

Public Document Pack



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 14TH FEBRUARY 2024

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors K.J. May (Leader), S. J. Baxter (Deputy Leader), S. R. Colella, C.A. Hotham, K. Taylor, S. A. Webb and P. J. Whittaker

AGENDA

1. **To receive apologies for absence**

2. **Declarations of Interest**

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

3. **To confirm the accuracy of the minutes of the meeting of the Cabinet held on 17th January 2024 (Pages 7 - 18)**

4. **Referrals from the Overview and Scrutiny Board**

The Overview and Scrutiny Board are due to consider a report in respect of the Governance Systems Review at its meeting on 12th February 2024. Any recommendations from that meeting on this subject will be published in a Supplementary Papers pack for the consideration of Cabinet.

5. **Bromsgrove Local Heritage List (Pages 19 - 42)**

6. **Playing Pitch Strategy (Pages 43 - 56)**

Due to length of the document, and inline with the Council's commitments under the Carbon Reduction Strategy, only the covering report and Executive Summary for this item have been included in the main agenda. The full report, including the Playing Pitch Strategy has been published in a separate supplementary pack for this meeting.

The Overview and Scrutiny Board are due to pre-scrutinise this report at its meeting on 12th February 2024. Any recommendations from that meeting on this subject will be published in a Supplementary Papers pack for the consideration of Cabinet.

7. **Carbon Reduction Strategy Annual Review (Pages 57 - 92)**

8. **Non-Domestic Rates Discretionary Rate Relief Policy (Pages 93 - 118)**

9. **Pay Policy 2024/24 (Pages 119 - 128)**

10. **Medium Term Financial Plan 2024/25 to 2026/27 (including Worcestershire Regulatory Services Board Recommendations, Treasury Management Strategy, Capital Strategy, Minimum Revenue Provision and Investment Strategy (Tranche 2) (Pages 129 - 204)**

11. **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**

12. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

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

<u>Item No.</u>	<u>Paragraph(s)</u>
13	3 & 4
14	3
15	3

13. **Termination of Shared Service Arrangement: North Worcestershire Economic Development and Regeneration** (Pages 205 - 214)

The Overview and Scrutiny Board are due to pre-scrutinise this report at its meeting on 12th February 2024. Any recommendations from that meeting on this subject will be published in a Supplementary Papers pack for the consideration of Cabinet.

14. **Parking Management and Enforcement Service Level Agreement** (Pages 215 - 224)

The Overview and Scrutiny Board are due to pre-scrutinise this report at its meeting on 12th February 2024. Any recommendations from that meeting on this subject will be published in a Supplementary Papers pack for the consideration of Cabinet.

15. **Levelling Up Funding Update** (Exempt Report) (Pages 225 - 240)

Sue Hanley
Chief Executive (Interim)

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

6th February 2024

**If you have any queries on this Agenda please contact
Jo Gresham**

**Parkside, Market Street, Bromsgrove, B61 8DA
Tel: (01527) 64252 Ext: 3031
Email: joanne.gresham@bromsgroveandredditch.gov.uk**

GUIDANCE ON FACE-TO-FACE MEETINGS

**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 AND MEMBERS OF THE PUBLIC ATTENDING MEETINGS IN PERSON

Meeting attendees and members of the public are encouraged not to attend a Committee if they have if they have common cold symptoms or any of the following common symptoms of Covid-19 on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

Notes:

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



INFORMATION FOR THE PUBLIC

Access to Information

The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Recently the Freedom of Information Act 2000 has further broadened these rights, and limited exemptions under the 1985 Act.

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

You can access the following documents:

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

at www.bromsgrove.gov.uk

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

17TH JANUARY 2024, AT 6.00 P.M.

PRESENT: Councillors S. J. Baxter (Vice-Chairman, in the Chair),
S. R. Colella, C.A. Hotham, K. Taylor, S. A. Webb and
P. J. Whittaker

Observers: Councillor P. M. McDonald, Councillor A. Bailes,
Councillor R. J. Hunter and Councillor J.W. Robinson

Officers: Mrs. S. Hanley, Mr P. Carpenter, Mrs. R. Bamford,
B Ofori-Atta, Mr. S. Wilkes, Ms. N Cummings, Mr M. Cox,
Ms. T. Ainscough and Mrs. J. Bayley-Hill

55/23 **TO RECEIVE APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor K. May.

In the absence of the Leader, the Deputy Leader chaired the meeting.

56/23 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

57/23 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING
OF THE CABINET HELD ON 22ND NOVEMBER 2023**

The minutes of the meeting of Cabinet held on 22nd November 2023
were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on 22nd
November 2023 be approved as a true and correct record.

58/23 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY
BOARD HELD ON 20TH NOVEMBER 2023**

The minutes of the Overview and Scrutiny Board meeting held on 20th
November 2023 were submitted.

During consideration of this item, the Chairman of the Overview and
Scrutiny Board, Councillor P. McDonald, also presented
recommendations arising from the meeting of the Board held on 16th
January 2024. The following points were considered whilst these
recommendations were being discussed:

Parking Enforcement

Cabinet was advised that the Overview and Scrutiny Board had received a report on the subject of parking enforcement which had updated Members on the current Service Level Agreement (SLA) and potential future arrangements. Concerns had been raised during this meeting about the extent to which there would be sufficient service cover when Civil Enforcement Officers (CEOs) were on leave or off work due to sickness. The SLA contained a number of references to the term “reasonable” and Cabinet was informed that this had also created concerns amongst Members. In addition, the terms of the SLA stated that only 10 per cent of the service was required to cover parts of the District outside the town of Bromsgrove. Members of the Overview and Scrutiny Board had expressed their frustrations with this stipulation, as they had felt that there was greater need for parking enforcement activities in wards located outside the town of Bromsgrove.

Based on the points raised by Members during the meeting, the Overview and Scrutiny Board had proposed that Cabinet should consider going out to tender or delivering the parking enforcement service in house.

Cabinet discussed this proposal from the Overview and Scrutiny Board and, in doing so, noted that a report in respect of the parking enforcement SLA was scheduled for the consideration of Cabinet at a meeting due to take place on 14th February 2024. Further information regarding the proposals in respect of parking services in the District would be provided for Members’ consideration at this stage.

Reference was made to the existing arrangements that the Council had in place and Members noted that the Council would be obliged to give Wychavon District Council notice should the Council opt to withdraw from existing arrangements. Officers clarified that there would be a notice period that would need to apply should this be required by Members.

Consideration was given to the options that had been suggested by the Overview and Scrutiny Board. Members commented that it would be useful for the Cabinet and Officers to explore both options as part of the authority’s review of parking arrangements. For this reason, Members suggested that the word “and” should be added to the wording of the proposal to ensure that the viability of both options would be investigated further.

Questions were raised about the extent to which the Council’s discussions in respect of future parking enforcement arrangements were likely to impact on the existing service. The Cabinet was advised that the current service would continue to be provided in line with the

Agenda Item 3

Cabinet
17th January 2024

Council's SLA with Wychavon District Council. It was also confirmed that, should the Council opt to go out to tender, Wychavon District Council would be eligible to bid to deliver this service.

During consideration of this item, Members noted that if the Council went out to tender for future parking services, a tighter description of the authority's requirements for parking enforcement could be provided in the new tender contract. Furthermore, Members commented that this could form part of a wider strategic review of the Council's approach to managing car parks in the District.

Officers were asked to ensure that the points discussed during both the Cabinet and Overview and Scrutiny Board debates in respect of this item were reflected in the report on the parking enforcement SLA that was scheduled for Cabinet's consideration in February 2024.

Ward Member Budgets

The Chairman of the Overview and Scrutiny Board explained that the Board had also debated the potential to introduce ward budgets for Members at their meeting held on 16th January 2024. Under the arrangements proposed by the Board, each Councillor would be provided with a budget of £2,000, with the Council allocating a total overall budget of £62,000. The idea had been proposed as it was recognised that Councillors were familiar with the needs of their wards and could use this funding to help provide financial assistance to Voluntary and Community Sector groups and activities. Similar ward budget schemes operated at other local authorities, including the Divisional funding scheme in place at Worcestershire County Council, and therefore Bromsgrove District Council would be following established practice in local government in other parts of the country. Cabinet was asked to note that the proposal from Overview and Scrutiny had received the support of the majority of the members of the Board.

Consideration was given to the proposal from the Overview and Scrutiny Board and in doing so, Members commented that more detailed information was required from Officers on this subject, assessing the costs of the scheme, before a decision could be taken. It was noted that there were likely to be administrative costs attached to a ward budget scheme and this would need to be taken into account. Members also expressed concerns about making a decision at the Cabinet meeting in respect of this matter, given Cabinet had been provided with short notice of the proposals from the Board.

The timing of the proposals and the potential for this to be taken into account as part of the budget setting process for 2024/25 was also discussed. Members noted that the Medium Term Financial Plan (MTFP) Tranche 2 report for 2024/25 to 2026/27 was due to be considered at the following meeting of the Cabinet in February 2024. Members suggested that there would not be sufficient time for a separate report on this subject to be prepared for Cabinet and for the

scheme to subsequently be incorporated into the MTFP, should Members agree to introduce ward Member budgets. Therefore, reference would need to be made to this scheme in the MTFP tranche 2 report and Officers confirmed that the proposal would be included in the list of recommendations in the covering report which Members would then need to decide whether to retain in the final budget.

Reference was made to the debate that had been held in respect of this matter at the Overview and Scrutiny Board meeting. Cabinet was informed that, whilst the recommendation had received the support of the majority of Members present, there had been some Councillors who had opposed the recommendation. In particular, there had been concerns about the evidence basis for introducing ward budgets, with some Members having suggested that a review of the extent to which Worcestershire County Council divisional funds were spent by the end of the year should inform the decision about whether to introduce ward budgets, and it was noted that information about these divisional funds could already be accessed on Worcestershire County Council's website. Concerns had also been raised that some wards might be oversubscribed for funding whilst others may have less competition, potentially leaving funds unspent in certain wards. In addition, the process for allocating ward funds had been debated and the suggestion had been made to introduce a Committee to consider submissions for funding, similar to the Committee that had met under the authority's previous New Homes Bonus (NHB) funding scheme. However, Members noted that these opposing views had ultimately been outvoted at the Overview and Scrutiny Board meeting and the Cabinet needed to consider the recommendation that had been put forward by the Board.

It was noted that the Cabinet could not determine the Council's budget, as this was a responsibility of the Council. As such, taking into account the points raised during the debate, Members agreed that the wording of the proposal from the Overview and Scrutiny Board should be rephrased to replace reference to "approval" with "consideration".

Exempt Information in Reports

During the debate in respect of this item, Members noted that both the Overview and Scrutiny Board and Cabinet had received exempt information in reports provided for consideration at recent meetings. Questions were raised about the potential for the exempt information to be printed on pink paper, to help provide clarity to Members that the information provided was exempt. Officers explained that the Council's printing service had changed approximately six months previously and it was no longer possible to provide printed documents on pink paper for Council and Committee meetings. However, a watermark was always printed on pages in agenda packs containing exempt information. In addition, the words "Private Agenda Pack" were being printed on the front cover of agenda packs that contained exempt information.

RESOLVED that

- 1) with regard to the Parking Enforcement Service, the Cabinet consider the following options:
 - a) go out to tender for the parking enforcement contract; and
 - b) have the service delivered in-house.
- 2) the Cabinet, as part of the 2024/5 MTFP Tranche 2, to give consideration to the Ward Budgets proposal contained in the briefing paper now submitted, as tabled at the meeting of Overview and Scrutiny on 16th January 2024.

59/23

PLANNING ENFORCEMENT POLICY

The Head of Planning, Regeneration and Leisure Services presented the proposed Planning Enforcement Policy for the Council for Members' consideration. Cabinet was advised that the content of the policy reflected the national situation for planning enforcement.

Reference was made to the inclusion of the word "harm" in the Planning Enforcement Policy and Members questioned whether this word was required, noting that there was the possibility this could cause unnecessary concerns. The Cabinet was advised that the word "harm" had a very specific meaning in a planning context and related to the harm that might be caused by a specific structure. The example was provided of the harm that might be identified by planning officers when assessing the harm that might be caused by a specific structure when developed in the green belt.

Following the presentation of the report, Members queried the potential for the Council's existing Planning Enforcement Policy to be provided for consideration at the forthcoming Council meeting for comparison purposes, with amendments highlighted in track changes. Officers explained that this would be difficult to arrange as the existing policy was very different to the proposed new planning enforcement policy. However, it was suggested that the existing policy could be published for Members' consideration in an additional background papers pack for the Council meeting.

RECOMMENDED that the Bromsgrove District Council Planning Enforcement Policy be endorsed.

60/23

PLANNING AND ENVIRONMENTAL ENFORCEMENT BUSINESS CASE

The Technical Services Manager (Worcestershire Regulatory Services) presented the Planning and Environmental Enforcement Business Case for Members' consideration.

The report detailed proposals for the future provision of planning and environmental enforcement services by Worcestershire Regulatory Services (WRS) on behalf of the Council. WRS was already providing much of the planning enforcement service for the Council, following identification of a number of challenges that had impacted on the capacity of the Council's Planning Department to deliver this service.

Key issues impacting on the existing service included recruitment and retention of suitably qualified staff, with planning enforcement services having been delivered by Planning Officers as part of their wider job roles. Members were advised that WRS staff were experienced in undertaking enforcement action in relation to a wide range of issues. Many enforcement cases were complex and impacted by other circumstances, such as noise pollution in respect of a planning enforcement case, and the WRS team could help to address these issues.

There was a backlog in planning enforcement cases at the Council and additional funding had been requested from the Council to help address this backlog. Members were asked to note that the backlog had partly arisen due to the impact of the Covid-19 pandemic, as Officers had been unable to take certain necessary actions during the lockdown periods. The complexity of planning enforcement issues also meant that they could take time to resolve properly.

Consideration was given to the financial figures that had been included in the report in respect of salary budgets and Members noted that the figures in the report were incorrect. Officers clarified that the current total salary spend, including on costs, should have been recorded as £147,750 and the current actual spend on salary costs should have been recorded as £248,889 plus supporting costs. Members were advised that accurate figures had been included in the report provided for the consideration of Council on this subject and the typographical errors did not change the figures in the recommendations.

Clarity was provided that the £93,600 requested in the second recommendation would be funded from existing resources. The Council needed to provide an additional £84,777.50 to support the extra actions proposed in recommendations 3, 4 and 5. To ensure clarity in the recommendations, Members agreed that the second recommendation should be reworded to clarify that this would be funded by the Council from existing resources.

RECOMMENDED that

- 1) The Business case be pursued with the intention to bring together the enforcement functions within Environmental Services and Planning and associated current budget within the Shared Regulatory Service provided by WRS;

- 2) An additional £93,600 annually from existing resources be agreed to fund the service to meet the level of demand in Planning Enforcement;
- 3) An additional £55,590 be agreed to fund 1.6 FTE additional (Grade 6) resource to support the work in tackling the backlog of Planning Enforcement cases for the next two years only;
- 4) An additional £7,537.50 be agreed to fund 0.25 FTE additional (Grade 4) resource for the customer service resource element of fly-tipping, littering and enviro-crime; and
- 5) An additional £21,650 be agreed to fund 0.5 FTE additional (Grade 6) resource to support the work on enforcement of fly-tipping, littering and enviro-crime.

(Whilst this item was being debated, there was a brief adjournment, which last from 19.10 to 19.25.)

(During consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matters arising between the authority and employees of, or office holders under, the authority. However, there is no exempt information in this record of the debate).

61/23

COUNCIL TAX DISCRETIONARY COUNCIL TAX REDUCTION POLICY - COUNCIL SECTION 13A1(C) POLICY

The Interim Section 151 Officer presented the Council Tax Discretionary Council Tax Reduction– Council Section 13a1(c) Policy for Cabinet's consideration.

Cabinet was advised that local authorities had the power to reduce the level of Council Tax that people were liable to pay. In particular, this power tended to be applied to provide exemptions for care leavers, although some care leavers did contribute Council Tax payments. There were also special circumstances that could arise where a waiver could be applied so that people did not have to pay Council Tax on a temporary basis. For example, when inclement weather resulted in flooding, Councils could choose to suspend Council Tax payments for up to 3 months for impacted householders.

Members discussed the remit of the policy and questioned whether all householders, including homeowners, people living in the private rented sector and those living in social housing, were all eligible to apply for a Council Tax reduction under the scheme. Officers clarified that the

policy applied to anybody in distress and applications were assessed on a case-by-case basis.

RECOMMENDED that.

- 1) The Section 13A(1)(C) policy be approved and adopted from 1st April 2024.
- 2) The Council's scheme of delegation be amended to grant delegated authority to the Head of Finance and Customer Services, and the Financial Support Manager to reduce the Council Tax payable on a case-by-case basis, as provided by Section 13A 1 (c) of the Local Government Finance Act 1992.

62/23

COUNCIL TAX - EMPTY HOMES DISCOUNTS AND PREMIUMS

The Interim Section 151 Officer presented a report in respect of Council Tax empty homes discounts and premiums. The Government had issued guidance during the year that legally, properties would be considered to be empty homes, for the purposes of applying such Council Tax discounts and premiums, once they had been empty for 1 year. Previously, the length of time had been 2 years.

During consideration of this item, it was noted that there was a typographical error at paragraph 2.12. the starting figure, in terms of the number of empty homes in Bromsgrove District that had been subject to the premium in the 2022/23 tax year, should have been recorded as 104 properties.

RECOMMENDED that

- 1) From 1st April 2024, under section 11B(1) of the local government finance act 1992, for long-term empty dwellings the discount under section 11(2)(a) will not apply and the additional council tax premium applied will be:
 - i) For a dwelling that has been unoccupied and substantially unfurnished for less than 5 years – 100% premium.
 - ii) For a dwelling that has been unoccupied and substantially unfurnished for 5 years or more, but less than 10 years – 200% premium.
 - iii) For a dwelling that has been unoccupied and substantially unfurnished for 10 years or more – 300% premium.
- 2) The Head of Financial and Customer Services on a case-by-case basis may consider a reduction to the long-term empty premium under section 13A(1)(C) of the Local Government Finance Act 1992.

63/23

FINAL COUNCIL TAX SUPPORT SCHEME 2024/25

The Interim Section 151 Officer presented the Final Council Tax Support Scheme 2024/25 for Members' consideration.

Cabinet was reminded that the draft scheme had been presented for Cabinet's consideration in the autumn 2023, following a review of the scheme during the summer. The Council's scheme was more generous than many local authorities and Council Tax relief was provided under the scheme to eligible households, both of working age and those who were retired. The scheme had been updated to ensure that potential recipients would not be disadvantaged by increasing costs caused by inflation.

RECOMMENDED that the council tax reduction scheme be retained for 2024-25 tax year, subject to uprating of income bands by 6.7%.

64/23

COUNCIL TAX BASE AND BUSINESS RATES YIELD 2024/25

The Interim Section 151 Officer presented the Council Tax Base and Business Rates Yield 2024/25 report for Cabinet's consideration.

Members were advised that the report detailed the numbers on which the proposed Council Tax for the 2024/25 financial year would be based. The figures were calculated based on information on the authority's Council Tax system as of 30th November 2024. The figures were based on Council Tax Band D equivalent properties in the District.

Cabinet was asked to note that the business rates yield would be addressed in the MTFP 2024/25 to 2026/27 Tranche 2 report, due for consideration in February 2024. Information had been provided to the Council in relation to the Herefordshire and Worcestershire Business Rates Pool on Friday 12th January 2024.

During consideration of this item, Members questioned why the figure provided for Council Tax Band D equivalent properties had decreased in Barnt Green since this matter had previously been reported in January 2023. Officers explained that a decrease in Band D equivalent numbers had occurred in other areas too and this could be caused by a variety of factors, such as the numbers in receipt of Council Tax Support impacting on the figures.

Reference was made to the information that had been provided about Parishes in the report. Members noted that some incorrect titles had been used, with the report needing to be updated to refer to the Barnt Green and Hopwood and Belbroughton and Fairfield Parishes respectively. Officers undertook to update the report in future years to ensure that parishes were correctly cited.

Cabinet referred to the allowance that had been referred to in the report for a 1 per cent non-collection rate and Officers were asked to clarify

whether this meant that it was anticipated that the Council would achieve a 99 per cent Council Tax collection rate in 2024/25. Officers confirmed that it was anticipated that the Council would achieve a 99 per cent collection rate. This corresponded with historic achievements in terms of collection rates, including in recent years.

RESOLVED that the amount calculated by Bromsgrove District Council as the Council Tax Base for the whole area for 2024/25 is approved at 37,997.7 to include the individual parish elements.

65/23

FINANCE RECOVERY PLAN

The Interim Section 151 Officer presented the Finance Recovery Report and in doing so advised that this report was a regular update to Cabinet that was being provided to outline the progress that was being made to address the issues arising from the non-delivery of the Council's accounts. The report was also presented for Members' consideration at every meeting of the Audit, Standards and Governance Committee, which was meeting 6 times a year, rather than the standard 4 meetings that had occurred prior to the issuing of the Section 24 Notice to the Council.

The Council was in discussions with the external auditors, Grant Thornton, regarding progress with the accounts and outstanding issues. Officers would be providing the external auditors with a set of balances which they would cross reference with their information about the Council's balances.

Training continued to be delivered to Council staff, including Officers who managed budgets, in respect of use of the ERP system. New staff had been recruited, including a new Head of Finance and Customer Services, who had already commenced employment in the role, and a new senior accountant, who would be starting with the authority shortly.

The final accounts for the Council for 2021/22 and 2022/23 still needed to be submitted to the external auditors. However, there was uncertainty about when these accounts would then be audited, as nationally there was a backlog of 800 – 900 Council account audits that remained to be completed. The Government had stated that the back stop date for accounts to be completed would be 30th November 2024.

RESOLVED that

- 1) Progress made on the financial recovery be noted including:
 - Delivery of the Statutory Accounts
 - Delivery of Statutory Financial Returns
 - Improvements in the Control Environment
- 2) The work still under way to move back to a best practice operation and the associated timetable for completion of this work be noted.

66/23

MEDIUM TERM FINANCIAL PLAN TRANCHE 1 2024/5 TO 2026/7 (FOLLOWING CONSULTATION)

The Interim Section 151 Officer presented the MTFP 2024/25 to 2026/27 Tranche 1 report for Members' consideration.

Cabinet was reminded that this report had been considered in draft form in November 2023. The report had then been subject to consultation, although no feedback had been received from the public. Following publication of the report for the consideration of Cabinet, the need to make adjustments to the fees and charges for WRS had been identified. These fees would therefore be updated and issued in a supplementary pack for consideration at the Council meeting. However, it was proposed that the majority of fees and charges in other service areas should be increased by 7 per cent.

The Local Government settlement had been confirmed by the Government in late December 2023. District Councils were due to receive a 4 per cent settlement and the Government was assuming that lower-tier authorities would increase Council Tax by 3 per cent. Clarification had also been provided that planning income could increase by 25 to 30 per cent. The full implications of the Government settlement would be addressed in the MTFP 2024/25 to 2026/27 Tranche 2 report.

RECOMMENDED that

- 1 Council endorse the inputs into the Council's Medium Term Financial Plan as at the start of October 2023, and the associated risks and opportunities.
- 2 Council note that these inputs have been used, along with the 2023/24-25/26 Medium Term Financial Plan (MTFP) agreed by Council in February 2023, to project an initial "gap" to be closed.
- 3 An initial Tranche of savings proposals, as set out in Section 3.12 - 3.25 and the associated Savings Proposal Document in Appendix A, as published on the 14th November 2023, and considered by Cabinet in January 2024, be approved at Council on the 24th January 2024.
- 4 Fees and charges are increased by 7% as part of this process.
- 5 Commercial fees and charges, as set out in Appendix F are approved.
- 6 Council note that Tranche 2 of this process will add further information such as the Local Government Settlement to give a final financial position for the Council.

RESOLVED to note that Council already approved in December the Play capital works for 2023/4 and their addition to the Capital Programme.

The meeting closed at 7.53 p.m.

Chairman

This page is intentionally left blank

**Cabinet
2024**

14th February

Bromsgrove Local Heritage List

Relevant Portfolio Holder	Councillor Kit Taylor
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford
Report Author Mary Worsfold	Job Title: Principal Conservation Officer Contact email:m.worsfold@bromsgroveandredditch.gov.uk Contact Tel: 01527 881329
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Communities which are Safe, Well Maintained and 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 RESOLVE that:-

- 1) The Cabinet approve the revised Local Heritage List Strategy Document at appendix 1
- 2) The Cabinet delegate the authority to the Head of Planning, Regeneration and Leisure Services to publish for consultation draft sections of the Local Heritage List including those in Appendix 2.

2. BACKGROUND

- 2.1 The Local Heritage List (LHL) is about identifying locally important heritage assets. The identification is done by Conservation professionals but as importantly the local community. This report provides an update to the progress on the LHL and outlines an amendment to in the public engagement processes in the adopted Local Heritage List Strategy.
- 2.2 The Local Heritage List Strategy (LHLS) is the document which sets out how the Council will produce its local list. The Council adopted a LHLS in 2016, since then progress has been made on the list but a number of factors have prevented the finalisation of any of the individual sections, one of the issues we have faced has been the

Cabinet 2024

14th February

public engagement element. A updated version of the LHLS can be seen at appendix 1 of this report and members are asked to approve this strategy.

2.3 Summary of the Local Heritage List Strategy

- Local lists identify heritage assets which are valued by local communities and contribute to the character and local distinctiveness of an area.
- The use of local lists is promoted by the National Planning Policy Framework (NPPF)
- The Bromsgrove District Plan (2017) acknowledges the importance of adopting a local list to formerly identify the locally important heritage assets within the district,
- Heritage assets on the Local Heritage List will not have the same protection as those on the statutory list, although the Historic Environment policies in the District Plan support the retention of heritage assets on the list. Assets identified on a local list will merit consideration in the planning process.
- The more robust the process for adding a heritage asset to the local list, particularly in terms of the selection criteria, the greater the weight for protecting the asset.
- Inclusion of a heritage asset on the list will provide clarity to owners, developers and the local planning authority allowing all parties to consider the significance of the asset at an early stage.
- Criteria for inclusion on the Local Heritage list have been identified, and include Age, Authenticity and Rarity, Architectural Interest, Historic Interest and Townscape/Villagescape/Landscape interest. Candidates need to satisfy the first criteria and at least one other.
- The LHL will be prepared on a parish or area basis. The conservation team will consider all nominations and will also survey the area to identify further properties which meet the criteria. They will then prepare a draft list.
- Following a period of public consultation, including with the owners of these properties, a final report will be prepared for Cabinet with the proposal that the Parish LHL is adopted and becomes a material consideration in the planning process.

2.4 The Historic England Guidance Document 'Local Heritage Listing: Identifying and Conserving Local Heritage, Historic England Advice Note 7 (2nd edition) 2021', and its predecessors stresses the importance of community engagement in the process. The original LHLS document promoted public engagement, by inviting the public, local history groups etc to nominate properties to be included on the

**Cabinet
2024**

14th February

list, with nominations being justified with reference to the selection criteria in the strategy.

- 2.5 Prior to the work on the lists for Beoley and Dodford, public consultation events were held to gain feedback on the draft conservation area appraisals for Beoley and Dodford Conservation Areas, and the opportunity was taken to publicise the forthcoming local heritage lists. A local list information banner was displayed in addition to the conservation area banner, which provided information on local heritage lists and copies of the local heritage list strategy document were also available together with nomination forms.
- 2.6 The conservation area appraisal also listed properties within the CA which might be eligible for the local list. Conservation staff attended all events and were able to discuss what local heritage lists were and how they would be assembled, and what it would mean for property owners if a building was added to the list.
- 2.7 Despite these attempts to engage with the public through consultation events and contacting parish councils, public response has been limited and the draft lists which have been prepared largely result from the survey and assessment of each parish by a conservation officer. Only a handful of nominations have been received from the public.
- 2.8 In the original LHLS the nominations were then to be considered by an Assessment Panel, consisting of no more than 5 persons. They were to consider the suitability of all the assets nominated against the selection criteria. The panel was to include people with a professional interest in the historic environment such as local conservation architects, local historians, archaeologists, any other relevant local group and the conservation officer. No other local authorities in the area included such a panel in their LHL strategies, and identifying potential members with the relevant experience has proved problematic.
- 2.9 At the time the original document was adopted there was only one conservation officer, the conservation resource has now doubled which has allowed for internal benchmarking of the proposed list. It is now considered that the assessment panel is less relevant to the process, however public engagement is an extremely important element. It is therefore now proposed to amend the process by seeking further more meaningful public engagement later in the process.
- 2.10 The public will still be asked for nominations at an early stage, by contacting any relevant Parish Councils, community groups or interest groups such as local historic societies, we will also use the now much

Cabinet 2024

14th February

improved social media communications that were not as widely used in 2016. It is now proposed that in addition to the early engagement seeking nominations, when the list has been drafted, public consultation will take place inviting comments on the proposed LHL.

- 2.11 The owners of properties on the proposed list and the relevant parish council will be specifically consulted. The consultation process will therefore be similar to the one undertaken when conservation area appraisals are drafted, which has proved to be relatively successful with a reasonable level of public engagement. The public could also nominate properties at this stage that did not appear on the draft list.
- 2.12 It is considered that there may have been a degree of confusion by the public in what they were originally being asked to do in nominating buildings or structures for the LHL, possibly because of a lack of understanding in respect of the difference between national and local listing, and what might qualify a building for inclusion. It is hoped that by producing a draft list, which will include details of how the criteria have been met, it will encourage people to suggest other buildings or comment on those proposed for inclusion. By enhancing the consultation process in this way the views of the public will be better captured, and one of the aims of local listing to identify what is valued by local communities is fulfilled.
- 2.13 The revised process can be summarised as follows:

Request nominations/survey the parish/named area/Complete Draft LHL for parish/named area

Contact parish Council/other prominent stakeholder (Bromsgrove/Lickey End/Rubery) with a view to arranging a consultation event

Book consultation event

Draft consultation letters

Publish Parish LHL on BDC Website

Start Consultation Process – 6 Weeks

- **Contact owners/parish council/any other consultees**
 - **Use Council social media to publicise consultation and consultation event**
 - **Hold consultation event**
-

Cabinet 2024

14th February

-
- **Comments to be submitted preferably on a form to be found on the LHL page on the BDC website, hard copies of the form will be available at consultation events.**
 - **Tabulate consultation comments**

Consider all comments against the criteria and amend the draft LHL accordingly.

Prepare a summary of consultation comments & Conservation responses.

Prepare Cabinet Report with consultation responses and recommendation that the Parish / area LHL is adopted, and it becomes a material consideration in the planning process.

- 2.14 It is hoped that with an actual document to look at which identifies properties for inclusion on a LHL together with an explanation as to how the buildings meets the criteria that the public will be more willing to engage. This has been the case with the conservation area appraisals. It may also encourage the public to suggest other buildings as they will hopefully have a better understanding of what we are trying to achieve.
- 2.15 Heritage assets on the local list do not attract additional consent requirements, unlike statutory listed buildings where listed building consent is required for all alterations, over and above those required for planning permission.
- 2,16 Heritage assets identified on a local list, are recognised by the local authority as having heritage significance, and therefore will merit consideration in planning matters. When considering planning applications which impact on heritage assets on the local list, the LPA is required to take a balanced judgement having regard to the scale of any harm or loss and the significance of the heritage asset, in determining the application.
- 2.17 There will be no appeal procedure if an owner believes thier property should not be included on the list. The statutory listing process similarly has no appeal process.

The Draft Local Heritage List

Cabinet 2024

14th February

- 2.18 Draft lists in respect of Beoley, Alvechurch, Belbroughton and Dodford have now been prepared. These lists add 140 properties to the draft LHL, and cover a diverse range of properties including houses, schools, village halls, places of worship and canal infrastructure. Work is underway on Bromsgrove, Lickey and Blackwell and Wythall. Appendix 2 identifies the properties which are going to be subject to the consultation processes as outlined above.
- 2.19 An example of a full list entry can be seen below , a photograph will be included in the final document, and this is what we will use as the basis for consultation. The final list once adopted will be published on the Councils website, and used as a material consideration when making planning decisions.

Cabinet 2024

14th February

Bromsgrove Draft Local List 2023

Scarfield Wharf Stables			
Scarfield Hill	B48 7SQ	Alvechurch	BDC ID ALV001

Description / Summary

Stable building, probably built in 1861 after the 1847 wharf enlargement. A smaller building appears on the 1842 tithe map, and this may be incorporated in the current building, but there are no obvious indications in the building fabric. Scarfield Wharf was originally constructed around 1806, following the construction of the canal stretch between Hopwood and Tardebigge, and included a winding hole, stables, machine house and weighbridge, the latter of which was taken from Hopwood Wharf. In 1808 the wharf was the southern terminus for a horse-drawn packet boat service, conveying goods and people between Alvechurch and Birmingham, although this enterprise only lasted 5 years. The stables likely used bricks from the then nearby Wynn's Brickworks, which operated from 1860-1939.

Age, Authenticity and Rarity

Mid-19th century with possible earlier parts incorporated. There are minimal signs of change to principal form and fabric since 1861, although windows and rainwater goods appear to be modern. The building is one of only a handful of surviving historic wharf buildings in the area.

Architectural Interest

Simple, utilitarian form with interesting brickwork.

Historic Interest

Historic association with the canal, particularly associated with Wynn's Brickworks as probable supplier for its principal fabric, and subsequent occupier as the brickworks leased the wharf for transporting its goods.

Townscape/Villagescape/Landscape Interest

Positive contribution to canal corridor, strengthening the line of the bridge and marking an intersection of travel modes.

New Alvechurch Marina Building			
Scarfield Hill	B48 7SQ	Alvechurch	BDC ID ALV002

Description / Summary

Marina Offices and Chandlery, built in the 1980s-90s, to designs from local firm Frank Helm Associates.

Age, Authenticity and Rarity

Late 20th century, but an authentic and unique design; possibly the only purpose-designed modern canal building in the area.

Architectural Interest

Unique, modern form appearing to reference the 'cloth and plank' cargo section of historic working canal boats. The building is designed specifically for visual interest as opposed to a utilitarian 'shed'.

Historic Interest

The conversion of the wharf from industrial use to leisure use was a key moment in its history and ensured its ongoing survival as a piece of canal infrastructure. The Marina building has been the hub of local canal life for over 40 years.

Townscape/Villagescape/Landscape Interest

Positive contribution to canal corridor, modern but not jarring or harmful.

**Cabinet
2024**

14th February

2.20 It is proposed going forward that officers will prepare further lists for the remaining areas of the District and in consultation with the portfolio holder these will be published for consultation as per the delegation requested at 1.2 above. Once the consultation has been undertaken, the final sections of the list will be presented to members for formal adoption as the Local Heritage List for Bromsgrove. It is envisaged that officers will prepare a number of reports over the next 12-18 months each one covering a number of parishes / areas so that we can get LHL coverage in as soon as possible, rather than wait for the whole district to be assessed before we finalise the list. It is also expected that overtime the list will be updated as further assets are identified.

3. FINANCIAL IMPLICATIONS

3.1 The cost of implementing the proposed changes to the Strategy and carrying out the consultation process will be met by the existing Strategic Planning Team budget.

4. LEGAL IMPLICATIONS

4.1 The use of local lists is promoted by the NPPF, which advises local planning authorities in Paragraph 190 to 'set out in their local plan a positive strategy for the conservation and enjoyment of the historic environment'. It is emphasised that 'they (LPAs) should recognise that heritage assets are an irreplaceable resource and conserve them in a manner appropriate to their significance'. In light of the NPPF, the Bromsgrove District Plan (2017) acknowledges the importance of adopting a local list to formerly identify the locally important heritage assets within the District. (See paras BDP 20.12, BDP 20.13 & BDP20.14)

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

5.1 Communities which are Safe, Well Maintained and Green

The identification and inclusion of local heritage assets on the LHL will help to ensure that the local distinctiveness of Bromsgrove will be maintained and managed further, enhancing the sense of a well maintained and safe communities.

Climate Change Implications

Cabinet 2024

14th February

5.2 It is not considered that the proposed action will have any climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 There are not considered to be any customer/equality or diversity implications. The consultation will be carried out in line with established consultation processes the planning department frequently use.

7. RISK MANAGEMENT

7.1 There are no associated risks with this report.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 Revised Draft Local Heritage List Strategy Document
Appendix 2 Draft Local Heritage lists for Alvechurch, Belbroufghton, Beoley and Dodford

Cabinet 2024

14th February

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder		
Lead Director / Head of Service		
Financial Services		
Legal Services		
Policy Team (if equalities implications apply)	N/A	
Climate Change Officer (if climate change implications apply)	N/A	

APPENDIX 1

Revised Draft Local Heritage List Strategy Document

Appendix 2

Except from a draft list

APPENDIX 1

LOCAL HERITAGE LIST STRATEGY (REVISED NOVEMBER 2023 DRAFT)

What is Local Listing?

Local lists identify heritage assets which are valued by local communities and contribute to the character and local distinctiveness of an area. There are a significant number of heritage assets within the District which are important to our local communities and make a valuable contribution to our sense of history and understanding of place.

Heritage Assets are defined in the National Planning Policy Framework (NPPF) as ‘A building, monument, site, place, area or landscape identified as having a degree of significance meriting consideration in planning decisions, because of its heritage interest. Heritage asset includes designated heritage assets and assets identified by the local planning authority (including local listing)’. These assets can include buildings, structures, landscapes, archaeological sites or places associated with significant local, historical events, important people, trades or industries, craftsmen or locally distinctive buildings in terms of their architecture or materials, to name but a few examples.

Overall, they are heritage assets which are valued by local communities and contribute to the character and local distinctiveness of an area.

Local lists identify what is valued at a local level as opposed to national level. Nationally important heritage assets are identified as either scheduled Ancient Monuments, or on the Statutory List (occasionally they appear on both) or Register of Parks and Gardens. Other heritage assets do not satisfy the criteria for any of these national designations, and if not located in a conservation area they have no formal recognition and consequently no protection.

The process of preparing a local heritage list allows local people to identify the local heritage assets which are important to them as well as enabling local authorities to work in partnership with their local communities. A local list will identify the location of such assets and will define their significance.

Policy Context NPPF

The use of local lists is promoted by the National Planning Policy Framework (NPPF), which advises local planning authorities in Paragraph 196¹, to ‘set out in their local plan a positive strategy for the conservation and enjoyment of the historic environment’. It is emphasised that ‘they should recognise that heritage assets are

¹ Plans should set out a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. This strategy should take into account:

- the desirability of sustaining and enhancing the significance of heritage assets and putting them to viable uses consistent with their conservation;
- the wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring;
- the desirability of new development making a positive contribution to local character and distinctiveness; and
- opportunities to draw on the contribution made by the historic environment to the character of a place.

an irreplaceable resource and conserve them in a manner appropriate to their significance’.

In respect of non-designated Heritage Assets, Paragraph 209 states ‘The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that affect directly or indirectly non designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.’

Local Plan Policies

In light of the NPPF the Bromsgrove District Plan (2017) acknowledges the importance of adopting a local list to formally identify the locally important heritage assets within the district, and includes the following policies;

BDP20.12 The District Council will update the current draft local heritage list and formally adopt it. It would include all heritage assets recognised as being of local importance, including those which are locally distinctive such as nailers cottages, assets associated with the scythe industry and assets associated with the use of the Worcester and Birmingham canal which runs the length of the District, to name but a few.

BDP20.13 The District Council will support development that:

- i. Retains Heritage assets on the local list.
- ii. Involves sympathetic alterations and extensions to Heritage assets on the local list.
- iii. Does not have a detrimental impact on the setting or context of Heritage assets on the local list.

BDP20.14 In considering applications that directly or indirectly affect locally listed buildings, a balanced judgement will be applied having regard to the scale of any harm or loss as a result of proposed development and the significance of the locally listed building.

Historic England Guidance

Local lists have been promoted in planning policy since the 1990s. Historic England’s Guidance document ‘Local Heritage Listing: Identifying and Conserving Local Heritage, Historic England Advice Note 7 (2nd edition) 2021 and its predecessors advised local authorities how they should go about preparing and maintain local lists. The guidance document has assisted in the preparation of this document.

What protection do locally Listed Buildings have?

Heritage assets on the local list do not attract additional consent requirements, unlike statutory listed buildings where listed building consent is required for all alterations, over and above those required for planning permission.

Heritage assets identified on a local list, are recognised by the local authority as having heritage significance, and therefore due to Paragraph 208 of the NPPF(outlined above), will merit consideration in planning matters. When

considering planning applications which impact on heritage assets on the local list, the LPA is required to take a balanced judgement having regard to the scale of any harm or loss and the significance of the heritage asset, in determining the application.

Heritage assets on the Local Heritage List will not have the same protection as those on the statutory list, although the Historic Environment policies in the District Plan support the retention of heritage assets on the list.

The level of protection afforded to a heritage asset on a local list will be dependent on how the local list was prepared. The more robust the process for adding a heritage asset to the local list, particularly in terms of the selection criteria, the greater the weight for protecting the asset.

Inclusion of a heritage asset on the list will provide clarity to owners, developers and the local planning authority allowing all parties to consider the significance of the asset at an early stage. It should be noted that if a heritage asset is not included on a local list, it does not indicate that it is of no heritage value, only that at this point in time it does not meet the criteria for inclusion on the list. The fact that it is a 'heritage asset' will still be a material consideration in the planning process.

Consultation

The process of compiling the Local Heritage List and the criteria to be used have been arrived at following public consultation.

The first step in the process of preparing and adopting the local list was to consult on the draft selection criteria which had been identified and the process for compiling the Local Heritage List. Following Cabinet approval a 6 week consultation was undertaken. The consultation process involved inviting comments from key stakeholders including the parish councils, neighbouring councils, Historic England, the statutory amenity societies, local history groups, other local societies and the general public. A Local Heritage List page was created on the conservation section of the Bromsgrove District Council website, with further information on the process, and details on how to submit comments. Two information evenings were also held at the Council House in Bromsgrove.

A number of comments were submitted in respect of the document and the criteria. The document and criteria have been amended in light of these comments and the changes approved by the Head of Planning and Regeneration in consultation with the Portfolio Holder.

Compiling the Local Heritage List

Although a draft local list was drawn up in 2006, it was on the basis of nomination only and there were no defining criteria. All the properties on this list will be considered in light of the adopted criteria. As the task is a large one and the local authority wants to work with local communities to draw up the list it is proposed that the list is drawn up on a parish by parish basis where parishes exist, where no parishes exist the areas will be split up in manageable selection areas.

Local groups including parish councils, local history groups, local interest societies, to name but a few, as well as individuals will be invited to nominate heritage assets for consideration for inclusion on the Local List. They will need to submit evidence on a nomination form to justify the proposal having considered the selection criteria.

The conservation team will consider all nominations and will assess them against the criteria. The team will also survey the area to identify further properties which meet the criteria.

The Conservation Team will then assemble a draft list for the parish/area

They will then commence a consultation process as follows

Publish LHL on BDC Website

Start Consultation Process – 6 Weeks

- **Contact owners/parish council/any other consultees**
- **Use Council social media to publicise consultation and consultation event**
- **Hold consultation event**
- **Comments to be submitted preferably on a form to be found on the LHL page on the BDC website, hard copies of the form will be available at consultation events.**
- **Tabulate consultation comments**

Consider all comments against the criteria and amend the draft LHL accordingly

Prepare a summary of consultation comments & Conservation responses

A final report, together with a summary of the consultation responses, will be prepared for Cabinet with the proposal that the Parish LHL is adopted and becomes a material consideration in the planning process.

There will be no appeal procedure if an owner believes his/her property should not be included on the list. The statutory listing process similarly has no appeal process although the issue of whether or not a building should be on the national list can be raised during development control procedures.

The process will be repeated until the whole District has been assessed. Following which there will be a similar process for subsequently adding any further heritage assets to the list on an annual basis.

If for any reason a HA loses its significance, for example due to unsympathetic alterations, or additions, it could be considered for removal from the list following a similar process to the one outlined above.

What will the list look like?

It is envisaged that it will comprise address details, photograph, description and brief reasons for inclusion, including how it meets the criteria.

Availability/Accessibility

There will be a link to the list from the conservation pages of the BDC Website, with a hard copy maintained in the office.

Why do we need Selection Criteria?

The local list can incorporate all types of heritage assets, and selection criteria are important for defining the scope of the local heritage list, ensuring that a range of local assets including the locally distinctive are included.

More weight can be given to preserving the significance of assets on the local list, if the list has been objectively prepared. Criteria therefore need to be subject to public consultation and there has to be a clearly defined process for compiling the list as well as adding to it in the future.

Summary of special interest for Bromsgrove District

Bromsgrove District is situated in North Worcestershire, and although the town of Bromsgrove is located only 14 miles from the centre of Birmingham, the district is predominately rural, with approximately 91% designated as Green Belt.

Away from the built up areas around Bromsgrove the District is characterised by settlements of farmsteads and wayside dwellings with the occasional village. The Historic Environment Assessment of Bromsgrove District indicated that there was generally a moderate to high survival rate of historic character, although many of the historic assets are undesignated.

There are 492 listed buildings, 13 Scheduled Ancient Monuments, 839 known sites of archaeological interest, 2 registered parks and gardens and 12 conservation areas. The conservation areas vary greatly in character, however most are centred around village cores such as Belbroughton and Alvechurch, but this also means that that village buildings of interest, of which there are many, not situated in this central core are unprotected.

The more unusual conservation areas include a stretch of the Birmingham and Worcester Canal, however not all buildings and structures associated with the waterway are within the boundary of the conservation area, and the Chartist settlement at Dodford.

Most of the Dodford settlement is protected by the conservation area designation and the best surviving cottages are listed. Dodford was one of only five Chartist settlements in the country, and is considered to have been one of the key events in agricultural development in Worcestershire.

In addition, there are other smaller but equally notable groups of assets which are important in terms of local character and distinctiveness and these include;

- The cottages and workshops relating to the nailing industry, which boomed around Bromsgrove during the 18th and 19th centuries, and they can be found throughout the district.
- The numerous vernacular cottages and farmsteads found throughout the district, although many farmsteads have been converted to residential use.
- The houses designed by prominent Birmingham Arts and Crafts architects at the end of the 19th and at the beginning of the 20th century, particularly around Barnt Green.

- Work by the Bromsgrove Guild of Applied Arts, founded at the end of the 19th century which attracted craftsmen to the area from across Europe before it closed in the late 1960s.
- Structures and other evidence relating to the scythe industry in Belbroughton
- The significant number of parks and gardens of regional importance, identified in the Hereford and Worcester Gardens Trust, Survey of Parks and Gardens in Worcestershire².

Selection Criteria

To be considered for the local list each heritage asset should satisfy criteria 1 and one other criteria.

1 Age, Authenticity and Rarity

- Any heritage asset proposed to be considered for selection under any of these criteria the asset would need to have retained a significant and recognisable amount of its original form and fabric.

- If there are a number of examples of a particular asset the best examples in terms of their authenticity, should be selected for the Local Heritage List

2 Architectural Interest

This would include;

- Assets which can be attributed to nationally and locally important architects, designers, builders, gardeners or craftsmen, and illustrate a high quality of design or innovation. Locally important architects might include John Cotton and A V Rowe, as well as Birmingham Arts & Crafts architects such as Charles Bateman. Locally important craftsmen could include members of the Bromsgrove Guild or Birmingham Guild.

- Assets which illustrate distinctive artistic, craftsmanship, design, construction or landscaping qualities of interest. This might include a distinctive architectural style, or a good example stained glass or other decorative detailing,

² *A Survey of Historic Parks and Gardens in Worcester shire, Richard Lockett, Hereford and Worcester Gardens Trust. 2019*

- Assets which are a good example of a locally important building type (e.g Nailers Cottages).

3 Historic Interest

This would include;

- Assets which are associated with a locally important historic person, family or group
- Assets which illustrate a particular phase or period of local, social, religious, political or economic history (e.g nailers cottages or assets associated with the Chartist Movement at Dodford)
- Assets which are associated with a locally important historic event or movement.

4 Townscape/Villagescape/Landscape Interest

This would include;

- Assets which are locally important building types such as churches, chapels, schools and other distinctive features in the streetscape.
- Assets which are landmarks or features which make a positive contribution to the distinctive character of the area.

This page is intentionally left blank

Agenda Item 5

Bromsgrove Draft Local List 2024

Scarfield Wharf Stables			
Scarfield Hill	B48 7SQ	Alvechurch	BDC ID ALV001
New Alvechurch Marina Building			
Scarfield Hill	B48 7SQ	Alvechurch	BDC ID ALV002
The Weighbridge Freehouse			
Scarfield Hill	B48 7SQ	Alvechurch	BDC ID ALV003
School House Private Day Nursery			
Priory Road	B61 9DF	Dodford with Grafton	BDC ID DOD005
Dodford lodge			
Priory Road	B61 9DF	Dodford with Grafton	BDC ID DOD006
Little Dodford Farm			
Priory Road	B61 9DF	Dodford with Grafton	BDC ID DOD007
The Tower House			
Priory Road	B61 9DF	Dodford with Grafton	BDC ID DOD008
Westbrook Victoria Road and Building to the Rear of Westbrook			
Victoria Road	B61 9BZ	Dodford with Grafton	BDC ID DOD009
Chapelgate			
Warbage Lane	B61 9BE	Dodford with Grafton	BDC ID DOD010
Orchard Cottage			
Whinfield Road	B61 9BG	Dodford with Grafton	BDC ID DOD011
Sundays Hill			
Whinfield Road	B61 9BG	Dodford with Grafton	BDC ID DOD012
The Dodford Inn			
Whinfield Road	B61 9BG	Dodford with Grafton	BDC ID DOD013
Highfields			
Woodland Road	B61 9BP	Dodford with Grafton	BDC ID DOD014
Hollybank			
Woodland Road	B61 9BN	Dodford with Grafton	BDC ID DOD015
Trefoil Court			
Woodland Road	B61 9BN	Dodford with Grafton	BDC ID DOD016
The Millstone			
Woodland Road	B61 9BS	Dodford with Grafton	BDC ID DOD017
The Homestead			
Woodland Road	B61 9BN	Dodford with Grafton	BDC ID DOD018

Agenda Item 5

The Latch			
Brimstone Lane	B61 9AX	Dodford with Grafton	BDC ID DOD019
Hopwood Village Hall			
Birmingham Road	B48 7AL	Hopwood	BDC ID ALV011
Wharf Cottages			
Callow Hill Road	B48 7LR	Alvechurch	BDC ID ALV013
The Bakery, 1A			
Latimer Road	B48 7NP	Alvechurch	BDC ID ALV014
Rosemary Cottages			
Bittell Road	B48 7BN	Alvechurch	BDC ID ALV018
457			
Birmingham Road	B97 6RL	Alvechurch	BDC ID ALV022
The Crown Inn			
Withybed Lane	B48 7PN	Alvechurch	BDC ID ALV031
Havencroft Nursing Home			
Formerly The Elms, Birmingham Road, H		Hopwood	BDC ID ALV032
1 & 2 Birmingham Road			
1 & 2 Birmingham Road, Hopwood	B48 7TR	Hopwood	BDC ID ALV036
Post Office and Adjoining Building, 1			
Bear Hill	B48 7JX	Alvechurch	BDC ID ALV037
Town Mill			
Radford Road	B48 7LD	Alvechurch	BDC ID ALV038
The Old School House			
School Lane	B48 7SA	Alvechurch	BDC ID ALV039
Methodist Chapel			
Chapel Lane	B48 7QH	Rowney Green	BDC ID ALV040
Baptist Chapel			
Red Lion Street	B48 7LG	Alvechurch	BDC ID ALV041
Old Railway Station			
Station Road	B48 7SE	Alvechurch	BDC ID ALV042
Park at Bordesley Hall, Alvechurch			
Alvechurch NP View E is into this park			BDC ID ALV043
Deer Park at Bordesley Park, Alvechurch			
			BDC ID ALV044
Bordesley Park Farmhouse, Beoley			
Dagnell End Road		Beoley	BDC ID ALV045

Agenda Item 5

Alpine Lodge Farm (Lodge Farm), AKA Rowney Green Farm, Rowney Green			
Rowney Green Lane		Rowney Green	BDC ID ALV046
Village Hall, Bear Hill, Alvechurch			
Bear Hill		Alvechurch	BDC ID ALV047
Tunnel House, West Hills Lane, Alvechurch			
West Hills Lane		Hopwood	BDC ID ALV048
2, 4, and 6 Swan Street, Alvechurch			
Swan Street		Alvechurch	BDC ID ALV049
Groveley Hall (Groveley House), Alvechurch			
Birmingham Road		Hopwood	BDC ID ALV050
Station Road Bridge (Bridge 60), Worcester and Birmingham Canal, Alvechurch			
Station Road		Alvechurch	BDC ID ALV051
Bittell Bridge (Bridge 66), Worcester and Birmingham Canal, Alvechurch			
Bittell Farm Road		Alvechurch	BDC ID ALV052
Hopwood Bridge (Bridge 68), Worcester and Birmingham Canal, Alvechurch			
N/A		Hopwood	BDC ID ALV053
Uplands, Coopers Hill, Alvechurch			
Coopers Hill		Alvechurch	BDC ID ALV054
Former School, now a church, School Lane, Alvechurch			
School Lane		Alvechurch	BDC ID ALV055
The Peacock, Icknield Street, Alvechurch			
Icknield Street		Forhill	BDC ID ALV056
Dingle House, Alvechurch			
Birmingham Road		Alvechurch	BDC ID ALV057
Outbuildings at Brookhouse Farm, Alvechurch			
Stonehouse Lane			BDC ID ALV058
Farmhouse, Woodlands Farm (Woodlands), Alvechurch			
Chapel Lane		Rowney Green	BDC ID ALV059
Lea End House, Alvechurch			
Lea End Lane		Lea End	BDC ID ALV060
Peacock Cottage, Alvechurch			
Icknield Street		Forhill	BDC ID ALV061
20-22 Bear Hill, Alvechurch			
Bear Hill		Alvechurch	BDC ID ALV062
The Swan Public House, Swan Street, Alvechurch			
Swan Street		Alvechurch	BDC ID ALV063

Agenda Item 5

Fairfield, Radford Road, Alvechurch

Radford Road

Alvechurch

BDC ID ALV064

Hopwood House Inn, A441, Alvechurch

Birmingham Road

Hopwood

BDC ID ALV065

Wast Hills House, Alvechurch

Wast Hills Lane

Alvechurch

BDC ID ALV066

Bordesley Hall, Alvechurch

The Holloway

Rowney Green

BDC ID ALV067

Belbroughton Primary School

DY9 9TF

Belbroughton

BDC ID BEL001

No. 22-26

DY9 0DT

Belbroughton

BDC ID BEL002

Old School House, 28

DY9 0DT

Belbroughton

BDC ID BEL003

Outbuilding to Fieldhouse Farm

...

Belbroughton

BDC ID BEL004

Outbuilding east of 8 Drayton Road

Belbroughton

BDC ID BEL005

The Old Chapel

DY90DT

Belbroughton

BDC ID BEL006

The Talbot

Belbroughton

BDC ID BEL007

44

DY9 9SU

Belbroughton

BDC ID BEL008

Ye Old Horse Shoe Inn

Belbroughton

BDC ID BEL009

4 to 10

Belbroughton

BDC ID BEL010

Former Nash Works Building

Belbroughton

BDC ID BEL011

Rosecroft

Alcester Road

Beoley

BDC ID BEO001

Arrowdale & Holt End Farm

Beoley Lane

Beoley

BDC ID BEO003

Beoley Village Hall

Beoley Lane

Beoley

BDC ID BEO004

Agenda Item 5

Beoley First School & Woodland House Day

Beoley Lane		Beoley	BDC ID	BEO005
-------------	--	--------	--------	--------

Madeley Green

Billesley Lane		Beoley	BDC ID	BEO006
----------------	--	--------	--------	--------

Billesley Farm & Billesley Farm Cottage

Billesley Lane		Beoley	BDC ID	BEO007
----------------	--	--------	--------	--------

Longfield

Bleachfield Lane		Beoley	BDC ID	BEO008
------------------	--	--------	--------	--------

Carpenters Hill House

Carpenters Hill		Beoley	BDC ID	BEO009
-----------------	--	--------	--------	--------

Hawthorn Cottage

Chapel Lane		Beoley	BDC ID	BEO010
-------------	--	--------	--------	--------

Uplow Cottage & The Cottage

Holt Hill		Beoley	BDC ID	BEO011
-----------	--	--------	--------	--------

The Village Inn

Holt Hill		Beoley	BDC ID	BEO012
-----------	--	--------	--------	--------

Old Forge Cottage

Icknield street		Beoley	BDC ID	BEO013
-----------------	--	--------	--------	--------

Walled Garden at Brook Farm (Former Walled Garden to Beoley Hall)

Icknield street		Beoley	BDC ID	BEO014
-----------------	--	--------	--------	--------

Lilley Green Hall

Lilley Green Road		Beoley	BDC ID	BEO015
-------------------	--	--------	--------	--------

Old Farm (including barn to north of farmhouse)

Old Lane		Beoley	BDC ID	BEO016
----------	--	--------	--------	--------

Hob Hill Farm (including The Coach House and The Barn)

Seafeld Lane		Beoley	BDC ID	BEO017
--------------	--	--------	--------	--------

Newlands

Seafeld Lane		Beoley	BDC ID	BEO018
--------------	--	--------	--------	--------

Wren's Nest

Wapping Lane		Beoley	BDC ID	BEO020
--------------	--	--------	--------	--------

Greenfields

Church Road	B61 9BY	Dodford with Grafton	BDC ID	DOD001
-------------	---------	----------------------	--------	--------

Dodford First School

Fockbury Road	B61 9AW	Dodford with Grafton	BDC ID	DOD002
---------------	---------	----------------------	--------	--------

Post Office and The Old Post Office

Priory Road	B61 9DA	Dodford with Grafton	BDC ID	DOD003
-------------	---------	----------------------	--------	--------

Agenda Item 5

Sumach

Priory Road

B61 9DA

Dodford with Grafton

BDC ID DOD004

Fockbury House (Inc. brick boundary wall to the north) and Fockbury Farm: The buildings include "Acorn House", "Oak L

Fockbury Road

B61 9AP

Dodford with Grafton

BDC ID DOD020

Tower

Bromsgrove Road

B61 9JD

Dodford with Grafton

BDC ID DOD021

Top House

Woodcote Lane

B61 9EF

Dodford with Grafton

BDC ID DOD022

Park Farm and Park Farm Barns

Kidderminster Road

B61 9AL

Dodford with Grafton

BDC ID DOD023

Parkgate Inn

Kidderminster Road

B61 9AJ

Dodford with Grafton

BDC ID DOD024

Battlefield Farm (Farmstead and Farmhouse)

Kidderminster Road

B61 9AJ

Dodford with Grafton

BDC ID DOD025

Battlefield House

Kidderminster Road

Dodford with Grafton

BDC ID DOD026

Rodenhurst Farm

Timberhonger Lane

B61 9DP

Dodford with Grafton

BDC ID DOD027

Grafton Cottage

Grafton Lane

B61 7HA

Dodford with Grafton

BDC ID DOD028

Foxwalks Farm and Foxwalks Farmstead: The buildings include "Foxwalks Farm", "Farm Cottage", "The Coach House", "T

Grafton Lane

B61 7HB

Dodford with Grafton

BDC ID DOD029

Cabinet: 14th February 2024

Report title : Playing Pitch Strategy

Relevant Portfolio Holder	Councillor Steve Collella
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ruth Bamford
Report Author: Jonathan Cochran	Job Title: Development Services Manager Contact email: Jonathan.cochrane@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 Ext 3487
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Living independent, active & healthy lives. Communities which are safe well-maintained & green. Green Thread
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 Committee RESOLVE that:-

- 1) **The Playing Pitch Strategy at Appendix A be endorsed**
- 2) **That delegated responsibility be granted to the Head of Planning, Regeneration and Leisure following consultation with the Portfolio Holder for Leisure, Culture and Climate Change to implement the following recommendations**

Playing Pitch Strategy Executive Summary Appendix B: 1.1, 2.1, 3.1, 3.3, 3.4, 5.1, 6.1, 6.3, 7.1, 7.2, 8.1, 8.3, 8.5

2. **BACKGROUND**

- 2.1 Bromsgrove District Council resolved that delegated authority be granted to the then Head of Leisure and Culture Services to produce a Leisure and Culture Strategy.
- 2.2 Given the current context for the public sector, as well as the wider economy, budget constraints and increasing costs, it is becoming necessary for expenditure on leisure and culture services, to be objectively justified, developed, and delivered against a strategic

Cabinet: 14th February 2024

framework. Consultants, Strategic Leisure and Community First Partnership, were appointed in February 2021 to produce a Leisure and Culture Strategy for Bromsgrove District Council.

2.3 This Leisure and Culture Strategy ('the Strategy') for Bromsgrove District Council that was adopted in the autumn of 2022 set out our future direction of travel for Leisure and Culture services (LCS) and identified the priorities for provision of these important, and highly valued community services. This Strategy is aligned to the Corporate Plan which recognises the contribution that leisure and culture can make to the achievement of our corporate and community priorities, and in particular community health and wellbeing.

2.4 The Strategy that was endorsed in the autumn of 2022 comprised the following supporting evidence:

- Arts and Culture Strategy. – Analysis of existing provision, key issues, priority needs, followed by recommendations.
- Parks and Open Spaces Strategy – Analysis of existing provision, key issues and priority needs, production of management plans for key sites followed by recommendations.
- Built Facility Strategy : an assessment of the quality and quantity of existing built facility provision in the context of Leisure in the Bromsgrove District. It goes on to provide an analysis of how accessible it is and the evidence required to confirm both current and future demand for built facilities between now and 2040.

At the time of endorsement the Cabinet were informed that an additional component of the Leisure and Culture Strategy known as the Playing Pitch Strategy required more time to be completed and it would follow later in 2023.

2.5 The Playing Pitch Strategy for Bromsgrove District Council that we are asking the Cabinet to endorse today will contribute to the overall vision as set out in the Leisure and Culture Strategy that was endorsed in late 2022. That Vision is as follows:

VISION: Healthier and happier communities actively engaged in leisure and culture.

AIM: To improve community health and wellbeing through inclusive access to parks, open spaces, sport, physical activity, arts, heritage, culture and everyday creativity. This way we will inspire our communities to lead longer, happier, healthier and more successful lives.

Cabinet: 14th February 2024

- 2.6 The Playing Pitch Strategy we present today is an assessment of the quality and quantity of existing playing pitch provision in the Bromsgrove District. It goes on to provide an analysis of how accessible it is and the evidence required to confirm both current and future demand for playing pitches between now and 2040.
- 2.7 The Playing Pitch Strategy was produced with the support of external consultants and a team of National Governing Bodies (NGBs) for relevant outdoor sports (eg Football, Rugby, Cricket, Hockey) to oversee the work. Sport England act as supervisor and sign off the work upon completion.
- 2.8 The Playing Pitch Strategy for Bromsgrove District Council will give confidence to the decision making of our Planning Authority as a result of the process sitting within the context of the Government's National Planning Policy Framework. The strategy is designed to help protect the spaces where people get active because local planning authorities are required by law to consult Sport England on planning applications that affect outdoor playing pitches. The document helps them to assess and respond to these applications accurately.
- 2.9 It is recommended that members pay particular attention to the contents and recommendations found in the Executive Summary for the Playing Pitch Strategy that can be found at Appendices B
- 2.91 Further considerable detail in relation to process, evidence collected and other relevant data can be found in the full strategy documents at Appendices A
- 2.92 The Playing Pitch Strategy contains a number of recommendations that fall into one of two categories: 1) those recommendations which can be implemented through the use of existing Council budgets, 2) those recommendations that could only be implemented if extra resources are to be identified from either an external source or Council funds.
- 2.93 In the case of those Recommendations that fall under category 1 officers will proceed to implement that work further to Cabinet endorsing the strategies. These recommendations are listed in Recommendation Two in this report.
- 2.94 In the case of those Recommendations that fall under category 2 the Head of Planning Regeneration and Leisure will return to Council with a budget bid as and when deemed necessary and appropriate.

Cabinet: 14th February 2024

3. FINANCIAL IMPLICATIONS

- 3.1 There are no immediate financial implications as a consequence of the prospective endorsement of Playing Pitch Strategy Recommendations 1.1, 2.1, 3.1, 3.3, 3.4, 5.1, 6.1, 6.3, 7.1, 7.2, 8.1, 8.3, 8.5
- 3.2 In the event that external funds are made available to take forward the remaining recommendations made in either of the strategies then Leisure Service officers will bring this to the attention of the relevant Portfolio Holder and further capital or revenue bids will be made at the appropriate time if required.

4. LEGAL IMPLICATIONS

- 4.1 The provision of leisure and culture services by local authorities is a non-statutory service which Councils, including Bromsgrove District Council, provide and incur expenditure on, under discretionary powers.
- 4.2 The Playing Pitch Strategy for Bromsgrove District Council will give confidence to the decision making of our Planning Authority as a result of the process sitting within the context of the Government's National Planning Policy Framework. The strategy is designed to help protect the spaces where people get active because local planning authorities are required by law to consult Sport England on planning applications that affect outdoor playing pitches. This document helps them to assess and respond to these applications accurately.
- 4.3 Due regard to the implications of the Public Sector Equality Duty and the Equalities Act (2010) is described within Equalities and Diversity Implications below at 7.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The most relevant strategic purposes are:
- Living independent, active & healthy lives.
 - Communities which are safe well-maintained & green.
 - Green Thread
- 5.2 The strategy describes how accessible and high quality outdoor LCS facilities and opportunities can have a positive impact upon peoples' lives. Access to Leisure and Culture helps people to live independent,

Cabinet: 14th February 2024

active, and healthy lives, and contribute to providing communities which are safe, well maintained, and green. When communities engage well with LCS aspiration increases and people are more likely to volunteer, be successful at work and be financially independent.

Climate Change Implications

- 6.1 The implementation of this strategy can make a positive change in terms of climate change objectives. These include promoting healthier lifestyles, and lower carbon footprints, encouraging outdoor activity and fostering a connection with nature.

7. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 7.1 Inherent in this Leisure and Culture Strategy is the significant opportunity for Bromsgrove District Council to bring forwards a positive difference to the quality of life for residents from the broadest range of backgrounds
- 7.2 The identification of community needs (including the broad range of demographic representation to be found in a District like Bromsgrove) is of paramount importance to the effective delivery of any quality Leisure and Culture Strategy. Subsequently recommendations made as part of this strategy work have made clear the requirement for service users to be engaged on an ongoing basis.
- 7.3 The Equalities Act of 2010 sets out clearly the requirement for public authorities to comply with the public sector equality duty. In summary this provides a need to “remove or reduce disadvantages suffered by people because of protected characteristics”.
- 7.4 Due process in relation to equality impact assessment will be delivered throughout the term of the strategy

8. Operational Implications

- 8.1 None at this stage.

9. RISK MANAGEMENT

- 9.1 Failure to deliver the opportunities for better quality of life described in the Leisure and Culture Strategy

Cabinet: 14th February 2024

8. APPENDICES and BACKGROUND PAPERS

Appendix A Playing Pitch Strategy for BDC

Appendix B Executive Summary for Playing Pitch Strategy for BDC

Cabinet: 14th February 2024

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Steve Colella	23/01/2024
Lead Director / Head of Service	Guy Revans Executive Director Ruth Bamford Head of Planning Regeneration and Leisure Services	23/01/2024
Financial Services	Peter Carpenter (Section 151 Officer)	23/01/2024
Legal Services	Nicola Cummings Principle Solicitor (Governance)	23/01/2024
Policy Team (if equalities implications apply)	Emily Payne Equalities Officer	23/01/2024
Climate Change Officer (if climate change implications apply)	Matt Eccles	11/01/2024

This page is intentionally left blank

Bromsgrove District Council

Playing Pitch and Outdoor Sports Strategy

An Executive Summary

December 2023



Bromsgrove
District Council
www.bromsgrove.gov.uk



1 Introduction and Context

- 1.1. As set out in the Bromsgrove Leisure and Culture Strategy 2022-2032, Bromsgrove District Council's Vision for future provision of leisure and culture in Bromsgrove is:

Healthier and happier communities actively engaged in leisure and culture.

- 1.2. The Bromsgrove Leisure and Culture Strategy is an over-arching document, aligned to the Corporate Plan, comprising strategies for Parks and Open Spaces (including 4 Management Plans), Built Sports Facilities, Arts and Culture, and Playing Pitches. It recognises the contribution that leisure and culture can make to the achievement of our corporate and community priorities, and specifically community health and wellbeing.

Purpose of the Playing Pitch and Outdoor Sports Strategy (PPOSS)

- 1.3. The PPOSS informs the Bromsgrove Leisure and Culture Strategy and will guide future provision of playing pitches and outdoor sports facilities to serve existing and new communities in Bromsgrove.

Methodology for developing the PPOSS

- 1.4. The PPOSS has been developed using the 2013 Sport England Playing Pitch Strategy Guidance (https://www.sportengland.org/how-we-can-help/facilities-and-planning/planning-for-sport?section=assessing_needs_and_playing_pitch_strategy_guidance), and for non-pitch sports the Sport England 'Assessing Needs and Opportunities Guidance (ANOG)'.
- 1.5. Sport England is a statutory consultee on all planning applications affecting playing fields used in the last 5 years, and a consultee on other applications: it looks to improve the quality, access, and management of sports facilities as well as investing in new facilities to meet unsatisfied demand.
- 1.6. The key drivers for the production of the PPOSS as advocated by Sport England are to protect, enhance and provide sports facilities, as follows:
1. **Protect:** To provide evidence to inform policy and specifically to support site allocations and development management policies which will protect sports facilities and their use by the community, irrespective of ownership;
 2. **Provide:** To ensure that sports facilities are effectively managed and maintained and that the best uses are made of existing resources – whether facilities, expertise and/or personnel to improve and enhance the existing provision – particularly in the light of pressure on local authority budgets; and

3. **Enhance:** To provide evidence to help secure external funding for new facilities and enhancements (if on the infrastructure list) and Section 106 agreements. Sport England and the local authority can then use the strategies developed and the guidance provided in making key planning decisions regarding facility developments in the area.

Appendices not included as part of Stage D

- 1.7. Stage D of the PPOSS, provides a summary of key findings, explores specific scenarios and makes recommendations for individual sports informed by work undertaken at Stages B and C.

Stage E

- 1.8. Stage E of the PPOSS involves establishment of a Steering Group to oversee implementation of the recommendations, update the PPOSS when needed, and ensure ongoing dialogue with both Sport England and National Governing Bodies (NGBs) about pitch and outdoor facility provision.

Recommendations

Pitch Type/ Facility	Recommendations
3G Artificial Grass Pitches	<p>1.1 Protect the existing stock of 3G pitches, ensuring community use is kept.</p> <p>1.2 Development of 1 additional full size 3G AGP in each of SA2, SA4 and SA5 to help reduce the current deficit. Waseley Hills High (SA1), Barnsley Hall (SA5), The Victoria Ground (SA5), Bay Tree Farm (SA4), The Holloway (SA4) and Wythall Park (SA4) should all be considered as potential sites.</p> <p>1.3 Development of 1 full size 3G pitch in SA3. This should be WR22 compliant and be located at Bromsgrove RFC, Five Ways Old Edwardians or Kings Norton RFC.</p> <p>1.4 Further analysis at Stage E to ascertain the need for the development of a 5th additional full size 3G AGP.</p>
Grass Football Pitches	<p>2.1 Protect existing quantity of pitches (unless replacement provision is agreed upon and provided).</p> <p>2.2 Work to reinstate currently disused Council owned football pitches into circulation to support current and future community usage. Particular focus should be on reinstating the youth 11v11 pitches at Aston Fields Recreation Ground and Sanders Park, which will have a significant impact on the reducing the predicted future shortfalls of this pitch type.</p> <p>2.3 Where pitches are overplayed and/or assessed as 'Poor' or 'Standard' quality, prioritise investment and review maintenance regimes to ensure it is of an appropriate standard to sustain use and improve quality to a 'good' standard.</p> <p>2.4 Work to accommodate future demand as well as unmet and latent demand at sites which are not operating at capacity, or at sites not currently available for community use that could become so, moving forward. There are a number of sites throughout Bromsgrove, that are available for community use, but not currently supporting any formal football activity.</p>

Bromsgrove District Council
Playing Pitch and Outdoor Sports Strategy

Pitch Type/ Facility	Recommendations													
	Utilising Romsley Playing Field (SA1), Belbroughton Rec Ground (SA2), The Pheonix Group (SA4), Catshill Village Meadow (SA5) and The Ryland Centre (SA5) should be a priority.													
Hockey Specific All Weather Grass Pitches	3.1	Protect all current hockey sites, including Bromsgrove Cricket, Hockey and Tennis Club, in accordance with Sport England's Playing Fields Policy, which opposes any development which would lead to the loss of a current playing pitch, land allocated for playing pitch provision or land which has previously been used as a playing field.												
	3.2	If the AGP at Bromsgrove Cricket Hockey and Tennis Club is lost, development of a replacement full size, floodlit hockey specific AGP is required in the SA5 sub area.												
	3.3	Protect Woodrush Community Sports Centre to prevent further deficit of hockey AGPs in the District and to allow for further growth or increased imported demand.												
	3.4	Explore the development of community use agreements with Bromsgrove School to secure the future of hockey in Bromsgrove.												
Rugby Union	4.1	Improve the maintenance regime at Bromsgrove Rugby Club and prioritise GMA inspections and reports at all community club sites in the study area.												
	4.2	The development of a WR22 3G pitch, and its prioritisation of rugby activity should be considered to contribute toward meeting training demand from all clubs. This should be in either the SA2 or SA3 sub-area, where there is the largest deficit for current and future training facilities. Any 3G development should not be located on an existing Rugby Union site, but rather focus on multi-sport outcomes through providing for both football and rugby union demand.												
	4.3	Encourage all club sites to undertake Pitch Power reports to inform pitch improvement plans and provide maintenance guidance to ensure pitch quality on all sites is of the highest standard possible.												
	4.4	Where additional pitch provision will not be located within the housing development, developer contributions should be secured to invest in existing provision or to provide new playing pitches off-site. The table below outlines the priority sites in SA5 where developer contributions could be used to address the current and future shortfalls in provision.												
	Priority Sites for Developer Contributions – SA5													
	<table border="1"> <thead> <tr> <th>Site</th> <th>Sport</th> <th>Recommendation</th> </tr> </thead> <tbody> <tr> <td>Garringtons</td> <td>Football</td> <td>Reinstate site – include youth football provision</td> </tr> <tr> <td>The Meadows</td> <td>Football</td> <td>Reinstate site – include youth football provision</td> </tr> <tr> <td>Sanders Park</td> <td>Football</td> <td>Reinstate site – include youth football provision</td> </tr> </tbody> </table>	Site	Sport	Recommendation	Garringtons	Football	Reinstate site – include youth football provision	The Meadows	Football	Reinstate site – include youth football provision	Sanders Park	Football	Reinstate site – include youth football provision	
Site	Sport	Recommendation												
Garringtons	Football	Reinstate site – include youth football provision												
The Meadows	Football	Reinstate site – include youth football provision												
Sanders Park	Football	Reinstate site – include youth football provision												

Bromsgrove District Council
Playing Pitch and Outdoor Sports Strategy

Pitch Type/ Facility	Recommendations		
	Catshill Village Meadow	Football	Grass pitch improvements
	Charford Recreation Ground	Football	Grass pitch improvements
	Stoke Prior Sport and Social Club	Football	Grass pitch improvements
	Barnsley Hall	Football / AGP	Development of 3G pitch provision in line with LFFP
	Avoncroft CC	Cricket	Development of non-turf pitch or additional grass wicket provision
	Bromsgrove Cricket Hockey and Tennis Club	Cricket	Additional grass wicket provision
	Old Halesonians Association	Rugby Union	Installation of additional floodlighting
	Five Ways Old Edwardians	Rugby Union	Installation of additional floodlighting
	Kings Norton RFC	Rugby Union	Installation of additional floodlighting
	Woodrush Rugby Club	Rugby Union	Installation of additional floodlighting
	Bromsgrove Rugby Cub	Rugby Union	Grass pitch improvements
	Bromsgrove School	Hockey	Implementation of community use agreement of 1 or more of the sand-dressed AGPs.
Cricket	<p>5.1 Develop secure community use agreements at education sites in Bromsgrove. This would minimise the impact of team growth and the shortfall in grass wickets that is predicted by 2040.</p> <p>5.2 Consider the development of additional non-turf wickets at existing club sites, prioritising Avoncroft CC and Hagley CC. However, this must not result in the loss of grass provision.</p> <p>5.3 Improve existing non-turf wickets on educational sites, enabling them to safely meet junior cricket demand, therefore creating extra capacity on grass wickets for adult provision. The development of community use agreements would again be imperative for this.</p> <p>5.4 Consider the development of additional grass wickets at Avoncroft CC and Bromsgrove Cricket Hockey and Tennis Club</p>		

Bromsgrove District Council
Playing Pitch and Outdoor Sports Strategy

Pitch Type/ Facility	Recommendations
Tennis	<p>6.1 Protect existing quantity of tennis courts and community access to them. This is particularly important at Bromsgrove Cricket Hockey and Tennis Club. Responsibility of BDC, Sports Club, Facility Owners.</p> <p>6.2 Support grounds staff to review quality issues on courts to ensure appropriate quality is achieved at sites assessed as standard and sustained at sites assessed as good. Priority sites for quality reviews are Rowney Green and Sanders Park. Responsibility of LTA, BDC and Sports Clubs where appropriate.</p> <p>6.3 Ensure club future demand can be accommodated on existing supply of courts. Responsibility of LTA, BDC and Sports Clubs where appropriate.</p> <p>6.4 Ensure that any large housing developments provide for tennis and need is assessed by use of Sport England’s ANOG Guidance.</p> <p>6.5 Where developments would benefit from floodlights on site to provide additional evening capacity, work with facility owners to determine the viability of these investments.</p>
Netball	<p>7.1 Protect existing quantity of netball courts. Responsibility of BDC, Sports Club, Facility Owners.</p> <p>7.2 Ensure club future demand can be accommodated on through existing indoor provision and supplemented through existing supply of outdoor courts, working with facility owners/managers to provide both indoor and outdoor netball. Responsibility of England Netball, BDC and Sports Clubs where appropriate.</p> <p>7.3 Ensure that any large housing developments provide for netball, need should be assessed by use of Sport England’s ANOG guidance</p> <p>7.4 Where developments would benefit from floodlights on site to provide additional evening capacity, work with facility owners to determine the viability of these investments.</p>
Bowls	<p>8.1 Protect existing quantity of all facilities. Responsibility of BDC, Sports Club, Facility Owners.</p> <p>8.2 Support grounds staff to review quality issues on greens to ensure appropriate quality is achieved at sites assessed as standard and sustained at sites assessed as good. Responsibility of Bowls bodies, BDC and Sports Clubs where appropriate.</p> <p>8.3 Ensure club future demand can be accommodated on existing supply of greens. Responsibility of Bowls bodies, BDC and Sports Clubs where appropriate.</p> <p>8.4 Work with clubs, BDC and bowls bodies to further assess the need for improved ancillary facilities at Sanders Park and Stoke Prior Green.</p> <p>8.5 Work with clubs to support development and growth of the sport.</p>

Cabinet

14/02/2024

Carbon Reduction Strategy Annual Review

Relevant Portfolio Holder		Councillor Steve Collela
Portfolio Holder Consulted		Yes
Relevant Head of Service		Judith Wills
Report Author	Job Title: Climate Change Manager Contact email: matthew.eccles@Bromsgrove@Redditch.gov.uk Contact Tel: 07816112073	
Wards Affected		All
Ward Councillor(s) consulted		All
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

The Cabinet **RECOMMEND** that:-

- 1) **Endorse the findings of this annual review of the Carbon Reduction Strategy (Appendix 2)**
- 2) **Accept the proposal to align Carbon Reduction Strategy measures to the Climate Action Scorecard into an accessible performance dashboard.**

2. BACKGROUND

- 2.1 In 2022 Bromsgrove District Council issued a Carbon Reduction Plan to assist the district achieve Net Zero by 2040. This report is to provide an update on progress against the identified actions on the Carbon Reduction Plan. (See Appendix 1 for Copy of Carbon Reduction Plan)
- 2.2 Globally, governments have committed to keep within a 1.5°C increase in temperature to avoid catastrophic impacts from climate change. The UK Government has committed to Net Zero by 2050.
- 2.3 Bromsgrove District Council has a significant role to play in taking and influencing action on climate change due to the services it delivers, the regulatory functions, strategic functions, procurement powers and responsibilities as a major employer. Evidence supports that Bromsgrove District Council should make carbon reduction key to what it does as a council to support national, regional & local targets.

- 2.4 Bromsgrove District Council declared a climate emergency at Council on 24th July 2019. On declaration of a climate emergency, an LA is affirming that it will place the Climate Emergency at the centre of its decision-making process. LA's are then expected to develop carbon reduction targets and action plans to assist in the reduction of carbon emissions, from their own council functions and, using their sphere of influence.
- 2.5 Each of the council's service areas have contributed to the Carbon Reduction Strategy and Action Plan (attached as Appendix 1) in order to produce 'carbon reduction pathways. Through this approach carbon reduction will become 'business as usual' and truly embedded throughout the organisation.

3. OPERATIONAL ISSUES

- 3.1 The proposals set out in the Action Plan will require changes to or new ways of working and operating by service areas. Any operational changes brought about as a consequence will be considered in the business case for each project and as part of any project planning.
- 3.2 This Strategy and Action Plan will be our route map to 'net zero' for our internal activities. It also highlights where we are trying to influence the reduction of carbon emissions from other places outside the council's activities.
- 3.3 This plan will be refreshed every 3 years and reviewed annually. Progress against targets will be reviewed twice a year and by the Cabinet Surgery Leisure and Climate Change and annually by Cabinet.
- 3.4 The key actions of the strategy and action plan will provide the focus, steer and priority for the Climate change Panel for the next 3 years.
- 3.5 Of the key actions outlined in the strategy and action plan there were 11 key actions identified with 6 actions where work has started or is underway and 4 actions identified to be started in 2024.

4. FINANCIAL IMPLICATIONS

- 4.1 The strategic objectives and projects outlined in the strategy and action plan will require financial and resource investment to be made to achieve carbon reduction. In some instances, this may lead to longer term savings e.g., reduction in energy consumption costs.
- 4.2 All projects and proposals detailed in the action plan that are not currently resourced and which have financial implications, will be

subject to business plans which including all of the financial requirements (staffing costs and all revenue and capital resources) which will be considered and require endorsement via the appropriate decision-making processes.

5. LEGAL IMPLICATIONS

- 5.1 The Climate Change Act 2008 sets the legally binding UK-wide target to achieve net-zero carbon emissions by 2050.
- 5.2 The Environment Act, 2021, acts as the UK's new framework of environmental protection. The Act provides the Government with powers to set new binding targets, including for air quality, water, biodiversity, and waste reduction.
- 5.3 As a requirement of the Climate Change Act, the government published the Clean Growth Strategy in October 2017. This strategy has two key aims: To meet domestic emissions reduction commitments at the lowest possible net cost to UK taxpayers, consumers and businesses; and to maximise the social and economic benefits for the UK of doing so.
- 5.4 The Home Energy Conservation Act 1995, obliges us to submit biennial reports setting out the practical, cost-effective measures, which are likely to significantly improve the energy efficiency of residential accommodation in our area.
- 5.5 Chapter 14 of the National Planning Policy Framework covers meeting the challenge of climate change.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 The Strategy and Action Plan support the Council's strategic purpose of 'Communities which are safe, well maintained & green'. In addition, it underpins the green thread that runs through the Council Plan and supports the delivery of achieving carbon reduction across council services. It also contributes to each of the Council's four other Strategic Purposes all of which have measures that support climate change initiatives.
- 6.2 It is recognised that the Council needs to concentrate on areas of work that will deliver the highest levels of carbon reduction. The strategy and action plan detail these areas but also acknowledges other actions of lower importance from a carbon reduction point of view, but which contribute to the overall greening of the authority.

- 6.3 In addition to the Strategic purposes, the Council's Plan also sets out its organisational priorities, and within a sustainability framework a requirement on any review of services to understand how we can adapt to climate change. The development of this Strategy supports this action.

Climate Change Implications

- 6.5 This Strategy is specifically to achieve carbon reduction and net zero for our internal activities across all service areas. Further, the Strategy also identifies our influencing role in supporting the reduction of carbon emissions from other organisations e.g., our contractors.
- 6.6 The Section on Measuring and Setting Emissions Targets in the Strategy outlines the targets to be achieved to ensure net zero by 2040. The Strategy is key to addressing Climate Change. The Strategy and action plan seek to deliver a 50% reduction by 2030 and 100% by 2040. As part of our current work to establish a figure for the council's activities we have arrived at an estimated figure of 1,746 tonnes of carbon emissions per year for 2021.
- 6.7 The Council was able to achieve radical change in response to a pandemic by the many actions taken and so there is every opportunity to respond and develop our actions in response to global warming and biodiversity collapse.

Equalities and Diversity Implications

- 6.3 Any equality implications of carbon reduction proposals changing will be considered on a project by project basis through the use of Equality Assessments, if required.

7. RISK MANAGEMENT

- 7.1 The Strategy sets out the Council's plan to achieve net zero by 2040. This target will only be achieved if all services deliver on the actions set out in the Strategy over the next three years and beyond.
- 7.2 To ensure the actions are implemented the Strategy will be co-ordinated and reviewed a by the Climate Change Manager and the Cabinet Surgery Leisure and Climate Change will receive regular reports on progress and at least twice yearly.
- 7.3 Failure to provide adequate resources will mean an increased risk that the strategy and action plan will not be delivered.

Cabinet

14/02/2024

8. APPENDICES and BACKGROUND PAPERS

8.1 Carbon Reduction Strategy.

8.2 Carbon Reduction Strategy Review.

Cabinet

14/02/2024

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Please record the name of the relevant Portfolio Holder who has signed off the report here. Councillor Colella, Portfolio Holder Leisure, Culture and Climate Change	15 January 2024.
Lead Director / Head of Service	Judith Willis, Head of Community & Housing Services	10 January 2024
Financial Services	Bernard Ofori-Atta, Head of Finance & Customer Services	10 January 2024
Legal Services	Claire Felton, Head of Legal & Property Services	10 January 2024
Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Team (if climate change implications apply)	Matthew Eccles Climate Change Manager	10 th January 2024

Measure	Estimated annual saving in tonnes CO ₂	Service area	Co- benefits	2023 Review Comment	2024 Actions
Assess low carbon fleet fuel options	349	Environmental Services	Contribution to net zero target. Less reliance on imported fuel.	Hydrated vegetable oil replacement trial has taken place with the results being used to support future bids to continue the programme of replacing diesel vehicles with HVO's.	Progress with bid to roll out programme of replacement of vehicles with HVO. Explore through Zest contract the possibility of installing EV charge points at depot in preparation for replacing smaller fleet vehicles with EV equivalent
Support Bromsgrove District Housing Trust to apply for funding to improve efficiency of housing stock	50 n/a as accrues to wider area	Community & Housing Services	Important positive health outcomes for residents, enhanced health and well- being, reduction in fuel poverty	LAD3 delivery has just concluded with 10 properties across the borough receiving energy efficiency measures. HUG2 had launched in partnership with WCC for energy efficiency retrofit measures to homes without a mains gas connection for heating over the next 2 years. A successful bid for SHDF Wave 2 funding has been in place as part of a MNZH consortium over a 2-year period.	Continue to support WCC in delivering HUG2 to properties across Redditch. Progress with delivery on SHDF Wave 2.0. Support Bid for any further government funding for retrofit work beyond 2024
Agree decarbonisation strategy as part of asset management strategy. Set up a rolling programme of works to improve energy efficiency / renewable generation in the buildings with the highest consumption	48	Legal, Democratic & Property Services	Reduction in running costs and contribution to net zero target.	Solar PV installs on Parkside, and LED light install programme been underway.	Continue with rolling programme of energy efficiency upgrades and seek out funding for future upgrades such as battery storage. Review of new bills later in 2024 to compare 2023 kWh of electricity used compared to 2024 now Solar PV at Parkside is switched on
Seek commercial partners to build out the Bromsgrove District Heat Network	100	Community & Housing Services	Reduction in running costs and contribution to net zero target - Approximately 80% carbon savings for the buildings connected.	Under review. Seeking out means to have a partner onboard that would be able to project manage the delivery of a heat network in Bromsgrove. The funding that has	Appoint delivery partner for delivery of Heat Network

Measure	Estimated annual saving in tonnes CO ₂	Service area	Co- benefits	2023 Review Comment	2024 Actions
				been secured thus far is to be spent by 2025.	
Apply for funding for Parkside Building energy efficiency / generation measures	15	Legal, Democratic & Property Services	Reduction in running costs and contribution to net zero target	PV installation complete on Parkside in late 2023. Options to be included in district heat network have been included in works completed to date on district heat network.	See measure 3 2024 actions
Support 'Everyone Active' to reduce energy consumption at the Leisure centre & include in funding bids	15	Legal, Democratic & Property Services	Reduction in running costs and contribution to net zero target helps ensure the continued operation of the facility	Intention to install Solar PV on building and bid had been put together to Sport England for a PV install	Support and further bids for energy efficiency upgrades and await outcome of bid to Sport England
Energy audit of server rooms to enable energy saving practices	2	Legal, Democratic & Property Services	Reduced running costs for the Council in relation to IT	To be undertaken in 2024 with support from MNZH	Arrange for audit to take place in 2024
Reduce staff travel and make further use of video conferencing.		All service areas	Reduction in running costs and contribution to net zero target.	Comparison completed in from 2019 and 2023 to reflect the changes in the way we have worked and across shared services staff mileage has seen a 50% reduction, indicating that the use of video conferencing (in majority of cases Microsoft Teams) has impacted on the need for staff to travel to meetings.	Continue to monitor staff mileage and work with services on ensuring mileage reduction compared to 2019 is maintained or improved
Cut the Council's paper waste by offering papers electronically		All service areas	Reduction in running costs and contribution to net zero target.	Info to be obtained on paper used and printing costs	Work with service areas and member in changing behaviours to further reduce paper and printing needs.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Co- benefits	2023 Review Comment	2024 Actions
Implement Recommendations of the 2020 EST report for the 'grey fleet' and include Travel plans across all service areas		Transformation & Organisational Development Service /All Service areas.	Reduction in running costs and contribution to net zero target.	This measure is linked to staff travel	Continue to work across all services to ensure the most energy efficient and lowest carbon options for travel are utilised and encouraged.

This page is intentionally left blank

October 2022

Bromsgrove District Council Carbon Reduction Strategy & Action Plan V6

Contents

Background & Introduction 2

Our Key Successes and Top Five Future Actions..... 3

Commitment & Integration 4

Partnership Working 5

Community Engagement & Communication..... 6

Co – benefits..... 7

Equality, Diversity & Inclusion 8

Ecological Emergency..... 9

Education skills and training 10

Governance, Development & Funding 11

Low Carbon Economy..... 12

Measuring and setting emissions targets 13

Mitigation & Adaptation 15

Waste & Recycling 16

Action Plan – measures with quantified savings 17

Action Plan – measures without quantified savings..... 21

Page 68

Background & Introduction

Globally, governments have committed to keep within a 1.5°C increase in temperature to avoid catastrophic impacts from climate change. UK Government has committed to Net Zero by 2050. Local authorities (LA) are key in taking and influencing action on climate change due to the services they deliver, their regulatory functions, strategic functions, procurement powers and responsibilities as major employers. Evidence supports that Bromsgrove District Council should make carbon reduction key to what it does as a Council to support national, regional & local targets. Currently the carbon emissions associated with Worcestershire are approximately 2.5 million tonnes, the district of Bromsgrove is responsible for 669,200 tonnes of this and the Council, with emissions of 818 tonnes, seeks to play its part in the reduction of these figures.

Bromsgrove District Council declared a climate emergency in 2019. On declaration of a climate emergency, an LA is affirming that it will place the Climate Emergency at the centre of its decision-making process. LAs are then expected to develop carbon reduction targets and action plans to assist in the reduction of carbon emissions, from their own council functions and using their sphere of influence.

Our thanks go to Alex Pearson from Nottingham City Council and the Midlands Net Zero Hub for his support and work authoring this document.



Chief Executive



Portfolio Holder for Climate Change

This plan will be refreshed every 3 years and reviewed annually.

Progress against targets will be reviewed twice a year.

50% reduction in carbon dioxide emissions by 2030

Net Zero by 2040

Our Key Successes and Top Five Future Actions

Key successes:

Measure	Estimated annual saving in tonnes CO ₂	Service area
Office for Low Emission Vehicles (OLEV) funded electric taxi and public charging infrastructure scheme - Carbon savings for the wider area, beyond council operations.	126	All service areas
Bromsgrove Zero Carbon District Heat Network feasibility study - no emission savings from this stage, these will come when the project is built out.	n/a	Community & Housing Services
Low carbon heating & Solar PV project at the Artrix Centre.	100	Legal, Democratic & Property Services
Purchase of 100% Green Electricity for the Council.	98	Finance and Customer Services
First delivery of HVO low carbon fuel for Council diesel fleet.	50	Environmental Services
Total Estimated annual CO₂ savings (These are already included in the current net zero target)	374	

Top five future actions:

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date
Assess further low carbon fleet fuel options.	349	Environmental Services	Review Spring 2023, completion of fuel switch 2040
Seek commercial partners to build out the Bromsgrove District Heat Network.	100	Community & Housing Services	Initial meeting to be held with Green Heat Networks Fund by Dec 2022
Support Bromsgrove District Housing Trust to apply for funding to improve efficiency of housing stock.	n/a (however, 50 saving for the District of Bromsgrove)	Community & Housing Services	01/06/2023 for completion of some funded schemes
Set up a rolling programme of works to improve energy efficiency/ renewable generation in the buildings with the highest consumption.	48	Legal, Democratic & Property Services	Ongoing - October 2022 for the next applications to the Salix funding scheme
Implement Recommendations of the 2020 Energy Saving Trust report into decarbonising the Council's transport fleet including staff mileage and travel plans across all service areas.	36	Transformation & Organisational Development Service /All service areas.	2025 to review progress.
Total estimated annual CO₂ savings (these will count towards the net zero target)	533		

Commitment & Integration

Background: The Council is committed to carbon reduction through its declaration of a climate emergency in 2019. Our commitment to reducing our carbon emissions and influencing the reduction of local carbon emissions goes hand in hand with the 'net zero by 2050' target set by the UK Government. As a Council we feel that net zero by 2040 is achievable - a goal that requires us and all sectors to pull together to achieve.

What are we currently doing? We have embarked on a journey of delivering Carbon Literacy Training to our staff and councillors and this will put climate action into the hands of everyone and can deliver between 5-15% real carbon savings per individual. Each of the Council's service areas has contributed to this plan in order to produce 'carbon reduction pathways'. Through this approach carbon reduction will become 'business as usual' and truly embedded throughout the organisation. Each service area in Bromsgrove District Council has been involved in the formulation of this plan and are committed to delivering the actions in the implementation plan.

What further actions are we going to take? This plan will be our route map to 'net zero' for our internal activities. It will also highlight where we are trying to influence the reduction of carbon emissions from other places outside the Council's activities.

The views of residents and partners are reflected in this plan, and they have helped to shape the actions that we are going to take. We are committed to considering the environmental impact of our decisions as a Council at every stage.

Our implementation plan (forming part of this strategy) will deliver real and quantifiable carbon reductions. This strategy will be monitored twice yearly by the Climate Change Working Group within the Council with annual progress being sent to the Cabinet. Key to the delivery of this strategy is the integration of plan objectives and targets with every aspect of Council service delivery. To this end a collaborative approach involving all heads of service and their teams has been taken. We will link this strategy to corporate performance indicators and provide a specific 'project based' focus for the Council.

Partnership Working

Background: In order to deliver the action plan, it is vital that we work closely with partners, in order to reduce the carbon emissions of the district as a whole. The Council’s own emissions are a small part of the overall figure, and it is important that we use our sphere of influence to encourage others to address their own emissions. Shared learning is a powerful tool to enable carbon reduction and the Council can both learn from and influence a wide range of stakeholders across the district including Parish Council’s. The Council can also benefit from partnership working with the county, bordering local authorities, neighbouring District Council’s, regional and national organisations by seeking out and engaging the support that may be available.

What are we currently doing? We currently work closely on a district level with partners such as:

- ‘Everyone Active’ who run our sports and leisure facilities.
- Worcestershire County Council to ensure that homes and businesses can benefit from the advice and grants that are made available through the Sustainability Team.
- Joint Worcestershire and Herefordshire Waste Partnership group working towards waste reduction and better waste management across the county.
- Worcestershire Regulatory Services to promote Electric Taxis through the licensing system.
- Local Enterprise Partnership (LEP) and some of the targets set in this strategy reflect the LEP Energy Strategy of 2019.
- Midlands Net Zero Hub on several carbon reduction projects (some of which form part of the action plan),
- The West Midlands Combined Authority, and Sustainability West Midlands.
- The Energy Saving Trust to look at carbon reduction options across our vehicle fleet.

What further actions are we going to take?

Action	Estimated annual CO ₂ saving where applicable	By when
Attend monthly sustainability officers group meetings, organised through the County Council in order to share learning.	n/a	Ongoing
Investigate opportunities for carbon reduction with our suppliers and delivery partners.	n/a	Ongoing
Ensure that our Carbon Reduction Strategy is in line with the other Worcestershire district Councils by reviewing plans annually	n/a	Ongoing annually
Work with Worcestershire Regulatory Services to investigate how we might develop a Street Trading Policy to encourage low carbon and sustainable trades to operate in the local area.	n/a	2024
We will also continue to explore options with Worcestershire County Council and local businesses to encourage walking and cycling to work.	n/a	Ongoing

Community Engagement & Communication

Background: The residents of Bromsgrove have expressed a wish for their Council to address the climate emergency and lead the way through carbon reduction. A recent survey indicated that 92% of residents are concerned about climate change and the impact it is having and 87% told us that dealing with climate change should be a key priority for the Council.

What are we currently doing?

- Carbon reduction has a dedicated webpage on the Council’s website and there is consistent messaging around waste and recycling.
- Community engagement events are held regularly on a diverse range of subjects relating to energy, waste and environment.
- The Green Fair and ‘fun-day’ is a key event to communicate the message of a low carbon future to the wider community and 2022 sees the return of this popular event in Sanders Park.
- Within the Council an electronic internal staff newsletter has regular features relating to carbon saving projects that staff should be aware of.

What further actions are we going to take?

Action	Estimated annual CO ₂ saving where applicable	By when
All service areas to have email footers promoting carbon saving and resource reduction.	n/a	April 2023
Update our website more regularly with news on carbon reduction in addition to regular e-mail newsletters and a refreshed social media policy.	n/a	Quarterly updates - ongoing
Develop a Communications Plan to promote biodiversity and land management actions within the authority.	n/a	Ongoing
Work with Bromsgrove District Housing Trust (BDHT) to apply for funding to ensure that their housing stock is as efficient as possible – taking carbon saving to the heart of the community.	n/a	Ongoing – continuation of applications to various government funding streams
Include energy efficiency advice in ‘tenant packs’ for householders in addition to information on waste and recycling.	n/a	Ongoing – development of leaflet for pack
Examine opportunities to make the best use of the Green Fair to communicate the carbon & waste reduction message	n/a	Ongoing

Co – benefits

Background: Co-benefits can be described as an additional outcome linked to a carbon reduction action. An example could be cleaner air in a town centre as a benefit of the adoption of zero emission vehicles, or financial benefits accruing to the Council as a result of energy efficiency measures. Co-benefits can also be related to habitat creation and improved access to existing green spaces, development of the low carbon economy, skills and training or job creation and retention.

What are we currently doing? We are making use of our open spaces to promote health and well-being through ‘social prescribing’ in order to lift levels of physical activity. We are also part of a ‘Cultural Compact’ with Heart of England Forest to ensure that woodland activities such as tree planting leverage the maximum benefit. The Council has recently completed a Government funded programme to install chargers for electric taxis, an important co-benefit of this will be cleaner air in the Town Centre as a result of zero emission vehicles.

What further actions are we going to take?

Action	Estimated annual CO ₂ saving where applicable	By when
We will continue to evaluate the most appropriate size and location of electric vehicle charge points, in order to enhance air quality in the district.	n/a	Ongoing
The Council will examine the type of fuel used in its fleet vehicles in order to build on work commissioned from the Energy Savings Trust to assess the current fleet and provide guidance.	349	Ongoing – long term options to be considered when current trial of vegetable oil based fuel is concluded in 2023
The Council will also look to use a standardised method of assessing co-benefits to help inform investment decisions in the future.	n/a	Ongoing
Work with the Growth Hub to signpost businesses to available funding in order to stimulate and grow the green economy within the district of Bromsgrove.	n/a	Meeting between economic development team and Growth Hub to be arranged by April 2023
Cross reference Leisure and Culture Strategy with this document to assess scope for further decarbonisation projects.	n/a	Ongoing

Equality, Diversity & Inclusion

Background: Carbon reduction and social justice have historically gone hand in hand in support of the United Nations sustainable development goals. Green spaces are open to all residents and facilities will continue to be improved. Through joint working with BDHT, it will be ensured that low carbon technologies and energy saving will not be the privilege of a select few.

What are we currently doing? As an employer and deliverer of services, Bromsgrove District Council has stated in its Equality Strategy 2022-2026 that it is committed to eliminate unlawful discrimination, promoting equal opportunities and fostering good relations between people from all communities.

What further actions are we going to take? Bromsgrove District Council will ensure that where funding is available to support green entrepreneurs from all backgrounds, it will be effectively applied.

Action	Estimated annual CO ₂ saving where applicable	By when
Align our Equality Strategy with the United Nations sustainable development goals when the review occurs in 2026.	n/a	2026
We will work with local training providers to ensure that opportunities in the green economy are available to all.	n/a	Ongoing
Bromsgrove District Council will ensure that where funding is available to support green entrepreneurs from all backgrounds, it will be effectively applied.	n/a	Ongoing

Ecological Emergency

Background: The natural environment is vital to the health and wellbeing of society and provides ‘eco system services’ to regulate our environment, produce clean air and pollinate our crops. An ecological emergency is when the natural environment has been damaged and the ability to provide ‘eco system services is reduced’. The ecological and climate emergencies are linked. Significant carbon dioxide emissions are caused by land use change, which is also a key driver for ecological loss. The interdependencies between the species in the natural world are not all fully understood and it is vital that we act to protect biodiversity on a local, national, and global level. The Council perceive the Climate and Ecological Emergencies are intrinsically linked and therefore in the adoption of this strategy and action plan, the Council is addressing the ecological emergency through the same route maps in this document.

The district of Bromsgrove contains several areas of land ranked moderate to high value for conservation and wildlife for e.g Lickey, Waseley and Clent Hills which are important safeguarded heathlands. Corridors of land linking these areas are also important for the ecology of the area. In areas where the public has access, co-benefits such as improved health and well-being should be considered, and opportunities explored.

What are we currently doing? Bromsgrove District Council works closely with Worcestershire County Council to manage sites for wildlife where possible. Currently we are implementing new management techniques for road verges in certain agreed areas, this allows native species to flourish and set seed, whilst providing a useful wildlife corridor and habitat for pollinators. The Council has been communicating this policy through a dedicated webpage, in order to keep the public informed.

What further actions are we going to take?

Action	Estimated annual CO ₂ saving where applicable	By when
The Council will develop a Communications Plan to promote biodiversity and land management actions within the authority.	n/a	Ongoing
In partnership with Worcestershire County Council, a survey of suitable sites is ongoing to identify sites that are suitable for wildlife. This includes the possible expansion of the wild verges policy and ensure that new developments include biodiversity net gain, including for example pollinators in parks and Council owned open spaces.	n/a	Ongoing
Investigate the use of urban space for living walls and investigate opportunities for local carbon offsetting through tree planting and habitat creation.	n/a	Ongoing
Where landscapes and habitat areas are managed by the Council, we will look to eliminate petrol powered hand tools such as strimmers and chainsaws as soon as is practicable.	n/a	Ongoing

Education skills and training

Background: High quality jobs in the growing ‘clean tech’ sector will ensure that the district of Bromsgrove remains an attractive place for people to live and work. It is vital that we support our further education establishments to deliver high quality vocational training to our young people and those who wish to retrain for roles in the ‘Low carbon economy’. The Heart of Worcestershire College has a campus in Bromsgrove and there are opportunities for local companies to provide apprenticeship places through national, regional, and county wide schemes.

What are we currently doing?

- We are working with the Midlands Net Zero Hub to understand the findings of their ‘Low Carbon Goods and Services’ study of Worcestershire.
- Potential skills gaps have been identified that our local further education providers could help resolve.
- We work with the colleges through the Bromsgrove Partnership Executive Group, Bromsgrove Towns Deal Board and both the Greater Birmingham & Solihull Local Enterprise Partnership and the Worcestershire Local Enterprise Partnership on the skills agenda.

What further actions are we going to take?

Action	Estimated annual CO ₂ saving where applicable	By when
We will work closely with further education training providers and both Local Enterprise Partnerships to ensure that any new suitable funding streams can be sign posted.	n/a	Ongoing – to be reviewed quarterly
We will also continue to work with the Midlands Net Zero Hub to make use of the findings in the Low Carbon Goods and Services report.	n/a	Ongoing – meet monthly with Net Zero Hub Officer
Carbon Literacy short courses will be promoted to Bromsgrove residents wanting to know how to reduce their carbon footprint.	n/a	Ongoing.

Governance, Development & Funding

Background: The climate emergency declaration means that the current governance structure of the Council is used to provide direction and oversee delivery of low and zero carbon initiatives. Carbon reduction projects are currently developed within the Council and resourced through existing service areas. To make the best use of Council resources, other funds are sought in order to maximise carbon savings, Government funding for decarbonising buildings becomes available periodically in funding 'rounds. In addition to these funds from Central Government there are regional, and county administered schemes that the Council can make use of. There are also investment opportunities in areas such as renewable heat and power generation through joint ventures and direct investment.

What are we currently doing? The Council has also been successful in securing funding from the Public Sector Decarbonisation Scheme for the Artrix Centre making a carbon reduction of 126 tonnes saving £16,000 per annum through the installation of heat pumps and solar panels. The Council has also applied for 'Public Sector Energy Efficiency Programme' funding for the Parkside Building. There are over 150 tonnes of carbon savings per year associated with both of these projects.

What further actions are we going to take? The governance required to deliver this plan will be provided by the existing Bromsgrove Climate Change Working Group.

Action	Estimated annual CO ₂ saving where applicable	By when
Bromsgrove Climate Change Working Group to monitor progress against targets and evaluate potential new projects, before submission to the Cabinet.	n/a	Bi annual meetings to commence in 2023
The Council will ensure that it is in a position to take advantage of future funding opportunities by maintaining a pipeline of suitable projects.	n/a	Pipeline to be monitored bi-annually.
Where projects are funded directly through Council resources, a measure of best value for carbon reduction will be applied in conjunction with affordability to ensure the most efficient and effective use of Council resources.	n/a	Ongoing

Low Carbon Economy

Background: The district of Bromsgrove has 21% of the overall Worcestershire sales figure for the low carbon economy. Bromsgrove also has 16% of the companies engaged in this sector, and 26% of the total number of this sectors employees. The low carbon economy in Bromsgrove grew by 4.6% in 2019/20 and employs 2,946 people across the district. A breakdown of the local low carbon economy is shown below:

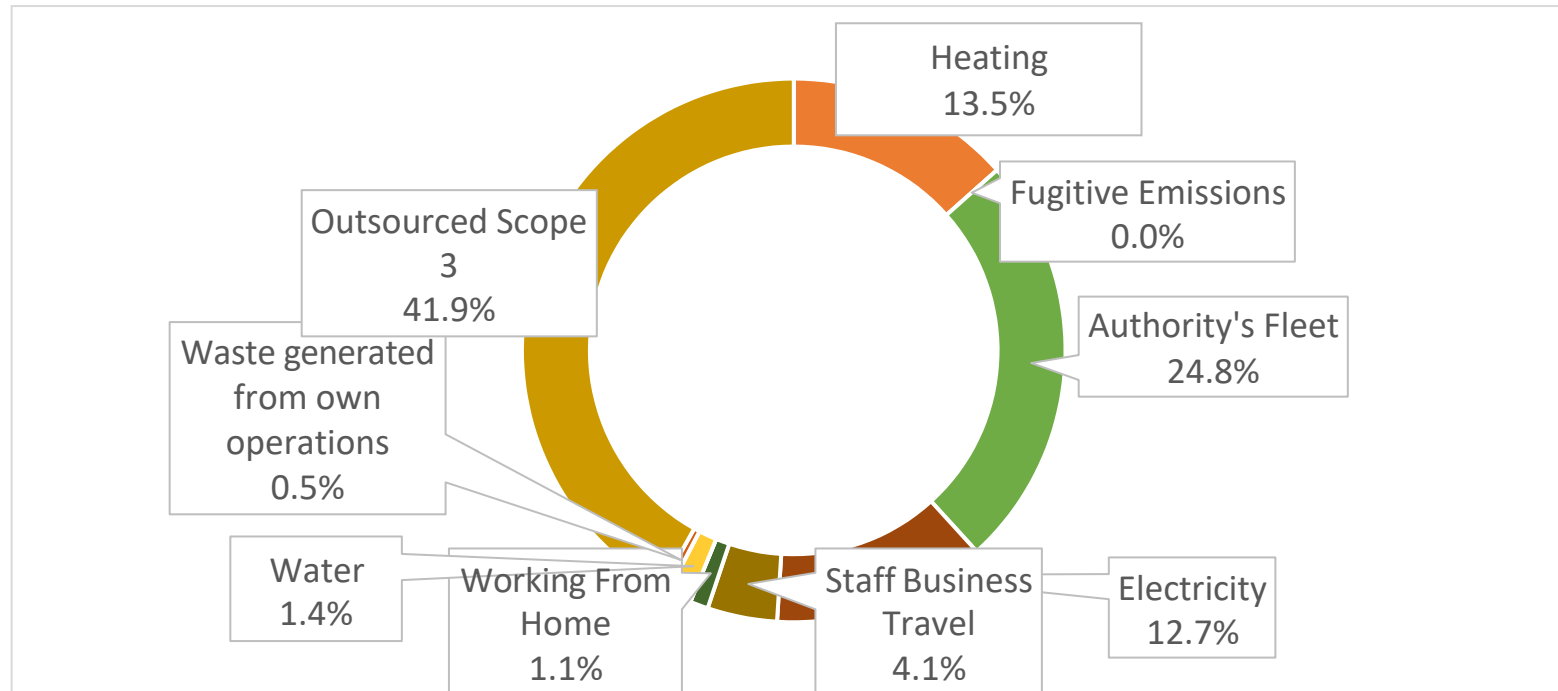


What are we currently doing? The Economic Strategy for Bromsgrove is delivered by North Worcestershire Economic Development and Regeneration (NWeDR). Appropriate grants administered by the County Council and others are signposted to local businesses. Both Worcestershire Local Enterprise Partnership and Greater Birmingham & Solihull Local Enterprise Partnerships have growth hubs that cover the area. We have delivered support for business looking to transition to EVs in conjunction with the Energy Savings Trust, delivering a webinar that we are going to host on our website to signpost businesses to for information. We have delivered the taxi EV rapid network to support local taxi businesses in transitioning to EV – they benefit from reduced charging tariff and monthly EV news and updates on benefits of EV and how to guides.

What further actions are we going to take?

Action	Estimated annual CO ₂ saving where applicable	By when
Include the findings of the Midlands Net Zero Hub 'low Carbon Economy Goods and Services report' in the next iteration of the North Worcestershire Economic Growth Strategy.	n/a	Nest review of North Worcestershire Economic Growth Strategy
Continue to sign post support available to this sector through both County and National Schemes.	n/a	Ongoing

Measuring and setting emissions targets



A breakdown of the Council's carbon emissions is shown above

Background: Official carbon emission figures for the district of Bromsgrove are currently available from the department of Business Energy & Industrial Strategy (BEIS). These figures are for the activities that take place within the district, the totals represent both the direct emissions from the activities of the Council and the emissions that the Council has influence over. All Councils must be 'net zero' by 2050, this means that direct emissions from services must be as low as possible, and the remaining emissions are likely to require 'offsetting'.

What are we currently doing? Bromsgrove District Council are working hard to quantify and understand the emissions associated with our activities. By using the latest data resulting from this exercise we can set meaningful targets that inform our implementation plan and lead to effective carbon reduction projects and measures. Projects such as the Bromsgrove District Heating Network, and the further decarbonisation

of Council buildings are key to reducing our emissions and playing our part in achieving the nationwide target of net zero by 2050. Further the Councils fleet will be fuelled by HVO until alternative vehicles are sourced.

What further actions are we going to take? The Council will re commence carbon reporting, and these figures will be used to monitor performance against this plan. Carbon reduction targets in line with the other Worcestershire districts are adopted through this plan in addition to the Local Enterprise targets of 50% by 2030 and net zero by 2040. Currently the carbon emission figure for the district of Bromsgrove is 669,200 tonnes per year (2019). The latest carbon emission figure for Bromsgrove District Council is 818 tonnes (2019). In order to reach an interim target of 50% by 2030 we will need to reduce our emissions by approximately 41 tonnes of carbon dioxide per year. To achieve net zero in the remaining 10 years to 2040 we will need a target of approximately 51 tonnes of savings per year.

Action	Estimated annual CO ₂ saving where applicable	By when
Achieve 41 tonnes of savings annually	41	Ongoing from 2022 to 2030

The Action Plan has been designed to deliver these savings and will be reviewed bi-annually by the Climate Change Working Group and annually by the Cabinet.

Mitigation & Adaptation

Background: The actions that the Council can take to reduce carbon emissions and address the ecological emergency fall into two categories, measures that influence others and direct measures with an associated figure for carbon reduction. The first actions are to address the emissions associated directly with Council activities such as service delivery. Mitigation is where we adapt our services to try and prevent the severity of climate change, adaptation is where we must change what we do as a consequence of the impacts of climate change, we cannot affect. Like selecting water resistant species in parks etc or emptying bins in the cooler part of the day as temperatures increase.

What are we currently doing? All heads of service and managers have provided input to help formulate this plan. Most of the mitigation and adaptation measures have grown from projects and practices that are already in place. Examples of mitigation projects underway include chargers for electric taxis and a heat pump and solar panels at the Artrix Centre. As an organisation we appreciate that we can always do more, whilst recognising the resources that we have available within the Council. Key to this has been the carbon literacy training that managers and Councillors in the Council have recently undertaken.

What further actions are we going to take? The Implementation Plan included in this document details what we are going to do over the coming years and how much carbon we expect to save (for direct measures). The Implementation Plan has been produced from discussions with the heads of service covering all areas of Council operations. We are continually improving the level of data that we have on the energy consumption of our buildings from the offices and buildings that we use for the delivery of our services. In terms of adaptation, we must ensure that these buildings are able to maintain a comfortable internal temperature in winter but also to cope with hotter summers and extreme weather events. We have considered our transport fleet, our sports and leisure facilities (managed by Sport and Leisure Management - Everyone Active), our infrastructure and our natural environment and we are looking for carbon saving opportunities. We are also keen that the messages of carbon reduction, resource efficiency and nature conservation are communicated to our residents concisely through a variety of channels.

Waste & Recycling

Background: The 'Environment Act 2021' is a piece of legislation that affects all local authorities in England. The act will require us to deliver collections consistent with the rest of the UK in terms of material range.

The Act also requires us to operate weekly separate food waste collections, preventing food waste from going to landfill or being incinerated. Waste collection and disposal has significant carbon emissions associated with it. These emissions are from the vehicles that transport the waste, and the processing or disposal of the waste once collected.

What are we currently doing? Bromsgrove District Council is a 'collection authority' and the disposal of the waste collected is the responsibility of Worcestershire County Council. Currently the County Council has a Waste Core Strategy that covers the period to 2027, the Council is signed up to the Worcestershire & Herefordshire Joint Municipal Waste Management Strategy (JMWMS). The JMWMS sets out our targets for the reduction and recovery of household waste and runs until 2034.

Our Council website provides information to help residents find their local recycling centre, in addition to guidance on what can and cannot be recycled. We also provide links to inform residents about waste reduction (The Let's Waste Less programme). Teachers can find learning resources for schools on our web page, and we are keen to encourage children to take the message of waste reduction and recycling home to their parents.

What further actions are we going to take? According to the Department for Environment, Food & Rural Affairs (DEFRA) the recycling rates in the district of Bromsgrove are at 41% (2019 / 2020 figures). There is clearly more that we can do to promote waste reduction and recycling through existing channels, and we will do this as part of a wider net zero communications strategy. New legislation will require changes to our waste collection service including the requirement for us separate and collect food waste in the near future and we will investigate the potential to turn this waste into a resource through conversion to gas for energy (Anaerobic Digestion). We are working with the 5 other district Councils and the County Council through the Worcestershire Waste Partnership on how all the changes required by the Environment Act can be implemented.

Action Plan – measures with quantified savings.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Assess low carbon fleet fuel options	349	Environmental Services	Review Spring 2023, completion of fuel switch 2040	Contribution to net zero target. Less reliance on imported fuel.	Vegetable oil as a replacement for diesel will be a transitional measure providing a pathway to other fuels such as hydrogen / biomethane or electricity. Use of the EST fleet review data / Midlands Net Zero Hub electrification of council depots guide will assist with this measure. All options assessed will require a report to Cabinet regarding options and costs.
Support Bromsgrove District Housing Trust to apply for funding to improve Efficiency of housing stock	50 n/a as accrues to wider area	Community & Housing Services	01/06/2023 for completion of some funded schemes	Important positive health outcomes for residents, enhanced health and well-being, reduction in fuel poverty	Successful grant applications required to maximise carbon savings for this project. The carbon saving figure is estimated at 0.5 tonnes per property for 100 properties.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Set up a rolling programme of works to improve energy efficiency / renewable generation in the buildings with the highest consumption	48	Legal, Democratic & Property Services	Ongoing	Reduction in running costs and contribution to net zero target.	Successful grant applications required to maximise carbon savings. Estimate based on 5 buildings saving a minimum of 20%
Seek commercial partners to build out the Bromsgrove District Heat Network	100	Community & Housing Services	Meetings to be held with prospective investors by Aug 2024	Reduction in running costs and contribution to net zero target - Approximately 80% carbon savings for the buildings connected.	The carbon savings (over 1,000 tonnes) would accrue to the geographical area of Bromsgrove but not to the total for Council operations - Unless Council owned / delivery partner owned buildings are connected hence the low carbon saving figure. Midlands Net Zero Hub to assist with the Green Heat Network Fund meeting.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Apply for funding for Parkside Building energy efficiency / generation measures	15	Legal, Democratic & Property Services	Ongoing	Reduction in running costs and contribution to net zero target	Options could include solar panels and connection to a heat network.
Support 'Everyone Active' to reduce energy consumption at the leisure centre & include in funding bids	15	Legal, Democratic & Property Services	Ongoing	Reduction in running costs and contribution to net zero target helps ensure the continued operation of the facility	The next window for Salix funding opens in September, walk around energy assessment already conducted by Midlands Net Zero Hub
Energy audit of server rooms to enable energy saving practices	2	Legal, Democratic & Property Services	To be completed by Dec 2024	Reduced running costs for the Council in relation to IT	Assistance available through Midlands Net Zero Hub.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Reduce staff travel and make further use of video conferencing.	0.5	All service areas	Ongoing	Reduce payments for staff travel and unproductive travelling time	This measure fits in with the Council's desire to further adopt agile working
Cut the Council's paper waste by offering papers electronically	2.5	All service areas	Review by Spring 2024	Will save more money than it costs. Should be relatively easy to implement.	This is a measure that many other councils have implemented successfully
Implement Recommendations of the 2020 EST report for the 'grey fleet' and include Travel plans across all service areas	36	Transformation & Organisational Development Service /All Service areas.	2025 to review progress.	Improvements in local air quality & savings of £34k quoted in the EST report.	Travel plans are a low cost way of reducing emissions associated with staff travel. This measure will pre-empt the Government's ban on the sale of petrol & diesel vehicles. Ultimately one or more 'electric pool cars' could be the aim for staff
Grid decarb	179	* Grid electricity to be net zero by 2035 - electricity use from our service delivery partners			
total savings from plan	568				
Target	818				
Remainder	71				

Action Plan – measures without quantified savings

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
<p>Assess the viability of Council Car Parks and other sites for EV chargers & Solar Canopies.</p> <p>Continue to work with Worcestershire County Council on a standardised approach to EV charger facilities.</p>	0	EV Project Working Group	Projects to be aligned with funding deadlines where possible	Air Quality & Health and Well-being benefits accrue to the wider area	<p>It is useful to focus on smaller capacity chargers working on the principle that you can replace the power that was used to travel to a venue during the time of your stay.</p> <p>Savings can be calculated when sizes of chargers and locations are known. Use of solar canopies will depend on a business case being made for each site</p>
<p>Work in partnership with Worcestershire County Council to manage verges and other Council owned parks and open spaces for nature</p>	0	Environmental Services / Planning, Regeneration and Leisure Services	Ongoing	Benefits for nature, insects, and pollinators, can act as wildlife corridors	<p>Pilot scheme in progress. Can be one of a suite of schemes to help address the ecological emergency.</p> <p>Will require a report to Cabinet regarding areas and costs.</p>

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Eliminate petrol powered tools (chainsaws, etc)	0	Environmental Services	Reviewed annually	Better working environment, less noise.	Legislation may bring the deadline forwards as petrol and diesel is banned in other areas.
Continue to evaluate green tariffs and local energy purchase agreements	0	Finance and Customer Services / All services	ongoing	Green tariffs can assist when all other measures have been explored	Green tariffs can assist when all other measures have been explored. Normally green tariffs are higher than standard ones to there is a trade-off between capital and revenue costs.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Use of carbon saving metrics as well as cost benefit ratios on a project by project basis, use of treasury green book to calculate co-benefits	0	Finance and Customer Services	ongoing	Helps the Council to put a value on carbon saving, and assists with the monitoring of this implementation plan	Good practice examples from other local authorities to be shared.
Create measures in the performance dashboard for carbon saving as a result of streamlining operations.	0	Transformation and Organisational Development	To be completed by April 2024	Helps the Council to put a value on carbon saving, and assists with the monitoring of this implementation plan	Accurate data assists in the delivery and monitoring of this plan.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Moving more IT capacity to cloud based servers	0	Transformation and Organisational Development Service	Review annually.	Reduced running costs for the Council in relation to IT	It should be ensured that cloud servers are using low carbon power sources in order for the carbon saving to be claimed.
Reduce staff travel by making further use of video conferencing.	0	Transformation and Organisational Development Service	Ongoing	Reduce the need for customers to travel to speak to Council specialists about services.	Ultimately one or more electric 'pool cars' could be the aim for staff use if travel is necessary.

Measure	Estimated annual saving in tonnes CO ₂	Service area	Target Completion Date / Review Date	Co- benefits	Comment
Include questions on Carbon to evaluate tenders for services during the procurement process	0	Legal, Democratic and Property Services	To be completed by Dec 2024.	Helps the Council to better understand emissions that are not directly in its control.	This is the start of the Council's journey to understand 'scope three' emissions (emissions other than those directly from fuel and power).
Mapping exercise to link forthcoming Leisure and Cultural Strategy with this Strategy	0	Planning, Regeneration and Leisure Services	To be confirmed when the Open Spaces Strategy is complete.	Better health and well-being outcomes for residents through improved access to open spaces / opportunities to engage with the natural environment.	This measure will highlight areas where the ecological emergency can be addressed too. Opportunities for funding should be explored with Worcestershire County Council, such as the 'Natural Networks' scheme.
Review Local Plan where there is particular reference to renewables / provision for renewables in the future or heat networks	0	Planning, Regeneration and Leisure Services	To coincide with Local Plan review dates.	Ensures that Local Plan is in line with the other districts to avoid inconsistency in requirements for low and zero carbon technologies.	Good opportunities for learning and sharing best practice with the other districts of Worcestershire and beyond.

Non-Domestic Rates Discretionary Rate Relief Policy

Relevant Portfolio Holder		Councillor Charles Hotham
Portfolio Holder Consulted		No
Relevant Head of Service		Bernard Ofori-Atta Head of Finance and Customer Services
Report Author	Job Title: Financial Support Manager Contact email: david.riley@bromsgroveandredditch.gov.uk Contact Tel: 01527 548 418	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		Run and grow a successful business
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

Cabinet RECOMMEND that the amended Non-Domestic Rates Discretionary Relief policy is approved and adopted from 1st April 2024.

2. BACKGROUND

- 2.1 Section 47 of The Local Government Finance Act 1988 [the act] provides local authorities with the power to award discretionary rate relief to ratepayers.
- 2.2 Section 47(7) of the act limits the period for which relief can be backdated and provides that a decision to award relief is invalid if made more than 6 months after the end of the rate year for which the relief will be awarded.
- 2.3 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 [the regulations] contain further provisions which require local authorities to notify ratepayers in writing of the first day and last day on which a decision to award relief will apply and require the authority to provide one year's notice of the removal of any relief.
- 2.4 The Non-Domestic Rating Act 2023 amends section 47 of the act and removes the restriction on backdating relief for any period beginning on or after 1st April 2023. The Government has confirmed in business rates information letter 4 of 2023 that the regulations will be revoked

from 1st April 2024. The effect of the two changes is that billing authorities will have full flexibility on the award, backdating and revocation of discretionary rate relief from 1st April 2024.

- 2.5 The council's discretionary rate relief policy is to be amended to define the circumstances in which backdating of relief will be considered and confirm that awards of discretionary relief will be revoked where the circumstances which precipitated the award of relief change.
- 2.6 The proposed changes to the policy provide that the council will usually award relief from the beginning of the tax year, or the start date of the ratepayer's liability, whichever is the later. Backdating relief will be for periods before the current rate year will be considered where:
- a) The application for relief is made and determined within 6 months of the end of that financial year; and
 - b) Where a hereditament is entered into the rating list for the first time and an application for relief is made within 3 months of the hereditament entering the rating list.
- 2.7 The Government – for schemes such as retail rate relief, local newspaper relief, and supporting small business relief – provides local authorities with funding to award rate payers with discretionary rate relief. The existing policy states that relief will be given to eligible rate payers where the conditions set in Government guidance are met. The proposed changes allow for backdating of government funded reliefs where the costs of the relief will be met by central government.

3. FINANCIAL IMPLICATIONS

- 4.1 The costs of discretionary rate relief are usually shared between central government and major precepting authorities. 50% of the costs of relief are met by central government, 40% by the district council, 9% by county council and 1% by fire and rescue authority.
- 4.2 The costs of Government funded discretionary relief are met in full through section 31 funding.
- 4.3 The changes to the policy retain general limits on backdating of relief for reliefs where the costs are in part met locally and allow full backdating of relief where funding will be provided by central government. The changes to the policy will have limited financial impact.

4. LEGAL IMPLICATIONS

- 4.1 The legislative framework for the award of discretionary rate relief is noted in the background section of the report.

5. STRATEGIC PURPOSES – IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The discretionary rate relief policy support the strategic purpose “run and grow a successful business” by providing a framework for delivering discretionary relief – including retail relief and supporting small business relief – to businesses in a timely and transparent manner.

Climate Change Implications

None

6. OTHER - IMPLICATIONS

- 6.1 None

Equalities and Diversity Implications

- 6.2 None

Operational Implications

- 6.3 None

7. RISK MANAGEMENT

- 7.1 No specific risk identified.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Discretionary Rate Relief Policy

This page is intentionally left blank

Non-Domestic Rates - Discretionary Rate Relief Policy and Guidance

Summary of Document

The policy applies to Non-Domestic Rates discretionary relief awarded under the Local Government Finance Act 1988 and subsequent amending regulations.

The guidelines set out to achieve a fair and transparent approach to the award and review of discretionary relief.

Agenda Item 8

	Contents	Page
1	Introduction	4
2	Legislative Framework	4
3	Discretionary Rate Relief for Charities and Community Amateur Sports Clubs	5
4	Discretionary Rate Relief for Charity Shops	8
5	Discretionary Rate Relief for Non-Profit Making Organisations	9
6	Rural Rate Relief	12
7	Hardship Relief	13
8	Relief for Part Occupied Premises - Section 44A relief	15
9	Localism Act Discretionary Rate Relief	16
10	Discretionary Relief - Central Government Funded Reliefs	18
11	Costs of Relief	18
12	Reduction in relief transitional arrangements	18
13	Level of Relief - General Guidance on Levels of Relief and Impact of Budget Restrictions	18
14	Period of Relief	20
15	Backdating Relief	20
16	Appeals	20
17	Delegated Powers to determine awards of Discretionary Relief	21
18	Interests of Officers and Members	21

1.0 Introduction

- 1.1 Local Authorities have the power to grant discretionary rate relief to charitable organisations and other non-profit making organisations that meet certain criteria.
- 1.2 The power is discretionary and can therefore be limited by other factors such as budgets and funds available for the Council's strategic purposes.
- 1.3 The discretion to grant relief can be for part or the entire amount of the business rates payable.
- 1.4 The policy:
 - Sets out the guidelines that the Council will use when it determines the amount of discretionary relief that will be awarded to an organisation.
 - Summarises the delegated authority to award discretionary rate relief.
 - Establishes an appeals procedure for organisations that are unhappy with the Council's decision.
 - Protects the interests of local Council Tax payers by ensuring that the overall costs of discretionary relief do not increase beyond budgeted amounts.
 - Ensures that the funds available for the awards of relief are used in the most efficient manner and that organisations that receive relief are supporting the Council's strategic purposes.

2.0 Legislative Framework

- 2.1 Mandatory Rate Relief can be awarded under Section 43 of the Local Government Finance Act 1988 (LGFA '88) to charitable organisations or community amateur sports clubs where the property that they occupy is used wholly or mainly for charitable purposes. The relief is currently 80% of the rates payable.
- 2.2 The Council has a discretionary power under Section 47 of the LGFA '88 to top up this relief to 100% by awarding up to 20% discretionary relief.
- 2.3 Section 47 (5B) of the LGFA '88 also allows the Council to award up to 100% discretionary relief to any organisations which are not established or conducted for profit and whose objectives are philanthropic, religious, concerned with education, social welfare, science literature or the fine arts.
- 2.4 Section 47(5B) also allows the council to award up to 100% discretionary rate relief where a property is used for the purposes of recreation and it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

Agenda Item 8

- 2.5 The Council is prohibited from awarding discretionary rate relief to a precepting authority or to itself as a billing authority.
- 2.6 When making a decision on discretionary rate relief the Council is required under Section 47 (5C) to have regard to any guidance issued by the Secretary of State.
- 2.7 Premises that are partly occupied can receive discretionary relief under Section 44A of the LGFA '88. This is a process whereby a request can be made to the Valuation Officer to apportion the rateable value of a hereditament so that the occupier may benefit from any exemption for the unoccupied area.
- 2.8 The Local Government Finance Act 1997 introduced amendments to the LGFA '88 to allow for mandatory and discretionary rate relief for certain rural businesses. The scope of the relief has been extended and relief is now available for the sole; post office, general store, public house, or petrol filling station within a rural settlement, or for any food store within a rural settlement.
- 2.9 Mandatory rate relief for qualifying rural properties is set at 100%. Discretionary relief of up to 100% may be granted to any rural business which does not meet the mandatory requirements.
- 2.10 Section 49 of the LGFA '88 permits relief to be awarded based on hardship, providing that the awarding of the relief will be in the interest of the local Council Taxpayers.
- 2.11 The Localism Act 2011 extended the scope of Section 47 and there is now a general power to award discretionary relief to any ratepayer providing that it would be reasonable to do so having regard to the interests of local Council Tax payers.
- 2.12 State Aid rules prohibit Government subsidies to businesses and for this reason relief from taxes, including relief from Non-Domestic Rates, can constitute State Aid. Consideration as to whether the award of a relief constitutes State Aid must be made when any discretionary relief is awarded.
- 2.13 Relief for charities and non-profit making bodies would not normally constitute state aid because the recipients are not normally in market competition with other businesses. However, if the charities or non-profit making bodies are engaged in commercial activities, or if they are displacing an economic operator, or if they have a commercial partner, then rate relief could constitute State Aid.

3.0 Discretionary Rate Relief for Charities and Community Amateur Sports Clubs

3.1 The Criteria for awarding rate relief and the factors taken into account are detailed below.

Criteria		Evidence
1	<p>Use of the property:</p> <p>The property must be used wholly or mainly for the purpose of the charity - Community Amateur Sports Club (CASC).</p>	Application.
2	<p>Annual turnover:</p> <p>The annual turnover is less than £50,000 –</p> <p>If turnover is above threshold then we may award a reduced level of relief.</p>	Audited accounts.
3	Charitable status	
4	<p>Membership:</p> <p>Membership and access is open to all sections of the community.</p>	<p>Levels of membership.</p> <p>Details of membership fees charged.</p> <p>Evidence of concessionary rate memberships - and details of numbers of concessionary memberships available.</p> <p>Details as to how members are approved.</p>
5	<p>Access to facilities:</p> <p>Facilities are made available to other sectors of the local community e.g. schools, clubs, support groups.</p>	<p>Details of the use of the facilities over the past 12 months.</p> <p>Details of the charges made for the use of the facilities.</p>

Criteria		Evidence
6	<p>Profits:</p> <p>Determine whether the organisation holds reserves or makes a profit and whether it requires discretionary relief to continue to operate.</p> <p>Establish whether the organisations run commercial activities and profits, or has the capacity to profit from these (e.g. bar, function hire).</p>	<p>Copies of income and expenditure for the last financial year.</p>
7	<p>Community links:</p> <p>Establish if the charity is a local organisation and who uses the organisation and its facilities.</p>	<p>Application form.</p>
8	<p>Proportionate use of the property:</p> <p>Consider how the property is used and whether the use is proportionate to the size of the assessment; are the charity under occupying or part occupying a large assessment.</p>	<p>Inspection. Application form.</p>
9	<p>Other sources of support:</p> <p>Establish whether there are other sources of support available to the charity and whether other sources of funding are available.</p>	<p>Details of other sources of funding or income.</p>

3.2 The level of relief will be determined by the evidence provided and whilst each case is assessed on its own merits the level of relief will ordinarily be that set out in section 13.0 below.

4.0 Discretionary Rate Relief for Charity Shops

4.1 The Criteria for awarding rate relief and the factors taken into account are detailed below.

Criteria		Evidence
1	<p>Use of the Property:</p> <p>The shop must be wholly or mainly used for the purposes of the charity.</p>	<p>Signed Application Form</p> <p>Inspection of the premises.</p>
2	<p>Sale of Goods:</p> <p>The shop must sell wholly or mainly donated goods and the sale of the goods must be applied to the purposes of the charity.</p>	<p>Signed application form.</p> <p>Information regarding the sale of items, accounts.</p>
3	<p>Local Benefits:</p> <p>The Charity must be able to demonstrate that the local community derives benefits from the services the charity provides.</p>	<p>Details of the type of services provided to the residents and the number of residents who benefit from the support.</p>
4	<p>The Market Principle:</p> <p>Where the Charity Shop is competing with businesses operating on an ordinary commercial basis - for example where the operations are wholly or mainly the sale of second hand furniture, or the sale of books - then discretionary relief will not normally be provided.</p>	<p>Signed application form.</p> <p>Inspection of premises.</p>

4.2 The level of relief will be determined by the evidence provided and whilst each case is assessed on its own merits the level of relief will ordinarily be that set out in section 13.0 below.

5.0 Discretionary Rate Relief for Non-Profit Making Organisations

5.1 The Criteria for awarding rate relief and the factors taken into account are detailed below.

Criteria		Evidence
1	<p>Use of the property:</p> <p>Main use of the premises is for non-commercial activities for example a not for profit organisation that is primarily using the premises for activities that are provided by a commercial organisation such as health/gym facilities will not normally be eligible for relief; unless the organisation is also providing facilities that are of importance to the area and which would not otherwise be available within the borough</p>	Application form.
2	<p>Annual turnover:</p> <p>The annual turnover is less than £50,000.</p> <p>If turnover is above threshold then we may award a reduced level of relief.</p>	Audited accounts.
3	<p>Membership:</p> <p>Membership and access is open to all section of the community.</p>	<p>Levels of membership.</p> <p>Details of membership fees charged.</p> <p>Evidence of concessionary rate memberships - and details of numbers of concessionary memberships available.</p> <p>Details as to how members are approved.</p>
4	<p>Access to facilities:</p> <p>Facilities are made available to other sectors of the local community e.g. schools, clubs, support groups.</p>	<p>Details of the use of the facilities over the past 12 months.</p> <p>Details of the charges made for the use of the facilities.</p>

Criteria		Evidence
5	<p>Profits:</p> <p>Determine whether the organisation holds reserves or makes a profit and whether it requires discretionary relief to continue to operate.</p> <p>Establish whether the organisation runs commercial activities and profits, or has the capacity to profit from these (e.g. bar, function hire).</p>	<p>Copies of income and expenditure for the last financial year.</p>
6	<p>Community links:</p> <p>Establish if the charity is a local organisation and who uses the organisation and its facilities.</p>	<p>Application form.</p>
7	<p>Proportionate use of the property:</p> <p>Consider how the property is used and whether the use is proportionate to the size of the assessment, are the charity under occupying or part occupying a large assessment.</p>	<p>Inspection. Application form.</p>
8	<p>Other sources of support:</p> <p>Establish whether there are other sources of support available to the charity and whether other sources of funding are available.</p>	<p>Details of other sources of funding or income.</p>
9	<p>Trading Arms</p> <p>Where the organisation is operating a trading arm then the accounts of the trading arm will be considered; if the profits from the trading arm are not re-invested in the locality from which they are drawn then the principal organisation will not normally be eligible for relief.</p>	<p>Copies of accounts and financial information for any trading arm or subsidiary company</p>

Criteria		Evidence
10	Financial Viability Organizations should not rely on the award of discretionary rate relief to ensure financial viability. The applicant should provide clear business plan setting out how they will move to a position where they are able to discharge their business rates liability.	Business plans and income forecasts.

- 5.2 The level of relief will be determined by the evidence provided and whilst each case is assessed on its own merits the level of relief will ordinarily be that set out in section 13.0 below.

6.0 Rural Rate Relief

6.1 The Criteria for awarding rural rate relief and the factors taken into account are detailed below.

Criteria		Evidence
1	<p>Local Value:</p> <p>The business is of importance to the local community - and the service is not provided by others business in the rural settlement.</p>	<p>Statement of the business type and the impact if the business were to close.</p> <p>The use of and value of the business to the local community.</p> <p>Last 2 years audited accounts.</p>
2	<p>Sole premises:</p> <p>The applicant carries out their business from a single property within the rural settlement.</p> <p>The business is not part of a larger chain - for example it is not part of a number of shops operated by the applicant.</p>	<p>Application form - accounts.</p>
3	<p>Profits:</p> <p>Determine whether the organisation holds reserves or makes a profit and whether it requires discretionary relief to continue to operate.</p>	<p>Copies of income and expenditure for the last financial year.</p>
4	<p>Financial Viability</p> <p>Organizations should not rely on the award of discretionary rate relief to ensure financial viability. The applicant should provide clear business plan setting out how they will move to a position where they are able to discharge their business rates liability.</p>	<p>Business plans and income forecasts.</p>

7.0 Hardship Relief

7.1 The Criteria for awarding hardship relief and the factors considered are detailed below.

Criteria		Evidence
1	<p>Local Value:</p> <p>The business is of importance to the local community and is suffering genuine hardship.</p>	<p>Statement of the business type and the impact if the business were to close.</p> <p>The use of and value of the business to the local community.</p> <p>Last 2 years audited accounts.</p> <p>Copies of the businesses order book.</p> <p>Copies of the personal accounts of the owners of the business.</p>
2	<p>Local Jobs:</p> <p>The number of people employed by the business who reside in the council area.</p>	<p>Total number of employees who will be affected if the relief is refused.</p>
3	<p>Nature of hardship:</p> <p>Details of the hardship being experienced including: Cause; expected duration; measures already taken to remedy the situation; that the cause is not a result of poor business planning or activity; details of the help already requested from other sources; and amount of additional support already received or reasons why support was not provided.</p>	<p>Latest accounts. Bank Statements. Business Plan. Order Books.</p> <p>Any other documents to support the application.</p>
4	<p>State Aid Declaration:</p> <p>Awards of hardship relief would potentially be classed as State Aid - a declaration will be required to show that the level of all relief is compliant with state aid rules.</p>	<p>State Aid Declaration.</p>

7.2 Due to the nature of hardship relief there can be no general guidelines on the level of relief; each determination for hardship relief will be considered on an individual basis - the following criteria will be taken into account

8.0 Relief for Part Occupied Premises

8.1 The criteria for awarding rate relief and the factors to be taken into account are detailed below:

Criteria		Evidence
1	<p>Part Occupation:</p> <p>The property is partly occupied</p>	Detailed plans of the hereditament must be provided to outline the whole property and indicate the partly occupied section.
2	<p>Length of time:</p> <p>The intended part occupation must be for a short period of time.</p>	Details of the planned period of time of the part occupation; the nature of the business and the businesses future intentions.
3	<p>Reason:</p> <p>The part occupation is not a result of maintenance, refurbishment, renewal or repairs, seasonal shutdowns, holidays or reduction in capacity due to normal business risks, reduction in capacity due to loss of trade or normal business fluctuations.</p> <p>Part occupation for phased occupation will be considered as a qualifying reason.</p> <p>Part occupation for phased vacations will be considered where the business is relocating to new premises within the council area</p> <p>Part occupation resulting from some event, such as fire or flood, which renders part of the premises unusable, will be considered as a qualifying reason.</p>	<p>Statements of the cause of the part occupation.</p> <p>Photographic evidence of the part of the premises which is prevented from being occupied.</p> <p>Surveyors or other qualified professionals reports confirming that occupation of the part of the premises is prevented.</p>

8.2 A short period of time is not defined in legislation; therefore the nature of the business activity will be taken into account along with the estimated planned period of time and future intentions.

8.3 Applications for retrospective periods will not be accepted.

9.0 Localism Act Discretionary Rate Relief

- 9.1 The Localism Act removed the restrictions on awards of discretionary rate relief and allowed local authorities to determine that awards of relief may be made where it is reasonable to do so having regard to the interests of the Local Council Taxpayers.
- 9.2 In the main decision to award relief under the extended powers of the localism act will be made by the Council's Executive and would be exercised in respect of all hereditaments within a defined area or of a defined type. There may be occasions where decisions are made on a case by case basis.
- 9.3 Decisions on a case-by-case basis would be made where there is the possibility of the loss of an amenity which is of importance to local Taxpayers or where a failure to award relief could lead to the loss of major employer within the council area.
- 9.4 Any award of discretionary relief under the Localism Act powers would be the exception rather than the rule.
- 9.5 The criteria for awarding relief and the factors that will be taken into account are detailed below:

Criteria		Evidence
1	<p>Local Value:</p> <p>The business is, or will be of importance and value to the local community.</p>	<p>Statement of the business type and the impact upon the local community if the business were to come into the area/move away from the area.</p> <p>The use of and value of the business to the local community. Evidence of local trade and support.</p>
2	<p>Local Jobs:</p> <p>The number of people who are/will be employed by the business and who reside in the council area.</p>	<p>Total number of employees.</p> <p>Number of employees who would be affected if relief were not awarded.</p>

Agenda Item 8

Criteria		Evidence
3	<p>Reason for the discount</p> <p>Details to include: the reason for the discount; the period for which relief is sought; measures already taken to obtain support from other sources; amount of additional support already received; and (if applicable) reasons why support was not forthcoming.</p>	
4	<p>The business is the only example of its kind.</p> <p>Details of the unique nature of the business/amenity demonstrating why the failure to grant relief could lead to the loss of a unique amenity for the residents of the council area.</p>	Statement provided by applicant /report from council officers detailing why the business/amenity is unique in its nature.
5	<p>State Aid Declaration</p> <p>Awards of Localism Act relief would potentially be classed as State Aid – a declaration will be required to show that the level of all relief is compliant with state aid thresholds.</p>	State Aid Declaration to be completed.

10.0 Discretionary Rate Relief - Central Government Funded Reliefs

- 10.1 Central Government has directed local authorities to use the extended powers of the Localism Act to administer several national schemes of discretionary rate relief. These schemes include relief from empty property rates for new build properties, retail rate relief and reoccupation of empty premises relief. Funding for these reliefs is provided by central government in the form of a 'Section 31 grant'
- 10.2 For all centrally funded discretionary relief the council will award the Governments intended level of relief in full and in line with guidance issued by government.

11.0 Costs of Relief

- 11.1 The total amount of the relief granted is included in the annual statistical returns and the NNDR income taking account of losses in collection, amendments to rateable value etc. is then split into the following proportions:

50% paid to central government
40% retained by District Council
9% paid to the County Council
1% paid to the precepting Fire Authority

- 11.2 The costs of mandatory relief, discretionary relief for non-profit making bodies, Section 44a relief, and hardship relief are therefore borne jointly by central and local authorities as per their proportional share of the NNDR income.

12.0 Reduction in Relief - Transitional Arrangements

- 12.1 Where a decision of the council results in a reduction to the amount of relief that an organisation will receive then the council may take steps to phase in the reduction over a period of two years.
- 12.2 A decision to phase in the reduction may be taken where notice of the level of relief is not provided prior to the commencement of the rates year, or where the organisation is unable to take budgeting decisions to account for the reduced level of relief.

13.0 Level of Relief and Budget Restrictions

- 13.1 As a general guide, and providing the criteria for relief are met, then the levels of relief shown in the table below will be awarded; where the organisation or type of organisation is not shown then relief will be made in accordance with the general guidelines of the policy.

Agenda Item 8

13.2 The percentage of relief shown in the table is a percentage of the full rates liability, for example charity shops would already be in receipt of 80% mandatory relief and would receive a further top-up relief of; 0, 10 or 20%. A relief of 20% relief would mean that the organisation would have no rates to pay.

Organisation	Narrative	% of relief
Housing Associations - housing providers		0%
Educational Establishments	Schools and colleges with charitable status and in receipt of mandatory relief	0%
Youth organisations	Scouts, guides, cadets	Up to 100%
Community Halls/Village Halls		Up to 100%
Sports and Social Clubs	Not registered as a charity or CASC	Up to 20%
Homelessness organisations		Up to 100%
Regional administrative or head offices of a charity		0%
Charity Shops	The charitable operations of the charity are on a national or international level	0%
Charity Shops	Where the operations of the charity are on a regional level within Worcestershire and surrounding areas only.	10%
Charity Shops	Where the operations of the charity are wholly within the district.	20%
Central Government Funded Discretionary Reliefs	Awards of discretionary relief for which Section 31 grants are payable	Relief at the level determined by Central Government.

13.3 If on annual review the overall costs of Mandatory and Discretionary relief – excluding Section 44a relief and Localism Act Reliefs - that will be granted in the new rates years would increase by more than the % increase in the Small Business Rates Relief Multiplier then the awards of relief to each organisation will be reduced proportionally to ensure that the costs of relief remain within budget.

13.4 Any reduction in relief to an organisation made as a result of the overall increase in Mandatory and Discretionary relief will be subject to the internal appeals process and the rules on variation or revocation of relief.

14.0 Period of Relief

- 14.1 Awards of discretionary rate relief will usually be made for one rate year only and will be reviewed annually.

15.0 Backdating Relief

- 15.1 Applications for relief will be backdated to the beginning of the rate year, or the start date of the ratepayer's liability whichever is the later. Backdating for periods before the current rate year will be considered where:

- a) The application for relief is made and determined within 6 months of the end of the relevant financial year.
- b) A hereditament is entered into the rating list for the first time and an application for relief is made within 3 months of the hereditament entering the rating list.

- 15.2 Government funded reliefs will be backdated where funding remains available from the relevant government scheme.

16.0 Appeals

- 16.1 Appeals against the decision to refuse relief or against the level of the relief may be made by the ratepayer.
- 16.2 The appeal should be made in writing and should state the reasons why the ratepayer is aggrieved with the decision of the council. New information may be submitted at this stage to support the ratepayer's appeal.
- 16.3 Appeals will in the first instance be considered by the Head of Customer Access and Financial Support. At this stage the decision may either be confirmed or revised so as to increase the level of the relief.
- 16.4 A decision to reduce or remove the relief cannot be made as the requirements to give one year's notice would make such a decision ineffective.
- 16.5 Where the decision is revised the ratepayer will be notified of the increased level of relief awarded, if applicable.
- 16.6 If the original decision is confirmed the ratepayer will be advised of the reasons why, of the further right of appeal to the Director of Finance and Corporate Resources who will consider the appeal in conjunction with the relevant Portfolio Holder.
- 16.7 Appeals to the Executive Director of Finance and Corporate Resources must be made in writing and must give the reasons why it is believed that the decision should be amended. New or additional information may be included.

- 16.8 The ratepayer will be advised of the date that their appeal will be considered.
- 16.9 The ratepayer does not have a right to appear in person but may make a request to present evidence in person.
- 16.10 The appeal will be considered individually on its own merit and the ratepayer will be advised of the decision in writing.
- 16.11 The Executive Director of Finance and Corporate Resources will be able to confirm the original decision of the council or increase the level of relief awarded. A decision to revoke relief or to reduce the level of relief cannot be made as the requirements to provide one year's notice such a decision would be ineffective.
- 16.12 The submission of an appeal by a ratepayer does not affect the individual's rights to challenge a decision made by the council by way of Judicial Review.

17.0 Delegated Powers to Determine Awards of Relief

- 17.1 The decision to determine the awards of relief will be delegated as to:

Relief	Delegated Authority
Mandatory Rate Relief	Financial Support Manager Assistant Financial Support Manager
Discretionary Rate Relief for Charities, Community Amateur Sports Clubs and Charity Shops - "Top-Up Relief"	Financial Support Manager Assistant Financial Support Manager
Discretionary Rate Relief for Non-Profit Making Organisations	Financial Support Manager Assistant Financial Support Manager
Relief for Part Occupied Premises	Financial Support Manager Assistant Financial Support Manager
Hardship Relief	Financial Support Manager Head of Finance and Customer Services
Central Government Funded Reliefs	Financial Support Manager Assistant Financial Support Manager
Individual Awards of Relief under the Localism Act - Awards made on a case by case basis.	Head of Finance and Customer Services Executive Director of Finance and Corporate Resources in consultation with the relevant Portfolio Holder and Leader of the Council.

18.0 Interest of Officers and Members

- 18.1 Officers and Members who have an interest in any organisation which has either applied for relief or may indirectly benefit from the award of the relief (for example the owners of premises occupied by organisations making an application) must not participate in the decision making process.
- 18.2 Officers with an interest in any organisation should register the interest in the Officer's Central Register.

18.3 Examples of interests include, but are not restricted to the following:

- a) Membership of the organisation making an application.
- b) A close relative who is a member of the organisation.
- c) Are employed by or working in a voluntary capacity for the organisation.
- d) Are trustees for the charity or organisation making the application.
- e) Membership of a similar/rival organisation.
- f) An interest in the property for which relief is being sought.

CABINET

14th February 2024

PAY POLICY STATEMENT 2024/25

Relevant Portfolio Holder	Councillor Charlie Hotham
Portfolio Holder Consulted	Yes
Relevant Head of Service	Sue Hanley Interim Chief Executive
Ward(s) Affected	n/a
Ward Councillor(s) Consulted	n/a

1. SUMMARY OF PROPOSALS

To enable Members to approve the Pay Policy for 2024/25

2. RECOMMENDATIONS

The Committee is asked to RECOMMEND to Council that the Pay Policy as detailed in Appendix 1 to the report be approved.

3. KEY ISSUES

- 3.1 The Localism Act requires English and Welsh local authorities to produce a Pay Policy statement ('the statement'). The Act requires the statement to be approved by Full Council and to be adopted by 31st March each year for the subsequent financial year. The Pay Policy Statement for the Council is included at Appendix 1.

The Statement must set out policies relating to-

- (a) The remuneration of its chief officers,
- (b) The remuneration of its lowest-paid employees, and
- (c) The relationship between-
 - (i) The remuneration of its chief officers, and
 - (ii) The remuneration of its employees who are not chief officers.

The provisions within the Localism Act bring together the strands of increasing accountability, transparency and fairness in the setting of local pay.

Financial Implications

- 3.2 All financial implications have already been included as part of the budget setting process and posts are fully budgeted for.

Legal Implications

- 3.3 These are already included in the report.

CABINET

14th February 2024

Service / Operational Implications

3.4 There are no implications in relation to this report.

Customer / Equalities and Diversity Implications

3.5 There are no implications in relation to this report.

4. RISK MANAGEMENT

There are no implications in relation to this report.

5. APPENDICES

Appendix 1 - Pay Policy 2024/25

AUTHOR OF REPORT

Name: Becky Talbot

email: becky.talbot@bromsgroveandredditch.gov.uk

Tel.: 01527 64252

APPENDIX 1

BROMSGROVE DISTRICT COUNCIL PAY POLICY STATEMENT

Introduction and Purpose

1. Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This pay policy statement sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. It shall apply for the financial year 2023 and each subsequent financial year, until amended.
2. The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying;
 - a. the methods by which salaries of all employees are determined;
 - b. the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
 - c. the Committee(s) responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and for recommending any amendments to the full Council
3. Once approved by the full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis, in accordance with the relevant legislation prevailing at that time.

Legislative Framework

4. In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms. These directly relate salaries to the requirements, demands and responsibilities of the role.

Pay Structure

5. The Council’s pay and grading structure comprises grades 1 – 11. These are followed by grades for Managers 1 - 2, Head of Service 1, Head of Service 2, Head of Service 3, Executive Director, Deputy Chief Executive and then Chief Executive; all of which arose following the introduction of shared services with Redditch Borough Council.

Agenda Item 9

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

Grade	Spinal Column Points		Nationally determined rates	
			Minimum £	Maximum £
1	2	2	22,366	22,366
2	2	5	22,366	23,500
3	5	9	23,500	25,119
4	9	14	25,119	27,334
5	14	19	27,334	29,777
6	19	24	29,777	33,024
7	25	30	33,945	38,223
8	30	34	38,223	42,403
9	34	37	42,403	45,441
10	37	40	45,441	48,474
11	40	43	48,474	51,515
Manager Hay Grade 1	Hay evaluated	43%	62,548	65,015
Manager Hay Grade 2	Hay evaluated	45%	64,993	67,603
Head of Service 1	Hay evaluated	51%	73,833	76,766
Head of Service 2	Hay evaluated	61%	87,877	91,383
Head of Service 3 (WRS)	Hay evaluated	68%	98,168	101,688
Executive Director	Hay evaluated	74%	108,037	112,208
Deputy Chief Executive	Hay evaluated	80%	114,444	118,843
Chief Executive	Hay evaluated	100%	142,251	148,056

7. All Council posts are allocated to a grade within this pay structure, based on the application of a Job Evaluation process. Posts at Managers and above are evaluated by an external assessor using the Hay Job Evaluation scheme. Where posts are introduced as part of a shared service, and where these posts are identified as being potentially too 'large' and 'complex' for this majority scheme, they will be double tested under the Hay scheme, and where appropriate, will be taken into the Hay scheme to identify levels of pay. This scheme identifies the salary for these posts based on a percentage of Chief Executive Salary (for ease of presentation these are shown to the nearest whole % in the table above). Posts below this level (which are the majority of employees) are evaluated under the "Gauge" Job Evaluation process.
8. In common with the majority of authorities the Council is committed to the Local Government Employers national pay bargaining framework in respect of the national pay spine and annual cost of living increases negotiated with the trade unions.
9. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community; delivered effectively and efficiently and at all times those services are required.
10. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
11. For staff not on the highest point within the salary scale there is a system of annual progression to the next point on the band.

Senior Management Remuneration

12. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2023 (assuming no inflationary increase for these posts).
13. Bromsgrove District Council is managed by a senior management team who manage shared services across both Bromsgrove District and Redditch Borough Councils. All of the posts listed below have been job evaluated on this basis, with the salary costs for these posts split equally between both Councils.

Agenda Item 9

Title	% of Chief executive salary	Pay range minimum £	Pay range maximum £	Incremental points	Cost to Bromsgrove District Council £
Chief Executive	100%	142,251	148,056	2	74,028
Deputy Chief Executive	80%	114,444	118,843	2	59,421
Executive Director of	74%	108,037	112,208	3	54,018
Head of Worcestershire Regulatory Services	68%	98,168	101,688	3	<i>This is a shared post across 6 district Authorities a cost of £16,941 each</i>
Head of Finance and Customer Services	61%	87,877	91,383	3	45,691
Head of Planning, Regeneration and Leisure Services	61%	87,877	91,383	3	45,691
Head of Transformation, Organisational Development and Digital Services	61%	87,877	91,383	3	45,691
Head of Legal, Democratic and Property Services	61%	87,877	91,383	3	45,691
Head of Environmental	61%	87,877	91,383	3	45,691

and Housing Property Services					
Head of Community and Housing Services	61%	87,877	91,383	3	45,691

Recruitment of Chief Officers

14. The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in the Council's Constitution. When recruiting to all posts the Council will take full and proper account of its own equal opportunities, recruitment and redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

15. Where the Council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers under such arrangements.

Performance-Related Pay and Bonuses – Chief Officers

16. The Council does not apply any bonuses or performance related pay to its chief officers. Any progression through the incremental scale of the relevant grade is subject to satisfactory performance which is assessed on an annual basis.

Additions to Salary of Chief Officers (applicable to all staff)

17. In addition to the basic salary for the post, all staff may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties. The list below shows some of the kinds of payments made.
 - a. reimbursement of mileage. At the time of preparation of this statement, the Council pays an allowance of 45p per mile for all staff, with additional or alternative payments for carrying passengers or using a bicycle;
 - b. professional fees. The Council pays for or reimburses the cost of one practicing certificate fee or membership of a professional organisation

provided it is relevant to the post that an employee occupies within the Council.

- c. long service awards. The Council pays staff an additional amount if they have completed 25 years of service and having completed 40 years service.
- d. honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade;
- e. fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;
- f. pay protection – where a member of staff is placed in a new post and the grade is below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 12 months. In exceptional circumstance pay protection can be applied for greater than 12 months with the prior approval of the Chief Executive.
- g. market forces supplements in addition to basic salary where identified and paid separately;
- h. salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies, where identified and paid separately;
- i. attendance allowances.

Payments on Termination

- 18. The Council's approach to discretionary payments on termination of employment of chief officers prior to reaching normal retirement age is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
- 19. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.
- 20. Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the Employee Relations Act 1996, will be up to 30 weeks, depending upon length of service and age.

Publication

- 21. Upon approval by the full Council, this statement will be published on the Council's website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:

- a. Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- b. Any bonuses so paid or receivable by the person in the current and previous year;
- c. Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- d. Any compensation for loss of employment and any other payments connected with termination;
- e. Any benefits received that do not fall within the above.

Lowest Paid Employees

22. The Council's definition of lowest paid employees is persons employed under a contract of employment with the Council on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2023 this is £22,366 per annum.
23. The Council also employs apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees' (as they are employed under a special form of employment contract; which is a contract for training rather than actual employment).
24. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.
25. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The Council accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
26. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

Accountability and Decision Making

Agenda Item 9

27. In accordance with the Constitution of the Council, the Council is responsible for setting the policy relating to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council. Decisions about individual employees are delegated to the Chief Executive.
28. The Appointments Committee is responsible for recommending to Council matters relating to the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer, Section 151 Officer and Chief Officers as defined in the Local Authorities (Standing Orders) Regulations 2001 (as amended);
29. For the Head of Paid Service, Monitoring Officer and the Chief Finance Officer, the Statutory Officers Disciplinary Action Panel considers and decides on matters relating to disciplinary action.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

MEDIUM TERM FINANCIAL PLAN 2024/5 TO 2026/7 – Tranche 2

Relevant Portfolio Holder	Cllr. Charlie Hotham, Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Bernard Ofori-Atta
Report Author	Job Title: Head of Finance & Customer Services email:Bernard.ofori-atta@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. SUMMARY OF PROPOSALS

- 1.1 The Council has set its budget in two Tranches this year as it did in the 2023/4 Medium Term Financial Plan (MTFP) process. The initial Tranche was published in the Autumn and approved of options at Council in January. This second Tranche is being considered now that the final Local Government Settlement figures are known. The final budget will be approved in February.

2. RECOMMENDATIONS

Cabinet are asked to Recommend to Council that:

- 1 The Tranche 2 growth proposals.
- 2 The additional funding to the Council as per the final Local Government Settlement on the 5th February 2024, including the estimated levels for 2024/5 and 2025/6.
- 3 The Tranche 2 savings proposals, including an increase of Council Tax of 2.99%.
- 4 The updated five year Capital Programme 2024/5 to 2028/29 along with its ongoing revenue costs.
- 5 The levels of Earmarked Reserve being carried forward into future years.
- 6 That a new Earmarked Reserve for Ward Budgets be set up and £234k allocated to it.
- 7 That a new Regeneration Reserve to seed fund projects linked to district wide capital regeneration priorities be set up for £150,000.
- 8 The level of General Fund balances following additions from the 2024/5 MTFP.
- 9 Members take account of any feedback from the Tranche 2 consultation process undertaken.

CABINET

14th February 2024

Cabinet note that:

1. Members understand and accept the implications set out in the S151 Officers Robustness (S25) Statement of this 2024/25 to 2026/27 Medium Term Financial plan in moving the Council to financial sustainability.

3. Background

Introduction

The Council sets a 3-year Medium Term Financial Plan every year, with the final Council Tax Resolution being approved by Council in February. This year's process has been more difficult due to the following factors:

- Starting the process with an initial small deficit amount from the 2023/24 MTFP.
- The present cost of living crisis.
- The fact that the Council is still to close its 2020/21 financial year and the ongoing cross sector issues in relation to Audit which are set out in the wider Finance Report.
- The movement of the Government to funding projects for specific outcomes and the movement of this from a bidding process to an "allocations" process and the time limited nature of these funds and the pressure this puts on other deliverables.
- Loss of key personnel, present vacancies rates, and staff retention – linked to the Workforce Strategy.
- Business Rates and Council Tax Income – and associated collection rates and reliefs linked to the "cost of living" crisis and C-19 grants working their way through our system.
- Inflation still not reducing as quickly as Government and Financial Market predictions.

As such, it is prudent to split the budget process into two tranches,

- Having an initial Tranche which seeks to close as much of the deficit as possible using information known as at the end of September and seeking approval for those savings to be implemented at Council in January,
- Having a second Tranche after the Christmas break, for which approval will be sought in February, that takes account of the Local Government Settlement whose final detail will not be known until early January.

3.2 This report will set out:

- The approved Tranche 1 Position including base assumptions.
- The impact of the Local Government Settlement.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- Council Priorities
- Strategic Approach
- The final Tranche 2 three year balanced budget, including updated assumptions.
- Impact of Tranche 2 on Reserves and Balances.
- The 5 year Capital Programme.
- The Risk Assessment
- The S151 Officers Robustness Statement
- Consultation Details.

The approved Tranche 1 Position including base assumptions.

3.3 It is important to set out the base assumptions under which the budget is constructed. These assumptions can then be stress tested for various scenarios to test the robustness of the overall budget. The Tranche 1 base assumptions were:

- Council Tax – Figures assume the full 1.99% allowable increase over all years of the 3 year MTFP. The Local plan has housing increases of 363, 457 and 338 in the three years of the MTFP. For prudence, it is assumed that increases of 150, 200 and 150 over the three year period.
- Business Rates Increases – business rates assume no growth in the base.
- New Homes Bonus/Government Grants – It is assumed that levels would be the same as previous years.
- Pension Fund assumptions takes account of the latest triennial valuation which was received in September 2022. It was noted that there is a significant risk is that the next revaluation will be actioned in 2026 and as such the 2026/7 figure could well change pending the outcome of that exercise.

3.4 The following “generic” pressures and savings were included in Tranche 1:

- The impact of the 2023/4 pay award has been considered. This was an estimated increase of £1,078k, however, we have already accounted for a pay award of 2% reduces this amount to £770k.
- The Councils 2024/5 pay award impact is set at 3% with the 2025/6 and 2026/7 pay awards assumed to be 2%.
- Although inflation is coming down, there is a 5% budget for inflationary increases.
- There were savings following budgets set in 23/4 not being required as inflation has reduced:
 - The utilities budget can reduce by £140k a year.
 - The Inflation budget of £180k could also be released.
- The £702k utilities reserve was transferred to the General Fund.
- A 7% increase in (non-parking) fees and charges has been approved.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- Inflation on fees and charges is 2% in 2025/6 and 2026/7.

3.5 Departmental pressures are summarised in the following table:

Service Adjustments				
Reduction in Benefits Overpayments Target		200	200	200
Use of HVO Fuel by 100% of Fleet		30	30	30
Increase in HR Establishment		10	10	10
PRA Housing Licence Costs		15	15	15
NwWM Increased Charges		39	39	39
Interest Charges on Updated Capital Programme		35	36	36
MRP Increases on Capital Programme		24	46	48

Table 1 Departmental Pressures

- There is presently a target of £500k for the reclaiming of Benefit overpayments. With more accurate information and processes this amount will only now deliver £300k of income.
- The Councils Carbon pledge is to a carbon neutral position on the fleet over time. The £30k increase in budget allows for, prices dependent, a 30% use of HVO fuel and an estimated savings of 206 tonnes of greenhouse gases from the fleet.
- The HR structure reports into one post. This funding added a second senior post to relieve pressure in this service area.
- There is the new requirement for the monitoring of the Private Housing Sector. There is a capital bid of £30k for software to undertake this. The ongoing licensing costs are £15k a year.
- The North Worcestershire Water Management Service Level Agreement with Redditch and Wyre Forest is being revised to reflect actual provision increasing costs by £39k.
- The revenue impact of the Capital Programme changes approved in Tranche 1 amount to £35k for interest charges and £24k for Minimum Revenue Provision requirements.

3.6 These departmental changes result in an overall £172k pressure in the 2024/5 financial year reducing to a deficit of £323k and then £300k in the following 2 years. The whole revenue budget is summarised in the table on the following page.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Bromsgrove Base Position (Revised Tranche 1)				
	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000
Base Budget Position 22/23 MTFP				
Expenditure	11,948	12,077	12,347	12,347
Funding	-10,360	-10,864	-10,724	-10,724
Net	1,588	1,213	1,623	1,623
Revised Gap 22/23 MTFS	1,588	1,213	1,623	1,623
Phase 1 Savings 2023/24 MTFP	-1,625	-1,847	-1,748	-1,748
Revised Position	-37	-634	-125	-125
Phase 1 Pressures 2023/24 MTFP	1,602	1,608	1,769	1,769
Phase 1 2023/24 MTFP Position	1,565	974	1,644	1,644
Local Government Settlement	-1715	-1200	-1200	-1200
Additional Savings (Phase 2)	-707	-707	-707	-707
Additional Pressures - Phase 2	1107	889	694	694
Final 2023/24 MTFP Position	250	-44	431	431
Known Changes				
23/4 Pay Award - 4% More than planned		770	770	770
Utilities Increases running at 60% - 40% Savings		-140	-140	-140
Existing Inflation Budget (Unallocated)		-188	-194	-194
Inflation on Contracts - additional 5%		90	90	90
Additional 1% on 24/5 Pay Award - to 3%		154	154	154
7% Additional Fees and Charges Income		-273	-273	-273
Additional 2% Pay Award for 26/7				308
Quarter 1 23/4 Overspend position	788			
Use of 23/4 Utilities Reserve	-351			
2% Council Tax 2025/6			-191	-191
2% Council Tax 2026/7				-195
Year 2 Fees and Charges Income at 2%			-101	-101
Year 3 Fees and Charges Income at 2%				-101
Increase in number of Properties (Ctax Income)		-36	-84	-121
Government Grant at 23/4 Levels		-515	-515	-515
Draft Opening Position	437	-182	-53	-78
Service Adjustments				
Reduction in Benefits Overpayments Target		200	200	200
Use of HVO Fuel by 100% of Fleet		30	30	30
Increase in HR Establishment		10	10	10
PRA Housing Licence Costs		15	15	15
NWWM Increased Charges		39	39	39
Interest Charges on Updated Capital Programme		35	36	36
MRP Increases on Capital Programme		24	46	48
Revised Opening Position	437	172	323	300

Table 2 – Tranche 1 Approved MTFP Position

CABINET

14th February 2024

The impact of the Local Government Settlement

- 3.7 Local Government is still in uncharted territory. C-19 has changed significantly the way Councils and the people they serve work, or expect to be served, and this is starting to be reflected in Service Plans and associated budgets.
- 3.8 The War in Ukraine has still not been resolved. This has led to Inflationary increases that initially reached levels not seen since that late 1980's although they are now starting to reduce. This has however had a significant impact on our customers and stakeholders and is now labelled a "cost of living" crisis.
- 3.9 Councils have declared "Climate Emergencies" and have challenging carbon reduction targets to deliver by 2030, 2040 and 2050. At the moment plans are within existing budgets, but as we move through the next three-year period there will be the requirement for the prioritisation of resources and approval of additional funding on a scheme by scheme basis. These will need to be taken account of in future budgets, although a significant part of this budget spend will be Capital in nature.
- 3.10 As mentioned in the Risk section, the Government made 2 major announcements during the LGA Conference in July 2023, both of which will significantly affect budgeting.
- The first of these was the launch of the Office for Local Government. They will look at Council data to assess performance and try to predict if Councils are getting into difficulty.
 - The second was a movement from a bidding process for Funds to that of an allocation's method using data to inform those decisions (however there is no increase in the funds being allocated/bid for).
- 3.11 There are a number of other significant factors in looking at the 24/5 budget which are linked to the Local Government Finance Market. Presently:
- There are a number of Local Authorities who have now issued S114 Statements, including the largest Council in the Country Birmingham.
 - Bromsgrove still have accounts unaudited from 2020/21. Auditors have been provided with reconciliations of old to new system and cash receipting balances are now within materiality limits. Council now awaiting Auditors signoff to publish 20/21 Accounts.
 - That in the Local Government sector, there were still circa 900 Audits from 2015/16 that are still outstanding at the end of the summer. There is an issue with audit resources to deliver these audits. This has the possible implication of Council accounts being qualified due to capacity issues. It is unclear of the implications of this on Council stakeholder confidence.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- 3.12 The Chancellors Autumn Statement took place on the 22nd November and the Provisional Local Government Financial Settlement took place on Monday 18th December. The final Local Government Settlement was received on the 5th February 2024. The settlement was only a single year settlement.
- 3.13 The key outcomes for Local Government and Bromsgrove from those announcements was:
- An increase in spending power for Councils overall of 6.5% although District Council increases were on average 4.9%.
 - This increase included the assumption that Council Tax would be increased by 2.99%
 - The ability to increase Planning application charges by 25% for small applications and 35% for other applications.
 - Extension of Business Rates relief for Retail Hospitality and Leisure for another year.
- 3.14 Grant levels are set out in Appendix A.

Council Strategic Priorities

- 3.15 The Leader and Portfolio Holders, with the support of the Corporate Management Team, will be reviewing current strategic priorities in the Autumn. Inputting into this process will be:
- Annual Community Survey 2022
 - Community Priorities Survey
 - Cost of Living survey
 - Census
 - [Office of National Statistics](#)
 - Current priorities
- 3.16 Bromsgrove District Council's current priorities are underpinned by a set of key themes. These are set out in the current Council Plan 2019 – 2023 and in the Council Plan Addendum 2022/23. The 5 themes are:
- Run & grow a successful business.
 - Finding somewhere to live.
 - Aspiration, work & financial independence.
 - Living independent, active & healthy lives.
 - Communities which are safe, well-maintained, and green.

- 3.17 The council's vision, priorities and themes are connected using a 'green' thread:

“To enrich the lives and aspirations of all our residents, businesses and visitors through the provision of efficiently run and high-quality services, ensuring that all in need receive appropriate help, support and opportunities”.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- 3.18 The council cannot deliver all priorities on its own. In some cases it can support, influence, or work collaboratively with other partner agencies to persuade them to take a particular course of action/undertake a particular project. Considerable support and input from partner organisations will be needed for priorities to be successfully achieved.

Strategic Approach

- 3.19 The Council has come into the 2023/24 budget process with a number of conflicting issues. These include:
- An ongoing deficit to close of £637k from the 2023/24 MTFS.
 - The requirement to fund the 23/4 pay award which is 5% higher than planned at an average value of 7%.
 - Increases in Council Tax are limited at 2% or £5, which is significantly lower than the present rates of inflation.
- 3.20 Following the significant higher pay awards over the past two years than was budgeted for the Council must move to financial sustainability over the time scale of this MTFS. The next section sets out the Tranche 2 position but in it the Council moves to a sustainable position over the 3 year planning period. The level of reserves and balances presently held suggest that although significantly more is held than the suggested 5% recommended level for the General Fund, that any calls on this amount for a significant emergency situation would reduce levels by possibly 50%.
- 3.21 The Council must adapt how it operates to take advantage of customer requirements, technology, available resources, and the economic and environmental conditions to remain a sustainable viable organisation. To ensure this happens there will be the need for future investment, efficiencies and possibly the requirement to fund redundancy (both from reserves and balances).
- 3.22 As set out later in the Robustness Statement, in compiling Tranche1 of the budget, assumptions were based on the best information held then. Issues the Council is facing are not unique, they are being faced by almost all Councils. Tranche 2 of the budget will adjust for any funding that the Government will provide and also look at other options to close any deficit should the Government settlement not bridge any resultant gap.

The final Tranche 2 three year balanced budget, including updated assumptions

- 3.23 The Council started Tranche 2 of the Budget with the following financial deficits to close.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

			2023/24	2024/25	2025/26	2026/27
			£000	£000	£000	£000
Revised Tranche 1 Position			437	172	323	300

3.24 The financial settlement has allowed the following opportunities for additional funding:

- Increasing Council Tax from 1.99% to 2.99% resulting in additional funding of £91,000
- Increasing planning fees for small applications by 25% and other applications by 35% will recoup £145,000 at present activity levels.
- Additional Business Rates Income, linked to the Local Government Settlement and also being in the Worcestershire and Herefordshire Business Rates Pool of grant funding of £427,000.

3.25 Now that the Council fully understands the implications of the 2022/23 and 2023/4 pay awards, given the 2023/4 pay award was implemented in December, the following savings can be made:

- £125,000 can be released from the 2023/4 Pay Award budget approved in Tranche 1 of this year's MTFP process.

3.26 Parking charges will also be changed resulting in a £100,000 increase in income. This will be a mix of

- No parking charges for visits under 30 minutes.
- No parking charges after 6.00PM.
- No parking charges for Blue Badge holders
- Increases of other parking charges by 25% apart from full day tickets where applicable (except Recreation Road South) which will increase to £6.

3.27 However there are additional pressures amounting to £649,000 that need to be accounted for. This includes:

- Increase in staffing numbers in Worcestershire Regulatory Services due to higher levels of Food Safety compliance testing requirements by the Food Standards Agency £33,000.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- Increased Parking SLA charges with our provider Wychavon Council to take account of staffing cost increases over the past two years of £60,000.
- Planning and Environmental Enforcement £85,000. A number of issues had been experienced by the Council in respect of Planning and Environmental enforcement in the past. These included difficulty in the recruitment of experienced and skilled officers. It is considered that WRS Officers had the necessary skills to provide effective enforcement on behalf of the Council. The service would include triaging of enforcement matters, proactive enforcement and legal and administrative support. In addition to this by utilising the expertise of WRS in enforcement matters, it would allow benefit from increased knowledge in areas such as injunctions and more skills in complex enforcement matters when multiple breaches had occurred; such as breaches that included both noise and importation of soil. There was currently a backlog in enforcement cases at the Council and this proposed extra resource would provide a means by which to reduce the backlog over a period of time. There would be an increase in resource allocated to 'enviro-crimes' such as fly-tipping and dog fouling, which were two areas of concern for both the Council and residents of the District.
- A Play Audits and Investment Strategy and associated Report is imminently expected which will have associated revenue cost implications. The estimated revenue costs are expected to start at £10,000 rising to £50,000. These costs are estimated at £1m and the initial revenue costs are based on data provided to Redditch Executive in January 2024 and which are being used as an estimate for Bromsgrove.
- Housing Strategy Review £71,000. This covers an increase from 1.4 to 2.5 fte Private Sector Housing Officers. This is to account for the increased statutory duties that are being placed on Private Sector Housing Teams considering recent damp and mould issues raised nationally. In addition, the Renters Reform Bill will bring new duties and responsibilities to District Council's particularly in relation to improving renting standards. An additional post of Senior Housing Strategy Officer will increase the resource within housing strategy to meet the increasing impacts of homelessness and to ensure the effective use of resources to support the prevention of homelessness. A new Housing Strategy Apprenticeship post will support the wider team. This post will be introduced in 2025/26 to allow time for the service review to be embedded enabling a quality apprenticeship opportunity to be offered.
- As part of the Governance Review, which was approved by Council in September 2023, additional Committee support of £40,000 was approved.
- Following the approach from Wyre Forest to disband the NWEDR service, Officers have been working on the exit agreement and ensuring that Bromsgrove is protected from any claims brought as a result of the

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

break-up of the service and any decisions made by NWEDR prior to the split. The Senior Management Team and the Head of Planning and Regeneration have been looking at how best the Council, in partnership with Redditch, undertake Regeneration and Economic Development to meet the strategic purposes of both Councils and the wider priority of economic growth in the two council areas and ensure that the timescales agreed with Central Government for Levelling Up Fund (LUF) Programme at BDC and the Towns Fund (TF) Programme at RBC are met and that future government and regional funding is secured. A separate report is being brought to Cabinet on this, however the proposed increased costs for Bromsgrove are £72,000.

- In reviewing our financing budgets in light of the Local Government Settlement, although there is a significant increase in Business Rates income, there is a small £30k reduction in Grant income compared to budget.
- The yearly Independent Remuneration Panel recommendations are also being reviewed by Cabinet at this meeting. The impact of accepting their recommendations is £33k.
- Funding for the Citizens Advice Bureau was reduced at £2,500 a year in the 2020/21 Budget. This item puts back the £10,000 of funding reduced over the past four years.
- Following discussions on the administration of Parking, a full district wide review of the function is required. A one off cost of £50,000 is included in the 2024/5 financial year for this review.
- Although 3% is now included for the 2024/5 Local Government Pay Award, and inflation is now at 4% as at December 2023. Local Government negotiations are just about to start with the Unions in March and so it is prudent to increase the Pay Award to this level – and additional £154,000 a year.
- That £150,000 is transferred to an Earmarked Reserve in order to seed fund approved district wide Capital Regeneration priorities.
- That an ongoing capital budget of £20k be set up for Landlord obligations for the Artrix, with revenue impacts being £1k, £3k and 5K in the initial three years.

3.28 It should be noted that on the 23rd January the Government announced additional measures for Local Authorities worth £600m. As part of these measures, the Government are asking local authorities to produce productivity plans which will set out how they will improve service performance and ensure every area is making best use of taxpayers' money. The Government will monitor these plans, and funding Settlements in future years will be informed by performance against these plans. The magnitude of these additional sums will not be confirmed by the Government until early February, however initial estimates indicate that Bromsgrove would benefit by £126,000.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

3.29 These departmental changes result in an overall £42k surplus in the 2024/5 with slight deficits of £8k and then £7k in the following 2 years. The whole revenue budget is summarised in the table on the following page:

	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000
Base Budget Position 22/23 MTFP				
Expenditure	11,948	12,077	12,347	12,347
Funding	-10,360	-10,864	-10,724	-10,724
Net	1,588	1,213	1,623	1,623
Revised Gap 22/23 MTFP	1,588	1,213	1,623	1,623
Phase 1 Savings 2023/24 MTFP	-1,625	-1,847	-1,748	-1,748
Revised Position	-37	-634	-125	-125
Phase 1 Pressures 2023/24 MTFP	1,602	1,608	1,769	1,769
Phase 1 2023/24 MTFP Position	1,565	974	1,644	1,644
Local Government Settlement	-1715	-1200	-1200	-1200
Additional Savings (Phase 2)	-707	-707	-707	-707
Additional Pressures - Phase 2	1107	889	694	694
Final 2023/24 MTFP Position	250	-44	431	431
Known Changes - Tranche 1 24/5				
23/4 Pay Award - 4% More than planned		770	770	770
Utilities Increases running at 60% - 40% Savings		-140	-140	-140
Existing Inflation Budget (Unallocated)		-188	-194	-194
Inflation on Contracts - additional 5%		90	90	90
Additional 1% on 24/5 Pay Award - to 3%		154	154	154
7% Additional Fees and Charges Income		-273	-273	-273
Additional 2% Pay Award for 26/7				308
Quarter 1 23/4 Overspend position	788			
Use of 23/4 Utilities Reserve	-351			
2% Council Tax 2025/6			-191	-191
2% Council Tax 2026/7				-195
Year 2 Fees and Charges Income at 2%			-101	-101
Year 3 Fees and Charges Income at 2%				-101
Increase in number of Properties (Ctax Income)		-36	-84	-121
Government Grant at 23/4 Levels		-515	-515	-515
Draft Opening Position	437	-182	-53	-78
Service Adjustments				
Reduction in Benefits Overpayments Target		200	200	200
Use of HVO Fuel by 100% of Fleet		30	30	30
Increase in HR Establishment		10	10	10
PRA Housing Licence Costs		15	15	15
NW/M Increased Charges		39	39	39
Interest Charges on Updated Capital Programme		35	36	36
MRP Increases on Capital Programme		24	46	48
Revised Tranche 1 Position	437	172	323	300
Council Tax - Increase to 3%		-91	-91	-91
Planning Income (Base Budget £580k) at 25%		-145	-145	-145
Parking Income		-100	-100	-100
Actual Impact on budgets of Pay Award		-125	-125	-125
Business Rates adjustment		-427	-350	-350
WRS Additional Food Safety Officer		33	33	33
Parking SLA Increase		60	60	60
Planning and Environmental Enforcement		85	85	85
Play Audit - Revenue Implications		10	30	50
Housing Strategy Report		71	71	71
Additional Committee Services		40	40	40
NWedR Back in House		73	73	73
Changes in other Central Grants		30	30	30
IPR Recommendation		33	33	33
Citizens Advice Funding		10	10	10
Parking Review		50	0	0
1% Increase to Pay Awards in 24/5 to 4%		154	154	154
Provisional Funding Announced on 23rd January		-126	-126	-126
Regeneration Reserve		150	0	0
Landlord Capital Requirement of Artix at £20k a year		1	3	5
Updated Position Tranche 2		-42	8	7

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

3.30 As set out in 3.21 above, the Council must continue to adapt and evolve to ensure it remains sustainable in medium term. Although reserves are above the recommended lower limits their effective use needs to be linked to tangible sustainable outcomes for the Council. The Council has undertaken an Establishment Review in the November and December and the outcomes of this review, linked to identified vacant positions and Agency posts covering those positions will be a starting point for future efficiencies. However, a key driver overall will be the effective use of data and ensuring we make it as easy as possible for the Customer to interact with ourselves, digitally and face to face.

3.31 Appendix B sets out the Departmental Budgets.

Impact of Tranche 2 on Reserves and Balances

3.32 The existing 23/24 MTFP saw general fund balances reduce by £637k over the three year period as the original plan moved the Council towards sustainability. In the 2023/4 budget, the Council was prudent and reviewed all its earmarked Reserves and reallocated a substantial amount to the General Fund and also a newly formed Utilities Reserve due to the significant pressure on budgets in that area. As we have moved into 2023/4 there have been additional inflationary pressures, although they have been due to staffing and the 2023/4 allocation of the Utilities Reserve has been used to mitigate these. Years 2 and 3 of this reserve are not required and have been transferred to the General Fund to bolster its position.

3.33 The projected 2024/5 to 2026/7 position, at Tranche 1, had £795k of pressures to mitigate. This has been mitigated in Tranche 2 and a £27k surplus is now forecast. Presently the General Fund sits at a value of £5.708m (taking account of the Tranche 2 position) at the 31st March 2027. This sum is approximately 14.5% of gross expenditure and above the 5% benchmark quoted by the Government a being a minimum requirement. If Housing Benefit payments, which are passported through the Council are ignored than this percentage rises to 23.1% of expenditure.

3.34 The analysis in Table 5 sets out the effects on Council General Fund and Earmarked Reserves. Full detail is set out in Appendix C.

Reserves Position	2023/24	2024/25	2025/26	2026/27
General Fund Opening Position	5,800	5,213	5,723	5,715
General Fund Changes	-587	744	-8	-7
Ward Budget Initiative		-234		
General Fund Closing Position	5,213	5,723	5,715	5,708
Earmarked Reserves	6,379	5,858	5,780	5,702

Table 5 Reserves Position

- In 2023/4
 - We start with £5.800m in the General Fund Reserve.
 - £100k will be moved into the it from the Rates Reserve
 - £250k was already being used to subsidise the base budget
 - The overspend position is £437k
 - This results in a closing 23/4 position of £5.213m
 - In 2024/5
 - We start with £5.213m
 - We propose to transfer years 2 and 3 of the utilities reserve in as the view is that this is now not required - £0.702m.
 - There is a £42k projected surplus.
 - There is the requirement to set up the Ward Budget Reserve £234k.
 - This results in a closing 24/5 position of £5.723m
 - In 2025/6
 - the opening position is £5.723m
 - The present budget results in a projected deficit of £8k.
 - This results in a closing 25/6 position of £5.715m
 - In 2026/7
 - the opening position is £5.715m
 - The present budget results in a projected deficit of £7k.
 - This results in a closing 26/7 position of £5.708m
- 3.35 There is a proposal to set up an earmarked Reserve, following discussion at Bromsgrove Overview and Scrutiny Committee on the 15th January. The proposal is set out in detail in Appendix D and would result in a 3 year Pilot scheme allowing individual ward members £2k a year – a total cost of £62,000 a year. It is estimated that administration costs would be £16k a year giving a total yearly costs of £78k, or £234k over the three year period. The appendix sets out the proposed scheme.
- 3.36 In addition an Earmarked Regeneration Reserve of £150k is being set up to seed fund approved district wide capital regeneration priorities.

The 5 Year Capital Programme

- 3.37 The Council over the past number of years has not spent its capital programme allocations in year. A review has been carried out of
- All schemes that have not started (both from 22/23 and from previous years)
 - Schemes that have started
- To assess deliverability and links to revised strategic priorities.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

3.38 Present rationale is for any scheme not yet started (unless grant or S106 funded) to rebid for funds as part of the 2024/25 budget process. The Summary Capital Programme is set out in the following Table.

Year	Total Programme	Council Funded	Grant Funded
2024/5	7,069,671	4,334,500	2,735,171
2025/6	4,516,377	3,716,377	800,000
2026/7	2,558,000	1,758,000	800,000
2027/8	6,658,000	5,858,000	800,000
2028/9	1,879,000	1,079,000	800,000

Table 6 Summary Capital Programme

3.39 The priority in capital terms is for the Council to spend its grant funding. It has the following:

- Levelling Up of £16.1m (£14.5m Grant, £1.6m Council)
- UK Shared Prosperity Funding of £2.8m

This funding is time limited and must all be spent by 2026 (with UKSPF being 2025). Therefore, there is a question over what resources would be available to manage any significant capital spend above these schemes.

3.40 Appendix E sets out the present capital programme to be agreed.

3.41 A number of additional capital bids were approved in Tranche 1 of the budget. Given that we have now moved to a five year ongoing Capital Programme the key additions/changes are:

- Car Park maintenance being allocated at £100k a year for the full five years.
- Footpath maintenance being allocated at £75k a year for the full five years.
- An assumption that Disabled Facility Grants continue at a level of £800k.
- Public Building maintenance budgets allocated at £100k a year, due to the implications of ensuring that the Council meets its energy efficiency requirements by 2026.
- Fleet replacement is backed up by a full listing of all assets.
- Wheely bin purchases are set at £120k a year. This will be reviewed over the next financial year.
- Home Repairs Assistance continue at its current level of £50k.
- A bus shelter budget is reinstated at £18k a year.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- Significant investment is required in ICT to ensure this core enabling service is kept up to date. This includes updating networks, Hardware and ensuring Cyber Security is continually improved.
 - The implication of the Play Audits, which have recently come to Cabinet.
 - A £20k budget to fund landlord obligations of the Artrix.
- 3.42 The significant Council spending continues to be the Fleet Replacement Programme although it is slipping into the future as we await the Governments final Environment Bill and confirmation of the type of vehicles required after 2030. The Council has applied for an extension to its Levelling Up funding for the Market Hall development following conversations with DLUHC. This was provisionally approved by DLUHC on the 5th February.
- 3.43 In terms of the Larger Levelling Up Schemes:
- The Market Hall Development should “clear” planning in early February. In parallel to this the works are being tendered. The expected completion date for the project in September 2025 and an extension has been applied for from DLUHC in order not to lose any funding.
 - The clearance of the Windsor Street site is out to tender. The clearance has been made more onerous as the Council are now acting as a pilot on the clearance of an existing fire station site, with their associated possible contaminants, for the Environment Agency.
 - We are about to sign a “MOU” with the County Council to undertake the Public Realm works.
- 3.44 The Council is undertaking a review of all its assets, linked to the requirement of Council buildings to be at Level C Energy Efficiency. A report is expected early in the 24/5 financial year setting the Councils fixed asset approach.
- 3.45 The Capital Programme is very closely linked to the Asset Strategy, Treasury Management Strategy, Minimum Revenue Provision Policy and Asset Investment Strategy. These Strategies set out how the Council can invest and borrow funds and to whom. They are set out in Appendices F, G, H and I. These Strategies have been reviewed by the Audit, Standards and Governance Committee in January 2024.

The Risk Assessment

- 3.46 As set out in this Report we are budgeting in a time of extreme uncertainty.
- 3.47 As per the Risk Reports that are reported to Audit, Governance and Standards and Committee which are:
- Resolution of the approved budget position.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- Financial process rectification (in relation to the 2020/21 Accounts and subsequent years not being approved).
- Decisions made to address financial pressures and implementing new projects that are not informed by robust data and evidence.
- Adequate workforce planning.

In addition to these, the next Pension fund re-valuation which will impact the 2026/7 figures but this will not be known until November 2025.

- 3.48 There are the core risks of implementation of any Council financial plan in that:
- Any savings proposal must pass the S151 Officers tests for robustness and delivery. If items are not deliverable or amounts not obtainable, they cannot be included.
 - Implementation of savings to time and budget – there must be full implementation processes documented to ensure implementation within timescales.
 - Non delivery is a high risk - Savings tracking and ensuring implementation happens based on the plans and the assumptions will become part of the Council's core processes.
 - Loss of key personnel will be crucial in a number of proposals and mitigation plans will need to be drawn up.
 - Change of corporate direction/priorities.

The S151 Officers Robustness Statement

- 3.49 For Tranche 2, the opinion of the Interim Director of Finance is that the risks contained in the 2024/25 budget estimates have been minimised as far as is possible. Given that the last 2 years budgets have been delivered in an environment where inflation has been at rates not seen for over 20 years and interest rates which have increased to levels not experienced since 2008 planning, especially around employee costs, have been difficult. The Council had not budgeted for 2 years of 7% increases in staff cost and it has taken until this 2024/5 budget to bring the Council back to a sustainable ongoing position. Inflation is now falling and is 4%. This makes financial planning easier to deliver.
- 3.50 Employee budgets, taking away the Housing Subsidy Grant, remain the largest single area of the revenue budget amounting to circa 48% of costs. The Council is still running at high levels of vacancy against establishment and using considerable agency resource to ensure services are maintained. This attracts additional short term cost and the Workforce Strategy, implemented in 2023, is designed to mitigate this. However, this remains the most significant financial risk to the Council.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- 3.51 The next most significant financial risk is the fact that the Council has not been able to present its 20/21 accounts (and subsequent years) for Audit, and the possible inaccuracy of opening balances used in budgetary data. This will be resolved with the delivery of Audited Accounts. It is understood that new legislation will be approved by Government which will require all accounts up to the 2022/23 year to be approved by the 30th September 2024.
- 3.52 The revenue budget and capital programme have been formulated having regard to several factors including:
- Funding Available.
 - Inflation.
 - Risks and Uncertainties.
 - Priorities.
 - Service Pressures.
 - Commercial Opportunities.
 - Operating in a Post C-19 environment.
- 3.53 The MTFP highlights that the current financial position has moved, following the Local Government Settlement to a position of sustainability.
- 3.54 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

- 3.55 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.
- 3.56 The two tranche 2024-5 budget process has ensured that all budget assumptions have been reviewed and reconsidered by Officers, and then Members, through the Finance and Budget Scrutiny Working Group, Cabinet and Council.
- 3.57 The budget is now sustainable over the medium term planning horizon but more work will need to be done to embed changes to ensure financial sustainability is embedded across the organisation.

Adequacy of Reserves

- 3.58 Budget and MFTP proposals forecast the level of General Fund balances at £5.7m as at 31st March 2027 which is over four times the recommended 5% of net level set out in the Reserves section.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- 3.59 Despite the present positive medium term financial position, given the possible issues with Opening Balances due to Accounts not being fully closed, it is prudent for the Council to build reserves as they are the Council's single source of funding for business change initiatives.
- 3.60 Further work will 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 and accelerate further savings opportunities.

Collection Fund and Precepts

- 3.61 The Council Tax collection fund is anticipated to be in surplus based on December data by £0.397m, which will be distributed amongst the major preceptors using the prescribed formulae. The Council's share of the surplus payable as a one-off sum in the following financial year 13% of the total which amounts to £52k.
- 3.62 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 21st February 2024. The precepting bodies Council Tax requirements will be included in the formal resolutions which will be presented to Council on 21st February.

Consultation Details

- 3.63 Tranche Two of the budget will be consulted on following its publication on the 6th February. Any comments will be fed into Cabinet and Council on the 21st February 2024.
- 3.64 The Council will raise awareness of the budget proposals via use of social media.

4. IMPLICATIONS

Financial Implications

- 4.1 Financial implications are set out in section 3.

Legal Implications

- 4.2 A number of statutes governing the provision of services covered by this report contain express powers or duties to charge for services. Where an

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

express power to charge does not exist the Council has the power under Section 111 of the Local Government Act 1972 to charge where the activity is incidental or conducive to or calculated to facilitate the Council's statutory function.

Service / Operational Implications

- 4.3 Monitoring will be undertaken to ensure that income targets are achieved.

Customer / Equalities and Diversity Implications

- 4.4 The implementation of the revised fees and charges will be notified in advance to the customer to ensure that all users are aware of the new charges and any concessions available to them.
- 4.5 Initial Equalities Impact Assessments will be taken where required.

5. RISK MANAGEMENT

- 5.1 There is a risk that if fees and charges are not increased that income levels will not be achieved, and the cost of services will increase. This is mitigated by managers reviewing their fees and charges annually.

6. APPENDICES

Appendix A – 2024/5 Grant Levels
Appendix B – Budgets by Department
Appendix C – Reserves
Appendix D – Ward Budget Proposal
Appendix E – 5 Year Capital Programme
Appendix F – 2024/5 Capital Strategy
Appendix G – 2024/5 Treasury Management Strategy
Appendix H – 2024/5 MRP Statement
Appendix I – 2024/5 Investment Strategy

6. BACKGROUND PAPERS

None.

7. KEY

None

CABINET

14th February 2024

Appendix A – Grant Levels

Revenue Grant Levels	Bromsgrove
New Home Bonus	238,000
Services Grant	11,000
Revenue Support Grant	101,000
Funding Guarantee	1,135,000
Additional Grant (26/1)	126,000
Estimated Values	
Housing Benefit	14,700,000
Housing Benefit Administration	148,000
Revs and Bens Cost of Collection	119,000
Homelessness Grant	112,000
Homelessness Prevention Grant	168,763
Domestic Abuse Grant	35,298

Agenda Item 10

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Appendix B – Budgets by Department

							Changes	Changes	Revised
Summary 2024/5	Employees	Other Expenditure	Recharges	Recharges	Income	Base Budget	Expenditure	Income	Budget
BDC Regulatory Client	0	584,210	20,000	0	-324,873	279,337	118,000	-18,227	379,110
Business Transformation & Organisational Devel	1,812,166	878,567	254,024	-1,186,640	-17,500	1,740,617	119,119	-982	1,858,754
Chief Executive	413,774	936,705	247,914	-381,360	-157,568	1,059,465	43,835	-190	1,103,110
Community & Housing GF Services	407,843	734,401	690,477	-352,512	-406,722	1,073,487	120,558	-18,323	1,175,722
Environmental Services	9,212,147	2,797,170	42,486	-4,117,626	-4,215,457	3,718,720	733,706	-268,248	4,184,178
Financial & Customer Services	0	15,171,934	1,721,553	0	-15,651,687	1,241,800	200,000	0	1,441,800
Legal, Democratic & Property Services	1,436,438	1,180,572	499,019	-743,989	-847,128	1,524,912	159,495	-43,208	1,641,199
Planning, Regeneration & Leisure Services	2,230,138	658,188	429,912	-707,092	-1,184,674	1,426,472	207,287	-168,822	1,464,937
Total	15,512,506	22,941,747	3,905,385	-7,489,219	-22,805,609	12,064,810	1,702,000	-518,000	13,248,810
Corporate Financing	0	12,669,253	0	0	-24,778,066	-12,108,813	340,000	-1,523,000	-13,291,813
Financing						-44,003			-43,003
Summary 2025/6	Employees	Other Expenditure	Recharges	Recharges	Income	Base Budget	Changes	Changes	Revised
BDC Regulatory Client	0	595,210	20,000	0	-324,873	290,337	118,000	-24,607	383,730
Business Transformation & Organisational Devel	1,842,996	878,567	254,024	-1,202,534	-17,500	1,755,553	118,981	-1,326	1,873,209
Chief Executive	365,526	942,705	250,798	-387,455	-77,580	1,093,994	133,742	-334,257	893,480
Community & Housing GF Services	416,010	734,401	708,358	-356,596	-416,242	1,085,931	120,600	-24,737	1,181,794
Environmental Services	9,384,892	2,797,170	43,116	-4,196,632	-4,246,661	3,781,885	683,954	-327,583	4,138,256
Financial & Customer Services	0	15,171,934	1,722,452	0	-15,652,187	1,242,199	200,000	0	1,442,199
Legal, Democratic & Property Services	1,461,276	1,180,572	505,485	-756,119	-913,128	1,478,086	159,409	-63,331	1,574,164
Planning, Regeneration & Leisure Services	2,271,390	658,188	436,654	-707,092	-1,184,674	1,474,466	207,313	-177,160	1,504,619
Total	15,742,090	22,958,747	3,940,887	-7,606,428	-22,832,845	12,202,451	1,742,000	-953,000	12,991,451
Corporate Financing	0	12,651,253	0	0	-24,422,065	-11,770,812	145,000	-1,357,000	-12,982,812
Financing						431,639			8,639
Summary 2026/7	Employees	Other Expenditure	Recharges	Recharges	Income	Base Budget	Changes	Changes	Revised
BDC Regulatory Client	0	595,210	20,000	0	-324,873	290,337	118,000	-31,252	377,085
Business Transformation & Organisational Devel	1,842,996	878,567	254,024	-1,202,534	-17,500	1,755,553	154,203	-1,683	1,908,072
Chief Executive	365,526	942,705	250,798	-387,455	-77,580	1,093,994	147,880	-334,326	907,547
Community & Housing GF Services	416,010	734,401	708,358	-356,596	-416,242	1,085,931	128,550	-31,417	1,183,064
Environmental Services	9,384,892	2,797,170	43,116	-4,196,632	-4,246,661	3,781,885	863,309	-389,042	4,256,152
Financial & Customer Services	0	15,171,934	1,722,452	0	-15,652,187	1,242,199	200,000	0	1,442,199
Legal, Democratic & Property Services	1,461,276	1,180,572	505,485	-756,119	-913,128	1,478,086	187,336	-80,434	1,584,988
Planning, Regeneration & Leisure Services	2,271,390	658,188	436,654	-707,092	-1,184,674	1,474,466	250,722	-185,845	1,539,343
Total	15,742,090	22,958,747	3,940,887	-7,606,428	-22,832,845	12,202,451	2,050,000	-1,054,000	13,198,451
Corporate Financing	0	12,651,253	0	0	-24,422,065	-11,770,812	169,000	-1,589,000	-13,190,812
Financing						431,639			7,639

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Appendix C – Reserves Position

	Balance at 31/3/23	Transfers in 2023/24	Transfers out 2023/24	Balance at 31/3/24	Transfers in 2024/25	Transfers out 2024/25	Balance at 31/3/25	Transfers in 2025/26	Transfers out 2025/26	Balance at 31/3/26	Transfers in 2026/27	Transfers out 2026/27	Balance at 31/3/27
General Fund Reserve	5,800	100	(687)	5,213	744	(234)	5,723		(8)	5,715		(7)	5,708
General Fund Earmarked Reserves:													
Building Control Partnerships	82			82			82			82			82
Community Services	271		(125)	146		(125)	21			21			21
Economic Regeneration	398	50		448			448			448			448
Election Services	51			51			51			51			51
Environmental Services	49			49			49			49			49
Financial Services	3,195	638		3,833			3,833			3,833			3,833
Housing Schemes	346			346			346			346			346
ICT/Systems	197			197			197			197			197
Leisure/Community Safety	330			330			330			330			330
Local Neighbourhood Partnerships	16			16			16			16			16
Other	0			0			0			0			0
Planning & Regeneration	133			133			133			133			133
Regulatory Services (Partner Share)	46			46			46			46			46
Utilities Reserve	1,053		(351)	702		(702)	0			0			0
Regeneration Reserve					150		150			150			150
Ward Budget Initiative						156	156		(78)	78		(78)	0
Covid-19 (Collection Fund)	1,547		(1,547)	0			0			0			0
Total General Fund	7,714	688	(2,023)	6,379	150	(671)	5,858	0	(78)	5,780	0	(78)	5,702

Appendix D – Ward Budget Proposal

Subject - Bromsgrove Ward Councillor Fund Pilot Scheme

The Governance Review which took place over the summer and reported back to Council in September 2023 set out as a design principle that there needed to be more active participation from Members (backbenchers). One way to help this is to create Ward Budgets where they are empowered to help their local communities. Other Councils have this approach, including Worcestershire County Council and Worcester City Council. I have used the Worcestershire County Council scheme as a basis for the principles, however these schemes are all very similar.

In this draft scheme each of Bromsgrove's 31 members of the Council will have an allocation of £2,000 (per financial year), to spend on locally-determined initiatives within their Ward. They have reasonable discretion as to how to spend their allocation, as long as they are lawful for the Council, rational and are properly recorded.

The Bromsgrove Ward Councillor Fund (BWCF) is aimed at one-off items of expenditure or supporting community activity, local and national charities or voluntary organisations within the local Division.

Formal applications for bids to the BWCF can only be submitted by the Ward Councillor; however, individuals or organisations can contact their local Councillor and seek support from the Fund. The public will be encouraged to contact their Ward Councillors for support, in order to provide them with information on how support from the BWCF would promote or improve the economic, social or environmental well-being of the local area, or those people within it.

The Pilot Scheme will run for three years with a review after year 2 to evaluate its effectiveness and suitability for ongoing funding.

The cost of the scheme is £62,000 a year, which over the three year period would be a cost of £186,000. There is the requirement to administer the scheme which is estimated to cost circa £16k a year (25% of expenditure) linking to finance, procurement, legal and service specific support.

The scheme could be funded in 2 different ways:

- 1) Including a Budget for the Bromsgrove Ward Councillor Fund of £78k a year for the next 3 years and have this approved as part of the budget process.
- 2) As part of the budget process, approve the setting up of an earmarked reserve of £234k in order to fund the scheme.

1. Guiding Principles

1.1 The purpose of the Bromsgrove Ward Councillors' Fund (BCWF) is to enable Councillors to allocate funds to facilitate 'good works' in and for the benefit of their respective Wards and thereby become more closely involved in their communities.

1.2 Members have considerable discretion in how they allocate funds.

1.3 Allocations of public money from the Fund must be done lawfully and transparently ie within the Council's legal powers, on a rational basis, and a formal public record made of the spending decision. The Fund must not be used in a way contrary to Council policy.

1.4 The BWCF is intended to be, as much as possible, a self-regulating scheme. If Members are unsure about the propriety of their intended allocation or whether it adheres to guidelines they should seek guidance from the Council's Section 151 Officer or Monitoring Officer or their staff. If still unsure: don't!

1.5 Members should ensure that their use of the BCWF adheres to legislation and District Council guidelines (either set out within this Scheme or as given from time to time) and that it is made very clear that any funding which is provided originates from District Council public resources.

2. Scheme principles

2.1 The Scheme operated for a trial period from 1 April 2024 until 31 March 2027. The Scheme will be reviewed at the end of the second year for it's ongoing support.

2.2 The Scheme is established under s236 of the Local Government and Public Involvement in Health Act 2007 which allows local Members to discharge the Council's well-being functions in relation to their local electoral Division (now included within s1 of the Localism Act 2011) and has been agreed by the Leader of the Council in respect of cabinet functions and full Council in respect of non-executive functions.

2.3 Members are being given wide discretion as to how the economic, social or environmental well-being of their Ward may be promoted or improved by their use of the BWCF for the benefit of the whole or any part of their Ward or those within it.

2.4 The BWCF enables each Member to decide items of expenditure which are for the well-being of their Ward. This expenditure will be drawn from a specific BWCF budget allocated to each Member and which may not be exceeded.

2.5 This BWCF budget will be a maximum of £2,000 per financial year for each Member to spend on 'good works' within their Ward. The Scheme will only allow individual Members to carry forward to the following financial year any underspent amount if it has been agreed 3 months before the end of the financial year (and is being earmarked as part of a wider scheme either within the Ward or across a number of Wards (see point 3.7 below)).

2.6 There must be a transparent audit trail in respect of decisions under this Scheme. In compliance with the legislation, the individual Member is responsible for ensuring a record is made in writing of any decision or action she or he has taken in connection with this Scheme and must ensure that record is provided to the Monitoring Officer within 1 month of the decision or action. The rationale must be clear – any that are unclear will be referred back to the Member, thus causing delay. A standard template will be supplied for this purpose which will form both the request to process a particular payment and also the record of that decision and reasons for it. Any electronic communication about the Scheme (forms, confirmation of joint Scheme) etc. must be sent from an authorised email address.

2.7 The Section 151 Officer will keep a record of BWCF expenditure in respect of each Ward and either they or the Monitoring Officer will inform Members on request of the balance remaining. The Section 151 Officer or Monitoring Officer will also make an annual report to the Overview and Scrutiny Committee, setting out the actual expenditure in each Ward and any issues arising from the operation of the Scheme. Financial Monitoring Reports to Cabinet may also refer to expenditure under the Scheme.

2.8 Priority will be given to maintaining a high profile for the BWCF and the records of expenditure under the Scheme (ie a summary of the member request form above) will be publicly viewable on the Council's website and will be held for public inspection on request for 6 years by the Council.

3. Scheme Specifics

3.1 Any decision under this scheme must not be contrary to Bromsgrove District Council policy, and the Council must have legal powers to make the decision and incur the expenditure proposed.

3.2 The Members' Code of Conduct applies to the exercise of the Scheme. Members must declare any Disclosable Pecuniary Interest (DPI) or Other Disclosable Interest (ODI) in the proposal. No proposal may be put forward in which the Member has a DPI or ODI which would require the Member to have withdrawn from a meeting. Where there is any doubt over the legality or propriety of the expenditure, either the Section 151 Officer or the Monitoring Officer will determine whether the expenditure is lawful and proper, and their decision as statutory officers will be final. Accordingly, where there is any potential concern about the lawfulness

or propriety of the proposed expenditure, no firm commitment for expenditure should be made or promised until such advice has been sought and a determination made as needed.

3.3 Members may wish to have regard to any Community Profiling in respect of their Ward in relation to proposals for the BWCF.

3.4 The BWCF should not be used to provide grant-support to commercial enterprises (such as Private Care Homes, Private or Public Limited Companies). The BWCF may be used to support local or national charities or voluntary bodies working within a Member's Ward if for the specific well-being of the Ward. The BWCF may be used to purchase goods or services from commercial enterprises in order to promote public well-being through use of those goods or services in the local community (see below).

3.5 The BWCF should be used for one-off items of expenditure and not for expenditure that would create an on-going financial commitment.

3.6 The BWCF cannot be used for direct employment of staff or for gifts or hospitality payments.

3.7 Two or more Members may agree on a joint proposal for the whole or part of their WCDF budgets - formal confirmation will be required from all Members involved in the joint proposals. Note that a joint proposal must be of benefit to the Wards of all Members putting it forward.

3.8 Proposals to use the BWCF for road repairs and highway schemes will be referred by the Member to the Environmental Services Directorate to determine the feasibility and cost. Funding for speed cameras is permissible if the camera is used under the guidance, authority and training of the Police.

3.9 Members should consider the financial viability of a potential recipient (such as a local voluntary body) in order to reduce the risk of public money being wasted, and in cases of uncertainty or concern are encouraged to seek advice from the Section 151 Officer.

3.10 Members will be responsible for organising and facilitating any publicity in relation to expenditure from the BWCF which should, where possible, clearly state the link to Bromsgrove District Council. Any publicity must be non-party political and in accordance with legal restrictions on the Council, with the periods before elections particularly sensitive.

3.11 Where a proposal is for a project that requires funding from more than one source (and not all sources are the BWCF) members are advised to allocate funding to a specific part of the project (e.g. new carpets, disabled toilets, painting etc) rather than put monies into a larger pot. If the payee is VAT registered and can recover VAT on goods or services to be funded, the BWCF grant should be net of VAT.

3.12 Under the rules of HM Revenue and Customs, if the grant is to be paid to an individual (rather than a group or committee) to provide a service as opposed to purchasing goods, it is necessary to consider whether the recipient should be classed as an employee of the District Council or self-employed. Only if it has been established that the work to be undertaken is one of self-

employment can a payment be made. It is not permitted to engage anyone as an employee using the BWCF. Advice on this can be obtained from Human Resources.

3.13 Where a grant is in excess of £1,000 and the payment is to be made directly to a supplier (e.g. to buy football kit on behalf of a team), Financial Regulations must be followed and competitive quotations obtained. Advice on this can be obtained from Financial Services and Strategic Procurement within the Resources Directorate.

3.14 If for any reason the project for which the BWCF has been used does not go ahead, the recipient of the funding must contact the Member in question to discuss alternative proposals for the use of the funding and ensure that any allocation is returned to the Council. Members must ensure that any funding for such projects must be made subject to these conditions, should ensure the BWCF grant has been used for the intended purpose and must update the record supplied to the Section 151 Officer to reflect any subsequent variation.

3.15 Authorisation of expenditure from the BWCF must be made on the pro-forma provided and returned to the Monitoring Officer who will arrange publication of the decision and forward it to the Section 151 Officer. Orders will be placed, where appropriate, using the Council's usual procurement arrangements (for which details can be obtained from Strategic Procurement), or alternatively a cheque will be produced in the name of the recipient.

3.16 In the year of a Council election, no commitments, payments or related publicity may be undertaken once the Notice of Election has been published until after the date of the election. In a year of County Council elections the presumption would be the same if the member is likely to be a candidate.

4. Review

The Scheme operated for a trial period from 1 April 2024 until 31 March 2027. The Scheme will be reviewed at the end of the second year for it's ongoing support.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Appendix E – Capital Programme

Description	Department	Funding detail	2023/24 Total £	23/24 Spend Q2 £	2024/25 Total £	2025/26 Total £	2026/27 Total £	2027/28 Total £	2028/29 Total £	Council 24/25 £	Council 25/26 £	Council 26/27 £	Council 27/28 £	Council 28/29 £	3rd Party 24/25 £	3rd Party 25/26 £	3rd Party 26/27 £	3rd Party 27/28 £	3rd Party 28/29 £
Large Schemes																			
Levelling Up Fund Fund																			
- Government Funded	Planning, Regeneration & Leisure	Grant Funding	7,563,360				0	0	0						0	0			
Market Hall (LUF)	Planning, Regeneration & Leisure	Levelling Up Fund		288,276			0	0	0	0	0								
Ef - Fire Station	Planning, Regeneration & Leisure	Levelling Up		14,950			0	0	0										
- Council Funded		Borrowing	805,133				0	0	0	0	0								
UK Shared Prosperity Fund							0	0	0										
- Capital Element	Planning, Regeneration & Leisure	Grant Funding					0	0	0						0	0			
- Revenue Element	Planning, Regeneration & Leisure	Grant Funding					0	0	0						0	0			
- Remainder (to be allocated)	Planning, Regeneration & Leisure	Grant Funding	680,988		1,784,215		0	0	0						1,784,215	0			
Schemes Agreed to Continue																			
Burcot Lane	Financial & Customer Services	Public works loan board and grant homes england	0	904,885	0	0	0	0	0	0	0								
	Community & Housing GF Services	Capital Receipts/Borrowing	0		0	0	0	0	0	0	0								
CCTV	Community & Housing GF Services	Grant income	913,000	490,571	913,000	800,000	800,000	800,000	800,000						913,000	800,000	800,000	800,000	800,000
Home Repairs Assistance	Community & Housing GF Services	Long Term Debtors	50,000	-19,890	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000					
Energy Efficiency Installation	Community & Housing GF Services	Capital Receipts/Borrowing	0		110,000	0	0	0	0	110,000	0								
Cemetery Extension infrastructure at North Bromsgrove Cemetery Phase	Environmental Services	Capital Receipts/Borrowing	0		0	0	0	0	0	0	0								
New Finance Enterprise	Financial & Customer Services	Capital Receipts	0		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000					
OLEV ULEV Taxi infrastructure scheme	Community & Housing GF Services	Grants & Contributions	0		0	0	0	0	0										
Fleet Replacemnet new line		Borrowing	441,000				0	0	0	0	0				0	0			
					3,090,000	3,115,000	1,090,000	5,190,000	411,000	3,090,000	3,115,000	1,090,000	5,190,000	411,000					
Replacement Parking machines and Upkeep of Sites	Environmental Services	Capital Receipts/Borrowing	96,000	212,271	125,000	100,000	100,000	100,000	100,000	125,000	100,000	100,000	100,000	100,000					

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Description	Department	Funding detail	2023/24	23/24	2024/25	2025/26	2026/27	2027/28	2028/29	Council	Council	Council	Council	Council	3rd Party	3rd Party	3rd Party	3rd Party	3rd Party
			Total £	Spend Q2 £	Total £	Total £	Total £	Total £	Total £	Total £	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	24/25 £	25/26 £	26/27 £	27/28 £
Wheelie Bin Purchase	Environmental Services	Capital Receipts/Borrowing	55,000	160,325	60,000	120,000	120,000	120,000	120,000										
Footpaths	Environmental Services	Borrowing	75,000	22,255	75,000	75,000	75,000	75,000	75,000	60,000	120,000	120,000	120,000	120,000					
Buildings	Legal and Property	Borrowing	100,000		100,000	100,000	100,000	100,000	100,000	75,000	75,000	75,000	75,000	75,000					
Greener Homes	Community & Housing GF Services	Grants & Contributions	0	197,505	0	0	0	0	0	100,000	100,000	100,000	100,000	100,000					
Car Park Improvements - Oakalls							0	0	0						0	0			
Woodrush High Schools refurb							0	0	0						0	0			
New Digital Service	Community & Housing GF Services	Borrowing	33,668	16,326	0	0	0	0	0	0	0								
Bus Shelters	Environmental Services	Borrowing	0	1,296	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000					
Cisco Network Update	Business transformation & Organisational Development	Borrowing	11,574		0	34,877	50,000	50,000	50,000	0	34,877	50,000	50,000	50,000					
Server Replacement Est(Exact known Q2 2022)	Business transformation & Organisational Development	Borrowing	2,000	78,451	177,500	18,500	60,000	60,000	60,000	177,500	18,500	60,000	60,000	60,000					
Laptop Refresh	Business transformation & Organisational Development	Borrowing	25,000	11,542	150,000	5,000	30,000	30,000	30,000	150,000	5,000	30,000	30,000	30,000					
Install Solar panel and Upgrade lighting	Legal, Democratic and property services	Borrowing	0	24,707	0	0	0	0	0										
Sanders Park	Planning, Regeneration & Leisure Services	S106		22,600	0	0	0	0	0	0	0								
Fleet Replacement Costs			9,400		0	15,000	0	0	0		0								
Wheely Bin Increases			85,000		0	0	0	0	0		15,000								
Wild Flower Machinery			62,000		0	0	0	0	0										
Initial Play Audit Requirements			87,000		364,000	0	0	0	0	364,000									

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Description	Department	Funding detail	2023/24	23/24	2024/25	2025/26	2026/27	2027/28	2028/29	Council	Council	Council	Council	Council	3rd Party	3rd Party	3rd Party	3rd Party	3rd Party
			Total £	Spend Q2 £	Total £	Total £	Total £	Total £	Total £	Total £	24/25 £	25/26 £	26/27 £	27/28 £	28/29 £	24/25 £	25/26 £	26/27 £	27/28 £
Movement of ICT Cyber Capital Works Forward			50,000		-50,000	0	0	0	0	-50,000									
New ongoing Cyber security budget					25,000	25,000	25,000	25,000	25,000	25,000									
Play Area, PDS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	Planning, Regeneration & Leisure Services	S106 19/0137/FUL	0		37,956	0	0	0	0						37,956	0			
BDC Combined FIPath & Cycle	Environmental Services	Grants & Contributions	0		0	0	0	0	0						0	0			
Artrix - Landlord Obligations					20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000					
Total			11,145,123	2,427,970	7,069,671	4,516,377	2,558,000	6,658,000	1,879,000	4,334,500	3,716,377	1,758,000	5,858,000	1,079,000	2,735,171	800,000	800,000	800,000	800,000

Appendix F – Capital Strategy

Capital Strategy Report 2024/25

Introduction

- 1.1 This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.2 Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

- 1.3 Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 1.4 In 2024/25, the Authority is planning capital expenditure of £5.63m as summarised below:

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget *	2025/26 budget	2026/27 budget
General Fund services	0.49	3.83	2.89	3.34	1.74
Regeneration	9.75	9.16	2.74	0.90	0.90
TOTAL	10.24	12.99	5.63	4.24	2.64

The Council is still to finalise work required for the adoption of IFRS16 linking to the accounting for leases which must be implemented by the 2025/26 financial year.

- 1.5 The main General Fund capital projects are the three Levelling Up Projects which amount to £16m of expenditure and include Public Realm Improvements £1.0m, The New Market Hall Centre £10.3m and clearance of the Windsor Street site ready for redevelopment. The Burcot housing development was completed in early 2024 (£10.0m). Following a change in the Prudential Code, the Authority no longer incurs capital expenditure on investments.
- 1.6 **Governance:** Service managers bid annually in January to include projects in the Authority's capital programme. Bids are collated by corporate finance who calculate the financing cost (which can be nil if the project is fully externally financed). The Audit Standards and Governance Committee and then the Cabinet appraises all bids based on a comparison of strategic priorities against financing costs and makes recommendations to Council. The final capital programme is then presented to Cabinet in February and to Council in February each year.
- For full details of the Authority's capital programme, including the project appraisals undertaken, see Tranche 2 of the 2024/25 Medium Term Financial Plan.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- 1.7 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget *	2025/26 budget	2026/27 budget
External sources	9.75	11.10	3.05	0.82	0.80
Own Resources	0.34	0.35	0.79	1.88	0.34
Debt	0.15	1.54	1.79	1.54	1.50
TOTAL	10.24	12.99	5.63	4.24	2.64

- 1.8 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned [MRP / repayments] and use of capital receipts are as follows:

Table 3: Replacement of prior years' debt finance in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Minimum revenue provision	1.08	1.07	0.98	1.20	1.20
Capital Receipts	0.00	2.10	1.80	0.00	0.00

- The Authority's full minimum revenue provision statement is available within the body of this report.

1.9 The Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £0.81m during 2024/25. Based on the above figures for expenditure and financing, the Authority’s estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget *	31.3.2026 budget	31.3.2027 budget
General Fund services	20.08	20.55	21.36	21.70	22.00
TOTAL CFR	20.08	20.55	21.36	21.70	22.00

1.10 **Asset management:** To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. Within this strategy, individual properties and associated land will be further evaluated to determine:

- The operational necessity and benefit.
- Projected costs of ensuring all elements of the buildings continue to meet legislative requirements and performance standards.
- Planned and cyclical maintenance costs for elements nearing the end of their ‘life’ expectancy, ensuring service provision is maintained without unnecessary interruption. Costs associated with meeting future EPC rating minimum requirements.
- Rent levels (and net costs for each building) and revised leases.
- Alternative or rationalised portfolio or joint enterprises for service delivery.

By evaluation of all factors cited above, informed decisions can be made to determine which assets are:

- No longer cost effective to run, where outlay exceeds earning potential
- No longer viable for effective service delivery

- Surplus to requirements

Asset considerations will be presented to Cabinet on a half yearly basis for approval for disposal, unless there is an urgent requirement for a decision.

1.11 **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt: The Authority is currently also permitted to spend capital receipts “flexibly” on service transformation projects until 2024/25 although nothing is presently planned. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £1.8m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Asset sales	0	2.1	1.8	0	0
Loans etc repaid	0	0	0	0	0
TOTAL	0	2.1	1.8	0	0

Treasury Management

1.12 Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in

the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

- 1.13 Due to decisions taken in the past, the Authority currently has no external long term (over 1 year) borrowing and £9m treasury investments at an average rate of 5.3%.
- 1.14 **Borrowing strategy:** The Authority’s main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
- 1.15 The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.
- 1.16 Projected levels of the Authority’s total outstanding debt (which comprises borrowing, PFI liabilities, leases and transferred debt) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Debt (incl. PFI & leases)	0.15	1.69	3.48	5.02	6.52
Capital Financing Requirement	20.08	20.55	21.36	21.70	22.00

- 1.17 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term.

- 1.18 **Liability benchmark:** To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £2m at each year-end. This benchmark is currently £5.69m and is forecast to rise to £8.04m over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Forecast borrowing	0.15	1.69	3.48	5.02	6.52
Liability benchmark	3.69	5.69	6.74	7.66	8.04

- 1.19 The table shows that the Authority expects to remain borrowed below its liability benchmark. This is because cash outflows to date have been below the assumptions made when the loans were borrowed.
- 1.20 **Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit – borrowing	55.000	60.000	60.000	60.000
Authorised limit – PFI and leases	1.000	1.000	1.000	1.000
Authorised limit – total external debt	56.000	61.000	61.000	61.000
Operational boundary – borrowing	50.000	55.000	55.000	55.000
Operational boundary – PFI and leases	1.000	1.000	1.000	1.000
Operational boundary – total external debt	51.000	56.000	56.000	56.000

- 1.21 **Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 1.22 The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Near-term investments	3	3	3	3	3
Long-term investments	0	0	0	0	0
TOTAL	3	3	3	3	3

➤ Further details on treasury investments are in the Treasury Management Strategy part of this appendix.

1.23 **Risk management:** The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

- The treasury management prudential indicators are in the treasury management strategy which are part of these appendices.

1.24 **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury management activity are presented to Cabinet. The Audit, Standards and Governance Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

1.25 The Authority makes investments to assist local public services, including making loans to local service providers, local small businesses to promote economic growth, and the Authority’s subsidiaries that provide services to stakeholders. Total investments for service purposes are currently valued at £0m.

- 1.26 **Risk management:** In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs. A limit of £2.5m is placed on total investments for service purposes to ensure that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.
- 1.27 **Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme. The relevant service director and the Director of Finance are responsible for ensuring that adequate due diligence is carried out before investment is made.

Further details on service investments are in the Treasury Management Strategy.

Liabilities

- 1.28 The Authority is committed to making future payments to cover its pension fund deficit (which is in surplus as per the 2022 Triennial revaluation and the backlog will be cleared in 2037). It has also set aside £3.8m for Business Rates appeals.
- 1.29 **Governance:** Decisions on incurring new discretionary liabilities are taken by Heads of Service in consultation with the Director of Finance. The risk of liabilities crystallising and requiring payment is monitored by the corporate finance team and reported biannually to Cabinet. New liabilities exceeding £0.5m are reported to full council for approval/notification as appropriate.

Revenue Budget Implications

- 1.30 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

	2022/23 actual	2023/24 forecast	2024/25 budget *	2025/26 budget	2026/27 budget
Financing costs (£m)	1.37	1.38	1.37	1.37	1.36
Proportion of net revenue stream	11.5%	11.6%	11.5%	11.5%	11.4%

- 1.31 **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because of the Medium Term Financial Plan (MTFP) forecasts which show that the Council is financially sustainable over that period.

Knowledge and Skills

- 1.32 The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Finance and Head of Service are qualified accountants with significant experience. The Authority pays for junior staff to study towards relevant professional qualifications including CIPFA and AAT.
- 1.33 Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers and Bruton Knowles as property consultants. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.
- Further details on staff training can be found in the HR Employee Development section of the website.

Appendix G – Treasury Management Strategy

Treasury Management Strategy Statement 2024/25 Bromsgrove

Introduction

- 2.1 Treasury management is the management of the Authority’s cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority’s prudent financial management.
- 2.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority’s legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 2.3 Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

External Context

Economic background:

- 2.4 The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority’s treasury management strategy for 2024/25.
- 2.5 The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level in September and then again in November. Members of the BoE’s Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.
- 2.6 The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

- 2.7 Office for National Statistics (ONS) figures showed CPI inflation was 6.7% in September 2023, unchanged from the previous month but above the 6.6% expected. Core CPI inflation fell to 6.1% from 6.2%, in line with predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling, declining to around 4% by the end of calendar 2023 but taking until early 2025 to reach the 2% target and then falling below target during the second half 2025 and into 2026.
- 2.8 ONS figures showed the UK economy grew by 0.2% between April and June 2023. The BoE forecasts GDP will likely stagnate in Q3 but increase modestly by 0.1% in Q4, a deterioration in the outlook compared to the August MPR. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.
- 2.9 The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth remained strong, with regular pay (excluding bonuses) up 7.8% over the period and total pay (including bonuses) up 8.1%. Adjusted for inflation, regular pay was 1.1% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.
- 2.10 Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve paused in September and November, maintaining the Fed Funds rate target at this level. It is likely this level represents the peak in US rates, but central bank policymakers emphasised that any additional tightening would be dependent on the cumulative impact of rate rises to date, together with inflation and developments in the economy and financial markets.
- 2.11 US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But as the impact from higher rates is felt in the coming months, a weakening of economic activity is likely. Annual CPI inflation remained at 3.7% in September after increasing from 3% and 3.2% consecutively in June and July.
- 2.12 Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.9% in October 2023. Economic growth has been weak, and GDP was shown to have contracted by 0.1% in the three months to September 2023. In line with

other central banks, the European Central Bank has been increasing rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook:

- 2.13 Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.
- 2.14 On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.
- 2.15 Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.
- 2.16 Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.
- 2.17 There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.
- 2.18 However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (November 2023):

- 2.19 Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- 2.20 Arlingclose expects long-term gilt yields to eventually fall from current levels (amid continued volatility) reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, due to quantitative tightening

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

- 2.21 Like the BoE, the Federal Reserve and other central banks see persistently high policy rates through 2023 and 2024 as key to dampening domestic inflationary pressure. Bond markets will need to absorb significant new supply, particularly from the US government.
- 2.22 A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
- 2.23 For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 5.3%, and that new long-term loans will be borrowed at an average rate of 4.5% to 5.5%.

Local Context

2.24 On 8th January 2024, the Authority had no borrowing and £9m of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

** shows only loans to committed and excludes

2.25 The borrow for measured by Financing while balance the available for Authority's maintain investments underlying levels, sometimes known as internal borrowing.

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Capital financing requirement	20.08	20.55	21.36	21.70	22.00
Less: External borrowing **	-0.15	-1.69	-3.48	-5.02	-6.52
Internal (over) borrowing	19.93	18.86	17.88	16.68	15.48
Less: Usable Reserves	-13.49	-11.96	-11.72	-11.14	-11.06
Less: Working Capital	-3.10	-3.10	-3.10	-3.10	-3.10
Treasury investments (or New borrowing)	3.34	3.80	3.06	2.44	1.32

which the Authority is optional refinancing underlying need to capital purposes is the Capital Requirement (CFR), sheet resources are underlying sums investment. The current strategy is to borrowing and their

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

The Authority has an increasing CFR due to the capital programme, but minimal investments but will be funding the programme through internal borrowing.

- 2.26 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2024/25.
- 2.27 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £0.2m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 2.28 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Loans CFR	20.08	20.55	21.36	21.70	22.00
Less: Usable Reserves	-13.49	-11.96	-11.72	-11.14	-11.06
Less: Working Capital	-3.10	-3.10	-3.10	-3.10	-3.10
Net loans requirement	3.49	5.49	6.54	7.46	7.84
Plus: Liquidity allowance	0.20	0.20	0.20	0.20	0.20
Liability benchmark	3.69	5.69	6.74	7.66	8.04

- 2.29 Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £2m average a year, minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year.

Borrowing Strategy

- 2.30 The Authority currently holds £0 million of loans, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £3.48m in 2024/25. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £60 million.
- 2.31 **Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 2.32 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 2.33 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 2.34 The Authority has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.
- 2.35 Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

CABINET

- 2.36 In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.
- 2.37 **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
 - UK Infrastructure Bank Ltd
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (except [your local] Local Government Pension Scheme)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 2.38 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
- 2.39 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.
- 2.40 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

- 2.41 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Treasury Investment Strategy

- 2.42 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £2 and £10.6 million, and similar levels are expected to be maintained in the forthcoming year.
- 2.43 **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 2.44 **Strategy:** As demonstrated by the liability benchmark above, the Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 2.45 The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.
- 2.46 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

2.47 **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

2.48 **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3 m 5 years	£3m 20 years	£3m 50 years	£3m 20 years	£1m 20 years
AA+	£3m 5 years	£3m 10 years	£3m 25 years	£3m 10 years	£1m 10 years
AA	£3m 4 years	£3m 5 years	£3m 15 years	£3m 5 years	£1m 10 years
AA-	£3m 3 years	£3m 4 years	£3m 10 years	£3m 4 years	£1m 10 years
A+	£3m 2 years	£3m 3 years	£3m 5 years	£3m 3 years	£1m 5 years
A	£3m 13 months	£3m 2 years	£3m 5 years	£3m 2 years	£1m 5 years
A-	£3m 6 months	£3m 13 months	£3m 5 years	£3m 13 months	£1m 5 years
None	£1.5m 6 months	n/a	£3m 25 years	£1m 5 years	£500k 5 years
Pooled funds and real estate investment trusts		£2.5m per fund or trust			

- 2.49 * **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than [A-]. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 2.50 For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
- 2.51 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 2.52 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 2.53 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 2.54 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 2.55 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

- 2.56 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 2.57 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 2.58 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 2.59 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2.0m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 2.60 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

- 2.61 **Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 2.62 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 2.63 **Investment limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £11.9 million on 31st March 2024 and £11.72 million on 31st March 2025. In order that no more than 42% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 2.64 Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £2m in operational bank accounts count against the relevant investment limits.
- 2.65 Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker’s nominee account	£5m per broker

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Foreign countries	£5m per country
Registered providers and registered social landlords	£2.5m in total
Unsecured investments with building societies	£2.5m in total
Loans to unrated corporates	£1m in total
Money market funds	£20m in total
Real estate investment trusts	£2.5m in total

- 2.66 **Liquidity management:** The Authority uses detailed spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.
- 2.67 The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

- 2.68 The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 2.69 **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit [rating / score]	A-

- 2.70 **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£2.5m

2.71 **Interest rate exposures:** This indicator is set to control the Authority’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£500,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£500,000

2.72 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

2.73 **Maturity structure of borrowing:** This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

2.74 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

2.75 **Long-term treasury management investments:** The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£1.5m	£1.0m	£0.5m	£0m

- 2.76 Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term

Related Matters

- 2.77 The CIPFA Code requires the Authority to include the following in its treasury management strategy.
- 2.78 **Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 2.79 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 2.80 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 2.81 In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 2.82 **Markets in Financial Instruments Directive:** The Authority has retained retail client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a smaller range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance believes this to be the most appropriate status.

Financial Implications

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

- 2.83 The budget for investment income in 2024/25 is £0.2 million, based on an average investment portfolio of £4 million at an interest rate of 5.06%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.
- 2.84 Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then 50% of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

Other Options Considered

- 2.85 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance, having consulted the Cabinet Member for Finance and Enabling, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain
---------------------------	--	--

Appendix A – Arlingclose Economic & Interest Rate Forecast – November 2023

Underlying assumptions:

- UK inflation and wage growth remain elevated but, following a no-change MPC decision in November, Bank Rate appears to have peaked in this rate cycle. Near-term rate cuts are unlikely, although downside risks will increase as the UK economy likely slides into recession and inflation falls more quickly.
- The much-repeated message from the MPC is that monetary policy will remain tight as inflation is expected to moderate to target slowly. In the Bank's forecast, wage and services inflation, in particular, will keep CPI above the 2% target until 2026.
- The UK economy has so far been relatively resilient, but recent data indicates a further deceleration in business and household activity growth as higher interest rates start to bite. Global demand will remain soft, offering little assistance in offsetting weakening domestic demand. A recession remains a likely outcome.
- Employment demand is easing, although the tight labour market has resulted in higher nominal wage growth. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household spending will therefore be weak. Higher interest rates will also weigh on business investment and spending.
- Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.
- Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant policy loosening in the future to boost activity.
- Global bond yields will remain volatile, particularly with the focus on US economic data and its monetary and fiscal policy. Like the BoE, the Federal Reserve and other central banks see persistently high policy rates through 2023 and 2024 as key to dampening domestic inflationary pressure. Bond markets will need to absorb significant new supply, particularly from the US government.
- There is a heightened risk of geo-political events causing substantial volatility in yields.

Forecast:

- The MPC held Bank Rate at 5.25% in November. We believe this is the peak for Bank Rate.
- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate remain on the upside, but these diminish over the next few quarters and shift to the downside before balancing out, due to the weakening UK economy and dampening effects on inflation.
- Arlingclose expects long-term gilt yields to eventually fall from current levels (amid continued volatility) reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.28	4.35	4.30	4.25	4.10	4.00	3.75	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.32	4.40	4.35	4.30	4.25	4.15	4.00	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.78	4.70	4.65	4.55	4.45	4.35	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.50	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20
Central Case	4.38	4.30	4.25	4.20	4.15	4.15	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Downside risk	0.00	-0.55	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Appendix B – Existing Investment & Debt Portfolio Position

	08/01/2024 Actual Portfolio £m	08/01/2024 Average Rate %
External borrowing:		
Total external borrowing	0	0
Treasury investments:		
Banks, MMF & building societies (unsecured)	6.5	5.4
Government (incl. local authorities)	2.5	5.2
Total treasury investments	9.0	5.3
Net investments	9.0	5.3

Appendix H – MRP Statement

Annual Minimum Revenue Provision Statement 2024/25

- 3.1 Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.
- 3.2 The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 3.3 The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate of 4%, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
 - For assets acquired by leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
 - Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
 - For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with

the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.

- There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.
- Where the council makes a capital contribution or loan to another entity or where responsibility for a council asset with borrowing attached is transferred to a third party, then no MRP will be set aside if:
 - the payments are appropriately covered by assets
 - there are detailed plans demonstrating that all the expenditure will be recovered in an appropriately short time frame
- To ensure that this remains a prudent approach the Council will review the expenditure and income regularly to determine if the income or asset values have decreased to the point that MRP needs to be provided for. Should evidence emerge which suggests the expenditure will no longer be recovered, MRP will be provided for.
- Where the council uses internal borrowing and receipts of rental income are greater than the MRP calculated then as there are sufficient revenues to repay the capital cost, no MRP will be set aside.

3.4 Capital expenditure incurred during 2024/25 will not be subject to a MRP charge until 2025/26 or later.

3.5 Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2023, the budget for MRP has been set as follows:

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

	31.03.2024 Estimated CFR £m	2024/25 Estimated MRP £m
Capital expenditure before 01.04.2008		
Supported capital expenditure after 31.03.2008		
Unsupported capital expenditure after 31.03.2008	20.55	0.98
Leases and Private Finance Initiative		
Transferred debt		
Loans to other bodies repaid in instalments		Nil
Voluntary overpayment (or use of prior year overpayments)	n/a	
Total General Fund		
Assets in the Housing Revenue Account		
HRA subsidy reform payment		
Total Housing Revenue Account		
Total	20.55	0.98

Appendix I – Investment Strategy

Investment Strategy Report 2024/25

Introduction

- 4.1 The Authority invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 4.2 This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

- 4.3 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £2m and £15m during the 2024/25 financial year.
- 4.4 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

4.5 **Further details:** Full details of the Authority’s policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the treasury management strategy, which is part of these appendices.

Service Investments: Loans

4.6 **Contribution:** The Council will lend money to its subsidiaries, local businesses, local charities and housing associations to support local public services and stimulate local economic growth.

4.7 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2023 actual			2024/25
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit £m
Subsidiaries	0	0	0	1.0
Local businesses	0	0	0	0.5
Local charities	0	0	0	0.5
Housing associations	0	0	0	1.0
TOTAL	0	0	0	3.0

- 4.8 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority’s statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 4.9 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by using specialist advice to understand the market and the potential future demands of the market and the customers in it. It will also use benchmarking data from the market to determine future potential risks which need to be planned for. External advice is only sought from credible sources eg acknowledged experts in their fields and officers ensure that they fully understand any information given to them before decision or advice is taken.

Commercial Investments: Property

- 4.10 **Contribution:** The Authority invests via Regeneration schemes such as Levelling Up Fundings via the Government in property with the intention of making a profit that will be spent on local public services. Levelling Up funding in being invested in regenerating the Market Hall site and clearing the existing Fire Station site for future regeneration.

Table 2: Property held for investment purposes in £ millions

Property [type]	Actual	31.3.2023 actual		31.3.2024 expected	
	Purchase cost	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
N/A	0	0	0	0	0
TOTAL	0	0	0	0	0

- 4.11 **Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

CABINET

- 4.12 *Where value in accounts is at or above purchase cost:* A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2023/24 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.
- 4.13 *Where value in accounts is below purchase cost:* The fair value of the Authority's investment property portfolio is no longer sufficient to provide security against loss, and the Authority is therefore taking mitigating actions to protect the capital invested.
- 4.14 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding property investments by involving specialist advisors with expertise in the type of property being purchased, looking at historic data and speaking to other councils undertaking similar activities.
- 4.15 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council ensures that properties purchased are in an active market where there is demonstrable demand to ensure that the authority does not purchase assets which it will not be able to sell on at a later date.

Loan Commitments and Financial Guarantees

- 4.16 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

Proportionality

- 4.17 The Council does not plan to become dependent on profit generating investment activity to achieve a balanced revenue budget.

Borrowing in Advance of Need

- 4.18 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council would only not follow this guidance if interest rate forecasts and treasury advisor guidance set out that it was more cost effective, **in terms of significantly reduced debt interest charges**, for the Council to borrow for the **Approved 3 year capital programme** at a point of time rather than when that expenditure is taking place over that 3 year period. It is unlikely that this will happen however the option should not be closed off. Funds would be invested. The Councils policies in investing the money borrowed, including management of the risks, would be as per normal short term Treasury Investments.

Capacity, Skills and Culture

- 4.19 **Elected members and statutory officers:** Member training will take place annually as part of the induction process. External advisors will provide reports to support investment decisions with officers ensuring that they fully understand them and can relate them to the strategic objectives and risk profile of the Council.
- 4.20 **Commercial deals:** Significant work has been undertaken using external advisors and relevant training courses have been attended to ensure that officers are fully aware of the code and statutory requirements of a local authority which is investing.

KPMG have developed a modelling tool for the Council to use when assessing potential purchases as a precursor to engaging with external consultants to ensure that potential purchases are likely to make sense from the perspective of the authority before incurring advisor costs. However, following an internal review of the policy, it has been decided that the Council may

wish to make purchases which do not make a financial return or may indeed make a loss in the short term. On these occasions a business case will be developed which specifies the non-financial benefits of the investment. These are likely to be regenerative schemes for the greater good of the area with an intended long term impact. The regenerative and redevelopment benefits which will flow from the investment will be taken into account in the development of the business case, so if the net investment yield falls below 0.75% it can still proceed if these benefits are deemed to outweigh the lower than target yield.

- 4.21 **Corporate governance:** when investment decisions are to be made, they are to be led by the Council's Director of Finance in consultation with the Corporate Management Team. They will assess the potential investment opportunity using the KPMG finance appraisal model and should they decide it presents a strong opportunity for the Council and complies with the relevant criteria a conditional offer can be made. A business case will then be developed and presented ensuring that once greater detail is included, it makes a satisfactory income yield and/or economic redevelopment and regeneration impact. When the business case is completed, if it is still compliant with the Council criteria, it will be presented to Cabinet for approval before purchase is completed. Once a purchase has been made the Director of Finance will provide quarterly reports in line with financial and monitoring reports on the status of the investment.

Investment Indicators

- 4.22 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.
- 4.23 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 3: Total investment exposure in £millions

Total investment exposure	31.03.2023 Actual	31.03.2024 Forecast	31.03.2025 Forecast
Treasury management investments	1.25	1	3
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS			
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE			

4.24 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

BROMSGROVE DISTRICT COUNCIL

CABINET

14th February 2024

Table 4: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2023 Actual	31.03.2024 Forecast	31.03.2025 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	0	0	0

- 4.25 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 5: Investment rate of return (net of all costs)

Investments net rate of return	2022/23 Actual	2023/24 Forecast	2024/25 Forecast
Treasury management investments	1.9	5.3	5.0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
ALL INVESTMENTS	1.9	5.3	5.0

This page is intentionally left blank

**Cabinet
2024**

14 February

Termination of shared service arrangement: North Worcestershire Economic Development and Regeneration

Relevant Portfolio Holder		Councillor Sue Baxter Cabinet Member for Economic Development and Regeneration	
Portfolio Holder Consulted		Yes / No	
Relevant Head of Service		Guy Revans, Executive Director (Interim)	
Report Author Guy Revans	Job Title: Executive Director (Interim) Contact	email: g.revans@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 ext 3292	
Wards Affected		All	
Ward Councillor(s) consulted		N/A	
Relevant Strategic Purpose(s)		Run and grow a successful business. And Work and financial independence.	
Non-Key Decision			
If you have any questions about this report, please contact the report author in advance of the meeting.			
This report contains exempt information as defined in Paragraph(s) 3 and 4 of Part I of Schedule 12A to the Local Government Act 1972, as amended			

1. RECOMMENDATIONS

The Cabinet RESOLVE:

- 1) To agree that the Collaboration Agreement relating to the Provision of Economic Development and Regeneration Services should be terminated mutually under clause 15.1 (Determination of this Agreement), with effect from 30 June 2024 and that a new Exit Agreement is entered into;**
- 2) Delegate to the Executive Director (interim) following consultation with the Cabinet Member for Economic Development and Regeneration, and Executive Director Resources authority to negotiate, finalise and approve the Exit Agreement and to take any other steps that arise from the termination process.**

And the Cabinet is asked to RECOMMEND that

**Cabinet
2024**

14 February

3) An additional budget of £72,836 is approved for the new structure.

2. BACKGROUND

- 2.1 North Worcestershire Economic Development and Regeneration (NWEDR) is a shared service serving Bromsgrove, Redditch and Wyre Forest councils that has successfully operated for over a decade.
- 2.2 In recent years NWEDR has attracted a very welcome total of £70m in Government grants for the three districts to support major regeneration programmes including the £14 Million Levelling Up Fund (LUF) money for Bromsgrove.
- 2.3 Implementing the programmes and projects associated with the Government grants has inevitably involved considerable additional work and has affected NWEDR's capacity in the last couple of years. That has been exacerbated by recruitment difficulties in filling posts and keeping them filled.
- 2.4 The Leader of Wyre Forest DC (WFDC) approached the Leader of Bromsgrove DC (BDC) and Redditch BC (RBC) in August 2023 to request a mutual termination of the Collaboration Agreement (the "Agreement") relating to the Provision of Economic Development and Regeneration Services across North Worcestershire.
- 2.5 Clause 15.1 of the Agreement (Determination of the Agreement), provides that all parties to the Agreement may agree that it should be determined (brought to an end). Clause 15 also makes provision for the transfer of assets and intellectual property etc. and that, in the case of mutual termination under Clause 15 any costs arising are shared in the same percentages as apply to sharing of operating costs of NWEDR. Clause 8.9 provides that, in the event of termination, the councils' intention is that the Transfer of Undertakings (Protection of Employment) Regulations will apply to the staff but that is subject to the Regulations and relevant law and any subsequent agreement of the three councils.
- 2.6 Officers from BDC and RBC (lead by the Executive Director (Interim)) and WFDC (Led by their CEO) have been meeting regularly to draft and agree the Exit Agreement that includes indemnity clauses that protect this council from any future claims relating to staff or commercial decisions taken by NWEDR or during the separation. The Collaboration Agreement includes many similar provisions on establishing the shared service and it is inevitable that they would be mirrored in exiting that agreement. The report seeks a delegation to the Executive Director (interim) to finalise the exit agreement.

Cabinet 2024

14 February

- 2.7 Subject to the agreement of the Exit Agreement it has been agreed that the mutual termination, will take effect from 30 June 2024.

3. OPERATIONAL ISSUES

- 3.1 TUPE regulations will be considered as part of the exit arrangement. Until the agreement is terminated, NWEDR will provide the full range of support that it currently provides for the three councils under the agreement, including work on the agreed business plan – although that is inevitably subject to the same constraints about capacity which have been experienced for some time.
- 3.2 BDC places high priority on economic regeneration, as can be seen from the two strategic purposes and the recently agreed priorities.
- 3.3 Recruitment and retention in this area of business is currently difficult and it is therefore proposed that a shared Economic Development, Regeneration and Property Service will be created under a new Head of Service for Bromsgrove and Redditch Councils (details of the proposals can be seen at appendix 1) as this will give us the best opportunity to recruit high calibre staff and deliver BDC's strategic purposes and priorities associated with economic development, regeneration and property services.
- 3.4 Recruitment to the Head of Service and other key posts will take place early in 2024 to ensure that we have the capacity in place to deliver the LUF Programme and other key projects.

4. FINANCIAL IMPLICATIONS

- 4.1 Bromsgrove District Council's current annual budget contribution for NWEDR is £244k and the future structure outlined for Bromsgrove DC and Redditch BC in the appendix is estimated to have an additional financial implication of circa £73k/year, which has been included in tranche 2 of the MTFS.
- 4.2 Capital schemes, of which the Levelling Up Schemes are by far the largest, are set out in the Councils Capital Programme.

**Cabinet
2024**

14 February

5. LEGAL IMPLICATIONS

- 5.1 The Council relies on general powers such as section 111 of the Local Government Act 1972 and section 1 of the Localism Act 2011 to undertake work on economic development and regeneration. Specific powers exist in respect of acquisition and disposal of land in the 1972 Act which are central to the property function, including provision of industrial units etc. The existing Collaborative Agreement was entered under section 101 of the 1972 Act (arrangements for discharge of functions by other authorities) – the delegation of functions by Redditch and Bromsgrove to WFDC will cease when the agreement is terminated.
- 5.2 Mutual termination of the current agreement requires a formal decision by each of the three councils. Equivalent reports to this are expected to be taken to the Executive in Redditch in February.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 Run and grow a successful business.
And
Work and financial independence.

Climate Change Implications

- 6.2 No direct impacts in respect of climate change are expected to arise.

Equalities and Diversity Implications

- 6.3 No direct impacts in respect of equality and diversity are expected to arise. All relevant employment law will be complied with; accordingly no equality impact assessment is required.

7. RISK MANAGEMENT

- 7.1 Timescales are tight for recruitment there for essential posts will be recruited to first to ensure that the service has a strategic lead and the LUF project can be delivered.

8. APPENDICES and BACKGROUND PAPERS

**Cabinet
2024**

14 February

Confidential appendix 1 - setting out the proposed structure and costings for the future shared service.

Collaboration Agreement relating to the Provision of Economic Development and Regeneration Services, 27 May 2011

**Cabinet
2024**

14 February

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Sue Baxter Cabinet Member for Economic Development and Regeneration	17.01.2024
Lead Director / Head of Service	Guy Revans, Executive Director (Interim)	17.01.2024
Financial Services	Pete Carpenter, Director of Resources and Deputy Chief Executive (Interim)	17.01.2024
Legal Services	Claire Green Principle Solicitor	11.01.2024
Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Team (if climate change implications apply)	N/A	N/A

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Cabinet

14th February 2024

PARKING ENFORCEMENT – SERVICE LEVEL AGREEMENT WITH WYCHAVON DISTRICT COUNCIL

Relevant Portfolio Holder	Councillor S Baxter
Portfolio Holder Consulted	Yes
Relevant Head of Service	Simon Parry - Head of Environmental and Housing Property Services (Interim)
Report Author	Name: Simon Parry and Pete Liddington Job Title: Head of Environmental and Housing Property Services (Interim) and Engineering Team Leader Contact email: simon.parry@bromsgroveandredditch.gov.uk pete.liddington@bromsgroveandredditch.gov.uk Contact Tel: 534108
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Communities which are safe, well maintained and green Run and grow a successful business
Non-Key Decision	
This report contains exempt information as defined in Paragraph(s) 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Cabinet RESOLVE that: -

- 1.1 **A Service Level Agreement (SLA) with Wychavon District Council (WDC) be approved, for the continuation of the management and enforcement of On and Off-Street Parking, commencing April 2024, for a period of 5 years, with a quarterly review of outputs and outcomes to be summarised in an annual report presented to Cabinet.**

- 1.2 **Delegation be given to the interim Head of Environmental and Housing Property Services to finalise the details of the revised SLA following consultation with the Portfolio Holder for Economic Development and Regeneration, and the Head of Legal, Democratic Services and Property Services.**

Or

Cabinet

14th February 2024

- 1.3 A strategic review of requirements for parking services including on and off street enforcement, be undertaken. This review would provide a Business Case based on options that would consider agreement of a longer-term SLA with WDC, tendering all or part of the service, in house delivery of the service or other options to be brought back to Cabinet for further consideration.**
- 1.4 Delegation is given to the interim Head of Environmental and Housing Property Services following consultation with the Portfolio Holder for Economic Development and Regeneration, and the Head of Legal, Democratic Services and Property Services to agree a shorter-term (18 month) SLA with WDC with an appropriate end/term to enable recommendation 1.3 to take place.**

The Cabinet RECOMMEND that: -

- 1.5 An increased budget of £60K for Car Parking be included in the Medium-Term Financial Plan from April 2024.**
- 1.6 Subject to agreement of recommendation 1.3 above, a one off budget of £50K be included in the MTFS to fund the proposed work.**

2. BACKGROUND

- 2.1 Bromsgrove District Council (BDC) operates 11 No. fee charging car parks and 3 No. free car parks and has also taken responsibility for the enforcement of On-Street Traffic Regulation Orders (TROs) since Civil Parking Enforcement (CPE) was introduced within BDC on 30th May 2013. This has allowed a more consistent approach to traffic enforcement as staff are able to enforce both On-Street TROs and Off-Street Parking Orders for car parks owned by the District Council.**
- 2.2 WDC have been contracted under an SLA to manage the Parking Service on behalf of BDC for the last 10 years and an excellent working relationship has been developed. This current SLA came to an end at the end of the 2022/23 financial year and has operated on a month-by-month basis since.**
- 2.3 In the proposed SLA WDC's responsibilities includes Overall Management of the Parking Service for both on and off-street enforcement and liaison with County Council Highways together with the following non exhaustive list**
- Recruitment, management and training of the Civil Enforcement Officers (CEOs) (5.5 posts),

Cabinet

14th February 2024

- Full administration service including general enquiries, challenges, appeals and adjudication (2.5 posts)
 - Recovery of the outstanding Penalty Charge Notices (PCNs) (including warrant instructions)
 - The management of Residents' Parking Schemes (RPSs)
 - Monitoring equipment used to include parking machines to ensure continued usage including restocking machines with ticket rolls
 - The day-to-day operation of the Shop Mobility service including servicing of scooters and liaising with customers
 - Issuing Parking Dispensations
 - School Patrols following liaison with school staff
 - Disabled Blue Badge inspections
 - DVLA Audits
 - Various reporting including car park usage and PCNs issued
- 2.4 Future plans for the service may include the introduction of dropped kerb enforcement, civil littering fines as well as reviewing the potential introduction of the National Parking Platform which seeks to simplify and improve the customer journey by allowing customers to use their preferred service provider app to find and pay for their parking at any participating location.
- 2.5 By operating as a shared service with Redditch Borough Council WDC are able to offer savings in management and operating costs.
- 2.6 The proposal includes 5.5 CEOs for on and off-street enforcement together plus one part time school enforcement CEO to prioritise those restrictions near a school. Over the course of the current financial year only 3 CEOs have been employed despite ongoing recruitment drives including working closely with the local job centres and subsequent attendance at their offices. This has in the short term impacted on the coverage across Bromsgrove as a whole and reduced the ability to react to individual circumstances/issues. Interviews were held in January 2024 and were successful with new starters being offered these positions to provide a full structure for the delivery of the Service.
- 2.7 Within the SLA there is clearly provision for coverage of on street enforcement outside of the town centre. Work is currently in progress to review the patrols that are undertaken across the district regarding both the frequency and the routes taken.
- 2.8 On 16th January 2024 the Overview and Scrutiny Committee considered the Parking Enforcement report. Recommendations were proposed to Cabinet for consideration at its meeting on 14th February 2024 as follows:

Cabinet

14th February 2024

RECOMMENDED that with regard to the parking enforcement service the Cabinet consider the following options:

- a) go out to tender for the parking enforcement contract;
- b) have the service delivered in-house.

- 2.9 On 17th January 2024 Cabinet approved that these recommendations be considered at its meeting on 14th February 2024. This report takes into account the issues raised including a review of the SLA, patrols outside of the town centre and options for future requirements and delivery model review.

3. FINANCIAL IMPLICATIONS

- 3.1 BDC will continue to provide IT equipment, support, and premise costs.
- 3.2 All District/Borough Authorities that undertake CPE for On-Street enforcement, acting under an agency agreement with Worcestershire County Council (WCC), have been in detailed discussions with WCC, to agree that some financial assistance is provided by WCC to such Authorities, where the annual income from the issue of PCNs does not meet the Authority's costs for undertaking that service.
- 3.3 One of the main outcomes of CPE is that drivers will learn over time that contravening TROs results in a financial burden on themselves, and consequently more drivers will adhere to TROs. However of course, such a successful outcome results in a reduction of income, that participating agent Authorities strongly feel should not result in them having to subsidise themselves if such a financial working deficit results. The discussions with WCC are ongoing at this stage.
- 3.4 Any financial implications as a result of amendments to the SLA or future provision for the service will be subject to a further report.

4. LEGAL IMPLICATIONS

- 4.1 The legal framework for enforcement authorities in England comprises Part 6 of the Traffic Management Act 2004.
- 4.2 BDC operates a system of providing Off-Street parking for residents and visitors under the Road Traffic Regulation Act 1984. The legislation allows the Council to designate Off-Street car parks (Section 32) and regulate their operation, including the levying of charges through a Local Parking Order.

Cabinet

14th February 2024

- 4.3 It is proposed that the new SLA is set up as a 5-year agreement with an annual review of outputs and outcomes.
- 4.4 Any decision regarding amendments to the SLA and or termination will be undertaken in conjunction with Legal Services.

5. **STRATEGIC PURPOSES - IMPLICATIONS**

Relevant Strategic Purpose

- 5.1 **Communities which are safe, well maintained, and green** – By undertaking On-Street enforcement of all TROs implemented by Worcestershire County Council (WCC), will ensure the safety of road users and pedestrians. Traffic flows are maintained thereby avoiding unnecessary congestion. Enforcement outside schools enables children and parents to enter and leave school safely.
- 5.2 **Run and grow a successful business** – by ensuring our car parks are maintained and operated correctly will promote businesses, with their customers have parking space available when visiting the town.

Climate Change Implications

- 5.3 There are no Climate Change implications in renewing the SLA. However, by introducing the MiPermit virtual permit system has resulted in the reduced amount of paper required for parking tickets and permits, together with Residents' Parking Permits.

6. **OTHER IMPLICATIONS**

Equalities and Diversity Implications

- 6.1 There are no Equalities and Diversity implications arising from this report.

Operational Implications

- 6.2 By renewing the existing SLA with WDC no Operational implications will be involved.

7. **RISK MANAGEMENT**

- 7.1 BDC must have a secure agreement in place to ensure the smooth operation of its car parks given the importance to the economy of Bromsgrove and the income derived.

Cabinet

14th February 2024

- 7.2 Failure to undertake On-Street enforcement could result in reputational damage to the Authority and contravene the On-Street enforcement agreement with WCC.
- 7.3 Through initial discussions with WCC they are not prepared to fund any shortfalls in the cost of on street enforcement. In turn Districts will therefore need to consider the following options:
1. Deliver on street enforcement service within budget provided by CPN income;
 2. Subsidise on street enforcement to continue delivering existing or enhanced service;
 3. Serve notice on County to terminate agreements. County will then need to reflect on whether it will fund any on street enforcement;
 4. Re-negotiate existing agreement (in combination with options 1 and 2 above).
- 7.4 Without suitable parking being made available local businesses trading within the town/area will suffer.
- 7.5 The alternative to agreeing to WDC to continue with Parking Enforcement, is to engage an external Company through a Tender process to provide such services. However, the appointment of an external Contractor may result in them being inflexible to undertake the periodical patrol requests made by Officers and Members alike. WDC have always been willing to direct their CEOs to patrol certain sites of concern, which have been identified as requiring additional attention in the short term. An external Contractor may adopt more stringent patrol routes to ensure that their CEOs meet any determined targets set out by the Company.
- 7.6 Attendance at schools by CEOs during crucial hours is a continued requirement, particularly by Members, to try and ensure that parents/guardians when dropping off/picking up their children do act in a manner that does not put children's safety at risk, and also respects residents' vehicular access facilities. As parents/guardians' vehicles are usually not left unattended during these periods, PCNs cannot be issued where TROs are being contravened, as the driver will merely move away when sighting a CEO. Again, an external Contractor would be unlikely to be readily accept such requirements, as such attendance requests are made sometimes at short notice. The non-issue of PCNs at these facilities may also prove averse to the Contractor's set targets for their CEOs.
- 7.7 Should the Strategic Review of the service be approved sufficient time should be allowed in order to undertaken this diligently. It is anticipated that the expertise required to assess options, costs and risks for the

Cabinet

14th February 2024

future provision of parking enforcement and management services will require external consultancy. This timeline will need to be agreed with any proposal to terminate the existing SLA arrangements in order to ensure continuity of parking enforcement provision.

8. **APPENDICES and BACKGROUND PAPERS**

Appendix 1 – Exempt Information

Background Papers:

Cabinet Minutes from the meeting held on 17th January 2024: (Minute 58/23 [Minutes from Cabinet meeting held on 17th January 2024](#))

9. **REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Councillor S Baxter	25.1.24
Lead Director/Head of Service	Simon Parry - Head of Environmental and Housing Property Services (Interim)	Author
Financial Services	Peter Carpenter Director of Finance	25.1.25
Legal Services	Nicola Cummings Principal Solicitor	25.1.24

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank