funding would be used to develop a creative sector in Bromsgrove town centre.

During consideration of this item, it was noted that the Overview and Scrutiny Board had pre-scrutinised the report at a meeting held on 17th January 2022. Members had suggested that there should be more than one Councillor appointed to the Levelling Up Fund Programme Board and the Leader had agreed that this should be the case. Therefore, in addition to the Leader, the Portfolio Holders for Finance and Enabling and for Planning and Regulatory Services would be appointed to the Board to speak on financial and planning matters respectively.

Reference was made to the purpose of the work on a creative sector under the proposals and the extent to which this would involve the introduction of multi-purpose facilities. Cabinet was informed that a multi-functional hub would be developed that could be used for all sorts of leisure and cultural activities.

Cabinet concluded discussions in respect of this matter by thanking the Head of Economic Development and Regeneration for North Worcestershire and his team for their hard work in respect of this matter.

RESOLVED that

- 1) Authority is delegated to the Head of North Worcestershire Economic Development and Regeneration (NWEdR), following consultation with the Section 151 Officer, the Head of Legal, Democratic and Property Services and the Portfolio Holder for Economic Development, Town Centre and Strategic Partnerships to purchase the former Fire Station site at Windsor Street, Bromsgrove.
- 2) The Levelling Up Fund programme governance and delivery arrangements are approved.
- 3) A new Programme Manager post is created in the NWEdR service to manage the delivery of the LUF programme.

46/21

COUNCIL TAX BASE 2022/23

The Executive Director of Resources presented the Council Tax Base Report 2022/23 for Members' consideration. Cabinet was informed that this was a technical report which focused on the Council Tax base for the District. Officers had calculated that the Council Tax Base in the

District, for band d equivalent properties, was 37,511, which represented an increase of 136 on the Council Tax base the previous year.

Members discussed the wording of the proposal detailed in the report and questioned whether Cabinet could resolve this matter or would need to refer the report on to Council. Cabinet was advised that the Council Tax Base figure would inform the Council's budget. However, in line with previous years, the Cabinet had the authority to resolve the Council Tax Base.

RESOLVED that

The amount calculated by Bromsgrove District Council as the Council Tax Base for the whole area for 2022/23 is approved at **37,511.05, to include the individual parish elements**

47/21

WORCESTERSHIRE REGULATORY SERVICES (WRS) BOARD - BUDGET RECOMMENDATIONS

The Executive Director of Resources presented recommendations that had been made at a recent meeting of the Worcestershire Regulatory Services (WRS) Board in respect of budget contributions from partner authorities in the 2022/23 financial year. There were a number of pressures on the WRS budget, including pay inflation of 2 per cent, increases to rent for the WRS offices and increases in expenditure on ICT support. As the host authority for WRS, Bromsgrove District Council received funding from partners for the provision of support services, such as financial services, and it was proposed that this should increase by £10,000. Overall, the Council's contribution to the budget for WRS in the 2022/23 would be £475,000.

Members subsequently discussed the budget proposals from the WRS Board and in doing so noted that the 2 per cent pay award for WRS staff was higher than the 1 per cent pay award for Bromsgrove District Council staff that had been built into assumptions in the Council's existing budget. Officers explained that these assumptions were being reviewed as part of the budget setting process.

Reference was also made to expenditure on the Tech Officer for Gull Control and questions were raised about the level of expenditure on this officer. Cabinet was advised that there were particular issues with seagull guano in Worcester City, which contributed the funding towards this post.

RECOMMENDED that the following be approved for 2022/2023:

- a) the 2022/23 gross expenditure budget of £3,891k.
- b) the 2022/23 income budget of 634k.

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- c) the revenue budget and partner percentage allocations for 2022/2023 onwards:

Council	£'000	Revised %
Bromsgrove District Council	475	14.55

- d) the additional partner liabilities for 2022/2023 in relation to unavoidable salary pressure:

Council	£'000
Bromsgrove District Council	12

- e) the additional partner liabilities for 2022/2023 in relation to hosting costs:

Council	Increase in Rent £000	Increase in ICT Hosting £000	Increase in Support Hosting £000
Bromsgrove District Council	1	2	1

- f) the additional partner liabilities for 2022/23 in relation to three Technical Officers.

Council	Tech Officer Income Generation £000	Tech Officer Animal Activity £000	Tech Officer Gull Control £000
Bromsgrove District Council	5	7	

48/21

MEDIUM TERM FINANCIAL PLAN 2022/23 TO 2024/25 - UPDATE PRESENTATION

The Executive Director of Resources presented an update on the budget and Medium Term Financial Plan (MTFP) 2022/23 to 2024/25.

Cabinet was informed that there were a number of emerging budget pressures, including inflation and salary inflation. In the previous MTFP, there had been an assumption that staff pay increases would be 1 per cent in 2022/23 but it seemed more likely that pay would increase by 2 per cent. Similarly, the cost of utilities bills was likely to increase at a far higher rate than had been envisaged in the previous MTFP. There were further pressures in respect of ICT, with continuing agile working

arrangements increasing risks to the Council in respect of ICT security. Therefore, there would be a need for additional expenditure on ICT security measures.

The Council could take certain actions to improve the revenue position moving forward. In this context, Officers were proposing that Council Tax should increase by £5 in 2022/23. There were also opportunities for cost reduction that were in the process of being explored. More detail would be provided in the final MTFP 2022/23 to 2024/25 in February 2022.

During consideration of this item, Members noted that it had recently been announced that another English Council had resolved an industrial dispute with staff working in their Refuse Service by offering an 11 per cent pay increase. Questions were raised about whether similar pay increases might be required in Bromsgrove. The Chief Executive explained that Bromsgrove District Council was part of the National Pay Bargaining scheme and Councils in this scheme made the same pay offer to their staff and it was possible that the other Council had not been part of this scheme. Members were asked to note, however, that the Trades Unions were in the process of consulting with their members about whether to take strike action in respect of pay settlements.

Reference was made to a recent meeting of the Finance and Budget Working Group at which a detailed presentation had been delivered on the subject of the MTFP. The Chairman of the group, Councillor C. Hotham, highlighted the group's concerns about the lack of financial monitoring reports that had been available in the year concerning the 2021/22 budget. It was acknowledged that there were extenuating circumstances, in terms of staffing levels, which had impacted on this situation. However, concerns were raised that the lack of monitoring information meant that it was difficult for Members to understand the current position of Council budgets. Members were informed that other Councils, including Worcestershire County Council, were struggling to retain staff in Financial Services and action was being taken by Bromsgrove District Council to address this situation.

In concluding the debate on this item, a request was made for Officers to provide the Leader and Deputy Leader with further information about the Council's earmarked reserves.

RESOLVED that the report be noted.

49/21

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 22ND NOVEMBER 2021

The Chairman of the Overview and Scrutiny Board, Councillor C. Hotham, presented the minutes of the meeting of the Board held on 22nd November 2021. During this meeting, Members had received a detailed presentation on the subject of the use of CCTV to tackle fly tipping. Councils had the power to undertake both overt and covert CCTV use.

However, the Board had learned that there were complex legal requirements in respect of covert use of CCTV cameras and this would need to be agreed by the Audit, Standards and Governance Committee. The Board had also discussed the report in respect of the financial update regarding Leisure Services and understood the position of the Council in respect of this matter.

During consideration of this item, reference was made to the work of the Libraries Task Group. Members questioned the length of time that this review had taken and commented that the Chairman of the group would receive a Special Responsibility Allowance (SRA) for chairing the meetings of the group. Councillor Hotham explained that the group had been reconvened to consider the wording of their recommendations, following the response that had been received from Cabinet to the group's proposals. It was likely that the Flooding Task Group would also be reconvened once the report from officers on the subject of flooding, which had been mentioned at the Cabinet meeting when the group's recommendations were noted, was available for Members' consideration.

RESOLVED that the minutes of the meeting of the Overview and Scrutiny Board held on 22nd November 2021 be noted.

50/21

FEES AND CHARGES 2022/23

The Portfolio Holder for Finance and Enabling presented the Fees and Charges 2022/23 report for Members' consideration. Cabinet was informed that a lot of information had been provided to explain the rationale for proposed increases to fees and charges, where applicable.

Cabinet was informed that the report had been pre-scrutinised at a recent meeting of the Finance and Budget Working Group. The group had noted that the majority of fees would be increased by 5 per cent, in line with inflation. Members had learned that the Council charged less for allotment services than many other Councils. It would take time to increase these fees to a comparable level.

During consideration of this item, reference was made to the fees that were received for gaming licences and Members queried whether the income from this would be allocated directly to WRS or to the Council. Officers explained that the funding would be allocated to WRS, although it was part of the Council's contribution to the service's budget. Members were also asked to note that many of the fees charged for services provided by WRS were set at a statutory level and so could not be changed by the Council.

RECOMMENDED that the proposed fees and charges 2022 – 23 be approved.

The meeting closed at 7.18 p.m.

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19th January 2022

Chairman

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

MONDAY 17TH JANUARY 2022, 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, R. J. Hunter, H. J. Jones, P. M. McDonald, C. J. Spencer and M. Glass (Substitute)

Observers: Councillor K. May – Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships
Councillor G. Denaro – Portfolio Holder for Finance and Enabling.

Officers: Mr. K. Dicks (via Microsoft Teams), Mrs. S. Hanley, Mr. J. Howse (via Microsoft Teams) Mr. G. Revans (via Microsoft Teams), Mr. K. Hirons (via Microsoft Teams) and Mr O. Paparega (via Microsoft Teams) and Mrs. J Gresham.

52/21

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received from Councillor A. Kriss with Councillor M. Glass in attendance as named substitute.

53/21

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

There were no Declarations of Interest nor of any Party Whip.

54/21

BROMSGROVE DISTRICT COUNCIL CAR PARKS - ADOPTION OF CASHLESS PAYMENTS AND OPERATIONAL PROCEDURES FOR RECREATION ROAD SOUTH CAR PARK AND CHURCHFIELDS MULTI-STOREY CAR PARK - PRE-SCRUTINY

The Chairman invited Councillor K. May, who was in attendance in her role as Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships, to present the Bromsgrove District Council Car Parks - Adoption of Cashless Payments and Operational Procedures for Recreation Road South Car Park and Churchfields Multi-Storey Car Park report. In doing so, the Board were informed that it was recommended that all Pay and Display car parks within the Town Centre were to adopt a cashless payment system. It was confirmed that in addition to the cashless payment option all car parks, except for

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Churchfields Multi-storey Car Park would retain one machine that would still accept cash payments. Members were advised that the decision to not have a machine that accepted cash payments at the Churchfields Multi-Storey car park was as a result of anti-social behaviour that had previously been experienced at this site.

The Environmental Services Manager, Mr. K. Hirons was welcomed to meeting to provide further information regarding the report to the Board. During which the following was highlighted for Members' attention:

- That the negotiations with a third party to take over the running and maintenance of the Recreation Road South Car Park had not been successful.
- The Mi Permit app had been introduced within the Town's car parks in 2021. This had provided flexibility to shoppers who visited the Town Centre.
- A full Equality Impact Assessment had been undertaken by the Council and the results of the survey had shown that 62% of users would use a cashless payment option and that 38% of users would not. This had resulted in the decision that a cash payment option be retained in most car parks and therefore minimise the potential discrimination for certain groups.
- The benefit of the introduction of cashless payments would allow the Civil Enforcement Officers (CEOs) within the District to undertake more of their normal enforcement duties as they would be able to check on the viability of each vehicles' parking period electronically rather than having to visually inspect tickets which was the current process. It was also reported that a cost saving of £10.5k on cash collections and £4.5k on the cost of ticket supplies would be made by the Council as a result of these changes.

Following the presentation there was a detailed debate regarding the implementation of cashless payments and the potential impact on the residents within the District and further afield. Although Members welcomed the report there was some concern expressed regarding the lack of availability of cash payments at the Churchfields Multi-Storey Car Park and that this might preclude some visitors from using the car park. In addition to this it was considered that it might be considered unfair to have a cheaper payment of a £3 all day parking fee at the Churchfields Multi-Storey Car Park when using the Mi Permit app whilst the remaining car parks charged £5 for all day parking. Some Members wished to explore the possibility of keeping

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a cash payment option within this car park for those who were unable to use the Mi Permit app.

During the debate heritage street lighting within the Town Centre was discussed at length and some Members queried whether there would be a consistent approach in respect of the replacement of heritage street lighting in the future. It was explained to Members that the street lighting within the boundary of the heritage area of the town centre would be replaced by heritage street lighting however this would not be the case of street lighting outside of the heritage boundary.

During consideration of this item the following was also discussed by Members:

- Solar powered parking machines – Although some Members were pleased that some of the parking machines would be solar powered there was some concern that not all of them would be. Officers confirmed that the reason for this was that when making card payments a large battery charge was required and after looking at other Local Authorities who had opted to use solar powered parking machines it was discovered that these kinds of machines were not always consistently reliable.
- The resale price of the old machines that were no longer needed - it was reported that it was difficult to estimate what the potential resale price would be as this was dependent on market need.
- The sum of investment for the Council would be £1m over the next 4 years, with £250k of that amount being spent by the end of the 2021/22 Financial Year
- Life-expectancy of the replacement machines – although it was difficult to provide a definitive life-expectancy of the new machines it was hoped that this would be 10 years.

As a result of consideration of the report, Councillor R. Hunter proposed the following amendment to the recommendation, which was seconded by Councillor P. McDonald:

That in addition to the cashless payment option at Churchfields Multi-Storey Car Park a cash payment option also be made available to the users of the car park.

Officers confirmed to Members that this proposal would increase costs at the Churchfields site and that the cost of installing two machines was £10k. In addition to this, any resulting costs of the installation of two machines would be higher due to the ongoing maintenance or if one or both machines were subject to vandalism.

On being put to the vote the recommendation was lost.

In respect of the discussion regarding heritage lighting Councillor R. Hunter proposed a recommendation as follows:

When any heritage street lighting within the town centre was replaced, it was replaced with the same heritage style lighting.

This proposed recommendation was not seconded.

Councillor K. May suggested that it might be useful to have a heritage lighting discussion at a future meeting of the Finance and Budget Working Group. This was agreed by the Chairman and the item would be added to the Finance and Budget Working Group work programme.

RESOLVED that the Bromsgrove District Council Car Parks - Adoption of Cashless Payments and Operational Procedures for Recreation Road South Car Park and Churchfields Multi-Storey Car Park be noted.

55/21

LEVELLING UP FUND - FORMER MARKET HALL AND WINDSOR ST SITES - PRE-SCRUTINY

The Portfolio Holder for Economic Development, Regeneration and Strategic Partnerships presented the Levelling Up Fund - former Market Hall and Windsor Street site report and advised Members that £14.5m had been awarded from the Levelling Up fund. The Board was informed that some of the funding was to be utilised to develop a cultural and creative hub in Bromsgrove town centre. Prior to the officer presentation Councillor K. May thanked all of the officers involved in putting the successful bid together and stated that this was very exciting and a one-off opportunity for Bromsgrove and its residents.

Mr O. Paparega, Head of North Worcestershire Economic Development and Regeneration (NWEDR), provided further detail regarding the report and its content and in doing so Members' attention was drawn to the following:

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- Market Hall site – It was planned that this would be the site of the cultural and creative hub. In addition to this there would be flexible working space provision for start-up businesses and a public art gallery would also be included in the project with the hope of attracting people to the town centre.
- Windsor Street – the project at this site would be pre-development i.e., preparing the site in readiness for development.
- The delivery timescales had recently been revised by Central Government to March 2025, which gave officers an extra 12-months to deliver the projects. However, under the Memorandum of Understanding, there was the possibility that a clawback clause could be triggered by Central Government should any of the funding remain unspent by the new deadline. Additional risks included the costs of the developments and delivery risk including resourcing and supplies. A detailed risk register was in place and would be monitored closely.

The Chairman invited Councillor G. Denaro, who was in attendance in his role as Portfolio Holder for Finance and Enabling to comment on the report and he reiterated that this was a great opportunity and might alleviate revenue pressures on the Council.

Although some Members were interested in the future of the United Reform Church on the Windsor Street site, they were informed that as it was a privately owned building it was not appropriate to discuss at a public meeting.

Some Members were interested in better understanding what the new role of the Programme Manager at NWEDR would be and whether this resource was already available within NWEDR. It was explained that there was a small team at NWEDR and with such complex projects, a wide spectrum of disciplines and strict deadlines involved it was important to have the correct resourcing available.

During a robust debate the following areas were also discussed by Members:

- Public consultation – Officers confirmed that public consultation would certainly take place at the appropriate time and would be publicised accordingly.
- Funding had been received from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for the feasibility study for the bid and from Worcestershire County Council (WCC).

- A Feasibility Study was currently underway regarding the clearance of the Windsor Street site.

The Chairman echoed that this was a very exciting opportunity for the District and that he would be interested to see the funding bid that had been submitted in order to measure the success of the implementation. Officers undertook to provide the summary of the bid for the Board's information. Finally, there was discussion regarding the governance of the Programme Board and the Chairman thought that it would be appropriate to have additional elected Members on the Programme Board e.g., the Portfolio Holder for Finance and Enabling and the Portfolio Holder for Planning and Regulatory Services. Councillor K. May informed Members that she would speak to the relevant officers to see if this was a possibility and would be happy to include these members on the Programme Board if appropriate.

RESOLVED that Levelling Up Fund - former Market Hall and Windsor Street sites report be noted.

56/21

FINANCE AND BUDGET WORKING GROUP - UPDATE

The Chairman introduced the Finance and Budget Working Group update and informed Members that the last meeting of the Working Group had been a lengthy one. The items considered had included the Council Tax Empty Homes Discounts and Premiums report. Members had been encouraged that there was to be a change in the way Council Tax on empty homes was administered in the future.

In respect of Fees and Charges, the Board was informed that there had been an increase in the cost of memorial benches. However, this was in line with market cost and other Local Authorities. It was explained to the Board that at this meeting there had been discussion regarding gambling licences and the Executive Director Resources explained that the licence fees were set subject to government controls and that the fees collected were kept at a local level.

RESOLVED that the Finance and Budget Working Group be noted.

57/21

TASK GROUP UPDATES

Councillor S. Colella, in his role as Chairman of the Impact of the Library Service Review Task Group informed Members that the Task Group had met once since the last meeting of the Board and that another meeting had been scheduled to take place on 20th January 2022.

RESOLVED that the Task Group Updates be noted.

58/21

WORCESTERSHIRE HEALTH OVERVIEW AND SCRUTINY COMMITTEE - UPDATE

Councillor S. Baxter provided the Worcestershire Health Overview and Scrutiny Committee (HOSC) update and explained that there had been one meeting since the Board had last met. Members were informed that at the meeting Integrated Care Systems (ICS) were considered and what the new systems would mean for patients. It was reported that it was hoped that by implementing ICS there would be a more joined up approach across the County.

The Board were also informed that the last two years had been particularly difficult for critical care but that it was hoped that this would now slowly improve.

Councillor S. Baxter reminded Members that the minutes were circulated by the Democratic Services Officer, and these provided additional detail to the items that were considered at the HOSC meetings.

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

59/21

CABINET WORK PROGRAMME

The Chairman highlighted to Members that the Sustainable Warmth Programme had been added to the work programme since the publication of the agenda and it was agreed that this item would be considered at the next meeting of the Board in February 2022.

RESOLVED that the Cabinet Work Programme be noted.

60/21

OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME

The Democratic Services Officer presented the item in respect of the Overview and Scrutiny Board Work Programme. In doing so it was confirmed that the reports that had been queried by Councillor R. Hunter at the last meeting of the Board in on 17th November 2021 had been added to the work programme as requested. These items were as follows:

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- Land Drainage Watercourse Maintenance Operation – pre-scrutiny
- Housing enforcement powers and how they are used

In addition to this the Democratic Services Officer undertook to make the addition of the Sustainable Warmth Funding as detailed during consideration of the previous item.

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

61/21

TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 22ND NOVEMBER 2021

The minutes from the previous meeting held on 22nd November 2021 were submitted for consideration by the Board.

RESOLVED that the minutes of the Board meeting held on 22nd November 2021 were a true and accurate record.

The meeting closed at 7.40 p.m.

Chairman

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SUSTAINABLE WARMTH FUNDING

Relevant Portfolio Holder	Councillors Shirley Webb/Michael Thompson
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Report Author	Name: Kath Manning Job Title: Climate Change Officer Contact email: kath.manning@bromsgroveandredditch.gov.uk Contact Tel: Ext 3044
Wards Affected	No specific ward relevance.
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	<ul style="list-style-type: none"> - Affordable and Sustainable Homes - Living independent, active & healthy lives - Work & financial independence - Communities which are safe, well maintained & green
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Cabinet **RECOMMEND** that:

- 1) The Capital and Revenue Budgets are increased to receive Bromsgrove District Council's Sustainable Warmth scheme allocation of £429,000.
- 2) Delegated authority is granted to the Head of Community & Housing Services in consultation with Portfolio Holders for Housing and Climate Change to administer the funding received in line with the grant conditions.

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2. BACKGROUND

- 2.1. The Sustainable Warmth Competition originating from the Secretary of State for Business, Energy and Industrial Strategy (“**BEIS**”) awarded funding to the Midlands Energy Hub (“**MEH**”) administered by Nottingham City Council, after MEH successfully submitted a proposal for West Midlands local housing authorities to deliver this funding.

The Sustainable Warmth funding will support energy efficiency measures and low carbon heating, with an aim of upgrading homes with poor energy efficiency (Energy Performance Certificate (EPC) rating D, E, F or G) to a target energy efficiency rating of EPC C, or EPC D where this is not possible.

Sustainable Warmth Funding has two components:

- Home Upgrade Grant (HUG) Phase 1 for properties not connected to mains gas
- Local Authority Delivery (LAD) Phase 3 for properties connected to mains gas

Bromsgrove District Council (BDC) has been allocated funding based on the proportion of housing in the borough likely to have a poor Energy Performance rating and the proportions of properties connected to mains gas.

The deadline to accept the allocation is 28th February 2021.

- 2.2. Key information regarding BEIS scheme criteria:

- Eligibility is based on fuel poverty risk – having a low income and living in a home with poor energy efficiency.
- Measures must be targeted at properties with the worst energy efficiency – Energy Performance Certificate (EPC) E, F and G. Up to 30% EPC D properties can also be included.
- Households must be either
 - private owners or renters with an income of less than £30k or with other factors which are a proxy for low income such as receipt of means tested benefits, food and fuel vouchers
 - social housing tenants.
- Sustainable Warmth funding focusses on owner occupier and private rental properties. Social housing stock is capped at 10% of the total number of HUG 1 homes and 10% of the total number of homes for LAD 3 to enabling mixed tenure area-based schemes.

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- Maximum average grant per property is £10,000 for LAD3 and £15,000 for HUG. For privately rented or social housing properties, the grant can only be up to one third of the cost of measures and of the above amounts. Any owner occupier properties are required by BEIS to be fully funded using the grant monies.
 - Funding must be delivered to Publicly Available Specification (PAS) 2035 (PAS 2035:2019 Specification for the energy retrofit of domestic buildings) using Trustmark accredited contractors. This includes use of Retrofit Assessors, Coordinators and Designers to ensure that measures are appropriate to the whole property and the longer term and delivered to an agreed standard.
 - Any installations proposed should follow the recommendations of the Retrofit Co-ordinator. This means maximising the proportion of insulation and clean heat measures installed (measures including solid wall, cavity wall and loft insulation, and heat pumps) and limiting the proportion of other measures (measures such as Solar PV/thermal, windows and doors).
 - The period of this Grant is from the date of allocation until 31st March 2023 unless extended by MEH with permission from BEIS and HM Treasury as required.
- 2.3. The deadline for delivery of LAD 2 has been extended to July 31st 2022 and therefore will overlap with Sustainable Warmth funding.

3. FINANCIAL IMPLICATIONS

- 3.1. BDC's allocation is as follows (with the maximum amount for Social Housing shown in brackets):

	Capital	Administrative Allocation (Admin and Ancillary)
Home Upgrade Grant (HUG) Phase 1	£190,000 (£19,000)	£19,000 (£1,900)
Local Authority Delivery (LAD)Phase 3	£200,000 (£20,000)	£20,000 (£2,000)

- 3.2. As per government guidance, the scheme will be targeted at privately owned housing, as there are other funding streams dedicated to Social Housing e.g. the Social Housing Decarbonisation Fund (SHDF). The

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social housing allocation will be used to also enable upgrades to neighbouring social housing stock owned by any Registered Provider e.g., in a mixed tenure block of flats. This may include but is not limited to works by Bromsgrove District Housing Trust (BDHT), who are working with BDC on LADS 2 delivery.

- 3.3. Where the Grant includes capital funding, accounting standards permit, in certain circumstances, the capitalisation of costs incurred when delivering the capital assets for the fund (for example, administrative and ancillary). The Council will keep such costs incurred in delivery to below 10% of the HUG 1 total Grant and 10% of the LAD 3 total Grant independently provided by the Secretary of State. In all other cases capital funding must not be spent on revenue.
- 3.4. The Administrative Allocation may be used for administration and ancillary work including, but not limited to:
 - Project management, reporting and governance costs;
 - Pre-installation EPCs to target households, verify eligibility and evidence improvements to the property;
 - Building works to prepare for installation;
 - Retrofit co-ordinator training costs; and
 - Resident targeting, low-income verification and sign-up including lead generation and communication activities.
- 3.5. The Grant shall be paid in the following way:
 - 10% of the total Grant Amount shall be paid to the Council within 30 days following the receipt by MEH of the signed copy of the grant letter. This is intended to be used to support any required survey works and can be used as capitalisation;
 - 10% shall be released within 30 days of approval by MEH of the Council's Development Plan and meeting of any pre-conditions;
 - Additional 20% quarterly payments will be released within 30 days of the 1st April, 1st July, 1st Oct and 1st Jan following receipt by MEH of ongoing timeline monthly reporting and maintaining 80% of their delivery profile provided in the Development Plan.
- 3.6. The amount of the Grant shall not be increased in the event of any overspend by the Council.
- 3.7. Any unspent Grant monies shall be returned to MEH within 25 calendar days of the end of the Grant Period unless otherwise agreed between the parties.

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4. LEGAL IMPLICATIONS

- 4.1 The general power of competence in s1 of the Localism Act 2011 empowers the council to undertake such a project.
- 4.2 The Grant is part of a capital funding scheme distribution by way of Section 31 of the Local Government Act 2003. The Grant must therefore be used in line with Section 11 of the Local Government Act 2003 and any regulations or subsidiary legislation made under that Section.
- 4.3 An existing OJEU compliant framework contract between Bromsgrove District Council and Surefire Management Services will be used to procure delivery of the works.
- 4.4 A legal review of the Grant Conditions will be undertaken prior to acceptance.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purposes

- 5.1 The funding aligns as follows:
 - **Affordable and Sustainable Homes:** decarbonising and improving the energy efficiency of homes
 - **Living independent, active & healthy lives:** healthier home environments
 - **Work & financial independence:** addressing fuel poverty
 - **Communities which are safe, well maintained & green:** reducing carbon emissions

Climate Change Implications

- 5.2 This funding is specifically to reduce energy consumption with an emphasis on decarbonisation, so is key for addressing Climate Change.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1. Allocation of the funding will be based on criteria set by BEIS and will not be based on personal characteristics other than related to income.
- 6.2. Equality and Diversity considerations particularly in relation to accessibility will be included in all aspects of the project, with the Policy Team consulted as necessary.

Operational Implications

- 6.4. The Council must submit a Development Plan for their project to MEH
- to MEH by 28th February 2022.
 - The Development Plan must be submitted in accordance with the Midlands Energy Hub’s Guidance for Local Authorities and BEIS schemes guidance:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/993972/sustainable-warmth-competition-guidance.pdf
- 6.5 MEH have appointed local energy advice agency Act on Energy to deliver the ‘customer journey’ and all referrals will be directed to them.
- 6.6 As part of the Development Plan, the Council will be responsible for carrying out or arranging for the reasonable ongoing due diligence, controlling, monitoring, reporting, as well as managing any specific cases of suspected or identified fraud.
- 6.7 Capacity for this within the Council is extremely limited, so the intention is to use the administration funding to secure external support e.g. from Worcestershire County Council, otherwise the project would unlikely to be able to go ahead.
- 6.8 To ensure sufficient technical expertise, appropriately qualified and experienced Retrofit Assessors, Coordinators and Designers will be procured, either using the existing SMS framework contract or using the MEH Dynamic Purchasing System (DPS).

7. RISK MANAGEMENT

Risk	Effect	Mitigation
No funding	Benefits not realised.	<ul style="list-style-type: none"> • Accept funding
Timescales - deadlines not met	Funding not accessed or needs to be returned.	<ul style="list-style-type: none"> • Secure adequate capacity. • Regular monitoring of spend. • Close communication with Midlands Energy Hub regarding potential delays and any need for reallocation. • Finance and legal to review Grant Conditions regarding

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		any risks related to returning funding.
Covid19	Transmission and resultant harm, impact on timescales.	<ul style="list-style-type: none"> • Covid-secure practices. • Health and Safety involvement in project planning.
Insufficient experience of low carbon technologies	Measures underperform	<ul style="list-style-type: none"> • Procure suitably qualified and experienced retrofit assessors, coordinators and designers

8. APPENDICES and BACKGROUND PAPERS

Background papers:

- MEH Green Homes Grants Sustainable Warmth – Grant Letter Bromsgrove

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	<ul style="list-style-type: none"> • Cllr Shirley Webb Portfolio Holder for Strategic Housing and Health and Well Being • Cllr Michael Thompson Portfolio Holder for Leisure, Culture and Climate Change 	24/1/2021
Lead Director / Head of Service	<ul style="list-style-type: none"> • Judith Willis Head of Community & Housing Services 	24/1/2021
Financial Services	<ul style="list-style-type: none"> • James Howse Executive Director of Resources • Chris Forrester Head of Finance and Customer Services 	25/1/2021

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Legal Services	<ul style="list-style-type: none">• Clare Flanagan Principal Solicitor	21/1/2021
Climate Change Officer	Kath Manning Climate Change Officer	Report author

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THE COUNCIL'S 2022/23 BUDGET AND MEDIUM TERM FINANCIAL PLAN FOR 2022/23 TO 2024/25 - DRAFT

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester
Report Author	Name: Chris Forrester Job Title: Head of Service email: chris.forrester@bromsgroveandredditch.gov.uk Contact Tel:
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. RECOMMENDATIONS

1.1 The Cabinet RECOMMEND that Full Council approve: -

- 1) the overall net general fund revenue budgets (as set out in Section 4.9) of:

2022/23: £12.069m
2023/24: £11.947m
2024/25: £12.076m

- 2) the unavoidable costs as attached at Appendix 1:

2022/23: £0.250m
2023/24: £0.016m
2024/25: £0.016m

- 3) the Revenue Bids as attached at Appendix 2:

2022/23: £0.148m
2023/24: £0.107m
2024/25: £0.086m

- 4) the Identified Savings as attached at Appendix 3:

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2022/23: £0.176m
2023/24: £0.176m
2024/25: £0.176m

- 5) an increase of the Council Tax per Band D equivalent of £5 for 2022/23.
- 6) the transfer from General Fund Balances of £0.411m for 2022/23.
- 7) the planned reallocation of £0.382m from Earmarked reserves to General Fund Balances as set out at Appendix 5.
- 8) the General Fund capital programme as at Appendix 4 of:

2022/23: £2.410m
2023/24: £1.390m
2024/25: £1.946m

1.2 And that the Cabinet ask the Council to note

- 1) the 2020/21 Capital Outturn as reported at Appendix 7.
- 2) The Chief Financial Officer (CFO) Opinion on Estimates and Reserve Levels as reported in Appendix 6.

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2. BACKGROUND

Purpose

- 2.1 The purpose of this report is to set the Council's (General Fund) Revenue and Capital Budget for 2022/23, as well as the Medium-Term Financial Plan (MTFP) for the period 2022/23 to 2024/25.
- 2.2 The Council's Medium Term Financial Plan (MTFP) provides the framework within which the revenue and capital spending decisions can be made.
- 2.3 The Strategic Purposes that drive the financial considerations are:
- Run and grow successful business
 - Work & financial independence
 - Living independent, active & healthy lives
 - Affordable & sustainable homes
 - Communities which are safe, well maintained & green
- 2.4 This report includes recommendations to Council to enable a balanced budget to be set for 2022/23 and the proposed Council Tax for 2022/23. The recommendations will then be presented to Council on 23rd February 2022 together with the resolutions once we have received all the precepting bodies Council Tax calculations.

Financial Context

- 2.5 The Council faces a challenging financial context having:
- i) identified (but still needs to deliver) significant savings over the medium term;
 - ii) reserve balances which are currently adequate (but no more) and above minimum levels – but which are forecast to reduce without further action; and
 - iv) high levels of planning uncertainty with regards to the levels of available funding in coming years and with regard to the impact of Covid-19 on key income streams such as car parking and Leisure.
- 2.6 The Council therefore needs to continue to carefully consider how it prioritises resources and balances budgets in a sustainable and affordable way, as part of this (and future) budget round(s).

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- 2.7 Members and officers have therefore reviewed the services provided by the Council over the last 6 months to consider the levels of funding available to the Council and identified where potential savings can be made or additional income generated.
- 2.8 The Finance and Budget Working Group established by the Overview and Scrutiny Board has met on a regular basis to review budget related issues (including reports on underlying risks, pressures and uncertainties as well as income matters and fees and charges opportunities).

Unprecedented Levels of Uncertainty

- 2.9 It should be noted that the future of the system of local government finance remains uncertain. The government has committed to re-assess the baseline need for spend in each local authority (through its 'Fair Funding review'). This has been pushed back (again) to 2023/24 at the earliest - but is still expected to happen. This review will have a significant impact on the government's calculation of the Settlement Funding Assessment for (and therefore the amount of funding available to) this council - and remains therefore a significant risk.
- 2.10 It also remains uncertain as to what the Government's plans are with regards to the system of business rates - including the share of business rates retained locally.
- 2.11 A one-year provisional Local Government Finance Settlement was announced on 16th December 2021 and has been incorporated into this report. It remains unclear as to when Government will announce more funding certainty through a multi-year financial settlement for Local Government.
- 2.12 Furthermore, the short, medium and long term impact of the Covid- 19 pandemic and UK's exit from the European Union (on residents, the economy and the state of national and local government finance) remains uncertain. Locally, the impact of Covid-19 on car parking and Leisure services income is particularly relevant given the importance of these income streams.
- 2.13 Taken together therefore (the outcome of the fair funding review, the future of business rates and the local government financial settlement, COVID-19, Brexit and the state of the local and national economy) represents a challenging context within which to set the budget and MTFP - one characterised by an unprecedented level of uncertainty.

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3. **FINANCIAL IMPLICATIONS**

3.1 In order to clearly explain the basis of the Budget proposals this report (which sets out all financial implications) will be structured as follows:

4) **General Fund Revenue**

i. **The Prior Year MTFP 2021/22 – 2023/24**

This section which will summarise the previous Council approved MTFP as a reminder of the previously approved starting point.

ii. **Updated Forecast Outturn Position for 2021/22**

This section will update the starting revenue position for 21/22 and therefore update the opening balances for 22/23.

iii. **The 22/23 Budget and (updated) MTFP for the period 22/23 – 24/25**

This section will set out the updated Budget and MTFP forecast for approval.

iv. **The Updated MTFP and General Fund Forecasts**

This section will summarise the impact of the updated 22/23 Budget and MTFP forecast on the Council's General Fund balance position over the medium term.

v. **Reconciling the current updated MTFP to the Feb 2021 Approved MTFP**

This section will analyse and explain the movements from the previous approved Budget and MTFP to the updated 22/23 Budget and MTFP.

vi. **Council Tax increase**

vii. **Reallocation of Earmarked Reserves to General Fund**

This section sets out those reserves previously earmarked for specific purposes that can be release back to the General Fund Reserve.

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viii. Covid General Grant

This section summarises the position on general Covid grant funding received by the Council.

5) Collection Fund and Precepts

6) Capital Programme

4. GENERAL FUND REVENUE

The Prior Year MTFP 2021/22 – 2023/24 (approved February 2021)

- 4.1 The Council's MTFP is updated annually and was previously approved for the three-year period 2021/22 to 2024/25 by full Council in February 2021.
- 4.2 The following table sets out what, at that point (Feb 2021) the MTFP forecast in terms of annual budget deficits and opening and closing general fund balances.

Table 1: The Prior Year MTFP and General Fund Balance Forecasts

	21/22	22/23	23/24
General Fund	£000's	£000's	£000's
Opening Balance	4,284	4,306	3,206
Annual (Deficit) / Surplus	22	(1,099)	(1,472)
Closing Balance	4,306	3,206	1,735

- 4.3 Table 1 shows that the previously (Feb 2021) approved MTFP predicted a surplus of £22k in 2021/22. The Council was expected to move to an in-year deficit position of £1.099 million in 2022/23 and £1.472 million in 2023/24.
- 4.4 Annual deficits require the Council to utilise its General Reserve balances. As at February 2021, the MTFP, based on the annual deficits forecast above, showed that the Council's General Fund Balances would reduce from £4.284 million a 1st April 2021 to £1.735 million at 31st March 2024.

Updated Forecast Outturn Position for 2021/22

- 4.5 The forecast outturn position for the General Fund balance at the end of this current year (2021/22) is currently £4.257m (after forecast 21/22 Outturn and technical adjustments but before any unplanned transfers from Earmarked Reserves).

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The 22/23 Budget and (updated) MTFP for the period 22/23 – 24/25

- 4.6 The MTFP has been updated for the period 2022/23 to 2024/25 to model the impact of changes in assumptions, budgetary pressures, reductions in funding and savings.
- 4.7 The 22/23 Budget and updated MTFP is summarised (in terms of its annual revenue and general fund forecasts) for the period 2022/23 to 2024/25 in the table below:

Table 2: The Updated MTFP and Annual Revenue Budgets

- 4.8 The proposed budget is summarised in the table below:

	2022-23	2023-24	2024-25
	£000	£000	£000
Departmental base budget	11,673	11,682	11,890
Incremental Progression/Inflation on Utilities	174	318	260
Unavoidables Pressures	250	16	16
Revenue Bids & Revenue impact of capital bids	148	107	86
Savings and Additional income	-176	-176	-176
Changes in Specific Grant/Funding Movements	0	0	0
Net Revenue Budget Requirement	12,069	11,947	12,076
Financing			
Funding from reserves	-100	0	0
Lower Tier Services Grant	-700	0	0
Business Rates Net Position	-2,510	-2,510	-2,510
New Homes Bonus	-363	0	0
Collection Fund Deficit (Council Tax)	-175	0	0
Council Tax	-8,937	-9,243	-9,560
Investment Income	-0	-0	-0
Interest Payable	260	262	249
MRP (Principal)	1,081	1,172	1,078
Discount on advanced pension payment	-214	-40	-120
Funding Total	-11,658	-10,360	-10,864
General Balances	2022-23	2023-24	2024-25
	£000	£000	£000
Opening Balances 21/22 (projected)	4,257	3,846	2,259
Contribution (from) / to General Balances	-411	-1,588	-1,213
Closing Balances	3,846	2,259	1,046

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Explanatory Notes

- 1) All Service Teams / Departments have a base budget which includes staff budgets.
- 2) Staff budgets are subject to incremental progression as staff become more experienced within graded posts.
- 3) A number of budget pressures that have been deemed “unavoidable” and are further analysed in this report.
- 4) Budget setting includes a ‘bidding process’ for additional resources – set out below.
- 5) Budget setting includes the identification of savings and income – set out below.
- 6) Specific grant funding, where confirmed, is set against services as appropriate.
- 7) Financing includes an element of planned reserve usage.
- 8) The Council receives a ‘Lower Tier’ grant from Central Government.
- 9) The Council retains an element of its business rates receipts to fund services.
- 10) The Council retains its own element of council tax bills (it collects for all precepting authorities). The budget includes an increase of £5 (band D) - the maximum allowable without a referendum.
- 11) An element of Collection Fund surplus / deficit impacts on the Council General Fund.
- 12) New Homes Bonus has been confirmed by Central Government.
- 13) The Council earns interest on investment balances.
- 14) Minimum Revenue Provision costs reflect capital borrowing / repayment costs.
- 15) Borrowing costs based on forecast interest rates.
- 16) The Council has benefitted financially from paying some of its Pension commitments calculated at the last Actuarial Review in one lump sum (to Worcestershire Local Government Pension Fund).

4.9 The above table sets out how the Council’s expenditure profile will be met by a combination of external funding and use of reserves over the period.

4.10 The table also shows that the General Reserve Balance is forecast to remain above minimum levels (currently set at £1.5m) until partway through the 24/25 financial year.

Analysis of key changes to the MTFP – Forecast General Fund Balances

4.11 The following table sets out how the draft MTFP (as summarised in Section 4.9) compares to the previous MTFP in terms of forecast closing general fund balances:

4.12 Table 3: The Updated (versus Previous) MTFP and General Fund Forecasts

General Fund Closing Balance	21/22	22/23	23/24	24/25
	£000’s	£000’s	£000’s	£000’s
Previous approved	4,306	3,206	1,735	N/A
Updated (per this report)	4,257	3,846	2,259	1,046

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- 4.13 The table above shows that the 2021/22 General Fund closing position remains largely unchanged (£4.257 million as opposed to £4.306 million) than that forecast when the budget was approved in Feb 2021.
- 4.14 The table demonstrates that the updated MTFP forecasts a General Fund Balance of £3.846 million at the end of 2022/23 (compared to £3.206 million) which remains above minimum set levels of £1.5 million.
- 4.15 Table 4 shows that the General Fund balance is now forecast to total £2.259 million at the end of 2023/24 (compared to £1.735 million in the previous MTFP), and (without further action) reduce to £1.046m at the end of 24/25 which is below minimum set levels.

Reconciling the current updated MTFP to the Feb 2021 Approved MTFP

- 4.16 Changes need to be made to the Council's budget and MTFP to keep them up to date and robust. In order to make these changes as transparent as possible these changes have been summarised in Table 4 below.
- 4.17 Table 4: Reconciliation of Previous and Updated MTFP - Adjustments made to the Annual Budget Forecasts 22/23 and 23/24

	22/23	23/24
	£000s	£000s
Previous Forecast Deficit (Feb 21 Budget)	1,099	1,472
+ Corrections and Assumption changes	45	169
+ Pressures	250	16
+ Funding impact	-956	0
+ Resource Planning and Prioritisation (RPP)	-28	-69
= Updated Forecast Surplus / Deficit	411	1,588

- 4.18 The above summary shows that the annual budget deficits (before appropriation of General Fund Balances or General Covid Grant) are now forecast at £0.411m for 2022/23 (previously £1.099m), and £1.588m for 23/24 (previously £1.472m).
- 4.19 In order to better explain what is driving these changes in budget forecasts, this summary is further explained and analysed below:

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Corrections and Assumption changes (net £45k in 22/23)

- 4.20 All budgets include estimates and assumptions. Eg. Inflation and interest rates. These are updated annually.
- 4.21 One of the outcomes of budgetary control, closedown and setting procedures is also the identification of inaccuracies. There are a large number of such amendments which are individually usually small. The larger factors to the overall changes here include:
- Inflation. One of the pressures to the budget is general inflation on utility costs along with additional costs in relation to pay. The costs relating to pay inflation are above that initially anticipated. The original budget included a 1% pay award however the best estimate is now 2% which adds an additional pressure of circa £80k pa. Other pressures have been contained within budgets where possible.
 - MRP, interest costs and investment income budgets lines have all been reviewed and reduced compared to prior year forecasts. These changes are due to a review of the capital programme to reflect more accurately planned spend. This reduces significantly MRP and borrowing costs – but also investment income (which has also been revised to take account of the short-term focus on delivering the Levelling up Programme of work rather than alternative strategic investments). The overall net impact is a £129k saving in 22/23.
 - This budget also includes the impact of recent decisions to amend the Council's policies with regards to Council Tax premiums and discounts which aim to incentivise more empty homes being brought back into use from 2022/23.

Pressures

- 4.22 Expenditure (and income) budgets required to deliver previously approved strategies and plans are subject to a multitude of market forces, sector issues, demographics and other matters.
- **Unavoidable Costs/Bids (£250k 22/23).** When proposing the budget officers have also identified a number of budget pressures that have been deemed “unavoidable”. These unavoidable pressures include the ongoing effects of pressures identified during 2021/22 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. They are set out in full in Appendix 1.

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- Unavoidable pressures include a £200k estimated reduction on car park income which represents the best estimate of the impact of Covid-19 on usage in 22/23. As part of the RPP process, proposals to increase car park income through higher charges were put forward and discussed. In light of concerns about the impact of price increases on demand, and the knock-on impact on the High Street, these proposals were not progressed within this Budget. This budget area remains an area of risk for the Council which will require careful monitoring – particularly given the circa £1 million (pre Covid) annual budgeted income level. Fees will inevitably also need to be revisited in future budget rounds.
- It should be noted that the Council's Leisure budgets remain a risk area for the Council given the degree of uncertainty concerning Covid-19 and its impact on the leisure sector. The Council's budget includes (Pre Covid agreed contracted) income levels of £0.557m for 2022/23. It is not proposed that this income budget is amended at this time. However, it is acknowledged that this is an area of very specific risk that must be considered in the context of the Council's reserve balances (including Covid General Fund grant funding).

Resource Planning and Prioritisation (RPP):

4.23 RPP is the outcome of the steps taken to identify options to do things differently and more efficiently, to identify savings but also required areas of investment. It is the culmination of a 'check and challenge' process with regards to the Council's budgets, led by the Corporate Management Team and presented to Cabinet (and ultimately full Council). It is a critical element of the Council operating within available resources.

- **Bids (£148k 22/23).** In addition to the unavoidable pressure's revenue bids have been identified and included at Appendix 2. Bids relate to new funding requests made by officers to improve service delivery or to realise future efficiencies. Revenue 'bids' included in these budget proposals include developments relating to ICT (re maintaining core digital and cyber security related infrastructure) and supporting greater agile work. Work is also planned in relation to lower carbon emissions which requires investment. Additional capacity is also required for Business Improvement activity.
- **Identified Savings/additional income (£176k).** A number of savings have been identified which are set out in Appendix 3. These relate to a variety of areas and relate to delivering efficiencies (eg cutting paper and print costs and reduced insurance costs) and additional income (eg bulky waste, lifeline and recharge income).

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Funding Impact (£0.956m in 22/23)

4.24 The main factors to the changes related to funding include:

- **Lower Tier Services Grant (£0.7m).** The finance settlement in December announced we are due to receive a Lower Tier Services Grant for £0.7million in 2022/23 most of which was not previously budgeted for. This grant is intended to compensate those local authorities whose core spending power did not increase in the finance settlement.
- **New Homes Bonus (NHB) (£0.068m).** The amount of NHB for 2022/23 has been confirmed as £0.363 million which is £68k more than anticipated in the MTFP. This is due to the Government funding an additional year of New Homes Bonus.
- The Councils share of the Collection Fund surplus is £175k which was not budgeted for previously.

Council Tax Increase

4.25 As part of the Financial Settlement the Council can increase Council Tax by up to 2% or £5 whichever is higher without the need for a referendum. These budget proposals include £5 increase for 2022/23 (Band D). The Council Tax relating to the Councils services will rise for Band D from £233.00 to £238.00. This is unchanged from the previous approved MTFP.

Reallocation of Earmarked Reserves to General Fund

- 4.26 A review has been undertaken of reserves previously earmarked for specific purposes. This has identified £0.382 million that can provisionally be released back to the General Fund Reserve. See Appendix 5.
- 4.27 In addition as set out in Appendix 5, some reallocations have been made within Earmarked Reserves to reflect current priorities.

Covid General Grant

4.28 In recognition of this negative impact on the Council's resources (and particularly for councils reduced income levels achievable for car parks and Leisure), the Council was awarded £1.666 million of General Covid-19 Grant across a number of tranches received in 2020/21 and the early part of 2021/22.

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4.29 After allocating this funds against Covid related pressures in 20/21 some £0.949 million of this grant was carried forward to the current financial year (ie 21/22). It is forecast that £397k of this General Covid Grant will be carried forward at 31/3/2022 (after funding the negative impact on 21/22 Budgets). This will be available (alongside General Fund balances) to mitigate pressures on budgets – at least in the short term – particularly in relation to prevalent risks associated with car park income and contracted income from the Council's Leisure services provider.

4.30 It must however be emphasised that this funding is not expected to be a recurring income stream to the Council. Further work must therefore be done to reduce the gap between spend and income on a sustainable and ongoing basis.

5. COLLECTION FUND AND PRECEPTS

5.1 The anticipated collection fund surplus £1.431m, which will be distributed amongst the major preceptors using the prescribed formulae. The Councils share of the surplus payable as a one-off sum is £175k (prior year £36k).

5.2 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 8th February. This will enable the Council to set the Council Tax on 23rd February 2022. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Council on 23rd February.

6. CAPITAL PROGRAMME

6.1 The Capital Programme has also been updated including proposed new bids required to deliver services to the community. These are included in the proposed Capital Programme at Appendix 4. The borrowing costs have been factored into the revenue budget for the financial plan. It should be noted that a housekeeping review of the Capital Programme has been recently undertaken in order to challenge the deliverability (and timing) of some schemes which has resulted in some rationalisation.

6.2 It should also be noted that there are a number of capital related businesses cases in the pipeline that may require further consideration, and subject to those business cases, amendment to the budget in line with the Council's constitution.

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7. LEGAL IMPLICATIONS

- 7.1 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 resolutions and presented to Council on 23rd February 2022.
- 7.2 The Council has a legal obligation to set a balanced budget (s32 of the Local Government Finance Act 1992). The amount of the budget requirement must be sufficient to meet the Council's budget commitments and ensure a balanced budget. The 2022/23 budget requirement must leave the Council with adequate financial reserves.
- 7.3 A lawful Council Tax is required to be made on or before 11 March 2022.
- 7.4 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (CFO) to report to the Council the robustness of estimates included in the budget and the adequacy of the reserves when it is making the statutory calculations required to determine its Council Tax or precept. See Appendix 7.

8. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 8.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the district and our communities. Delivering against all our Strategic Purposes is therefore integrated within our MTFP.

Climate Change Implications

- 8.2 No direct implications identified.

9. OTHER IMPLICATIONS

- 9.1 No direct equalities and diversity implications identified.

Operational Implications

- 9.2 The MTFP will enable services to be maintained.

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10. RISK MANAGEMENT

10.1 The risks posed by the challenging financial context and the unprecedented levels of uncertainty (re the outcome of the fair funding review, the future of business rates and the local government financial settlement, COVID-19, Brexit and the state of the local and national economy) with regard to the budget have been set out within Section 2 as background to this report.

10.2 Risks prevalent in this area also 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.

10.3 This budget (and the processes underpinning it including the check and challenge of the Resource Planning and Prioritisation and 'bidding' processes, revisiting all budget assumptions and the identification of income and savings) provides a framework for managing and mitigating this risk.

10.4 In addition, Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (CFO) to report to the Council the robustness of estimates included in the budget and the adequacy of the reserves when it is making the statutory calculations required to determine its Council Tax or precept. This is set out in full within Appendix 7.

11. APPENDICES and BACKGROUND PAPERS

- Appendix 1 - Unavoidable costs
- Appendix 2 - Revenue Bids
- Appendix 3 - Identified savings
- Appendix 4 - Proposed Capital programme
- Appendix 5 - Earmarked Reserves
- Appendix 6 - Chief Financial Officer (CFO) Opinion on the Estimate Process and Reserve Levels.
- Appendix 7 – Capital Outturn Position

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12. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Geoff Denaro	
Lead Director / Head of Service	James Howse, Exec Director of Resources (S151 Officer)	
Financial Services	Chris Forrester, Head of Finance and Customer Services	
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

UNAVOIDABLE PRESSURES - BDC

Appendix 1

Department	Strategic Purpose	Description of Pressure	2022-23 £'000	2023-24 £'000	2024-25 £'000
Building Control	Communities which are safe well maintained and green	New dangerous structures budget line	3	3	3
Building Control	Communities which are safe well maintained and green	Shared service recharge to RBC	-1	-1	-1
Development Control	Communities which are safe well maintained and green	Underacheived planning application income	22	0	0
Development Control	Communities which are safe well maintained and green	Overspend on advertising and publicity	3	0	0
Development Control	Communities which are safe well maintained and green	Overspend on advertising and publicity	-1	0	0
ICT	Enabling the Authority	Idox Uniform Application (Extension of contract)	7	7	7
ICT	Enabling the Authority	Idox Uniform Application (Extension of contract) - Shared service recharge to RBC	-4	-4	-4
ICT	Enabling the Authority	Orb Intranet Upgrade and migrate to Hyrbid Cloud	10	0	0
ICT	Enabling the Authority	Orb Intranet Upgrade and migrate to Hyrbid Cloud - Shared service recharge to RBC	-5	0	0
ICT	Enabling the Authority	Power Bi - his is to provide additional licenses required for the Corporate Dashboard	5	0	0
ICT	Enabling the Authority	Power Bi - his is to provide additional licenses required for the Corporate Dashboard - shared services recharge to RBC	-5	0	0
Reg Client	Communities which are safe, well maintained and green	Additional WRS Hosting Charges	5	5	5
Democratic Services	Enabling the Authority	Member Remuneration - recommendation from Independent Remuneration Panel	5	5	5
Environmental Services	Communities which are Safe, Well Maintained and Green	Agency budget due to Covid & Other Sickness affecting front line staff	5	0	0
Environmental Services	Run and Grow a Successful Business	Due to the effects of Covid we have seen a rapid decline in car park usage which is stedely returning. However we are not seeing a return to usage and income levels pre-covid	200	0	0
TOTAL			250	16	16

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NEW REVENUE BIDS - BDC

Appendix 2

Department	Strategic Purpose	Description of revenue bid	2022-23 £'000	2023-24 £'000	2024-25 £'000
Business Transformation	Enabling the Authority	Addition of one Business Improvement Advisor - shared with RBC	40	40	40
Business Transformation	Enabling the Authority	Addition of one Business Improvement Advisor - shared with RBC - recharge	-20	-20	-20
ICT	Enabling the Authority	Internet & Customer Portal	117	59	59
ICT	Enabling the Authority	Internet & Customer Portal	-59	-29	-29
ICT	Enabling the Authority	Members 2nd ICT Support Person	42	42	0
ICT	Enabling the Authority	Members 2nd ICT Support Person -shared service recharge to RBC	-21	-21	0
ICT	Enabling the Authority	Cyber Security Post	42	42	42
ICT	Enabling the Authority	Cyber Security Post - shared service recharge to RBC	-21	-21	-21
Policy	Enabling the Authority	Youth Council Support	5	5	5
Environmental Services	Communities which are Safe, Well Maintained and Green	We are currently looking to procure the services of a consultant who could offer us the detailed advice needed to gradually change our fleet to Low Carbon emmision vehicles.	12	0	0
Environmental Services	Communities which are Safe, Well Maintained and Green	Increase to promotional budget to support increased income generation.	10	10	10
TOTAL			148	107	86

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SAVINGS & ADDITIONAL INCOME - BDC

Appendix 3

Department	Strategic Purpose	Description of saving	2022-23 £'000	2023-24 £'000	2024-25 £'000
Corporate Administration / Central Post Opening	Enabling of the Authority	Non recruitment to vacancy post - Shared Service Rchg Reduction	-19	-19	-20
Reg Client	Communities which are safe, well maintained and green	Additional WRS Hosting Charge	-10	-10	-10
Environmental Services	Communities which are Safe, Well Maintained and Green	Increase to promotional budget to support increased income generation.	-10	-10	-10
Environmental Services	Communities which are Safe, Well Maintained and Green	Bromgrove District Council Place teams review	-30	-30	-30
Environmental Services	Communities which are Safe, Well Maintained and Green	Bulky waste income	-10	-10	-10
Environmental Services	Communities which are Safe, Well Maintained and Green	Savings from vacant post not required	-52	-51	-50
Environmental Services	Communities which are Safe, Well Maintained and Green	Savings from vacant post not required - shared service recharge	27	26	26
Lifeline	Living independent, active & healthy lives	Future income generation options	-20	-20	-20
Financial services	Enabling of the Authority	Life insurance scheme saving	-35	-35	-35
Corporate Administration / Central Post Opening	Enabling of the Authority	Reduction in consumables eg paper and reduction of MFDs in print contract	-14	-14	-14
Democratic Services	Enabling the Authority	Services restructure	-3	-3	-3
TOTAL			-176	-175	-175

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Description	Department	Strategic purposes	2022/23 Total £	2023/24 Total £	2024/25 Total £
Cisco Network Update	Business transformation & Organisational Development	Enabling the Authority	5,717	11,574	0
Server Replacement Est(Exact known Q2 2022)	Business transformation & Organisational Development	Enabling the Authority	83,250	2,000	177,500
Laptop Refresh	Business transformation & Organisational Development	Enabling the Authority	5,000	25,000	150,000
Home Repairs Assistance	Community & Housing GF Services	Living independent, active & healthy lives	50,000	50,000	50,000
Energy Efficiency Installation	Community & Housing GF Services	Living independent, active & healthy lives	110,000	0	0
Funding for DFGs	Community & Housing GF Services	Living independent, active & healthy lives	913,000	913,000	913,000
New Digital Service	Community & Housing GF Services	Communities which are safe, well maintained and green	33,668	33,668	0
Bus Shelters	Environmental Services	Communities which are safe, well maintained and green	18,000	0	0
Cemetery extension infrastructure at at North Bromsgrove Cemetery Phase Two	Environmental Services	Communities which are safe, well maintained and green	6,500	0	0
Fleet Replacement	Environmental Services	Communities which are safe, well maintained and green	600,000	204,000	175,000
Wheelie Bin Purchase	Environmental Services	Communities which are safe, well maintained and green	144,000	55,000	60,000
Cashless Parking Scheme	Environmental Services	Communities which are safe, well maintained and green	253,000	96,000	421,000
Install Solar panel and Upgrade lighting	Legal, Democratic and property services	Enabling the Authority	150,000	0	0
Play Area, POS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	37,956	0	0
			2,410,091	1,390,242	1,946,500

Note:

* The Council has previously approved a Regeneration Fund of £20 million. Levelling Up Grant funding has now been secured (subject to an approved programme business case) in order to drive regeneration. The capital programme therefore excludes any Regeneration Fund activity and will therefore be updated, in line with the Council's constitution, following any business case approval.

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FINANCIAL RESERVES STATEMENT 2020/21

Appendix 5

Please note these figures have been rounded

Description	Balance b/fwd 1/4/2020	C/fwd 31/3/2020	Planned use for 2021/22 Budget	Estimated closing balance 2021/22	Proposed release/addition of reserves from RPP exercise	Planned use for 2022/23 Budget	Comment
	£'000	£'000	£'000	£'000	£'000	£'000	
Building Control	(7)	(7)	0	(7)	7	0	To Fund the mobile working project
Building Control Partnership	(69)	(83)	0	(83)	0	0	Partnership income has to be reinvested back in to the service.
Commercialism	(10)	0	0	0	0	0	To help fund costs in relation to commercialism projects
Community Services	(43)	(274)	0	(274)	0	0	To help towards a district network feasibility study and unauthorised trespass prevention.
Economic Growth Development	(1,342)	(1,347)	350	(997)	75	0	To fund the Economic Development opportunities across the District. There is provision within this reserve to take into account the potential impact of Covid 19 on service delivery in particular Leisure Services.
Election Services	(96)	(51)	0	(51)	25	0	To support the delivery of individual electoral registration and to set aside a reserve for potential refunds to government
Environmental Services	0	(47)	0	(47)	0	0	To support the costs of the Environmental Services Vehicles
Financial Services	(479)	(1,422)	0	(1,422)	(50)	0	A number of reserves / grants have been set aside to support residents through the changes to welfare reform along with a reserve to support our Business continuity plans. This also includes funds to support the new enterprise system and the balance of the Covid general grant received in 20-21. The proposed addition is in recognition of the need to strengthen the finance team and short term capacity issue risk
Corporate Financing	(2,784)	(3,906)	100	(3,806)	100	100	The reserve has been created to offset the loss on Business rates collection and appeals in 2019/20.
Housing Schemes	(475)	(487)	142	(345)	0	0	To support the feasibility and implementation of housing schemes across the district
ICT/Systems	(87)	(80)	0	(80)	80	0	To provide replacement ICT and systems across the authority.
Leisure/Community Safety	(291)	(329)	0	(329)	0	0	Grant received and reserves set aside to support a number of leisure and well being schemes across the District
Local Neighbourhood Partnerships	(16)	(16)	0	(16)	0	0	Grant received in relation to liveability schemes
Other	(115)	(107)	44	(63)	(75)	0	General reserves including - support for apprentices, set up costs and Brexit reserve. Funds to create an Invest to save reserve to increase efficiencies within the organisation
Planning	(108)	(133)	0	(133)	20	0	Reserves in relation to a custom build grant to provide support to the council towards expenditure lawfully incurred in relation to the provision and maintenance of a self-build register, along with reserves to help towards future planning appeals.
Regulatory Services (Partner Share)	(35)	(47)	0	(47)	0	0	BDC Share of WRS grant related reserves
Shared Services Agenda	(311)	(311)	0	(311)	200	0	To fund potential redundancy and other shared costs
Grand Total	(6,268)	(8,648)	638	(8,011)	382	100	

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Agenda Item 6

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Appendix 6: Section 25: Report of the CFO - Robustness of the Estimates

In line with Section 25 of the Local Government Act 2003, this report of the Chief Financial Officer (CFO) sets out the robustness of estimates included in the budget and the adequacy of the Council's reserves.

The Chief Financial Officer's opinion is that the estimates are robust.

Relevant budget holders are responsible for individual budgets and their preparation. All estimates are then scrutinised by Financial Services staff and the Corporate Management Team prior to submission to Members.

All budget assumptions have been reviewed and reconsidered – including those related to inflation, business rate growth and interest rates.

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.

There are however a number of risks and uncertainties as set out below.

The main risks in the 2021/22 budget relate to:

- General levels of uncertainty regarding the outcome of the fair funding review, the future of business rates and the local government financial settlement, COVID-19, Brexit and the state of the local and national economy. This has been mitigated by prudent business rate growth assumptions and by close monitoring of the Covid Grant account.
- The delivery of income and managing the impact of savings proposed. Mitigating actions are in place within departmental to ensure managers are aware of budgeted savings.
- Business Rate Income – whilst this is essentially part of Central Government funding, the actual income received will vary depending on actual Business Rates growth. It is difficult to precisely predict this growth. It is also difficult to predict the level of appeals by ratepayers against their rating assessments. That said, prudent assumptions in this area have been applied.
- Central Government Funding – the MTFP shows income from NHB continuing in 2022/23, however the longer term future of this income stream remains unclear.
- Costs associated with the delivery of the Council's Levelling Up Fund programme. The Council holds some risk on this programme – including

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the cost of overruns. As the Accountable Body close monitoring will take place to manage effective delivery (to time and to budgeted cost).

- General inflationary pressures – particularly in relation to pay costs and utility bills. This budget therefore includes significant additional pressures for these matters.
- The impact of Covid and Leisure Services. The Council's Leisure budgets could be further impacted by Covid-19. Significant levels of income are assumed within this budget report in 2022/23 – in line with the Council's contract with its Leisure provider. The risks in this area will continue to be mitigated through working closely with our Leisure services contractor to oversee its progress, operations and cost, and through appropriate contractual and legal advice concerning that contract.
- The impact of Covid on the capacity of management to deliver change, efficiencies and associated savings. This continued to be a watching brief. Budget proposals include an investment in Business Improvement capacity and an 'Invest to Save' Earmarked Reserve.

Adequacy of Reserves

Budget and MFTP proposals forecast the level of General Fund balances to remain above minimum set levels of £1.5m until 2024/25.

The reserves position, alongside the General Covid Grant account, will allow the Council to be robust and make coordinated plans to address the deficit position.

Taking account of the above, and the level of risk within the budget, the Chief Finance Officer judges that reserves are at an appropriate level throughout the period of the MFTP. This will be subject to ongoing review.

That said, further work must be undertaken to ensure that expenditure levels are sustainable and matched by income over the medium to long term. Plans are therefore in place to continue to review budgets and identify further savings opportunities.

The Chief Financial Officer's opinion is that the estimates are robust.

Report by: James Howse, Executive Director of Resources (Chief Financial Officer / Section 151 Officer)

BDC Capital Programme 2020-21 Outturn

Appendix 7

Description	Department	NEW Strategic Purpose	Revised Budget April - Outturn 21 £	Actual spend 2020-21 £	Variance 2020-21 £	Previously approved slippage to 2021/22	Revised & additional slippage into 21-22 £
Funding for DFGs	Community & Housing GF Services	Living independent, active & healthy lives	600,000	595,930	-4,070	503,101	507,171
OLEV ULEV Taxi infrastructure scheme	Community & Housing GF Services	Communities which are safe, well maintained and green	200,000	0	-200,000	200,000	200,000
New Digital Service	Community & Housing GF Services	Communities which are safe, well maintained and green	57,400	22,281	-35,119	0	35,119
Affordable homes (BDHT)	Community & Housing GF Services	Living independent, active & healthy lives	150,000	150,000	0	0	0
Home Repairs Assistance	Community & Housing GF Services	Living independent, active & healthy lives	30,000	0	-30,000	61,221	91,221
Energy Efficiency	Community & Housing GF Services	Work and financial independence	0	0	0	5,000	5,000
CCTV	Community & Housing GF Services	Living independent, active & healthy lives	100,000	129,726	29,726	67,376	37,650
Energy Efficiency Installation	Community & Housing GF Services	Living independent, active & healthy lives	30,000	19,182	-10,818	65,988	76,806
Greener Homes	community & Housing GF Services	Living independent, active & healthy lives	180,000	0	-180,000	0	180,000
Burcot Hostel	community & Housing GF Services	Living independent, active & healthy lives	35,000	35,384	384	0	0
Bus Shelters	Environmental Services	Communities which are safe, well maintained and green	0	0	0	18,000	18,000
Boundary Security at Depot	Environmental Services	Communities which are safe, well maintained and green	20,000	12,908	-7,092	0	7,092
Fleet Management Computer System	Environmental Services	Enabling the Authority	0	0	0	16,600	16,600
Environmental Services Computer System	Environmental Services	Enabling the Authority	0	0	0	157,200	157,200
Cemetery Extension infrastructure at at North Bromsgrove Cemetery Phase Two	Environmental Services	Communities which are safe, well maintained and green	4,000	9,884	5,884	4,000	0
Fleet Replacement	Environmental Services	Communities which are safe, well maintained and green	1,441,253	834,976	-606,277	95,000	701,277
Wheelie Bin Purchase	Environmental Services	Communities which are safe, well maintained and green	94,000	181,051	87,051	0	0
Replacement lighting at the Depot	Environmental Services	Communities which are safe, well maintained and green	3,642	3,642	0	19,358	19,358
Infrastructure Works Bdc Depot	Environmental Services	Communities which are safe, well maintained and green	0	0	0	252,000	252,000
Replacement Parking machines	Environmental Services	Communities which are safe, well maintained and green	12,000	0	-12,000	108,000	120,000
BDC Combined F/Path & Cycl	Environmental Services	Communities which are safe, well maintained and green	71,357	0	-71,357	0	71,357
New Finance Enterprise system	Financial & Customer Services	Enabling the Authority	218,108	380,562	162,454	0	0
Burcot Lane	Financial & Customer Services	Communities which are safe, well maintained and green	830,000	24,592	-805,408	0	805,408
Regeneration Fund	Financial & Customer Services	Communities which are safe, well maintained and green	0	0	0	4,350,000	4,350,000
Salix project	Legal, Democratic and property services	Enabling the Authority	615,000	0	-615,000	0	615,000
Re-landscaping of Recreation Ground	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	0	0	0	211,000	211,000
Sanders Park Play Area - Replacement for Tripod Swing (Health and Safety)	Planning, Regeneration & Leisure Services	Living independent, active & healthy lives	0	0	0	35,000	35,000
BDC Christmas lights	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	13,000	5,490	-7,510	0	7,510
Bittell road recreation ground	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	44,000	43,603	-397	18,000	18,000

New Leisure Centre	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	0	712,816	712,816	0	0
Rubery Redevelopment Works	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	0	-3,262	-3,262	32,738	32,738
Sanders Park dda play provision	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	3,550	0	-3,550	0	3,550
Wythall Park POS Improvement	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	15,000	15,547	547	0	0
Birdbox	Planning, Regeneration & Leisure Services	Communities which are safe, well maintained and green	210,180	209,522	-658	0	0
			4,977,490	3,383,832	-1,593,658	6,219,582	8,574,057

Notes:

* The new enterprise system had an increase in budget over that presented above funded from the flexible use of capital receipts. This was approved as part of the treasury strategy and so the difference is funded from this approval.

* The expenditure on Scheme New Leisure centre is due to funds not yet being settled with external contractors. Should these monies come in the subsequent year they will be added back into the capital programme.