



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 6TH DECEMBER 2023

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors S. Ammar (Chairman), B. Kumar (Vice-Chairman), A. Bailes, R. Bailes, S. J. Baxter, S. R. Colella, A. M. Dale, J. Elledge, S. M. Evans, D. J. A. Forsythe, E. M. S. Gray, C.A. Hotham, D. Hopkins, R. J. Hunter, H. J. Jones, R. Lambert, M. Marshall, K.J. May, P. M. McDonald, B. McEldowney, S. T. Nock, D. J. Nicholl, J. Robinson, S. A. Robinson, H. D. N. Rone-Clarke, J. D. Stanley, D. G. Stewart, K. Taylor, S. A. Webb and P. J. Whittaker

AGENDA

WELCOME

1. **To receive apologies for absence**

2. **Declarations of Interest**

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

3. **To confirm the accuracy of the minutes of the meeting of the Council held on 25th October 2023 (Pages 7 - 26)**

4. **To receive any announcements from the Chairman and/or Head of Paid Service**

5. **To receive any announcements from the Leader**
6. **To receive comments, questions or petitions from members of the public**
(Pages 27 - 28)

A period of up to 15 minutes is allowed for members of the public to make a comment, ask questions or present petitions. Each member of the public has up to 3 minutes to do this. A councillor may also present a petition on behalf of a member of the public.

7. **Urgent Decisions**
8. **Statutory Officer Posts - Appointments** (Pages 29 - 40)
9. **Recommendation from the Licensing Committee** (Pages 41 - 42)

Due to the length of the report that was considered by the Licensing Committee on 13th November 2023, only the recommendation from the Committee has been included in the main agenda pack for this Council meeting. The full-length report will be published in a separate supplementary pack for the Council meeting.

10. **Joint Auditor's 2020-2021 and 2022-2023 Annual Report** (Pages 43 - 100)

This matter was also discussed at a meeting of the Audit, Standards and Governance Committee held on 27th November 2023. Any recommendations on this subject together with the relevant extract from the minutes of this meeting will be published in a supplementary pack for consideration at the Council meeting.

11. **To receive and consider a report from the Portfolio Holder for Leisure, Culture and Climate Change** (Pages 101 - 110)

Up to 30 minutes is allowed for this item; no longer than 10 minutes for presentation of the report and then up to 3 minutes for each question to be put and answered.

12. **Recommendations from the Cabinet** (Pages 111 - 112)

To consider the recommendations from the meeting of the Cabinet held on 22nd November 2023.

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

- (i) Governance Systems Review - Update Report (Pages 113 - 120)
- (ii) Half Yearly Treasury Update Report 2023/24 (Pages 121 - 134)
- (iii) Medium Term Financial Plan - Tranche 1 Budget Update including Fees and Charges (Pages 135 - 154)

Due to the length of this report, only the covering report has been included in the main agenda pack for this Council meeting. The full-length report will be published in a separate supplementary pack for the Council meeting.

- (iv) Finance and Performance Monitoring Report Quarter 2 2023/24 (Pages 155 - 198)

14. **To note the minutes of the meetings of the Cabinet held on 22nd November 2023** (Pages 199 - 216)

15. **Questions on Notice** (Pages 217 - 218)

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

A period of up to 15 minutes is allocated for the asking and answering of questions. This may be extended at the discretion of the Chairman with the agreement of the majority of those present.

Each Member who is scheduled to ask a question, may ask up to one supplementary question which must be based on the original question or the answer provided to that question.

16. **Motions on Notice** (Pages 219 - 222)

A period of up to one hour is allocated to consider the motions on notice. This may only be extended with the agreement of the Council.

17. **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.**
18. **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>
19	2, 3 & 6

19. **Finance and Performance Monitoring Report Quarter 2 2023/24 (Pages 223 - 230)**

Sue Hanley
Acting Chief Executive

Parkside
 Market Street
 BROMSGROVE
 Worcestershire
 B61 8DA

28th November 2023

If you have any queries on this Agenda please contact
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GUIDANCE ON FACE-TO-FACE MEETINGS

Please note that this is a public meeting and will be live streamed for general access via the Council's YouTube channel.

You are able to see and hear the livestream of the meeting from the Committee Pages of the website, alongside the agenda for the meeting.

[Live Stream to Full Council Meeting - 6th December 2023](#)

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 the Council meeting 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 and for any such items the live stream will be suspended and that part of the meeting will not be recorded.



INFORMATION FOR THE PUBLIC

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

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 COUNCIL

25TH OCTOBER 2023, AT 6.00 P.M.

PRESENT: Councillors S. Ammar (Chairman), B. Kumar (Vice-Chairman), A. Bailes, R. Bailes, S. J. Baxter, S. R. Colella, A. M. Dale, J. Elledge, S. M. Evans, D. J. A. Forsythe, E. M. S. Gray, C.A. Hotham, D. Hopkins, R. J. Hunter, H. J. Jones, R. Lambert, M. Marshall, K.J. May, P. M. McDonald, B. McEldowney, S. T. Nock, D. J. Nicholl, J. Robinson, S. A. Robinson, H. D. N. Rone-Clarke, J. D. Stanley, K. Taylor, S. A. Webb and P. J. Whittaker

Officers: Mrs S. Hanley, Mrs C. Felton, Mr P. Carpenter, Mr G. Revans, Ms J. Bayley-Hill

42\23

TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor D.G. Stewart.

43\23

DECLARATIONS OF INTEREST

Councillor H. Jones declared an other interest in agenda item no. 14i, minute number 54\23, Recommendations from Cabinet, Equal Opportunities Annual Report, in relation to the Small Grants Scheme, as she was a leader of a scout group which had been awarded a grant.

The following Councillors declared an other interest in agenda item 14iii, minute number 54/23, Upgrading of Sewage Treatment Plants, as local members:

Councillors K. May, S.T. Nock and P. Whittaker – Frankley Green
Councillors K. Taylor and S. Webb (as County Councillors) – Dodford and Tutnall.

44\23

TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 20TH SEPTEMBER 2023

The minutes from the Council meeting held on 20th September 2023 were submitted for Members' consideration.

RESOLVED that the minutes of the meeting held on 20th September 2023 be approved as a true and accurate record.

45\23

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

The Chairman read the following statement:

Group leaders and myself, as Chairman, have come together to express our deep sadness and horror at the ongoing events in the Middle East. As advocates of democracy, we firmly believe in and support the universal right of all people to live in safety, security, and freedom.

We recognise the immense loss of life suffered by both Palestinians and Israelis, who are just like us, ordinary civilians caught in the midst of this conflict. It is heartbreaking to witness the devastating impact these events have had on their lives, forever altering their futures.

Both in our prayers and our thoughts we call for an immediate end to the violence and urge all parties involved to engage in peaceful dialogue and negotiations. It is only through understanding, empathy, and a commitment to finding common ground that a lasting solution can be achieved.

Let us stand together in solidarity, supporting the rights and aspirations of all people around the world. May peace, justice, and compassion prevail in this troubled region, and may the innocent lives lost never be forgotten.

46\23

TO RECEIVE ANY ANNOUNCEMENTS FROM THE LEADER

The Leader welcomed Councillor S Baxter as Leader of the 2023 Independents Group and thanked her predecessor, Councillor C. Hotham for his contribution.

The Leader referred to working arrangements and thanked members for their participation in Cabinet Surgeries, which were a valuable opportunity to understand local and wider community issues and brief on forthcoming Council wide issues. She hoped that the introduction of the Cabinet Advisory Groups would provide better opportunities to manage issues of greatest concern to members.

The Leader updated members about the decision to provide financial and practical help and support by the Council to the Artrix Holding Trust following the closure of the venue. Currently the Holding Trust was working with Solihull Council to provide them with temporary accommodation and council staff were supporting this activity. The Leader thanked those involved for their work in this regard. If members had queries, the Leader suggested they direct them to the Artrix Holding Trust in the first instance.

47\23

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

The Chairman welcomed Ms Clinton who asked the following question:

“Can the Bromsgrove Council please advise as to why their charges for a High Hedge Complaint is £595.10 when neighbouring councils charge significantly less?

It is recognised that the Bromsgrove Council do offer a reduced rate for those that qualify on certain benefits.

Examples of the charges from other local Councils are as follows:

Coventry City Council - £190

Telford & Wrekin Council - £250

Redditch Council - £250

Birmingham City Council - £350.”

Councillor K. Taylor responded that officers were proactive in trying to avoid people needing to make a formal complaint and this involved a lot of work for which no charge was made. The charge only applied when a formal complaint was made and there had been very few instances where this had occurred.

The high hedge legislation provided a framework for charging and the Council complied with this. However, he would ask Officers to review the fees to ensure they reflected the service being provided and to report to the Overview and Scrutiny Working group. In the meantime, he would work with Ms. Clinton’s local member to try and resolve the specific issue she had raised.

48\23 **URGENT DECISIONS**

Members were advised that no urgent decisions had been taken since the previous meeting of Council.

49\23 **CHANGES TO COMMITTEE MEMBERSHIP**

Further to the agenda item, the Chairman reported that there would not be any changes to the membership to the Licensing Committee.

50\23 **OUTSIDE BODIES - APPOINTMENT**

The Chairman reported that the Council had been advised that Worcestershire County Council were in the process of reviewing the rules for appointments further. Therefore, no decision would be taken in respect of this matter at this meeting.

51\23 **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE ANNUAL REPORT 2022-2023**

The Chairman of the Audit, Standards and Governance Committee, Councillor S. Colella, introduced the Committee's Annual Report for 2022-23.

Councillor Colella referred to his tenure as Chairman of the Committee between December 2022 - May 2023. During that time he had led a Scrutiny Task Group into the Section 24 notice and the report for that group formed part of the financial recovery plan.

Councillor D.J. Nicholl, the current Chairman of the Committee, drew attention to reference in the report to the introduction of an Independent Member to sit on Audit Committees. This had not yet been considered in detail by the Committee.

In response to a question whether, in light of concerns about the Council's accounts and subsequent Task Group review the committee should meet more frequently, Councillor Nicholl reported that the committee was fully engaged and all meetings this municipal year had been quorate. This enabled a consistent review of all matters and in his view at the moment it was not necessary to introduce extra meetings.

RESOLVED that the Annual Report of the Audit, Standards and Governance Committee for 2022-23 be noted.

52\23

RECOMMENDATIONS FROM THE CONSTITUTION REVIEW WORKING GROUP

Councillor C. Hotham presented the report of the Constitution Review Working Group, which covered 5 areas: Planning reform, Audit, Standards and Governance Committee; Policy Framework; Councillor non-attendance and Questions on Notice.

Councillor Hotham suggested that since the recommendation relating to the Audit, Standards and Governance Committee about reducing the quorum for its meeting was compiled in the previous Municipal year, Council might seek the advice of the current Chairman of the Committee as to whether the proposed change to the quorum was necessary. Councillor Nichol agreed that the quorum should remain at 5, and it was agreed by the proposer and seconder that the recommendation to change it would be withdrawn.

During discussion of this item, Councillors thanked officers from the Planning and Democratic Services teams for their hard work in supporting the Planning Committee generally and during the external review carried out by the Planning Advisory Service (PAS).

RESOLVED that;

- 1) Meetings of the Planning Committee should be live streamed;
- 2) White nameplates should be used at meetings of the Planning Committee for Councillors;
- 3) The Chairman should introduce all the officers present at the start of Planning Committee meetings;
- 4) A review should be carried out of the content of officer reports to ensure that they are proportionate to the size and complexity of the proposal being determined;
- 5) Members of the Planning Committee should continue to be offered the choice to either access agenda packs for meetings electronically or in paper form;
- 6) A greater number of spare copies of the supplementary packs containing the update reports should be made available for the

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consideration of the public at meetings of the Planning Committee, with clarification provided to the public that copies will be made available on a first come first served basis to residents attending meetings in person;

- 7) Where possible, members of the Planning Committee should provide Officers with prior notice of any technical questions relating to applications on the agenda;
- 8) Refresher training should be provided on the roles and responsibilities of Planning Committee members;
- 9) Appeal decisions and planning application performance should be reported to and discussed by the Planning Committee;
- 10) the Code of Practice – Planning Services, at Part 25 of the Constitution, be amended to require all Members to leave the room when they have spoken as a Ward Councillor on a Planning Matter, draft wording of the amendments proposed was contained within Appendix 1. These amendments should be incorporated into the Constitution for ratification at Full Council;
- 11) the content of the Policy Framework be updated as detailed in Appendix 5 to the report;
- 12) the Chief Executive be delegated authority, as Proper Officer, to declare the office of Councillor vacant immediately after a person has ceased to be a Councillor where they have not attended a Council or Committee meeting for six months or more; and
- 13) the Council should undertake a trial allowing Members to ask supplementary questions at Council meetings during consideration of Questions on Notice.

53\23

TO RECEIVE AND CONSIDER A REPORT FROM THE PORTFOLIO HOLDER FOR ENVIRONMENTAL SERVICES AND COMMUNITY SAFETY

Council considered a report by the Portfolio Holder for Environmental Services and Community Safety, which outlined services and activities within the remit of the Portfolio Holder. Information was included in

relation to the Council's Strategic Purposes, relevant key activities, partnership working, projects and programmes and news stories.

In presenting his report, Councillor P. Whittaker highlighted the commitment and hard work of the relevant officers and the community safety team's work with diverse agencies. He also referred to residents' satisfaction with the alternate residual waste and recycling collections which were likely to change under the Environment Act 2021. This introduced a requirement for councils across the country to introduce a weekly waste food collection. Working with county council colleagues the possibility of a county wide system of collection and disposal would have synergy in terms of cost savings. Details from DEFRA had been published within the last week and 'simpler recycling' was the main message. However, no details had been given about how the additional costs in introducing this would be met.

During this item the following items were raised:

- The Leader clarified that Councillor Colella was the portfolio holder for climate change.
- The view was expressed that climate change should have been given greater prominence in the report.
- A member asked how many recommendations of the Flooding Task Group had been taken forward. The portfolio holder undertook to communicate this to Councillor Robinson outside the meeting.
- A member asked for details of how many hate incidents had been reported in Bromsgrove and it was agreed that these details would be circulated to all councillors.
- How continuing to operate old refuse vehicles was better than procuring new, potentially more efficient vehicles. The portfolio holder responded that refurbishment enabled a vehicle to stay on the road rather than procure new and extended its life for 6 years. The continuation of the programme of refurbishment would be reviewed on a regular basis. Arising from this item, the Chairman asked that the Interim Director undertake a presentation to all members about the fleet.
- It was suggested that performance statistics relating to fly tipping should be included in the report; the portfolio holder undertook to circulate these. A member suggested that having comparisons with similar councils might give the data meaningful context.
- How diversionary youth work would occur across the District as some wards did not have specific youth clubs or provision. The portfolio holder suggested that it was open to local members to

approach relevant officers about developing outreach in their areas.

- It was suggested that the approach to blue badge parking across the District was inconsistent. The portfolio holder responded that car parking charges would be subject to a review.

54\23

RECOMMENDATIONS FROM THE CABINET

The Chairman advised that there was one recommendation from the meeting of the Cabinet held on 13th September 2023 and seven recommendations from the meeting on 18th October, which were presented for the Council's consideration.

Equality Annual Report 2022

The Portfolio holder presented the Equalities Annual report 2022 and highlighted a number of areas of work which had been carried out. Covid 19 had impacted the work on Equalities, but several community events and activities had been delivered, some for the first time since the pandemic. The Equalities small grants scheme had also awarded grants to 10 community organisations.

During consideration of the report, the following areas were discussed:

- Using the demographic profile of the District from the 2021 census data to analyse whether this was reflected in the Council's workforce and service users. The portfolio holder agreed that this would be worked on.
- The report didn't appear to indicate staff progression. Emphasis would be placed on staff having a progression path through the organisation consistently.
- How many young people attended holiday activities and had received meals from the food programme referred to in the report. The portfolio holder undertook to share this information with councillors outside the meeting.
- Asset based community development – attempts to develop committed were welcome but should be grounded in local knowledge, which local councillors should be involved in. A councillor reported that residents had to be referred to some services via a church which was not inclusive. The portfolio holder responded that he would check what was happening in this regard.
- Members expressed concerns that where wards abutted adjacent local authorities, residents attempted to get resources from New

Starts in South Birmingham. The funding was intended for Worcestershire councils so the community development team should consult people embedded in the community, such as local councillors, about how the money should be applied. Councillor S. Webb reported that the community builders worked for WCC Public Health, and the initiative was still being developed. The Leader highlighted addressing disparities in public health – preventative action was shown to improve health outcomes. The Council was the first District to introduce the community builder initiative, it would develop and it was intended to launch one stop shops where a number of services could be hosted and offered.

- In response to a query about the availability and take-up of community transport, Cllr. Webb responded that there was one BERT bus in the District and she would obtain details of the data for Councillor Bailes outside the meeting.
- Cllr Robinson thanked the Council for the support being offered to the vulnerable in the District, and asked whether there was resistance to this support in the community. Cllr Webb responded that this had been picked up as a potential barrier and efforts were being made to address this.

The recommendation was proposed by Councillor C. Hotham and seconded by Councillor K. May.

RESOLVED that the Equality Annual Report 2022 be endorsed.

Finance and Performance Quarter 1 Monitoring 2023/24

The Chairman reported that one of the recommendations that was originally included in the report, recommendation 7, was withdrawn at the Cabinet meeting on 18th October and was therefore not due to be debated at this meeting.

In proposing the recommendations, the Portfolio holder reminded the Council that the provisional financial outturn 2022-2023 was a deficit of £956k. £341k of reserves were also being used in the base budget, which left a deficit overall of nearly £1.4m. However, reserves at March 2023 were £5.8m.

There was a headline predicted overspend of £437k, and it was planned to use £250k of reserves. Previously the Council had set up a reserve for potential significant increases in utility costs. This had not come to fruition in way that was predicted. It was therefore suggested that as the

Council had not had to use it, the funds could offset some of deficit by moving into general balances and reduce the overall deficit.

During consideration of this item the following issues were discussed:

- The robustness of original financial estimates was queried, as items such as forecast employee variances could impact on the financial decisions made by the Council. It was noted that the utilities reserve was arrived at during a time of extreme volatility and advice had been taken at the time about what would be a prudent reserve.
- What would happen to savings achieved by not filling vacancies.
- How arrangements were made to keep a fund for replacement of the council's fleet. The Chairman reminded members that the senior officer would be making a presentation to all members about the fleet. It was noted that there had been a reserve for fleet replacement but this had not been applied yet until the Council was certain of the kind of vehicles were required in future. The Cabinet Member agreed that all vacancies should be reflected accurately in the accounts.

RESOLVED that

- 1) £351k is allocated from the Utilities Reserve to part mitigate the overspend position in 2023/4;
- 2) Changes to the Capital Programme as set out in para 3.13 of the report with an ongoing revenue cost of £40k, £17k fleet replacement, £13k Wheely Bins and £10k wild flowers equipment be approved:
and
- 3) the £11.0k increase to the Engineering Services base budget in 2023/4 from reserves be approved and this change is included in the 2024/25 Medium Term Financial Plan.

Upgrading of Sewage Treatment Plants and introduction of Service Charging to contributing properties - 1) Frankley Green Lane, Frankley Green, 2) Fockbury Road, Dodford 3) Dusthouse Lane, Tutnall

Council considered the recommendations to upgrade sewage treatment plants in order for them to meet Environment Agency standards. During debate the following issues were discussed:

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- A member sought clarification about the Council's responsibilities for meeting these costs and whether they should be met by Severn Trent and/or Bromsgrove and District Housing Trust (BDHT). It was noted that when the Council undertook large scale transfer of its housing stock to the Housing Association there were some historic arrangements for sewage, depending on whether individuals had purchased their properties or were tenants of the Council at that time. The costs of the upgrade would be split between the Council and BDHT accordingly. The sewage treatment plants were treated as private assets rather than public.
- A member queried what level of revenue was predicted following the introduction of annual service charges. Whilst a total could not be provided, it was noted that it was proposed that the charge would be similar to that which Severn Trent would charge for sewage disposal. It was likely that once the upgrade was complete that BDHT would approach Severn Trent again about it taking on the service.

Council was reminded that it had a duty to make sure residents had adequate sewage disposal from their properties and that was the fundamental reason for undertaking the work.

RESOLVED that:

- 1) A budget of £72k be added to the 2023/2024 Capital Programme, for the agreed contribution for upgrading of the 1) Frankley Green Sewage Treatment Plant, to be funded from borrowing or balances following consideration as part of the medium-term financial plan review;
- 2) A budget of £69k be added to the 2024/2025 Capital Programme, for the agreed contribution for upgrading of the 2) Dodford Sewage Treatment Plant, to be funded from borrowing or balances following consideration as part of the medium-term financial plan review;
- 3) A budget of £57k be added to the 2025/2026 Capital Programme, for the agreed contribution for upgrading of the 3) Tutnall Sewage Treatment Plant, to be funded from borrowing or balances following consideration as part of the medium-term financial plan review;
- 4) An annual service charge be introduced, subject to agreement with Bromsgrove and District Housing Trust (BDHT), for all contributing properties to the three Sewage Treatment Plants from 1st April 2024,

equivalent to the annual sum payable to Severn Trent Water Ltd for sewage treatment, if the property was connected to the public foul water sewerage system.

55\23

TO NOTE THE MINUTES OF THE MEETINGS OF THE CABINET HELD ON 13TH SEPTEMBER AND 18TH OCTOBER 2023

The minutes of the meetings of the Cabinet held on 13th September and 18th October 2023 were noted.

56\23

QUESTIONS ON NOTICE

The Chairman advised that four Questions on Notice had been received for this meeting.

Question Submitted by Councillor Rone-Clark:

“In April 2021, in response to a petition with 5000 signatures and a motion submitted by then Cllr Mallett, calling for an urgent feasibility study R.E. a potential Western Relief Road, then portfolio holder for planning Cllr Kent told this council he had commissioned a Strategic Transport Assessment (STA) to be released to the public by 'the end of the summer (2022)'.

In September 2022, 17 months after the STA was first promised, I made an FOI request in response to the lack of communication on this from BDC...it returned nothing of substance, not even a draft overview of findings...

At a subsequent meeting in late 2022, I asked Cllr Thomas, my 2nd planning portfolio holder, to comment on the status of the STA...he informed me that the STA didn't really exist and was merely a small extension of the local plan; despite the fact that in March 2021, Bromsgrove District Council went out to tender for a contractor to carry out a strategic transport assessment, advertising this on their website and social media!

Then, on April 9th 2023, two years after this issue was first raised in this chamber, The Bromsgrove Conservatives tweeted 'pledge #4 for Bromsgrove: we have commissioned a strategic transport assessment for the district...'

My question, put simply: what on earth is going on?"

The Cabinet Member for Planning, Licensing and WRS responded that the Strategic Transport assessment would be a suite of reports and

assessments which primarily shaped and then supported the policies that would be contained in a new local plan for Bromsgrove District. It would be published alongside all the other elements of the evidence base when the plan was next ready for consultation. As explained at recent Strategic Planning Steering Group (SPSG) meetings, the planning system was subject to significant reforms now which made plan making a difficult process. Officers had continued to progress the local plan as far as possible whilst these ongoing reforms were being considered. This had included working with Worcestershire County Council on developing tools to assess the likely impacts of new development across Bromsgrove District, and then predict the infrastructure improvements that would be required as a result. As explained at the SPSG meeting on the 5th October, WCC officers had been asked to present the STA tools they had developed to BDC members, this would be taking place at the SPSG meeting on the 16th November, to which all members were invited.

Cllr Rone Clark asked a supplementary question about how much STA modelling Councillor Taylor had inherited when he took up the portfolio. Councillor Taylor responded that there had been robust conversations with Worcestershire County Council about the lack of progress. He reiterated that County Council representatives had been invited to the meeting on 16th November.

Question Submitted by Councillor D Nicholls:

“To ask the Leader, following information from the Royal British Legion, why are benefits assessments for veterans in Bromsgrove being means-tested more harshly compared to other Councils?

In councils such as Walsall Metropolitan Council, Cannock Chase DC or Warwick DC, there is no means testing of veterans over a range of benefits (i.e. Council Tax Support, Housing Benefit, Discretionary Housing Payment and Disabled Facilities Grants), whereas in Bromsgrove, Discretionary Housing Payments in both the Armed Forces Compensation Scheme and the War Pension Scheme are means tested for armed forces veterans.

As we head towards Remembrance Sunday, do not those who have been in service of the defence of our country and Bromsgrove deserve to be fairly treated compared to military veterans in other areas?

I agree with the Royal British Legion that this is fundamentally unfair to the veterans of Bromsgrove.”

The Cabinet Member for Health and Wellbeing and Strategic Housing responded that as with many local authorities, Bromsgrove District Council did not have prescribed rules for awarding Discretionary Housing Payments, and each application was looked at in its own merit. The Council looked at each individual's needs, housing requirements, income, expenditure, medical requirements to name but a few. The Financial Independence Team processed the applications and also looked at benefit maximisation, budgeting advice and signposting to partners where appropriate.

Several incomes were disregarded for Housing Benefits/Council Tax Support, and where these incomes were in payment it typically saw a full award of eligible Housing Benefit/Council Tax Support. Obviously, other factors could cause a shortfall in Housing Benefit, mainly LHA rates, benefit caps and under occupancy charges – with the latter 2 only applying to working age claimants.

Discretionary Housing Payments were intended to be a short-term solution to help residents whilst long term solutions could be investigated and supported.

In addition to this, in the Council's Housing Policy the Council recognised the contribution that armed forces personnel had made, with members of the UK armed forces stationed abroad being considered as living in the United Kingdom for the purposes of applying for social housing. The Council also considered high medical need or disability in the allocation of accommodation.

The Cabinet Member invited any Councillors who had queries to get in touch.

Councillor Nicolls asked a supplementary question about the voracity of data about Bromsgrove's approach, which had been provided via a Freedom of Information request. The Cabinet member undertook to answer Councillor Nicholls outside the meeting.

Question submitted by Councillor R. Hunter

"I am continuing to find it very difficult to get firm commitments from this Council about repairing broken bus shelters. Please could you confirm that residents can expect broken bus shelters to be repaired or replaced and the timescale within which they can expect this work to be completed?"

The Cabinet Member for Environmental Services and Community Safety replied that the minor works team in the Engineering and Design Team undertook repairs to Bus Shelters, however where a new Shelter was required these were procured individually which caused delays, although the system of procurement was undergoing a review. The Council was currently finalising tender documents which would see a contract awarded and started in January 2024. This would mean that shelters that the Council was responsible for, would be replaced within a 6-week period going forward.

The Stourbridge Road shelter was to be removed this Friday and the Cabinet Member was awaiting feedback on when the replacement would be installed.

Also as context the Minor Works team was currently supporting the works that were being undertaken at the Artrix which had impacted in the short term on turnaround times for repairs to bus shelters.

Councillor Hunter asked a supplementary question about whether the Cabinet Member would give an assurance that every bus shelter reported as damaged would be replaced.

The Cabinet Member replied that he could not commit to the request because finances were limited, and the budget was set. Subject to this he was prepared to commit that some bus shelters would be repair or replaced as set out in his answer to the original question.

Question Submitted by Councillor J. Robinson

I understand the Council is working on a solution where a forward look of intended road sweeping rounds can be published, although there will be no guarantee as to exact dates due to the responsive nature of the service. Do you have a timescale for when this is likely to go live, please and could you confirm if the council is also intending to publish backdated information of roads that have already been swept?

The Cabinet Member for Environmental Services and Community Safety responded that the sweeper service had been significantly disrupted over a number of months due to availability of drivers as there had been long term sickness together with the need to recruit into the vacancy. At the start of October 2023, the Council had been able to operate with 3 drivers for the first time for a while. Officers had therefore been working in a reactive manner based on issues that had been raised in order to

return areas to the required standard and they were now targeting known flooding areas and road networks outside of the settlements to improve the overall appearance of the roads. It was envisaged that they would soon return to planned routes for regular sweeping to maintain standards that had lapsed. Responsibility had recently moved to the Place team for this service and routes were being reviewed and it was anticipated that these would be published at the beginning of December.

Councillor Robinson asked a supplementary question that if councillors brought forward roads in their wards for sweeping, whether the Council would respond to these requests?

The Cabinet Member responded that he had passed on an e-mail Councillor Robinson had sent him to the relevant team at the Depot. He referred to some practical issues which could prevent prompt action (such as cars parked on residential roads). However, he referred to the previous answer relating to the publication of routes in December and advised that councillors pass on requests to the Place team with responsibility for co-ordination in their wards. They could also raise any specific issues with him as Cabinet Member.

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MOTIONS ON NOTICE

The Chairman reported that 7 Motions on Notice had been submitted for this meeting. In advance of the meeting, the proposer of the last Motion, Councillor Hunter, had discussed his Motion with the Leader, and had agreed to withdraw it, on the basis that work was already ongoing and it had been agreed it would be prioritised going forwards.

Candy and Vape Stores

Council considered the following Motion on Notice submitted by Councillor E. Gray:

This Council calls upon the Bromsgrove MP to lobby Government to call a halt to American-style candy and vape stores opening up on high streets. These entice young people to take up dangerous habits which cause significant risk to young people/children's health and well-being.

Councillor P. McDonald seconded the motion. He referred to the emergence of shops selling sweets and e-cigarettes on local high streets and promoting their wares to children of all ages. The lack of legislation

about advertising vapes and powers of enforcement meant that local regulatory services had not been able to take action.

Councillor J. Robinson proposed an amendment as follows:

To remove the wording 'call a halt to American style candy and vape stores opening up on high streets' and replace with 'limit the sale of disposable vapes'.

At the end of the Motion to add 'Furthermore this Council agrees with the cross party LGA view that disposable vapes should be banned and the Leader of the Council agrees to write to Worcestershire County Council to ensure the Trading Standards Team that polices activity has a full complement of officers in place in Bromsgrove to ensure that we crack down on any illegal sales of vapes in our District'.

The Council was adjourned between 8.43 and 8.48pm whilst the Chairman sought procedural advice and subsequently advised that the Motion on Notice was very specific and as such the amendment was not accepted.

During debate on the Motion on Notice the following points were raised:

- That the motion related to the risks associated with the sale of disposable vapes and sweets. Some shops such as supermarkets sold vapes and sweets. 5 million vapes were sold each week across the country. Whilst members agreed there was an impact on children from their availability and sale and understood the sentiment behind the Motion, some considered that it was impractical.
- The motion addressed a specific issue in a councillor's ward and also concerned other wards and sought to support members in their ward role.
- The action proposed by the motion did not address the issue sufficiently and approaching the MP was not likely to have an impact in practical terms.
- The limitations of the planning system in addressing the concerns raised in the Motion. There was no route in the planning regime to prevent vapes being sold in shops.
- The Government was currently consulting on changes to the controls on vapes as part of its policy to create a smoke free generation. The Council could consider the issue of vaping in a Cabinet Working Group as a vehicle to agreeing a response to the Government consultation.

- The Motion sought to prevent young people trying vapes; this was an objective of PHSE classes in schools which focused on building resilience so that children did not try vapes or cigarettes. Councillors could encourage the delivery of these sessions in schools in their wards.
- The Motion was seeking a statement by the Council to Parliament about concerns of the impact of the specific shops on the health and wellbeing of children and young people.
- The Motion did not address the root cause of the issue and risked undermining legitimate businesses and livelihoods.

At the conclusion of the debate the proposer and seconder withdrew the motion on the basis that the Leader of the Council offered to establish a Cabinet Working Group to submit a response to the Government consultation on changes to the controls on vapes as part of its policy to create a smoke free generation. Any Councillor with an interest in this topic would be able to participate in the work of the Working Group.

Funds to Develop Parks and Recreation Grounds

Council considered a Motion on Notice submitted by Councillor J. Elledge:

"We call upon officers to immediately meet with all members of the council who want council staff to submit bids for funds to develop Bromsgrove's parks and recreation grounds".

The Motion was seconded by Councillor D. Hopkins.

Councillor R.J. Hunter proposed an amendment to insert after 'We call upon officers' the words 'to conclude the existing play audit as soon as possible and then'.

Councillor Hunter explained he was keen to see investment in parks and recreation facilities. However, he understood that a play audit was being undertaken on behalf of the Council by independent experts in order to prioritise work and future investment. Whilst he agreed with the thrust of the motion, he considered that the result of the independent review should be obtained as evidence and a context for consideration of bids for funding.

On the basis that officers had advised that the play audit should be concluded within the next two months, Councillor J. Elledge accepted the amendment.

During consideration of the motion, the following points were made:

- a councillor sought clarification whether the funding being sought would be internal to the Council or from external sources. The Council was not able to bid for sources of funding such as the Lottery, but community groups could do so. The Council should consider how it wished to proceed once the outcome of the play audit was known.
- A Councillor suggested that the Council would be able to put in bids for certain external funds.
- The Cabinet member responded that a report on the outcome of the play audit would be presented to councillors in the new year, at which point members could consider the order of spend for new and/or improved play equipment.
- The Cabinet member would hold a portfolio drop-in session for members about the outcome of the audit and there would be informal briefings for all members about the audit before Christmas.
- The emerging Medium Term Financial Plan 2024/25 – 2026/27 tranche 1 report would be presented by the s151 officer on 22 November and would include bids for capital funding for improving play areas. Some of these would be specific and others would seek authority to set money aside for play areas, so they could be allocated once the audit was complete and priorities known.

RESOLVED that

We call upon officers to conclude the existing play audit as soon as possible and then immediately meet with all members of the council who want council staff to submit bids for funds to develop Bromsgrove's parks and recreation grounds.

144 Bus Service

Council considered a Motion on Notice proposed by Councillor D. Hopkins:

“The Council calls upon the Leader of the Council to lobby the County Council to ensure that the full route previously covered by the 144 bus is restored as whilst the 20 bus route has been in place for some time it is currently failing to meet the needs of residents”.

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In proposing the motion Councillor Hopkins referred to residents who worked in Birmingham who faced more complicated and expensive journeys to work as the service no longer went into the city. The alternative of using a train was not always straightforward.

The motion was seconded by Councillor E.M.S. Gray.

Councillor K. May proposed an amendment, to insert the words 'continue to' after 'The Council calls upon the Leader to...'. She explained that the Council had been lobbying on this issue for some time. The amendment was accepted by the proposer.

RESOLVED that

The Council calls upon the Leader of the Council to continue to lobby the County Council to ensure that the full route previously covered by the 144 bus is restored as whilst the 20 bus route has been in place for some time it is currently failing to meet the needs of residents.

As the Council was close to reaching the one hour time limit for consideration of Motions on Notice, it was agreed that the Motion on Notice about Fairer Funding for Canals would be deferred for consideration at the next meeting of the Council.

The meeting closed at 9.39 p.m.

Chairman

Bromsgrove District Council – 6th December 2023
Public Questions

1. From Mr M. Jinks

Question for the Chairman:

“Having worked closely with 45+ High Street businesses, we have been asked to propose the following question. Can you please consider the option of reviewing the pricing structure on all council car parks around Bromsgrove High Street to enable an offering of 1 hours’ free parking to be created. We feel that this will have a huge beneficial effect on the flow of business to the High Street and may lead to more businesses choosing to come to Bromsgrove in the future. We would propose that the shortfall created by this scheme be met by increasing the 1+ hour pricing charges.”

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STATUTORY OFFICER POSTS - APPOINTMENTS

Relevant Portfolio Holder	Councillor Charlie Hotham Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	
Relevant Head of Service	Claire Felton
Report Authors Claire Felton & Becky Talbot	<p>Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: (01527) 64252</p> <p>Job Title: Human Resources and Organisational Development Manager email: becky.talbot@bromsgroveandredditch.gov.uk Contact Tel: (01527) 64252</p>
Wards Affected	NA
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An effective and sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. **RECOMMENDATIONS**

That the Council **RESOLVE** that

- 1.1 **Mrs Susan Hanley continue to be appointed as the Interim Head of Paid Service for Bromsgrove District Council until 30th November 2024, or, if the date is later, until such time as a new permanent Head of Paid Service has commenced employment with the Council.**
- 1.2 **Following Mrs Hanley’s resignation from her substantive position as Deputy Chief Executive, Mr Peter Carpenter be appointed as Interim Deputy Chief Executive and Interim Executive Director of Resources (Section 151 Officer) on a fixed term basis until 30th November 2024.**
- 1.3 **Subject thereto, Mr Peter Carpenter to be made available under the shared services arrangements with Redditch Borough Council to perform such duties as are required in his capacity as Interim**

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Deputy Chief Executive and Interim Executive Director Resources (Section 151 Officer) for Redditch Borough Council.

- 1.4 Mrs Claire Felton, Head of Legal, Democratic and Property Services, to be appointed as the Returning Officer and Electoral Registration Officer for Bromsgrove District Council.**

2. BACKGROUND

- 2.1 This report details proposals in respect of the fixed term appointment of Mrs Susan Hanley to enable her to continue in post as the Council's Interim Head of Paid Service. In addition, the appointment of Mr Peter Carpenter to the post of Interim Section 151 Officer and Deputy Chief Executive together with the appointment of Mrs Claire Felton as Returning Officer and Electoral Registration Officer for Bromsgrove District Council.

3. OPERATIONAL ISSUES

- 3.1 Following the announcement that the former Chief Executive, Mr Kevin Dicks would be retiring in September 2023, a report was considered by Bromsgrove District Council as the employing authority under the Shared Services Arrangements. As recommended, Members agreed at their meeting on 19th July 2023 that on the retirement of Mr Dicks, Mrs Susan Hanley be appointed as the Council's Head of Paid Service, Returning Officer and Electoral Registration Officer. This was to be on an interim basis until such time as a new Chief Executive and Head of Paid Service could be recruited and appointed.
- 3.2 Whilst a recruitment exercise was undertaken for both the posts of Chief Executive and Section 151 officer, the Council was unable to recruit on this occasion. The present position therefore is that following Mr Dicks's official retirement in September 2023, Mrs Hanley is acting as Interim Chief Executive, Returning Officer and Electoral Registration Officer for both Bromsgrove District Council and Redditch Borough.
- 3.3 In terms of moving forward, the following issues now need to be addressed: -
- a. Arranging for a further recruitment process for the two senior officer posts to take place; Members will appreciate that appointing to senior roles requires a comprehensive recruitment and selection process which inevitably will take time to set up and implement.

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- b. Taking steps to ensure the stability and continuity of the existing senior management team until such time as permanent recruitment can be implemented. Given the length of time that implementing step a. may take, officers are mindful of the need for any interim arrangements to come with assurances and certainty as to timescales.
- c. Re-allocation of the role of Returning Officer and Electoral Registration Officer for Bromsgrove District Council being the roles which were previously performed by the former Chief Executive Mr Dicks.

Head of Paid Service/Chief Executive post

- 3.4 The council is required by the provisions of the Local Government and Housing Act 1989 to appoint an officer as the councils Head of Paid Service. Members will be aware that under the current shared services arrangements Mrs Hanley is employed by Redditch Borough Council and “made available” to carry out her role across both authorities under the shared services arrangements. Details of the shared services arrangements, which have been in operation between the two councils since March 2011 are included in the background papers.
- 3.5 Mrs Hanley has expressed a wish to retire on the appointment of the permanent Chief Executive, and therefore not return to her substantive role as Deputy Chief Executive. As such, Mrs Hanley has expressed her intention to resign from her substantive post as Deputy Chief Executive. This will enable both Councils to consider options regarding the Senior Management structure including that of the substantive role of Mrs Hanley ahead of her retirement.
- 3.6 It is proposed that on receiving Mrs Hanley’s notice Mrs Hanley would be appointed as Interim Chief Executive and Head of Paid Service on a Fixed Term contract until 30th November 2024. All other terms and conditions would remain unaffected, and as part of the arrangements Mrs Hanley would formally agree to forfeit her right to return to a substantive permanent role of Deputy Chief Executive. That said Mrs Hanley has also indicated that should more time be needed from December 2024 onwards to finalise a new appointee to the post of Chief Executive, she would be willing to extend the fixed term contract to accommodate a transition period.

Section151 officer

- 3.7 Members will be aware that under the current shared services

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arrangements, the post of Director of Finance has historically been held by an officer employed by Bromsgrove District Council, with that person being “made available” to Redditch Borough Council.

- 3.8 Members will recall that in June 2022, a report was considered by full council recommending the appointment of Mr Peter Carpenter as Interim Section 151 Officer. In June 2023, Council agreed to extend the arrangements for the Interim Chief Finance Officer/Section 151 Officer until 22nd December 2023. The current arrangement is set up a placement via West Midlands Employers and Mr Carpenter is paid on a daily rate.
- 3.9 Whilst the recruitment process of the permanent Section 151 is now delayed, the Council remains subject to the legal requirement to have a Section 151 officer in place when the current arrangement with Mr Carpenter (via West Midlands Employers) ceases on the 22nd December 2023.
- 310 As Members will be aware, following the Interim Annual Audit Report 2020/21, both Councils were issued with Section 24 notices in the autumn of 2022. In response to this a detailed Finance Recovery Plan has been put in place for which Mr Peter Carpenter has taken on a key leading role. He is currently overseeing progress on a number of business critical workstreams and the Council has benefitted from having an experienced and knowledgeable Section 151 officer in post at this time.
- 3.11 Members are advised that key aspects that Mr Carpenter is currently working on include: -
- Supervising delivery of closure of the accounts;
 - Working closely with the Council's internal finance team;
 - Liaising with the Council's external auditors; and
 - Delivery of the projects linked to the Levelling Up Fund work in Bromsgrove and the Town Deal in Redditch.
- 3.12 To ensure a period of stability at the senior level, it is proposed that Mr Carpenter be appointed as Interim Deputy Chief Executive to the post made vacant by the resignation of Mrs Hanley, and to the post of Interim Executive Director of Resources. This second role would encompass his current role of Section 151 Officer and line managing the Head of Finance and Customer Service and Head of Legal, Democratic and Property Services. In addition, the duties would include managing the departments currently managed by the Head of Transformation, Organisational Development and Digital Services, who is currently on a long term absence.

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- 3.13 This new expanded role would be secured by way of a direct contract of employment between Mr Carpenter the Council on a Fixed Term until 30th November 2024. As previously Mr Carpenter would be “made available” to Redditch Borough Council under the shared service arrangements. Mr Carpenter would also continue to act as Section 151 Officer for Redditch Borough Council.
- 3.14 Members are advised that Ms Michelle Howell, Head of Finance and Customer Services and Deputy Section 151 Officer, has tendered her resignation for personal reasons, and will be leaving the Council and local government in December 2023. Arrangements have been put in place via an agency for an interim Head of Finance and customer Services and Deputy Section 151 officer to be engaged. This will provide cover and continuity for the team until such time as a permanent replacement can be recruited.
- 3.15 In conclusion, officers believe that it is imperative that the Council seek to enable continuity in the finance team. It is also important that any incoming permanent Head of Financial Services and Customer Services (alongside the newly strengthened Finance Team) has sufficient coaching, support and leadership over the coming period.
- 3.16 For the reasons detailed above the Council is being asked to consider appointing Mr Carpenter as Interim Deputy Chief Executive and Interim Director of Resources (including Section 151 Officer) on a fixed term contract. Officers believe that this appointment would strongly mitigate against the risks of loss of knowledge and experience of delivering the statutory section 151 functions were Mr Carpenters current employment arrangements via West Midlands Employers to come to an end. A further risk factor to consider in this regard is that the Deputy Section 151 officer post is also subject to change at the current time with the departure of Ms Howell as set out in paragraph 3.13. The appointment of Peter Carpenter would provide the continuity that is required for specific projects. It would also ensure the Council’s compliance with its obligations around the Section 151 function during a period of change and allow for continued support to be given to members of the finance team in the short term to medium term.

Returning Officer and Electoral Registration Officer for Bromsgrove

- 3.17 Members will recall that under the previous management structure the statutory posts in relation to the administration of the elections were held by Mr Dicks for Bromsgrove and by Mrs Hanley for Redditch. Given that

a new Chief Executive has not been recruited, consideration needs to be given to re-appointing to the Bromsgrove statutory election posts.

- 3.18 As in practice the elections have to be covered simultaneously at both Councils, these duties have always been shared by two officers. The proposal therefore is that Mrs Hanley will continue to cover these roles for Redditch, and that Mrs Claire Felton, Head of Legal, Democratic and Property Services, be appointed as the Returning Officer and Electoral Registration Officer for Bromsgrove. Mrs Felton already acts as Deputy Returning Officer for Bromsgrove.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications for the appointment/continuation of Mrs Hanley as Chief Executive. The salary, excluding on costs, for the Chief Executive is £142,663 - £148,485, and the changes outlined in this report will not create any additional expenditure for this employee. These costs are covered 50:50 between Redditch Borough Council and Bromsgrove District Council under shared service arrangements.
- 4.2 The salary for the Deputy Chief Executive role is currently £114,444 - £118,842, excluding on costs. The market for interim roles does attract a higher market rate and therefore a supplement of £21,158 is proposed to retain and appoint Mr Carpenter, with an overall salary of £140,000. By re-defining this post to cover expanded duties and switching to a fixed term salaried approach, officers believe that better value can be achieved for the organisation. Again, these costs would be covered 50:50 between Redditch Borough and Bromsgrove District Councils.
- 4.3 Appointing on a £140,000 salary for full year would result in employers costs of £158,060. It should be noted that the employee has indicated that they would not wish to be part of the pension scheme which would incur an additional cost of £27,440.
- 4.4 The current Deputy Chief Executive 2023/24 budget provision totals £154,260 which includes budget provision for employers pension costs. When comparing the estimated annual costs of £158,060 to the budget provision this would result in a minor overspend which could be accommodated within existing budgets.
- 4.6 There are no financial implications in relation to the appointment of Mrs Felton to the statutory posts of Returning Officer and Electoral Registration Officer.

5. LEGAL IMPLICATIONS

- 5.1 It is a legal requirement that the appointment of the Head of Paid Service and “statutory officers” is made by full Council. This is set out in the relevant regulations (The Local Authorities (Standing Orders) Regulations 2001 (as amended) Schedule I Part II) which are reproduced in the Officer Employment Rules at Part 17 of the Constitution.
- 5.2 The Council is required to nominate an officer under section 151 of the Local Government Act 1972 to be responsible for the proper administration of its financial affairs. The relevant wording states that: - “Without prejudice to section 111 above, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.”
- 5.3 Section 6 of the Local Government and Housing Act 1989, further sets out that “ (1) On and after the commencement day the Common Council shall – (a) make arrangements for the proper administration of such of its financial affairs as relate to it in its capacity as a local authority, police authority, or port health authority, and (b) secure that one of its officers has responsibility for the administration of those affairs”.
- 5.4 Section 113 of the Local Government Finance Act 1988 requires that the officer appointed as the Chief Finance Officer (CFO) must be a member of a specified accountancy body.
- 5.5 The legislation regarding the appointment of the Council’s Returning Officer is set out in Section 35 of the Representation of the People Act 1983, and the requirement for an Electoral Registration Officer is set out in Section 8 of the same Act.
- 5.6 External employment legal advice has been taken in preparing the report and recommendations. The approach and recommendations have been shared with the Council’s outgoing External Auditor in view of the Section 24 Notice and also with the incoming External Auditor. The Auditors have confirmed their view that the proposals are entirely reasonable in the circumstances and demonstrate resilience in the context of the challenges that were identified in the Interim Annual Audit report 2020/2021.

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6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 Effective financial management underpins all the Council's operations and achievement of strategic purposes.
- 6.2 The appointment of Mrs Susan Hanley as Interim Head of Paid Service, and the appointment of Mr Peter Carpenter as Interim Deputy Chief Executive and Interim Director of Resources (Section 151 Officer), on fixed term contracts will ensure that there is consistency and continuity for the year ahead.
- 6.3 This continuity will assist the Council in terms of being an effective and sustainable authority moving forward.

Climate Change Implications

- 6.4 There are no specific climate change implications.

Equalities and Diversity Implications

- 6.5 There are no known equalities implications arising from the options outlined in this report.

7. RISK MANAGEMENT

- 7.1 As outlined in section 3, the following risks have been identified by this report, particularly in relation to the post of Director of Finance and Section 151 Officer:-
 - Decline in Council performance and focus in terms of high level leadership given that a permanent replacement Head of Paid Service was not recruited.
 - Loss of lead officer for implementation of Finance Recovery Plan at a time when the Council is subject to the Section 24 Notice.
 - Loss of lead finance officer for the specific projects listed at paragraph 3.10.
 - Potential inability to comply with legal requirement for Council to have a section 151 Officer in place given that a permanent replacement Section 151 officer was not recruited and the current postholder as Deputy Section 151 Officer is leaving the organisation at the end of 2023.

- Loss to the organisation of knowledge and experience held by the current Interim Section 151 Officer.
- Loss to the organisation of continuity in the Finance Team particularly around support for the Head of Finance and Customer Services post and more junior team members.

7.2 Ways in which the steps recommended in the report will mitigate the risks outlined above: -

- The appointment of an Interim Head of Paid Service on a fixed term contract until 30th November 2024 will secure this position for the next 12 months and allow for continuity and officer leadership to be provided by Mrs Hanley remaining in this role.
- There is scope for this appointment to be extended to cover a transition to a new Chief Executive if required.
- The continuity of employment of the current Director of Finance and Section 151 Officer will be secured by employing Mr Peter Carpenter on a fixed term contract until 30th November 2024.
- These arrangements will give the organisation 12 months to carry out further recruitment.
- The vacant post of Deputy Chief Executive will be filled on an interim basis giving additional support to the Interim Head of Paid Service.
- The organisation will be able to retain the professional expertise of Mr Carpenter and there will be continuity in respect of the projects he is leading on and the support provided to the Finance Team.
- The Council will be able to fulfil its legal obligations by employing a knowledgeable and experienced Section 151 Officer.
- There will be continuity in respect of the implementation of the Council's Finance Recovery Plan and liaison between the Council and its external auditors.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Structure Chart

Overarching Framework Agreement between Bromsgrove District Council and Redditch Borough Council - 21st March 2011

9. REPORT SIGN OFF

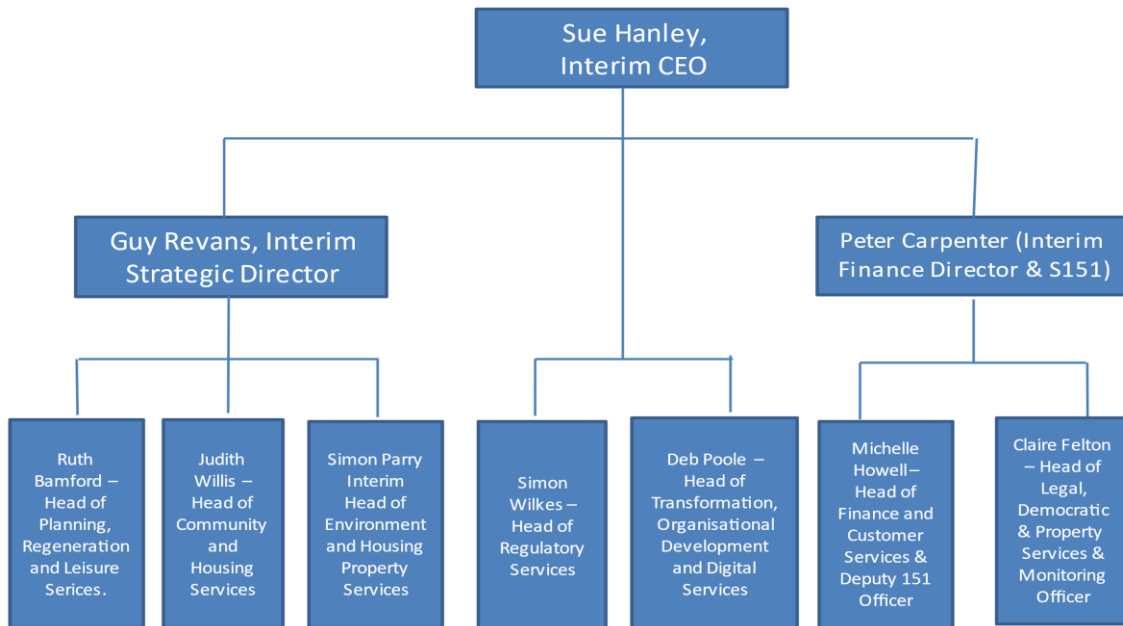
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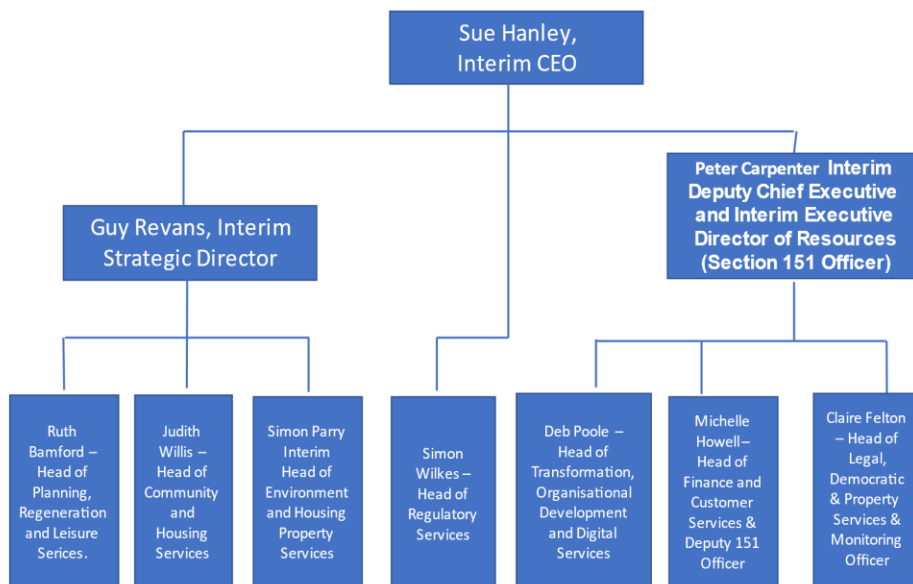
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Department	Name and Job Title	Date
Portfolio Holder	Councillor Charlie Hotham	
Lead Director / Head of Service		
Financial Services		
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	

Current Structure



Proposed Structure



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Agenda Item 9

Recommendation from the Licensing Committee Meeting Monday 13th November
2023

Members are asked to RESOLVE

that the revised Statement of Licensing Policy shown at Appendix 3 be approved and published to take effect on 1st April 2024.

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INTERIM AUDITORS ANNUAL REPORT 2021/22 AND 2022/23

Relevant Portfolio Holder	Councillor Charlie Hotham, Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Pete Carpenter
Report Author	Job Title: Interim Director of Finance email:peter.carpenter@bromsgroveandredditch.gov.uk Contact Tel: 0152764252
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY OF PROPOSALS

- 1.1 The Council has received the Interim Auditor’s Annual Report from our External Auditors Grant Thornton for 2021/22 and 2022/23. This was received by Audit, Standards and Governance Committee on the 27th November 2023. The report sets out progress since the 2020/21 Report and contains an updated Statutory Recommendation with the **key reason** being the non-delivery of the 2020/21 and subsequent financial statements. This report sets out the reason for the updated Statutory Recommendation, the progress the Council has made since last year’s report, and the process the Council now has to follow to rectify that position.

2. RECOMMENDATIONS

Audit Standards and Governance Committee at their meeting on the 27th November 2023 Recommended that Council:

- 1 That the Section 24 Statutory Recommendation is accepted and that Council review the recommendation, endorse the actions included in the management responses which form the rectification process required as per legislation.
- 2 That Audit, Standards and Governance Committee members are updated on key deliverables, where deemed applicable by the Chairman, the Cabinet Member for Finance and Enabling and the Section 151 Officer, between Committee meetings and that appropriate governance arrangements are put in place to resolve the Council’s position.

3. **Background**

Introduction

- 3.1 The Council received a Section 24 Statutory Recommendation, 5 Key Recommendations and 13 Improvement Recommendations in the 2020/21 Interim Auditor's Annual Report. During the last year, Members have been updated on progress on delivering to the requirements of the Statutory Recommendation and associated financial issues through the Accounting Policies Reports that are reviewed at every Audit, Standards and Governance Committee and the Financial Recovery Reports that go to Cabinet. In addition, a Task Group was convened in Bromsgrove to identify the underlying issues for the delivery of the Section 24 Statutory Recommendation in February 2023. This Task Group's Report was reviewed and its recommendations accepted.
- 3.2 As set out in those reports the Section 24 Statutory Recommendation is due to the issues the Council encountered in the implementation of a new financial system in February 2021 and its knock-on effect in terms of staff retention, delivery of the 2020/21 and subsequent Accounts, delivery of 2021/22 in year monitoring, delivery of Government Returns being key items.
- 3.3 As set out in the Interim Auditor's Annual Report 2021/22 and 2022/23 (attached as Appendix A):
- The Section 24 Recommendation around the delivery of the 2020/21 accounts is still in place and has been extended to the subsequent accounting periods now outstanding.
 - Of the 5 Key Recommendations in the 2020/21 report, only one serious weakness remains in relation to opening balances linked to the budget which will be resolved with the delivery of the Accounts, the remainder of those significant weaknesses have been resolved or linked to Improvement Recommendations (of which there are 10 in the report).
 - There is one new Key Recommendation linked to Organisational Capability and Capacity. The Council is mitigating this in the main through the rollout of the Workforce Strategy.
 - Of the 13 2020/21 Improvement Recommendations, 9 have been fully or partially addressed and 4 are yet to be addressed. Again, ongoing improvements are linked to the 10 new Improvement Recommendations set out in the External Auditors report.
- 3.4 The External Auditors have noted the significant progress the Council has made in all areas apart from the delivery of the Accounts. As such the existing S24 Statutory Recommendation remains outstanding in relation to the 2020/21 Accounts and they have concluded that it is appropriate for them to use their powers to make written recommendations under section 24 of the Act, with the key reason being the non-delivery of the 2020/21 and subsequent Statutory Accounts. Further details are set out in the attached report.

- 3.5 Schedule 7 of the Local Audit and Accountability Act 2014 requires the following actions:
- The Council must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the Council. This will take place at the Council meeting being scheduled for the 6th December 2023.
 - At that public meeting the Council must decide
 - whether the recommendations are to be accepted; and
 - what, if any, action to take in response to these recommendations.
 - Schedule 7 specifies the meeting publication requirements that the Council must comply with.
- 3.6 Audit, Standards and Governance Committee at their meeting on the 27th November reviewed the report in the presence of the External Auditors and accepted the recommendations and the proposed management actions. The Committee added an additional recommendation linked to the timescales and route of delivery.
- 3.7 The External Auditors Report sets out that Management state that the proposed resolution of the opening balances (Period 0) as at the 8th February have been provided on the 13th November. Once these are reviewed and agreed by the External Auditors the draft 2020/21 Accounts can be provided.
- 3.8 Pages 4 to 7 of the External Audit Report sets out the main issues and the Council's Management Responses to each of those issues.

4. **IMPLICATIONS**

Financial Implications

- 4.1 Financial implications are set out in section 3.

Legal Implications

- 4.2 This is set out in section 3.5 above.

Service / Operational Implications

- 4.3 Non-Delivery of the 2020/21 and subsequent Accounts is a fundamental deficiency and this is part of the Corporate Risk Register and impacts all service areas directly and indirectly.

Customer / Equalities and Diversity Implications

- 4.4 There are none of these within this report.

5. RISK MANAGEMENT

- 5.1 Non-Delivery of the 2020/21 and subsequent Accounts is a fundamental deficiency and this is part of the Corporate Risk Register.

6. APPENDICES

Appendix A – Bromsgrove District Council Interim Auditors Annual Report 2020/21 and 2022/23 – Grant Thornton.

7. BACKGROUND PAPERS

S24 Report to Audit, Standards and Governance Committee – November 2022
2020/21 Draft External Auditors Annual Report – Audit, Standards and Governance Committee – November 2022
Accounting Policies Reports to every Audit Committee in 2023

8. KEY

None

Interim Auditor's Annual Report on Bromsgrove District Council

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2021/22 and 2022/23

November 2023

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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Bromsgrove District Council

Parkside
Market Street,
Bromsgrove
B61 8DA

27 November 2023

Dear Sirs/Madams

[Recommendations made under section 24 schedule 7 of the Local Audit and Accountability Act 2014](#)

Our responsibilities

As well as our responsibilities to give an opinion on the financial statements and assess the arrangements for securing economy, efficiency and effectiveness in the Council's use of resources, we have additional powers and duties under the Local Audit and Accountability Act 2014. These include powers to issue a public interest report, make written recommendations, apply to the court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We have concluded that it is appropriate for us to use our powers to make written recommendations under section 24 of the Act, due to inadequate arrangements relating to issues with financial systems which further impact on key statutory returns and related financial governance and concerns around the authority's arrangements to secure financial sustainability. The continued non-delivery of the 2020/21 financial statements is a key reason for our updated S24 Recommendation. Further details are set out in the attached report.

What does the Council need to do next?

Schedule 7 of the Local Audit and Accountability Act 2014 requires the following actions:

The Council must consider the recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the Council.

At that public meeting the Council must decide

- whether the recommendations are to be accepted; and
- what, if any, action to take in response to these recommendations.

Schedule 7 specifies the meeting publication requirements that the Council must comply with.

[Jackson Murray](#)

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Executive summary






Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Council's arrangements under specified criteria. 2020/21, reported on the 31st October 2022, was the first year that we reported our findings in this way. The NAO have issued guidance to auditors which states that a commentary covering more than one financial year can be issued where it is more efficient and effective to do so. We have decided to report a combined commentary on the Council's arrangements for 2021/22 and 2022/23 because [engagement team to add explanation]. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are summarised in the table below.

We have included a summary on the Council's progress against the key and statutory recommendations raised in 2020/21 to our report for 2021/22 and 2022/23. This is for the purposes of clarity to ensure that it is clear which recommendations remain outstanding and which can be closed. This summary is on pages 11 to 14. Bromsgrove District Council (BDC) also has a totally shared management team with Redditch Borough Council (RBC). RBC may also be referred to in this report.

Criteria	2021/22 Auditor Judgment	2022/23 Auditor Judgment
Financial sustainability	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1) and four improvement recommendations	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1) and four improvement recommendations
Governance	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1), one key recommendation and five improvement recommendations	Significant weakness in arrangements identified resulting in one statutory recommendation (SR1), one key recommendation and five improvement recommendations
Improving economy, efficiency and effectiveness	No significant weakness in arrangements identified but two improvement recommendations	No significant weakness in arrangements identified but two improvement recommendations raised

-  No significant weaknesses in arrangements identified or improvement recommendation made.
-  No significant weaknesses in arrangements identified, but improvement recommendations made.
-  Significant weaknesses in arrangements identified and key recommendations made.

Executive summary



Financial sustainability

Bromsgrove District Council (BDC)'s financial arrangements are significantly impacted by a flawed ledger implementation which occurred in February 2021. This has had pervasive consequences on all aspects of organisational operations and the Council's ability to fully prove its financial sustainability. As reported in our 2020/21 Auditor's Annual Report in October 2022 and our updates to Audit, Standards & Governance in May 2023 and September 2023, the Council is still not able to produce full draft financial statements for 2020/21. The statutory recommendation in this area remains open and we have updated the statutory recommendation to reflect changes over the last 12 months (see statutory recommendation 1).

Notwithstanding the financial ledger implementation issues and the impact on producing the accounts, the Council has been able to produce a financial monitoring report for M11 of 2021/22 and quarterly monitoring and a draft outturn report for 2022/23. The M11 monitoring report showed the Council to be reporting an estimated £367k underspend on the General Fund Revenue Budget which is a reasonably comfortable financial performance. The draft 2022/23 outturn is forecasting a £956k overspend which is set to be serviced by reserves. The majority of this overspend is linked to the nationally agreed pay award which was significantly over the 2% planned for. It is important to note that all financial information produced since February 2021 is not supported by audited financial statements, and as such could be subject to further change. This means that budget outturns could be incorrect as the budgeting process each year is based on this unvalidated information. This has the potential to change the financial position significantly and may mean inappropriate decisions are being taken.

The Council appears to be in a strong position for the medium term. Our review of the majority of savings that make up the medium term package demonstrate that the plans are based on robust assumptions. We were able to validate the majority of the Council's savings plans with third party evidence which is demonstrative of strong assumptions underpinning the plan. It is important to note, however, that these savings appear to only secure the Council's financial sustainability for the medium term. When the medium term period elapses, the Council will need to identify new and recurrent savings for the post-2026/27 period. The Council currently report a healthy level of reserves (£5.8m estimated as at 31 March 2023, which is above the 5% net revenue expenditure benchmark). The Council must note that any non-delivery of savings would increase its reliance on reserves, though based on our review of the savings plans, this is unlikely to materialise to an unsustainable degree in the medium term.

Though the Council's MTFP appears to be predicated on fairly strong ground, it is important to note that we are basing this assessment on information that is not currently supported by audited statements of accounts for the past three years – which creates a significant gap in assurance. This continues to be a weakness, identified initially in October 2022, and we address this issue in statutory recommendation 1. We raise an improvement recommendation on savings identification, development and reporting to encourage greater transparency in savings management.

The Council has reported significant underspends against its capital budgets relating to slippage, re-phasing and delays in capital projects. We have raised an improvement recommendation in this area (see improvement recommendation 2) to strengthen the Council's capital budget setting process.

The budget setting process at BDC has undergone significant changes since our reporting in October 2022. There has been a focus on greater Member engagement and regular updates on emerging budget concerns have been publicly reported on a regular basis. The 2023/24 budget process also changed significantly with the introduction of the 'two tranche' approach. While there has been improvement, we raise two improvement recommendations relating to budget setting (see improvement recommendations 3 and 4).

Similarly, the budgetary control arrangements have notably improved. During 2021/22, there was no in-year financial monitoring reporting. In 2022/23, the Council returned to in-year reporting which is extremely positive to note. Whilst there has been progress, it is important to note that the assurance in the budget monitoring arrangements continues to be severely impacted by the flawed implementation of the ledger system in February 2021.



2021/22

We are unable to complete our financial statements audit as the Council is unable to produce accounts.

2022/23

We are unable to complete our financial statements audit as the Council is unable to produce accounts.



Executive summary



Governance

We have found a significant weakness in the Council's governance arrangements relating specifically to the failure to produce full financial statements for 2020/21, 2021/22 and 2022/23 (see statutory recommendation 1). The Council is significantly behind its statutory requirement to produce financial statements. This does not allow accountability and transparency for the taxpayers of Bromsgrove. In our view, this is an unacceptable failure to comply with statutory duties. The Council has continued to report this position to Members through Audit, Standards and Governance Committee and Cabinet.

Outside of the financial ledger issues, the Council's governance arrangements have undergone significant improvement since our 2020/21 reporting. Since October 2019, there had been no formal risk reporting arrangements at the Council. This remained throughout 2021/22 and was reinforced by 'No assurance' opinions from internal audit regarding risk management. It was impossible for Members to have assurance that risks were properly being identified and appropriately managed. During 2022/23, the Council was able to introduce a Risk Strategy and Risk Management Framework and introduce formal risk reporting via the Audit, Standards & Governance Committee. Due to the significance of the deficiencies in 2021/22, we have found there to be a significant weakness in the Council's arrangements for risk management in that year. This was reported in our 2020/21 Auditors Annual Report in October 2022. As this is a combined 2021/22 and 2022/23 report, we must also comment on the arrangements for 2022/23. Due to the improvement in the position from 2021/22 to 2022/23, we do not find there to be a significant weakness in the Council's arrangements for 2022/23 but raise improvement recommendations. This demonstrates a marked improvement in the arrangements from 2021/22 to 2022/23, noting that there remains work to do.

The Council had appropriate internal audit arrangements during 2021/22 and 2022/23. The service was effective and assessed the adequacy of internal controls, reporting regularly Audit, Standards & Governance Committee. We raise one improvement recommendation relating to external assessment for compliance with PSIAS (see improvement recommendation 6). Internal audit provide the Council's arrangements for the prevention and detection of fraud. These are generally appropriate though an improvement recommendation has been raised relating to whistleblowing arrangements (see improvement recommendation 8).

There is also room for improvement with regard to Audit, Standards & Governance Committee arrangements (see improvement recommendation 7).

We have found a new significant weakness for 2022/23 relating to the Council's organisational capacity and capability. The average age of staff at the Council is 49 and approximately 10% of Council staff are interim/temporary arrangements. Two of the three statutory officer roles are currently being fulfilled by interims. High turnover of staff has led to a loss of corporate knowledge and history, and this impacted the finance team significantly along with the continuing development of the finance system implementation. The finance team currently has several staff who are interim or on long-term sick leave, and there are also vacancies.

In September 2023, we reported to Audit, Standards & Governance Committee the challenges we were experiencing in terms of obtaining sufficient, appropriate evidence to support our audit work in respect to the ledger implementation, as well as the receipt of other evidence that would allow us to undertake an audit of the 2020/21 financial statements. We decided to redirect our audit team to other work as insufficient working papers had been provided and those that had been provided were not of the expected quality. We attribute some of the difficulties experienced here to a lack of capacity in the finance team.

The combination of the turnover and capacity constraints coupled with the formidable task of rectifying the issues with the ledger implementation has lead us to conclude that there is a significant weakness in the Council's arrangements with regard to organisational capacity and capability (see key recommendation 1). The Council now have a Workforce Strategy in place which is a positive step in the right direction. Effort must now be directed toward embedding the strategy and action plan. This issue was similarly acknowledged by the LGA in the peer review. We also acknowledge that this is extremely challenging in the current local government environment and the difficulties surrounding workforce recruitment and retention. These challenges appear to be having a particularly acute impact at the Council and Redditch Borough Council (RBC), with whom all staff are shared.

Executive summary



Improving economy, efficiency and effectiveness

During 2021/22, the Council did not publish performance reports, which was a significant weakness in arrangements. The Council has returned to in-year reporting for 2022/23 and 2023/24 which is combined with financial reporting, though there is significant room for improvement in the quality of the reports (see improvement recommendation 9). The Council clearly have a lot of meaningful data but it is currently not presented in the most accessible format to be able to properly interrogate the information. There are currently limited benchmarks or targets against which to measure performance and there is therefore no standard expectation. The data shows what is happening but does not assess whether this performance is 'good' or 'bad' and therefore does not drive behaviour and actions. The Council should put effort toward determining what quality of service it would like to deliver, put arrangements in to review that regularly and then report against that position. The current performance reports demonstrate a good foundation to build on but there is room for improvement.

The Council has Contract Procedure Rules though these have not been updated since October 2016. We raise an improvement recommendation urging the Council to review the Contract Procedure Rules annually (see improvement recommendation 10). The procurement function has undergone significant change in the last year and a half and improved significantly as is demonstrated by the journey from the 'Limited assurance' internal audit report from June 2022. There is, however, room for improvement. At present, the procurement team does not report on waivers to committee level. We recommend that the Council report on waivers (in terms of numbers and values of waivers raised) to the Audit, Standards & Governance Committee at least quarterly. This can ensure that senior leadership, Members and the public are aware of the level of waiver use (see improvement recommendation 10).

The Council has notably strong partnership arrangements in place. The Council works closely with its statutory partners, commissioned providers, private businesses, community and the voluntary sector to perform its responsibilities. Partnership working is a specific area of focus for both Councils, led by the Interim Chief Executive. The Council brings together organisations from all sectors as community leaders and key members of their local strategic partnerships (LSPs), the Bromsgrove Partnership, as well as the emerging local 'Collaboratives'.

Since our report, the Council has made significant progress in their management of projects/programmes. A Project Management Framework has been created and Project Management Office (PMO) established to support project delivery. Formal reporting of all projects is undertaken on a monthly basis and feeds into the Finance and Performance Reports.

Use of auditor's powers

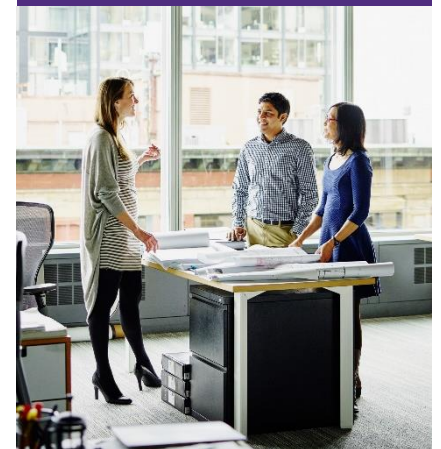
We bring the following matters to your attention:

	2021/22	2022/23
<p>Statutory recommendations</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly</p>	We have raised one statutory recommendation.	We have raised one statutory recommendation.
<p>Public Interest Report</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.</p>	We did not issue	We did not issue
<p>Application to the Court</p> <p>Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.</p>	We did not apply	We did not apply
<p>Advisory notice</p> <p>Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:</p> <ul style="list-style-type: none"> is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure, is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or is about to enter an item of account, the entry of which is unlawful. 	We did not issue	We did not issue
<p>Judicial review</p> <p>Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.</p>	We did not apply	We did not apply

Recommendation made under section 24 schedule 7 of the Local Audit and Accountability Act 2014

Area	Recommendation (SR1)
Financial systems and governance	<p>The Council still cannot produce full draft 2020/21 accounts. Incomplete versions of the financial statements for 2020/21 were presented to Audit, Standards and Governance Committee in December 2022, however, these had material balancing figures to be resolved. We understand that these issues were subsequently resolved, however, draft financial statements have yet to be certified by the Section 151 Officer who has stated that he will not certify the financial statements until external audit assurance has been obtained on the opening balance transfer from the old to the new ledger relating to the longstanding issues stemming from the flawed ledger system implementation from February 2021. Although we are aware of this approach, we consider this to be unsatisfactory progress since our issuing of the statutory recommendation that we raised in October 2022. The failure to produce 2020/21 accounts has had the subsequent impact of a failure to produce draft accounts for 2021/22 and 2022/23 which are the audit years which are the subject of this report. The Council is significantly behind its statutory requirement to produce financial statements. This does not allow accountability and transparency for the taxpayers of Bromsgrove. In our view this is an unacceptable failure to comply with statutory duties. The Council has continued to report this position to Members through Audit, Standards and Governance Committee and Cabinet.</p> <p>We have attempted to undertake work on the opening ledger balances, however, progress to obtain information from the Council and its ledger software provider has been slow and the Council only provided transactional data for period 0 (2020/21) on the 13th November 2023 from the old system.</p> <p>Furthermore, the entire medium-term plan, including the projections surrounding the medium-term gap (the cumulative budget deficit forecast up to 31st March 2026), the forecast reserves balance and all budget monitoring information is using data that cannot be supported by audited financial statements since 2020/21. This has the compounding impact of placing a limited level of assurance on the starting figures in the medium term financial plan. The lack of assurance in the figures included in the budget monitoring reports is further demonstrated by:</p> <ul style="list-style-type: none"> • The Council's reluctance to produce a whole-year 2021/22 outturn report (only an M11 report has been produced) • The correction to the 2020/21 outturn (which was originally presented in January 2022 and then corrected and presented again in January 2023) <p>Recommendation</p> <p>The Council must produce 'true and fair' draft accounts for 2020/21, 2021/22 and 2022/23 which are signed off by its Section 151 officer. In addition, the accounts must be supported by high quality working papers. Working papers must be subject to internal quality control checks prior to being provided to external audit to avoid further delays and cost.</p> <p>To achieve this, the Council needed to prioritise gaining access to period 0 balances for 2020/21 which are essential to gaining assurance over the ledger transfer. This was only delivered on the 13th November and is therefore still subject to review. Once the Section 151 Officer is satisfied that the ledger transfer was appropriate, he must certify draft accounts for 2020/21 and publish these on the Council's website. The public inspection period must also be started. The Council must then focus on the production of 2021/22 and 2022/23 draft financial statements and their publication.</p>

The range of recommendations that external auditors can make is explained in Appendix C.



Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Statutory	<p>The Council cannot yet produce its 2020/21 draft statement of accounts with long-standing issues with its new ledger system in relation to cash receipting requiring resolution. The Council must ensure that arrangements allow for the successful implementation of cash receipting within its ERP system to allow key elements of financial governance and compliance to be undertaken routinely and in a timely manner. In order to achieve this the Council should:</p> <ul style="list-style-type: none"> ensure the Council has access to the necessary knowledge and expertise to resolve the remaining key issues with the ERP system in a timely manner to provide management with sufficient assurance over the completeness and veracity of the data included within the system; undertake appropriate testing of the fixes and ensure that appropriate sign-off of these is received prior to running them on live system data; and ensure budget holders and other relevant officers possess the skills and knowledge to appropriately use the ERP system as intended, including relevant training and updates to key documentation and process manuals. <p>Once system issues are properly resolved, the Council must:</p> <ul style="list-style-type: none"> undertake key control activities such as bank and control account reconciliations on a monthly basis and ensure that these are kept up to date; produce the 2020/21 and 2021/22 draft financial statements, along with high quality supporting working papers; conclude the 2020/21 and 2021/22 RO and CO submissions, and other key Government returns including Whole of Government Accounts; and ensure timely reporting of budget outturns and report publicly on in-year financial monitoring, including updates on the capital programme and savings scheme achievement. 	<p>In October 2022, we issued a statutory recommendation relating to Redditch Borough Council and Bromsgrove District Council's flawed finance system implementation (which occurred in February 2021). The implementation had resulted in the Councils being unable to produce 2020/21 accounts for external audit.</p> <p>We acknowledge that progress has been made since this date. We received an early draft version of the 2020/21 accounts in December 2022 and have been able to perform some procedures relating to data migration and testing. There remains to be significant work required, this is documented in our report to Audit, Standards & Governance from June 2023.</p> <p>We presented a further update on progress to Audit, Standards & Governance in September 2023 and highlighted that we were still experiencing significant difficulties in obtaining sufficient appropriate evidence to support the work on the data transfer to enable us to begin the 2020/21 audit of the financial statements in earnest</p> <p>The Council has made significant progress in a number of areas (e.g. cash receipting, providing data take on for all periods excluding period 0, return to financial monitoring). Period 0 data was finally received on the 13th November 2023. This progress has been documented in this report.</p>	<p>Though there has been improvement, the Council is still not able to produce full 2020/21 accounts. This has had the subsequent impact of a failure to produce accounts for 2021/22 and 2022/23. For this reason, the statutory recommendation remains open until the Council is able to produce comprehensive 2020/21, 2021/22 and 2022/23 accounts.</p> <p>The statutory recommendation remains outstanding.</p>

Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Key	The Council needs to ensure that the Medium-Term Financial Plan presented to Members is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.	The Council has made significant progress in its medium term financial planning and budget setting arrangements. This is documented on pages 16 to 19.	<p>The Council's medium term position is now predicated on much stronger assumptions than our prior year reporting. The significant weakness no longer applies and this key recommendation is resolved. There continues to be uncertainty in the financial information supporting the medium term plan, though this is addressed in statutory recommendation 1.</p> <p>The significant weakness in the medium term position remains due to the issues surrounding the ledger implementation. This is addressed in statutory recommendation 1. We have raised improvement recommendations relating to savings identification, management and monitoring and the budget setting process (see improvement recommendation 1, 3 and 4).</p>
Key	The Council needs to improve management of key projects, such as the financial ledger implementation, to ensure that expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure lessons are learned for future key projects.	Since our 2020/21 report, the Council has made significant progress in management of projects/programmes. This is documented on page 41. In summary, a Project Management Framework has been created and Project Management Office (PMO) established to support project delivery. Formal reporting of all projects is undertaken on a monthly basis and feeds into the Finance and Performance Reports.	<p>Although the finance ledger system issue remains, we have addressed this in our statutory recommendation which remains on the Council. We, however, lift the significant weakness relating to poor project management to recognise the progress the Council has made in this area.</p> <p>The significant weakness has been removed and key recommendation resolved. No further action.</p>

Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Key	The Council should review and implement effective governance arrangements in respect of performance monitoring to allow Members to make informed decisions. In order to achieve this the Council should reinstate public reporting on performance, linking this to the Council Plan and the related strategic objectives, allowing Members to scrutinise performance. This should be done at least twice per year.	The Council's performance management arrangements are covered in detail on pages 38 to 39. As documented in our report for 2020/21, there was no performance reporting for 2021/22. The significant weakness for 2021/22 therefore remains. In 2022/23, the Council returned to in-year reporting though the reports are in need of significant work to be of an appropriate standard.	We lift the significant weakness for 2022/23 due to the return to in-year reporting but we would like to emphasise that the quality of the Council's performance reports is inadequate and needs significant improvement. We raise an improvement recommendation (see improvement recommendation 9). The significant weakness is lifted and key recommendation resolved. However, see improvement recommendation 9.
Key	The Council should review and implement effective governance arrangements in respect of risk monitoring to allow Members to make informed decisions. In order to achieve this the Council should make risk management reporting a standing item on the Audit, Standards & Governance Committee agenda, with Members considering the Corporate Risk Register and Risk Management arrangements in an appropriate forum.	The Council has made visible improvements to risk management arrangements since our 2020/21 report. This is documented in detail on pages 29 to 30. To summarise, the Council did not have sufficient risk management arrangements during 2021/22. From our review of Audit, Standards & Governance Committee meetings and risk management reports, it is clear to see the progress the authority has made with regard to the Corporate Risk Register and the engagement with risk management at the organisation. The improvement in the quality of the reports from April 2021 to July 2023 is worth noting.	Due to the significance of the deficiencies in 2021/22, we have found there to be a significant weakness in the Council's arrangements for risk management in that year. Due to the improvement in the position from 2021/22 to 2022/23, we do not find there to be a significant weakness in the Council's arrangements for 2022/23 but raise an improvement recommendation (see improvement recommendation 6). The significant weakness has been removed and key recommendation resolved. An improvement recommendation has been raised (see improvement recommendation 6).

Progress from prior year significant weaknesses

Type of recommendation	Recommendation	Progress to date	Impact on 2021/22 and 2022/23 reporting
Key	The Council should ensure timely and relevant financial monitoring reporting is undertaken and presented to the appropriate public forum.	The Council's budgetary control arrangements are covered in detail on pages 17 to 19. In sum, there was no in-year financial monitoring reporting for the whole of 2021/22. The Council has made progress and managed to re-introduce in-year budget monitoring reporting in 2022/23. While there has been improvement, it is important to note that the budget monitoring arrangements are severely impacted by the flawed implementation of the ledger system in February 2021.	<p>Due to the fact that the Council did not have budget monitoring arrangements in place for 2021/22, our significant weakness remains for that year. However, as we are providing a dual report and are also covering 2022/23 and as the Council has returned to in-year budget monitoring, we have removed the significant weakness in arrangements for 2022/23. Nevertheless, we include in our statutory recommendation that the reliability and accuracy of the budget monitoring reports hinges on the successful rectification of the ledger implementation.</p> <p>The significant weakness is lifted and key recommendation resolved. However, see improvement recommendation 3.</p>

Key recommendations



Key Recommendation 1

Organisational capability and capacity

The Council should direct effort toward embedding and stepping up the Workforce Strategy objectives. In line with the recommendations of the LGA Peer Review (March 2023), the Council should ensure that there is commitment at all levels of the organisation to enact succession planning, creative recruitment and development of the workforce. The Council should also ensure that existing staff are utilised in the most effective way possible to ensure delivery of key Council programmes (such as the finance recovery programme) and the strategic priorities.

Audit year

2022/23

Why/impact

At present, approximately 10% of the Council's workforce is temporary/interim arrangements. Furthermore, two out of three of the statutory officers are interim. This impacts on the organisation's ability to deliver business as usual as well as strategic extraordinary projects such as the finance recovery programme. (Note, without interim staff there would be no finance recovery programme in its present format.) Moreover, it impacts the bottom line as temporary staff are a greater cost to the organisation than substantive arrangements. Bromsgrove District Council is an authority with a significant improvement journey ahead and the organisational capacity issues could hinder the Council's ability to develop and improve.

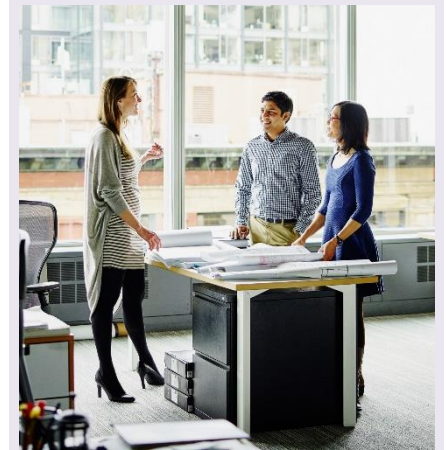
Management Comments

The Council are implementing its Workforce Strategy which was launched in June. £150k has been made available to ensure that there is appropriate HR resources to implement the initial action points of the plan. This plan includes the requirement of services ensuring that they properly plan their resources for the short, medium and long term resilience of the Council in delivering its services to stakeholders. As an example of this the finance team that is in the process of being rebuilt now has three officers undertaking CIPFA training in order to develop accountants and capacity in-house. However, given present employment conditions across the Country, part of this workforce plan needs to take account of the requirement to use temporary resource.

The two Statutory Officers who are presently interim are having formalised arrangements being put in place for the next year to ensure stability and continuity pending the restarting and completion of both recruitment processes. Both officers have extensive local authority experience, including organisational intelligence, member and staff support which significantly mitigates the risk.

The Council, as part of the Tranche Two of the 2023/4 budget, are reviewing the overall establishment to ensure it reflects its and the HRA's needs and links properly to the workforce strategy.

The range of recommendations that external auditors can make is explained in Appendix C.



Securing economy, efficiency and effectiveness in the local authority's use of resources

All local authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The local authority's responsibilities are set out in Appendix A.

Local authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the local authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

Arrangements for ensuring the local authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the local authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the local authority makes decisions based on appropriate information.

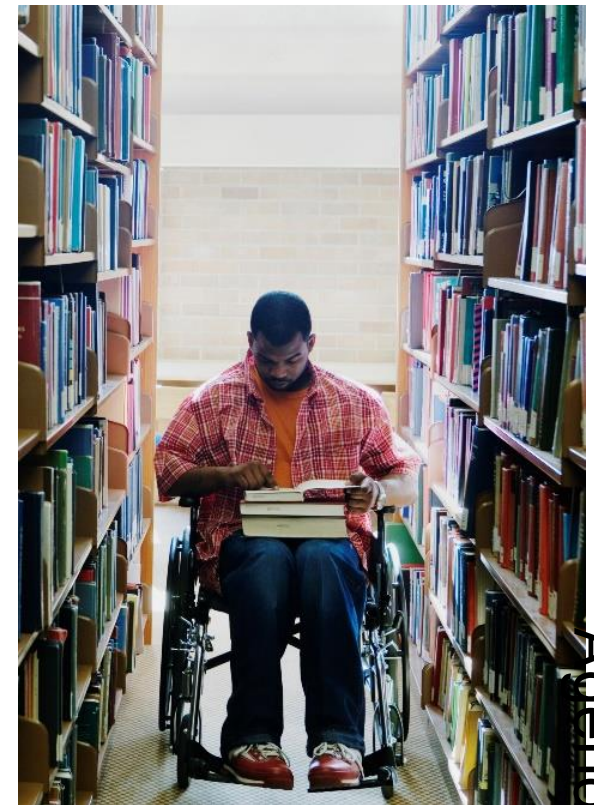


Improving economy, efficiency and effectiveness

Arrangements for improving the way the local authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the local authority's arrangements in each of these three areas, is set out on pages 16 to 43. Further detail on how we approached our work is included in Appendix B.



Financial sustainability



We considered how the local authority:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

Budget setting

A local authority's budget provides the financial basis for the allocation of resources, the delivery of services and the management of the organisation over the period of one financial year. Authorities are required by statute to set and agree an income and expenditure prior to the beginning of the financial year to which the budget relates.

The Council sets a three-year medium term plan every year with the Council Tax resolution being approved by Full Council in the February prior to the start of the financial year. The MTFP is updated annually.

The 2021/22 budget was approved by Full Council in February 2021.

For the 2022/23 budget, the Council incorporated an extraordinary element to the process in response to expressed appetite on the behalf of members to understand more about the underlying issues within the budget and MTFP, and to allow greater involvement of Members in advance of the formal report being received by Full Council in February each year. Officers therefore created a Member engagement plan for the 2022/23 Budget and MTFP report. The plan involved presenting reconciliations between the original approved budgets and any further updates. Officers also highlighted additional engagement opportunities through the Finance and Budget Working Group and workshops open to all Members. The Council also aimed to engage Members earlier on in the process and provide reasonable opportunity for suggestions to be considered. This demonstrates a positive step forward from our 2020/21 reporting where we noted that the Council had limited evidence of internal involvement in the budget setting process.

In 2021/22, the Cabinet was presented with an update on the preparation of the MTFP for 2022/23 to 2024/25 in December 2021. In this meeting, the Executive Director of Resources provided an update on emerging budget concerns and expressed the opportunity for further Member engagement. There was a distinct emphasis on the fragility of the Council's financial position and the increasing focus on rebuilding the General Fund reserves balance. This also represents a strengthening of arrangements.

The draft budget for 2022/23 was noted by the Cabinet in February 2022, having been pre-scrutinised by the Finance and Budget Working Group. The final budget was approved by Full Council later in the month.

The Council made further changes to the budget setting process for 2023/24.

In October 2022, the Cabinet was advised that the budget setting process for 2023/24 and the accompanying MTFP 2023/24 to 2025/26 would run in two 'tranches.' Due to the difficulties facing the Council (and the local government sector as a whole), officers considered it prudent to split the budget setting process into two. The initial tranche would seek to close as much of the deficit as possible using information known as at the end of September 2022 and seek approval for those savings to be implemented at Council in January 2023. The second tranche would be considered after the Christmas break which would be approved in February 2023. This would take into account the Local Government Settlement, the final detail for which was not due to be known until early January 2023.

In November 2022, the Cabinet received a further update on changes to the MTFP following announcements from the Chancellor in November 2022 and again in January 2023 following confirmation of the Local Government Settlement in December 2022.

Financial sustainability

The initial Tranche 1 savings were presented for Cabinet approval in January 2023. Tranche 2 was reviewed by the Cabinet in early February and approved by Full Council in February 2023. There has clearly been a concerted effort to develop the budget setting process at Bromsgrove District Council from 2020/21 to 2023/24. There is a notable increase in the level of engagement of senior officers from our reporting for 2020/21.

The Council included in the budget report a table demonstrating the changes in the financial projections and budget gap for 2021/22 based on the original estimation of the budget gap from February 2020. The Council included explanations of the reasons for changes

The report also demonstrates the impact on the medium-term financial plan. The budget report contains estimates and assumptions such as inflation, interest rates, government grants, council tax base and collection rates which are updated annually. This serves as evidence of the Council considering trends and the impact on the final outturn and, in this case, the forecast budget gap.

There is evidence that the budget setting process is linked with the annual business planning process as the report directly links the MTFP to the Council's Strategic Purposes. The Purposes that drive financial considerations are noted to be:

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

There is evidence of internal engagement in the 2021/22, 2022/23 and 2023/24 budget setting process. The Finance and Budget Working Group met regularly in the 12 months preceding the February budget approval to review costs, fees and charges and the capital programme.

These meetings often resulted in recommendations to the Cabinet. There is significant officer engagement in the budget setting process and Member to officer engagement in the devising of the savings proposals or income generation opportunities. In response to the LGA Peer Review from March 2023, the Council noted that the budget setting process has 'improved significantly from a democratic perspective.'

There continues to be limited evidence of external engagement in the budget setting process. There is no mention of external consultations feeding into the 2021/22, 2022/23 or 2023/24 budgets (see improvement recommendation 4).

There also continues to be limited evidence of trend analysis and extrapolation, sensitivity analysis or alternative proposals and scenarios being considered in the budget setting process. While this is not a significant weakness, the Council could enhance the budget setting process by including scenario modelling and presenting to Members to support their decision-making process (see improvement recommendation 3).

Budgetary control

In our report for 2020/21, we found a significant weakness in the Council's arrangements surrounding budgetary control. This was relating to the fact that budget monitoring reporting essentially ceased with the flawed implementation of the new ledger system in February 2021. There was therefore no in-year reporting for the whole of 2021/22.

The Council has made progress since our key recommendation and managed to re-introduce in-year budget monitoring reporting in 2022/23. In 2021/22, there were two reports presented to the Cabinet relating to the outturn of 2020/21. In 2022/23, the Council presented the Financial Monitoring Report for M11 2021/22 and began in-year reporting for 2022/23 with the presentation of the period 1 2022/23 in July 2022.

With regard to budgetary control for the 2022/23 financial year, the Cabinet received budget monitoring reports for period 1 in July 2022, Quarter 1 in September 2022, Quarter 2 in December 2022 and Quarter 3 in March 2023.

However, it is important to note that in January 2023 the Cabinet also received a second report relating to the financial outturn for 2020/21. Members were originally presented with the 2020/21 outturn in January 2022, a whole year earlier. Officers were presenting this report again as the original report contained inaccurate information regarding the outturn position and the latest report served as a correction.

In 2023/24, the Council has presented monitoring reports for Quarter 4 of 2022/23, the draft outturn position for 2022/23 and quarter 1 of 2023/24.

Financial sustainability

The Council has put significant effort toward ensuring processes and systems are in place to ensure budgetary control. There has been progress toward communicating relevant management information to Members. It is, however, important to note that this communication has not always been accurate or timely.

There is evidence of engagement with budget holders to review performance and identify actions to resolve variances. Financial reports are sent to budget holders on a monthly basis. As part of this process a detailed review is undertaken with support from the finance team to ensure that all issues are considered and significant savings or cost pressures are addressed.

There is evidence of reporting to Cabinet in-year and at outturn. The reports include appropriate treasury management activity, including borrowing and investment activity. For example, the Revenue Outturn report for 2020/21 (updated in January 2023) showed £4.75m of short-term borrowing and investments of £2m.

The reports include summaries providing clear understandings of drivers of cost pressures and action being taken. There are also explanations for variances to budget and outturn and actions being taken to mitigate the variances. The reports include relevant non-financial information, for example, capacity constraints within the finance team is mentioned in the budget monitoring reports to provide explanations for delays to timely reporting. There is clear effort in the reports to provide sufficient information for key decisions to be made.

While there has been progress, it is important to note that the budget monitoring arrangements are severely impacted by the flawed implementation of the ledger system in February 2021. For example, the Council is not comfortable producing a final outturn position for 2021/22 (which is why an M11 position was reported) due to the lack of assurance in the cash receipting related figures for the 2021/22 position.

We also do not have assurance in the accuracy or reliability of the information reported in the budget monitoring and outturn reports for the same reason, as the data is being driven by a system that has had unaudited accounts for 2020/21, 2021/22 and 2022/23. Officers and Members could therefore be making decisions that are misled due to the lack of assurance in the financial information reported. The consequence of this is a lack of assurance in the medium-term plan and medium-term position.

The accuracy concerns are further evidenced by the fact that the 2020/21 outturn was reported twice, one year apart, due to inaccuracies in the initial reporting.

Internal audit reports have also continued to highlight risk in certain financial areas such as budget monitoring and reconciliations. 'Limited' assurance opinions were reported in 2022/23 against debtors and the main ledger reflecting ongoing risks.

We also cannot place assurance on a budget monitoring audit performed by internal audit as they opted not to perform a review in 2021/22 and 2022/23 as they recognised that an audit would be of limited value as the risks and required actions were already known.

The fact that the Council has returned to in-year reporting demonstrates significant progress since our determination of a significant weakness in arrangements for 2021/22. Due to the fact that the Council did not have budget monitoring arrangements in place for 2021/22, our significant weakness remains for that year.

This is further corroborated by a 'limited' assurance internal audit into budget monitoring published in June 2022.

However, as we are providing a dual report and are also covering 2022/23 and as the Council has returned to in-year budget monitoring, we have removed the significant weakness in arrangements for 2022/23. Nevertheless, we include in our statutory recommendation (see statutory recommendation 1) that the reliability and accuracy of the budget monitoring reports hinges on the successful rectification of the ledger implementation.

The Council was able to provide evidence of increased efforts to ensure that non-finance colleagues are involved in the budget monitoring process. We viewed a copy of a training pack that was rolled out to budget managers to demonstrate effective budget management. This is an improvement from the 2020/21 reporting where we found limited evidence of this.

Discussions with officers show that the finance recovery programme is definitely of importance to the whole organisation which demonstrates an improvement from our reporting for 2020/21 where we noted limited engagement from officers with the financial position.

2021/22 planning and performance

The 2021/22 budget was set against the backdrop of COVID-19 and the resulting financial pressures that had a fundamental impact on local economies, nationwide uncertainty surrounding the financial impact of Brexit negotiations, the prospect of a potential new funding formula (that was eventually delayed) and general uncertainty on the future funding arrangements with central government.

Toward the end of 2020/21 and start of 2021/22, to add to these challenges, Bromsgrove also experienced a flawed implementation of their new finance ledger system in February 2021. This ledger system implementation has resulted in the Council being unable to produce accounts for 2021/22 and 2022/23. This was addressed in our statutory recommendation which was issued to the Council in October 2022, relating to the 2020/21 financial year.

In February 2021, the Council set an original General Fund revenue budget of £11.99m.

Financial sustainability

As per the budget report for 2021/22 presented in February 2021, the Council forecast identified savings and additional income of £426k for 2021/22.

Due to the flawed ledger implementation and the failure to produce audited statements of accounts, the Council the Council has not produced a 2021/22 final outturn report. The Council has produced an M11 estimated outturn of £367k underspend on the General Fund revenue budget.

The Council did not report on savings progress during 2021/22. This is addressed in our improvement recommendation 1. In reviewing the budgets for 2022/23, it was evident that £477k of savings were not delivered for 2021/22. We queried the Council to understand how £477k of savings were undelivered yet the target was £426k (meaning the Council did not deliver over £51k above its original target) and the Council was unable to highlight why this was the case. The issues surrounding this relate primarily to the account ledger implementation which has resulted in confusion and uncertainty surrounding figures for 2021/22.

The Council noted, however, that in 2022/23, the savings for 2021/22 were delivered via staff savings as is evident in the Quarter 2 Finance and Performance Report, though £57k was still not delivered.

The General Fund unearmarked reserves were reported as £4.613m at 31 March 2021 and the council used £0.218m of reserves during the year. The Council ended 2021/22 with reserves of £4.485m of General Fund unearmarked reserves.

2022/23 planning and performance

In 2022/23, the Council was still feeling the impacts of COVID-19 although the funding from government to meet the costs ceased. We note that there were additional pressures in budget costs, inflation levels not seen in over 20 years, interest rates at pre banking crash levels, Brexit and due to supply chain issues and it is clear that councils were facing a difficult national backdrop against which to make decisions to ensure future financial sustainability.

During 2022/23, the Council were issued with the statutory recommendations previously mentioned.

In February 2022, the Council set an original General Fund revenue budget of £12.069m (a small increase on the previous year). The Council aimed to deliver savings of £0.176m. As per the January 2023 financial monitoring report (which is the latest available report due to the ledger issues), the Council is expecting to fully deliver these savings.

As per the 2022/23 provisional outturn report presented to the Cabinet in October 2023, the Council is projecting a revenue budget overspend of £956k (7.9% of the original budget).

The overspend is primarily being driven by the larger than forecast pay award and increased fuel and fleet maintenance costs affecting a number of directorates across the Council. As with the 2021/22 outturn, the Council will not produce a final 2022/23 outturn position until the ledger implementation issues are fully resolved.

The Council provide the caveat in the 2022/23 outturn report that due to the issues relating to the flawed ledger implementation, and in particular issues with entries in suspense and miscoding, the report is subject to change. The budget monitoring and outturn reports are all potentially subject to change and will continue to be until the Council is able to finalise accounts for 2020/21, 2021/22 and 2022/23. The Council was able to contribute £1.315m to General Fund reserves during 2022/23, bringing the reported balance to £5.8m as at 31 March 2023. This was due to a re-allocation of earmarked reserves.

2023/24 performance

The Local Government Finance Settlement 2023/24 was challenging but more generous than most authorities were expecting. The Spending Review total for local government increased by £1.6 billion in 2022/23 and in 2023/24 the Review stated that this would be the same 'cash' level as 2022/23. Though the impact of COVID on Council finances has reduced significantly, the current predicted high inflation rates and cost of living crisis has increased pressure on Council budgets. Inflation, in particular, is presenting as a considerable cost pressure in 2023/24 budgets impacting Council costs.

For Bromsgrove, the settlement resulted in additional income in the form of a New Homes Bonus (£127k), Services Grant (£68k) and Funding Guarantee (£1,027k). However, also resulted in a reduction in the Council Tax base creating a £24k cost pressure.

The Council pursued a more strategic approach to 2023/24 budget setting, this is covered in pages 18 to 20. The Council set a net General Fund revenue budget of £14.7m in February 2023.

The Council is currently forecasting an overspend of £788k on the General Fund revenue budget.

Financial sustainability

At 2023/24 budget setting, the Council agreed to set up an earmarked reserve which can be used to mitigate overspends. The Council are planning to use £351k of this to mitigate the £788k overspend position, leaving £437k unmitigated. The assumption is therefore that the General Fund unearmarked reserves will be used to mitigate the rest of the overspend, depleting reserves to £5.363m if the overspend is not mitigated in-year.

The medium term position

The Council has acknowledged in the medium-term financial plan that the outlook beyond 2023/24 remains uncertain. In an atmosphere of political and international uncertainty, economic challenges such as inflation, increased interest rates, lack of clarity on future finance settlements and the long-term impact of greater service demand, authorities are tasked with the difficult task of demonstrating a resilient and sustainable position from which to weather shocks.

The Council is forecasting a £5.9m cumulative budget gap for the medium term. The Council is planning to meet this budget gap through a combination of savings and reserves usage, see Table 1.

	2023/24	2024/25	2025/26
Total Expenditure	14,711	14,604	14,840
Total Income	(12,806)	(12,771)	(12,631)
Budget Gap	1,905	1,833	2,209
Savings	1,655	1,877	1,778
Reserves	250	(44)	431

Source: Budget report for 2023/24

Table 1: The medium term budget gap

As is demonstrated by Table 1, if the Council does not deliver 100% of its savings plan, this increases the reliance on the reserves balance to bridge the gap. The Council's General Fund reserves balance as at 31 March 2023 is forecast to be £5.8m.

It is generally accepted that councils seek to maintain a General Fund reserves balance that is at minimum 5% of net expenditure (excluding housing benefits and HRA). 5% of net revenue expenditure for Bromsgrove for 2023/24 would be £0.7m. The Council is therefore well above the minimum recommended level of General Fund reserves which is positive to note.

The Council has decided to plan to build a level of General Fund reserves which are 10% of gross expenditure less housing benefits in order to provide some further resilience. This would mean General Fund reserves should be at a level of at least £2.8m. As is demonstrated in Table 2, the Council is forecasting to maintain well above this threshold throughout the medium term period, though it is important to note that this is predicated on full and timely delivery of savings plans.

	Reserves (as at 31 March) £'m	Contributions to/usage from reserves in year £'m	
2019/20	4.502	0.111	Actual
2020/21	4.613	-0.128	Estimate
2021/22	4.485	1.315	Estimate
2022/23	5.8	-0.150	Estimate
2023/24	5.65	0.244	Forecast
2024/25	5.894	-0.231	Forecast
2025/26	5.663		Forecast

Table 2: Unearmarked General Fund Reserves Balance

Source: Budget Report for 2023/24

Financial sustainability

As a slight caveat, the figures in Table 1 and 2 are slightly different as in between the February 2023 budget report and the October 2023 budget monitoring report, the Council was able to identify additional savings. Table 4 below highlights the change in reserves balances:

Forecast reserves contribution/usage	Table 1	Table 2	Variances
2023/24 usage	250	150	100
2024/25 contribution	44	244	200
2025/26 usage	431	231	200

Table 4: Movement in Reserves from 2023/24 budget report to Q1 budget monitoring report
Source: Budget Report for 2023/24 and Q1 2023/23 budget monitoring report

Essentially, the Council is forecasting to either increase the contribution to the reserves or reduce the need to use their reserves. The Council have attributed this to an allocation into the General Fund from Business Rates and various S31 contributions during the medium term period.

Local authorities across the country are dealing with issues of over-reliance on reserves to meet budget gaps, with no headroom or contingencies to mitigate the risks of not delivering wholly on savings plans. As mentioned in the 2023/24 budget report, the reserves are all the Council has to fund transformative initiatives, redundancies and any service overspends.

In order to test the stage of development of the savings included in the MTFP, we reviewed the supporting documentation for two selected savings, namely:

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Pension Savings	1,019	1,019	1,019
Capacity Grid	200	200	0

Table 3: Savings Proposals in 2023/24 Budget
Source: Budget Report for 2023/24

Pension contributions are reviewed on a three-yearly basis by the County Council's actuaries. The Council's pension contributions are made up of two elements, the Council's employer contribution in service accounts and a central contribution which sits in the Chief Executive's budgets. We asked the Council to provide supporting documentation to validate the assumptions used to derive the forecast savings included in the plan and we could see that this was supported by strong assumptions including third party verification from the actuary showing that the saving was actually forecast to materialise to more than had been input into the MTFP in February 2023. The Council was also able to provide downloads of the ledger which demonstrated the change in the existing budget to the revised budget which showed the cost decrease and therefore the forecast saving. This saving makes up approximately a third of the cumulative medium term gap so to see that is supported by credible assumptions adds robustness to the medium term position.

The second saving relates to uncollected Council Tax/Business Rates. The Council should have been writing off this debt on a periodic basis but lacked the resource to do so. In 2022/23, the Council made the decision to engage Capacity Grid by Liberata to collect the debt. As the debt is not accounted for in the budget, the debt collected by Liberata will appear as additional income which reduces the savings requirement during the medium term. We were able to view projections produced by Liberata and therefore able to see that the saving is based on information produced by a third party. As well as a saving, collection of this uncollected debt will result in a decrease in the debt on the balance sheet when it materialises.

Financial sustainability

The review of these three savings demonstrates that a significant proportion of the Council's medium term savings plan is based on robust assumptions supported by third party documentation. The pensions saving alone makes up £1m of the Council's £1.6m savings plan for 2023/24.

The real risk surrounds the post 2025/26 environment. The pensions saving makes up the largest proportion of the Council's medium term savings plan and the fund is due to be re-assessed in three years. The reassessment will have a definitive impact on whether the Council will be able to make similar size savings after 2025/26.

The review of savings therefore demonstrates a level of strength in the Council's current medium term plan. We can see significant progress in the budget setting process in terms of increased engagement and progress in terms of presentation of the medium term plan.

However, we still note issues with transparency surrounding savings identification and development. This was noted in our prior year report. The Council had no savings monitoring arrangements in place during 2021/22. In 2022/23, the Council reported savings updates to the Audit, Governance & Standards Committee though there is limited evidence of meaningful engagement with the savings progress from Members.

We raise an improvement recommendation (see improvement recommendation 1) urging the Council to ensure that savings delivery is monitored independently of basic budget monitoring at a corporate level, variances are adequately managed and challenged and the quality impact of proposed savings is assessed and monitored during and after implementation to assess whether any quality risks have occurred. Savings should also be supported with a clear delivery plan.

The importance of clarity surrounding savings is greater emphasised by the fact that the Council is relying heavily on savings to close its medium term budget gap. Any lack of delivery on savings increases the Council's reliance on its reserves balance as is demonstrated in Table 1. The Council, however, is in a strong position as the largest of its savings is based on robust assumptions. If the Council were only to deliver the pensions saving and Capacity Grid saving, it would still be financially sustainable in the medium term period – this is a much more promising position than many other authorities are in.

Though the Council's MTFP appears to be predicated on fairly strong ground, it is important to note that we are basing this assessment on information that is not currently supported by audited statements of accounts for the past three years – which creates a significant gap in assurance.

The entire medium term plan, including the projections surrounding the medium-term gap, the forecast reserves balance and all budget monitoring information is using data that cannot be supported by audited financial statements from 2020/21. The issue highlighted in Statutory Recommendation 1 has the compounding impact of placing a limited level of assurance on the figures in the medium-term financial plan. The lack of assurance in the figures included in the budget monitoring reports is further demonstrated by:

- the Council's reluctance to produce a whole-year 2021/22 outturn report (only an M11 report has been produced); and
- the correction to the 2020/21 outturn (which was originally presented in January 2022 and then corrected and presented again in January 2023).

It is for this reason that we find a significant weakness in the Council's medium term position and have included this in the statutory recommendation raised (see statutory recommendation 1). We cannot place assurance on the Council's stated level of reserves which links to the budgetary information included in the MTFP meaning we cannot determine that a significant weakness in arrangements does not exist in regards to the medium term plan. Once the Council has resolved statutory recommendation 1, the weakness in the medium term position will gain the validity of audited statements of accounts, therefore providing the medium term plan with much necessary backing and assurance.

Capital

At 2021/22 budget setting, the Council budgeted to spend £13.323m on capital expenditure for the year. As noted in the M11 outturn report, there was a significant underspend on the 2020/21 capital programme leading to a request of £4.3m slippage of schemes from 2020/21 to 2021/22. Further schemes were agreed resulting in a total capital budget for 2021/22 of £15.3m. At M11 of 2021/22, the Council reported £2.7m expenditure against this budget, giving rise to an £12.6m underspend (which is 82% of the budget).

The 2022/23 budget showed the intention to spend £2.410m on capital. An updated capital programme was approved in the budget for 2022/23 in February 2023. This increased the capital programme by £8.126m, which is £5.7m higher than the original budget set in February 2022. This is due to a number of schemes coming on during the year and a full review of the MTFP in December 2022 using actual data. The provisional outturn report shows capital expenditure of £10.256m against the new budget of £13.099m (which is a £2.843m underspend or 22% of the budget).

Financial sustainability

The reports provide significant explanations for the variances which are reasonable (slippage, re-phasing etc.) but there appears to be weaknesses in the Council's capital budget setting process given the level of slippage. The Council have noted that a significant part of its capital expenditure is related to the fleet which the Council are taking stop gap measures of refurbishment rather than purchasing pending the Government's environment paper being produced and the focus required on Levelling Up Fund projects to ensure compliance with Government requirements. There was also significant slippage due to COVID-19 which is starting to be caught up in 2023/24.

Page 69 Although there is monitoring of the capital programme alongside the revenue budget monitoring, indications are that focus should be on setting realistic capital budgets that allow for sufficient lead time before expenditure is likely to be incurred. Inability to set a realistic capital budget undermines the Council's perceived capability to manage its capital budget and deliver its growth plans.

The difficulty in management of the capital programme will become increasingly challenging given the current high level of inflation. We have raised an improvement recommendation (see improvement recommendation 2) in this area. We acknowledge that capital programmes are complex and affected by procurement, public consultation, funding and financing considerations, and potentially planning permissions. The Council must consider the realism in its original budget and consider the prior year outturn when setting the successive year's budget.

Conclusion

The Council's M11 forecast for 2021/22 noted an estimated underspend position on the General Fund Revenue Budget. The draft 2022/23 outturn reported noted an estimated overspend driven by a higher than expected pay award.

The medium term position appears to be reasonably comfortable as the majority of the savings driving the medium term plan are predicted on robust assumptions that can be supported by third party evidence.

It is, however, important to note that all financial information being used to assess the Council's financial sustainability are based on figures that are not supported by audited financial statements since 2019/20. It is for this reason that we find a significant weakness in the Council's medium term position and have included this in the statutory recommendation raised (see statutory recommendation 1). We cannot place assurance on the Council's stated level of reserves which links to the budgetary information included in the MTFP meaning we cannot determine that a significant weakness in arrangements does not exist in regards to the medium term plan. Once the Council has resolved statutory recommendation 1, the weakness in the medium term position will gain the validity of audited statements of accounts, therefore providing the medium term plan with much necessary backing and assurance.

We raise four improvement recommendations relating to savings, capital management and the budget setting process.

Improvement recommendations



Financial sustainability

Improvement Recommendation 1

Savings

The Council should ensure that:

- stakeholders are consulted during the development of savings plans (depending on the nature of the saving, stakeholders could include local residents, service users or local businesses);
- savings delivery is monitored independently of basic budget monitoring at a corporate level;
- variances from plans are adequately challenged and mitigated;
- the quality impact of proposed savings is assessed and monitored during and after implementation to assess whether any quality risks have occurred.

Audit year

2021/22 and 2022/23

Why/impact

At present, there is no evidence of external stakeholder consultation for savings included in the medium term financial plan Liberate although there has been a feedback form in the Savings Proposal Document. At present, there is no way to tell that the savings agreed at budget setting are the same savings delivered at outturn. Members and residents therefore do not have assurance that the Council has managed to achieve the saving in the area highlighted at budget setting. There is currently no project management arrangements supporting the savings programme and no independent monitoring of savings outside of budget monitoring arrangements. Without the appropriate supporting architecture, the Council risks mismanaging the savings programme and therefore risks potentially failing to deliver the savings.

Management Comments

The Council runs a two Tranche budget process. Given the expected lateness of the Provisional Local Government Settlement, there are no service based savings in Tranche 1 of the 2024/5 budget process. Consultation will be taking place with Stakeholders in late January/early February once the final budget position is known.

Wider savings monitoring will be undertaken by the Audit, Standards and Governance Committee on a quarterly basis, rather than half yearly, to ensure plans are being delivered as agreed.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Financial sustainability

Improvement Recommendation 2

Capital

The Council should review and evaluate how it sets its capital budget. Consideration of this will enable it to set more realistic budgets going forward.

Audit year

2021/22 and 2022/23

Why/impact

The Council has a track record of significant under-delivery of its annual capital budgets. Although there is monitoring of the capital programme alongside the revenue budget monitoring, indications are that focus should be turned to setting realistic capital budgets that allow for sufficient lead time before expenditure is likely to be incurred. Inability to set a realistic capital budget undermines the authority's perceived capability to manage its capital budget and deliver its growth plans. The Council must consider the realism in its original budget and consider the prior year outturn when setting the successive year's budget.

Management Comments

The Council is setting up an internal support network to ensure the delivery of the Levelling Up Fund budgets which amount to £16m over the next 2 years (the vast majority of the Capital Programme).

Wider Capital Programme budgets will be reviewed for deliverability as Tranche 2 of the Budget and where possible will link to strategic priorities.

A Governance Group, linked to the new Programme Management arrangements, will monitor and challenge internal delivery. Quarterly monitoring will give wider narrative on capital programme delivery than is presently the case to aid understanding.

It is important to note that there has also been slippage in capital schemes due to the impact of C-19 on materials/contractors during the period referenced in this report. Another significant factor is the awaited Government paper (Environment Act) that impacts the refuse fleet.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Financial sustainability

Improvement Recommendation 3

The Council should include trend analysis and extrapolation, risk and sensitivity analysis and evidence of alternative proposals and scenarios considered and the corresponding impact in the budget setting process.

Audit year

2021/22 and 2022/23

Why/impact

There also continues to be limited evidence of trend analysis and extrapolation, sensitivity analysis or alternative proposals and scenarios being considered in the budget setting process. While this is not a significant weakness, the Council could enhance the budget setting process by including scenario modelling and presenting to Members to support their decision-making process.

Management Comments

The Council has purchased the LG Futures Benchmarking tool to identify areas where service costs are higher/significantly higher than their "Audit" Families. This data is being used as the starting point for savings analysis required to balance the budget in Tranche 2 following the Local Government Financial Settlement. Part of the ongoing work will be, linked to performance data, alternative delivery methods.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Financial sustainability

Improvement Recommendation 4

The Council should include greater evidence of external consultation in the budget setting process.

Audit year

2021/22 and 2022/23

Why/impact

There continues to be limited evidence of external engagement in the budget setting process. There is no mention of external consultations feeding into the 2021/22, 2022/23 or 2023/24 budgets.

Management Comments

The Council runs a two Tranche budget process. Given the expected lateness of the Provisional Local Government Settlement, there are no service based savings in Tranche 1 of the budget. Consultation will be taking place with Stakeholders in late January/early February for the 2024/25 budget and MTFP once the final budget position is known.

A feedback form was included in the 2023/4 “savings proposal” document. This is the first time in recent years that feedback has been sought.

The range of recommendations that external auditors can make is explained in Appendix C

Governance



We considered how the local authority:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/Audit, Standards & Governance Committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

Risk management

The Council has made significant progress in risk management arrangements since our 2020/21 report. In this report, we had documented insufficient arrangements in terms of a lack of formal update reports or presentation of risk registers to Members until July 2022. We found a significant weakness in the Council's arrangements surrounding risk management for 2020/21.

In our 2020/21 report, we noted limited progress since the review performed by Zurich Municipal which had been commissioned in response to a 'Limited Assurance' internal audit opinion into risk management arrangements from 2018/19. A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore a no assurance opinion was issued.

The lack of appropriate arrangements for risk management is evident in the Audit, Standards and Governance committee meeting minutes and papers during 2021/22. Our review showed that Members were typically only receiving verbal updates on the Corporate Risk Register (CRR) with very little information on how risks were being managed. It was impossible for Members to have assurance that risks were properly being identified and appropriately managed. For example, at the October 2021 meeting, a verbal update was provided in respect of the CRR but there was no mention of the actual risks on the CRR or any evidence of engagement with the risks from the minutes. At this point, work was ongoing with Zurich Municipal.

In March 2022 a further follow up review was carried out by internal audit which concluded 'no assurance' regarding the Council's risk management arrangements. This means that no assurance could be given on the system of internal control as significant weaknesses in the design and/or operation of the key controls could result in failure to achieve the organisation's objectives in the area of review. The basis of this opinion was due to the failure to produce an action plan. Internal audit acknowledged that a risk management system was in place and that there were areas of good practice but that this was not uniform across the Council and effective risk management needed to be embedded and driven by senior leadership.

The new 'Overall Risk and Corporate Governance Report' format was presented to Audit, Standards & Governance Committee members at the April 2022 meeting. Officers announced that a plan had been agreed with CMT and implementation had already commenced. Quarterly officer Risk boards were established with each department nominating a representative to attend these boards. There was an acknowledgement that some of the momentum in terms of risks had been lost over 2021/22 and this was partially ascribed to capacity constraints in the finance team. However, there was hope that a more embedded risk management approach would be taken forward at the organisation.

The Council's new formal 'Risk Management Framework' was presented to the July 2022 Audit, Standards & Governance Committee. This framework outlines how the organisation identifies strategic risks, understands them, records them within the risk management system.

Governance

Risks are assessed using a 3x3 impact assessment matrix and then the scores determine whether a risk is 'Red', 'Amber' or 'Green' (RAG). Members also approved the definition of how risks move from being 'departmental' or 'corporate' in nature. To escalate the risk 'must have significant impact on Councils finances, be cross-departmental in nature and/or result in serious reputational damage.'

From our review of Audit, Standards & Governance committee meetings and risk management reports, it is clear to see the progress the authority has made with regard to the Corporate Risk Register and the engagement with risk management at the organisation. The improvement in the quality of the reports from April 2021 to July 2023 is noteworthy. There is also demonstrable improvement in the level of Member and officer engagement with the Corporate Risk Registers.

This improvement has also been recognised by internal audit. In April 2023, internal audit issued a 'moderate assurance' opinion which indicates that the system of control is generally sound, however, some of the expected controls are not in place and/or not operating effectively.

The latest publicly available Corporate Risk Register showed 13 risks. This is an appropriate number to allow for meaningful engagement with each risk. Councils must be cautious on reporting too many risks and therefore disincentivizing substantive scrutiny of each risk.

The register also included RAG ratings, a description of each risk and the mitigating factors in place to manage each risk. This is a significant improvement from the April 2021 where the Council was providing purely verbal updates of the risk register with no meaningful descriptions or any mention of mitigating factors.

Due to the significance of the deficiencies in 2021/22, we have found there to be a significant weakness in the Council's arrangements for risk management in that year. As this is a combined 2021/22 and 2022/23 report, we must also comment on the arrangements for 2022/23. Due to the improvement in the position from 2021/22 to 2022/23, we do not find there to be a significant weakness in the Council's arrangements for 2022/23 but raise improvement recommendations. This demonstrates a marked improvement in the arrangements from 2021/22 to 2022/23 which is worth noting. There is, however, room for improvement (see improvement recommendation 5).

Internal audit

The internal audit service at Bromsgrove District Council is provided by Worcestershire Internal Audit Shared Service (WIASS). This is hosted by Worcester City Council and provides internal audit to a number of local authorities in Worcestershire. The service was effective during 2021/22 and 2022/23 and assesses the effectiveness of internal controls, reporting regularly to Audit, Standards & Governance Committee.

The Internal Audit Plan for 2021/22 was presented to the July 2021 Audit, Standards & Governance Committee. Operational progress against the plan is closely monitored by the Head of the Internal Shared Service and is reported to the Shared Service's Client Officer Group which comprises of the Section 151 officers from the client organisations and to the Audit, Standards & Governance Committee on a quarterly basis. Regular reporting to Audit, Standards & Governance Committee provides sufficient assurance for Members to be able to assess whether internal controls are effective.

The Internal Audit Annual Opinion for 2021/22 was presented in July 2022 alongside the 2022/23 Internal Audit Plan. Internal audit does not give an allocated assurance opinion but provides a commentary.

For 2021/22, internal audit concluded that 'the internal control arrangements during 2021/22 managed the principal risks in a number of areas, but not all, and can be reasonably relied upon to ensure that the Council's corporate objectives have been met in the main'. 71% of audits undertaken for 2021/22 received an assurance allocation of 'moderate' or above. Internal audit delivered a sufficient amount of its annual plan, delivering 93% of planned audits.

The Internal Audit Opinion for 2022/23 concluded that 27% of the audits undertaken which received an assurance allocated returned a 'moderate' assurance or above but there remain several assurances to be confirmed. Indications are that the remaining will fall into these categories. This is a significant drop from 2021/22 but it is due to a few reviews waiting final sign off or still ongoing rather than indicative of weaknesses in the control environment. Internal audit delivered a sufficient amount of its annual plan, again delivering 88% of planned audits.

Internal audit are required to be externally assessed at least once every five years to ensure compliance with Public Sector Internal Audit Standards (PSIAS). The Worcestershire Internal Audit Shared Service (WIASS) was last externally assessed six years ago. It was due to be assessed in 2022 but was deferred due to potential changes to the shared services arrangements with the County Council. The partnership therefore decided to pause the external assessment until there was greater certainty surrounding the arrangements. The partnership have set a date in January 2024 for an external assessment.

Governance

We include an improvement recommendation emphasizing the importance of undergoing the external assessment (see improvement recommendation 6). When this is complete, the improvement recommendation can be resolved.

Internal audit provide the Council's arrangements for the prevention and detection of fraud. Undertaking independent investigations into allegations of fraud and irregularity forms part of the key aims and objectives of internal audit's annual plans. Through the internal audit service, the Council is part of the National Fraud Initiative (NFI) which is a data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud.

The Council have a whistleblowing policy in place but this was last updated in 2017. We raise an improvement recommendation (see improvement recommendation 8) to recommend that this is regularly reviewed and updated as appropriate.

Audit committee effectiveness

The purpose of the Audit, Standards & Governance Committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements at the Council. The Committee's role in ensuring that there is sufficient assurance over governance, risk and control gives greater confidence to those charged with governance that those arrangements are effective. We recognise that since the May 2023 elections the make-up of the Committee has changed. We make these comments irrespective of specific make-up and rather of the Audit, Standards & Governance Committee in theory.

There are no statutory requirements that determine the composition of the Audit, Standards & Governance Committee.

The Audit, Standards & Governance Committee at Bromsgrove District Council comprises twelve members. CIPFA's recommendation in *Audit, Standards & Governance Committees: Practical Guidance for Local Authorities and Police (2022)* is authorities should strive to have no more than eight members, the Council is therefore above the recommendation. We raise an improvement recommendation (see improvement recommendation 7) encouraging the Council to reconsider the number of members on the Audit, Standards & Governance Committee. CIPFA recognises that committees of this size should allow for sufficient breadth of experience but is small enough to allow the training and development of a dedicated group.

CIPFA guidance emphasises the importance of the separation of executive roles and the membership of the Audit, Standards & Governance Committee. Where an authority has a cabinet system of governance, as at Bromsgrove District Council, including a member of the cabinet on the committee is discouraged. We have compared the membership of the Audit, Standards & Governance Committee with the members of the Cabinet to ensure a clear separation. We can confirm that no members of the Cabinet are also members of the Audit, Standards & Governance Committee, in line with the guidance.

There are currently no independent members on Bromsgrove District Council's Audit, Standards & Governance Committee. CIPFA guidance and the Redmond Review (2020) recommend the committee includes two co-opted independent members. We recommend that the Council considers the merits of appointing appropriately qualified independent members to the Audit, Standards & Governance Committee (see improvement recommendation 7) noting that there has been discussion of this at Audit, Standards & Governance Committee and the challenges of the availability of suitably qualified individuals and questions over remuneration.

The injection of an external view can often bring a new approach to committee discussions and provides an element of continuity outside the political cycle (though this would be more salient at an authority that had annual changes/elections).

To discharge its responsibilities effectively, CIPFA guidance recommends the committee meet at least four times a year. Bromsgrove District Council reiterate this by including in the Constitution that the Committee will meet at least four times a year. Bromsgrove District Council's Audit, Standards & Governance Committee met three times in 2021/22 and seven times in 2022/23. We include the failure to meet four times in our improvement recommendation 8 but recognise that the Council have actioned this recommendation for 2022/23. The Council should continue to ensure that the Audit, Standards & Governance Committee meets at least four times every year.

It is important for Audit, Standards & Governance Committee members to maintain an apolitical approach. During our review, we noted that it was customary for Audit, Standards & Governance Committee members to be asked if whipping arrangements were in place for Audit, Standards & Governance Committee meetings. This is considered to be unusual for Audit, Standards & Governance Committees as members are encouraged to view the Audit, Standards & Governance Committee as a non-political non-scrutiny committee that is concerned with the operations of the authority. It is important that a political culture is not fostered at Audit, Standards & Governance Committee meetings (see improvement recommendation 7).

Governance

Organisational capacity and capability

There is evidence of a lack of capacity in the organisation having a detrimental impact on operational delivery. In the February 2022 budget, the Section 25 Statement noted the impact of COVID-19 on the capacity of the management team to deliver change, efficiencies and associated savings as a key risk.

Turnover of staff at the Council remained high during 2021/22 and 2022/23. As commented in internal audit's annual report for 2022/23, this has created challenges within services especially in finance. The loss of staff and experience has impacted the finance team significantly along with the continuing development of the finance system implementation.

Internal audit commented in their Annual Report that 2022/23 was a demanding year due to staff turnover and difficulties encountered recruiting to vacant posts.

In September 2023, we reported to Audit, Standards & Governance Committee the challenges we were continuing to experience in terms of obtaining sufficient appropriate evidence to support our audit. We decided to redirect our audit team to other work as insufficient working papers had been provided and those that had been provided were not of the expected quality. We attribute some of the difficulties experienced here to a lack of capacity in the finance team.

There is high turnover of senior staff. Two of the three statutory officer roles are currently being fulfilled by interim arrangements. In January 2021, Full Council appointed a new Section 151 officer (Chief Finance Officer). After 18 months in post, that officer left the Council and a new Interim Section 151 officer was appointed in June 2022 for a period of 12 months. In June 2023, the Council voted to extend the Interim Officer's appointment for a further six months until 22 December 2023.

In September 2023, following the retirement of the Chief Executive (Head of Paid Service), the Council appointed the Deputy Chief Executive to the Interim Chief Executive position in an acting up arrangement until the new Chief Executive was recruited and in post.

To backfill the Deputy Chief Executive role, there is an internally appointed Interim Deputy Chief Executive in post currently as well.

The prevalence of interim and acting up arrangements has resulted in capacity challenges. The Council are aware of this. In the 2023/24 budget, loss of key personnel was identified as one of the core risks in the MTFP. The average age of staff at the Council is 49 and approximately 10% of Council staff are interim/temporary arrangements.

There is evidence of the Council putting effort toward this with the development of the Workforce Strategy. It is, however, important to note that the Council is operating in an extremely difficult environment. There is an acute recruitment issue across Gloucestershire/Worcestershire and succession planning is a necessity for key roles. Staff retention and recruitment remained an area of concern for local government in the West Midlands, including for Bromsgrove District Council. The Council have recognised the need to review how best to attract and retain skilled and qualified staff moving forward.

Bromsgrove District Council is also a Council that has serious and pervasive weaknesses in its financial accounts processes due to the flawed ledger implementation. This has also led to a failure to meet statutory reporting deadlines and a failure to produce accounts and therefore close external audit opinions. The combination of the turnover and capacity constraints coupled with the formidable task of rectifying the issues with the ledger implementation has led us to conclude that there is a significant weakness in the Council's arrangements with regard to organisational capacity and capability.

We are concerned that the Council will find improvement extremely difficult given the high turnover of individuals at all levels of the organisation and over-reliance on specific individuals resulting in low retention. The fact that two of the statutory officers are interim arrangements also leaves a gap at the top of the organisation. Without effective long-term leadership in Councils with shared service arrangements, the improvement to the statutory reporting position is likely to be extremely difficult. High turnover and lack of capability and capacity in the finance team is only exacerbating this issue.

We have therefore identified a significant weakness in arrangements with regard to organisational capacity and capability (see key recommendation 1). The Council now have a Workforce Strategy in place which is a positive step in the right direction. Effort must now be directed toward embedding the strategy and action plan. This was similarly acknowledged by the LGA in the peer review. We also acknowledge that this is extremely challenging in the current local government environment and the difficulties surrounding workforce recruitment and retention. These challenges appear to be having a particularly acute impact at the Council.

Leadership and decision-making

Bromsgrove District Council is a district council that operates with a Cabinet system. The Council's governance arrangements are explained in the Annual Governance Statement (AGS) and the Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that it is efficient, transparent and accountable to local residents.

Governance

There is evidence of senior officer demonstrating transparency and openness in decision-making and no evidence of inappropriate tone from the top. Throughout our interview process for this report, we noted that officers were engaged and extremely helpful in terms of providing evidence and documentation.

This was noted in the LGA peer review where it noted that 'the organisational culture is one where the staff feel supported and empowered to bring forward improvements. They are happy and want to help the council to respond to the needs of the different communities.'

The Council has an effective internal audit service in place (though see improvement recommendation 6). There is also room for improvement in Audit, Standards & Governance Committee arrangements (see improvement recommendation 7) and counter fraud (see improvement recommendation 8).

Conclusion

We have found a significant weakness in the Council's governance arrangements giving rise to a statutory recommendation (see statutory recommendation 1). This is relating specifically to the failure to produce full financial statements for 2020/21, 2021/22 and 2022/23. The Council is significantly behind its statutory requirement to produce financial statements. This does not allow accountability and transparency for the taxpayers of Bromsgrove. In our view, this is an unacceptable failure to comply with statutory duties.

We have also found a new significant weakness giving rise to a key recommendation relating to organisational capacity and capability (see key recommendation 1). There is evidence of a lack of capacity in the organisation having a detrimental impact on operational delivery. The average age of staff at the Council is 49 and approximately 10% of Council staff are interim/temporary arrangements. Two of the three statutory officer roles are currently being fulfilled by interims. We are concerned that the Council will find improvement extremely difficult given the high turnover of individuals at all levels of the organisation and over-reliance on specific individuals resulting in low retention. Without effective long-term leadership, the improvement to the statutory reporting position is likely to be extremely difficult. High turnover and lack of capability and capacity in the finance team is only exacerbating this issue.

Outside of the financial ledger issues, the Council's governance arrangements have undergone significant improvement since our 2020/21 reporting. We have seen improvement in risk management arrangements with the return to in-year reporting, though we raise an improvement recommendation (see improvement recommendation 5).

Improvement recommendations



Governance

Improvement Recommendation 5

Risk management

- a) The Council should clearly define its risk appetite in the Risk Management Framework;
- b) We recommend that for each risk reported to Audit, Standards & Governance or Cabinet for each risk reported:
 - relevant key controls and sources of assurance are set out
 - they are RAG-rated, including impact and likelihood
 - they are mapped to corporate objectives
 - they are allocated to a named senior officer
 - direction of travel for each key risk.
- c) Internal audit have highlighted important weaknesses in the Council's risk management framework in their latest report from April 2023. We include in our recommendation that the Council direct effort toward working with internal audit to resolve their recommendations.

Audit year

2022/23

Why/impact

At present, the Council's Risk Management Framework does not define the Council's risk appetite. Greater definition can enhance the quality of the framework. The Council's Corporate Risk Register (CRR) is not clearly accessible to Members. Greater clarity would enhance Members' ability to gain assurance that risk at the organisation is being appropriately managed.

Management Comments

The high risk Recommendation actions of the Internal Audit Update Report have been actioned apart from understanding Risk appetites of the Councils. Following the Strategic Priority setting sessions have taken place at both Councils, Risk Appetite sessions will be run for the Executive to link then risk appetites in the delivery of those priorities. These sessions will be externally facilitated and will be delivered before the end of the financial year. The Corporate and Departmental Risk Register is reported to and available in Audit Governance and Standards Committee papers. The background documentation is available on the 4Risk system. A specific location will be sourced for the wider Member community to access the Risk Register.

The range of recommendations that external auditors can make is explained in Appendix C

Improvement recommendations



Governance

Improvement Recommendation 6

The internal audit service should be externally assessed to ensure the it is compliant with PSIAS.

Audit year

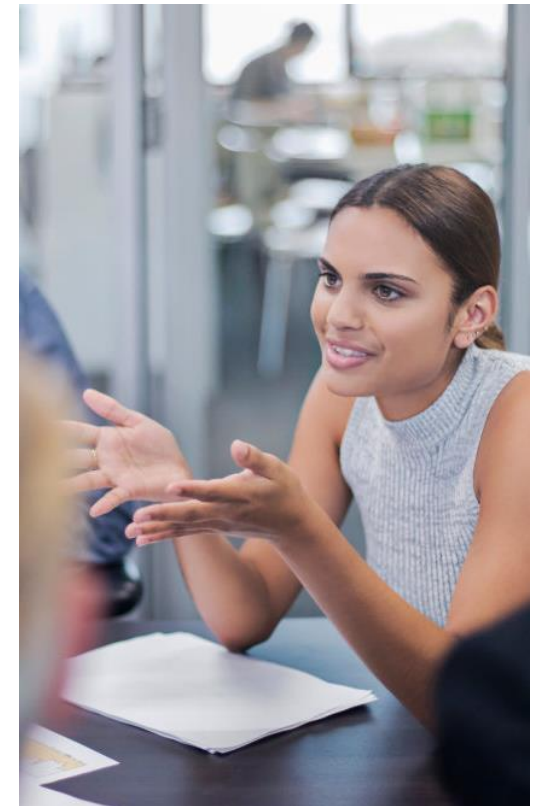
2022/23

Why/impact

Internal audit are required to be externally assessed at least once every five years to ensure compliance with Public Sector Internal Audit Standards (PSIAS). The Worcestershire Internal Audit Shared Service (WAIASS) was last externally assessed six years ago. It was due to be assessed in 2022 but was deferred due potential changes to the shared services arrangements with the County Council. The partnership therefore decided to pause the external assessment until there was greater certainty surrounding the arrangements. The partnership have set a date in January 2024 for an external assessment. When this is complete, the improvement recommendation can be resolved.

Management Comments

This assessment is due to take place in January 2024 and the results will be fed back via the Internal Audit reports.



The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

Improvement Recommendation 7

Audit Committee

- The Council should consider the merits of appointing two appropriately qualified independent members to the Audit, Standards & Governance Committee.
- Members must ensure that the Audit, Standards & Governance Committee maintains its apolitical nature.
- The Council should consider the number of members on the Audit, Standards & Governance Committee. CIPFA recommends eight members and BDC's currently stands at twelve.
- The Council must ensure that the Audit, Standards & Governance committee meets at least four times per year.

Audit year

2021/22 and 2022/23

Why/impact

There are currently no independent members on Bromsgrove District Council's Audit, Standards & Governance Committee. CIPFA guidance and the Redmond Review (2020) recommend the committee includes two-coopted independent members. We recommend that the Council considers the merits of appointing appropriately qualified independent members to the Audit, Governance & Standards Committee. The injection of an external view can often bring a new approach to committee discussions and provides an element of continuity outside the political cycle (though this would be more salient at an authority that had annual changes/elections). It is important for audit committee members to maintain an apolitical approach.

During our review, we noted that it was customary for Audit, Standards & Governance Committee members to be asked if whipping arrangements were in place for Audit, Standards & Governance Committee meetings. This is considered to be unusual for audit committees as members are encouraged to view the audit committee as a non-political non-scrutiny committee that is concerned with the operations of the authority. It is important that a political culture is not fostered at audit committee meetings.

CIPFA guidance recommends audit committees be made up of eight members. Bromsgrove currently has twelve members.

In 2021/22, the Audit, Standards & Governance committee met 3 times. CIPFA recommends meeting at least four times a year.

Management Comments

The Council did have an independent Audit Committee Member, but this has not been recently. This will be reviewed, and an Independent Member sought.

We understand the point that is being made on the apolitical nature of the committee in relation to whipping arrangements and will take advice on the appropriate solution.

The number of members on the committee was increased to 12 due to quorum not being reached. This has not been the case since the May 2023 elections and the numbers will be reviewed.

Until the Accounts issues are resolved, the Committee meets 6 times a year.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Governance

Improvement Recommendation 8

Counter fraud

The Council should update its whistleblowing policy every one to three years.

Audit year

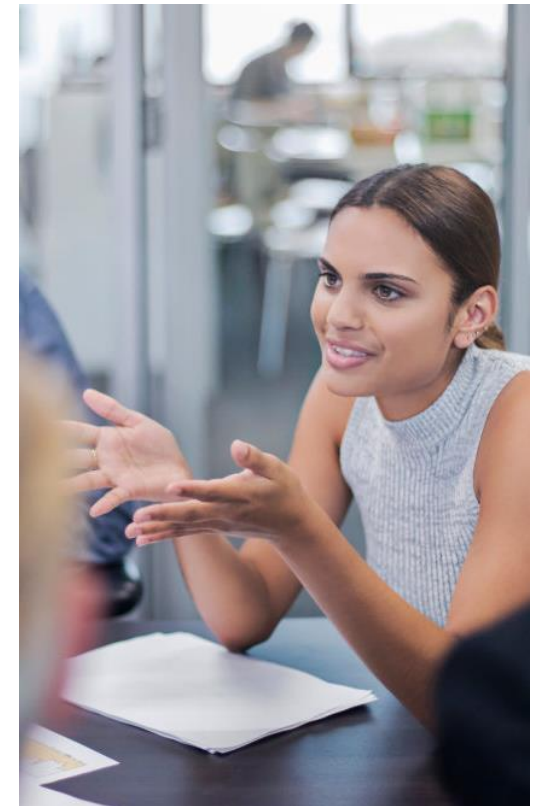
2021/22 and 2022/23

Why/impact

The Council have a whistleblowing policy in place though this was last updated in November 2010. This means the policy is unlikely to be consistent with legislative changes regarding whistleblowing arrangements since 2010. The Council is encouraged to review its whistleblowing policy to ensure it reflects the letter and spirit of the law.

Management Comments

The Whistleblowing policy will be updated before the end of the financial year.



The range of recommendations that external auditors can make is explained in Appendix C.

Improving economy, efficiency and effectiveness



We considered how the local authority:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

Performance

The Council Plan 2019-23 was built around five long term strategic purposes underpinned by a set of key priorities. The strategic purposes are:

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

The priorities set out in the Council Plan 2019-23 are:

- Economic development and regeneration
- Skills for the future
- Improved health and wellbeing
- A balanced housing market
- Reducing crime & disorder
- Financial Stability
- Sustainability
- High Quality Services
- Green Thread

In June 2022, the Cabinet agreed the Council Plan Addendum 2022/23. The aim of the Council Plan Addendum was to incorporate the impacts of COVID-19 into the old Council Plan 2019-23 and write it such that it would work alongside the original Council Plan.

The Council Plan Addendum priorities are the same but is designed to provide an intermediary position ahead of a full review of the Council's long term priorities in 2024.

As documented in our report for 2020/21, there was no performance reporting for 2021/22. The significant weakness for 2021/22 therefore remains.

In 2022/23, the first 'Finance and Performance Report' for Quarter 1 was presented to 6th October 2022 Cabinet. Appendix E of the report presented the Strategic Priorities and Performance Measures. The report was rudimentary in nature, containing no information on how performance indicators were derived and inconsistent comparator data for Members to be able to assess whether the Council's performance against a target, compared to previous years or against other authorities.

The second performance report for 2022/23 went to November 2022 Cabinet. The report improved marginally in terms of numbers of measures presented but there continued to be significant gaps in terms of detail which hinders Members' ability to have assurance that the Council is performing in line with expectation. The Quarter 3 report was presented in March 2023 and Quarter 4 report in June 2023. The Council was able to present a Quarter 1 performance report for 2023/24 to September 2023 Cabinet.

In March 2023, the LGA performed a peer review of Bromsgrove concluded that there was "a disconnect between what the Council wants to deliver and achieve and the activities the organisation is pursuing.

Improving economy, efficiency and effectiveness

A lack of specific clarity about the desired outcomes from the delivery of the priorities means that priorities are open to interpretation. Clearer communication to staff on the priorities and the expected outcomes backed up with a robust performance management framework to track progress should help to ensure that organisational effort is invested in the right places.”

Ultimately, the Council has returned to in-year performance reporting. This is a significant improvement from the 2021/22 position where no performance reporting had taken place since 2018. There is still, however, significant room for improvement in the quality of the performance reports.

We lift the significant weakness for 2022/23 due to the return to in-year reporting but we would like to emphasise that the quality of the Council’s performance reports is low and needs significant improvement. We raise an improvement recommendation (see improvement recommendation 11). The Council clearly has a lot of meaningful data but it is currently not presented in the most accessible format to be able to properly interpret the information and therefore does not drive behaviour and actions. There is also no standard expectation. The data shows what is happening but does not assess whether this performance is ‘good’ or ‘bad.’ The Council should put effort toward determining what quality of service it would like to deliver, put arrangements in place to review that regularly and then report against that position. The current performance reports demonstrate a good foundation to build on but there is room for improvement.

Procurement

Robust and compliant procurement is key in the delivery of public services as organisations need to meet statutory obligations and deliver value for money for taxpayers.

Part 6 of the Council’s Constitution details the Officer Scheme of Delegations. The Council’s Constitution clarifies that key decisions with significant financial implications for the authority are Cabinet level decisions with a combined financial spend (either as a single item or for the length of the contract) of £50,000 or more.

The Council has Contract Procedure Rules though these have not been updated since October 2016. We raise an improvement recommendation urging the Council to review the Contract Procedure Rules annually (see improvement recommendation 12).

In June 2022, internal audit issued a ‘Limited’ assurance opinion surrounding the procurement service at Bromsgrove District Council. The review found multiple areas within the procurement rules which were not being complied with and there was limited communication with the procurement service for support and advice – although it was acknowledged that there had been a lot of effort on the side of the procurement team to communicate with the service areas through training and other means. The subsequent follow up reports tracking implementation of the recommendations raised showed good progress from procurement and by June 2023 all recommendations had been implemented.

In spring 2024, the new Procurement Bill is expected to be introduced. The Bill aims to deliver better value for UK public procurement by driving value for money decision-making and innovation.

In July 2023, the Bromsgrove District Cabinet was provided

with assurance by officers that the Council had already put measures in place to meet the majority of the requirements of the new legislation. Some of the measures already in place include the “No Contract, No Order” procurement regime which was implemented on the TechOne system on 1 April 2023. This requires a purchase order to be linked to a contract in order to be raised therefore mitigating the risk that the Council is spending money with suppliers without having appropriate contracts in place. Other measures include requiring all suppliers to be approved by procurement and payments teams, all monthly spending above £500 to be published on the Council’s website and public reporting of the Contracts Register. The Procurement team are also available for monthly meetings with Heads of Service to ensure monitoring of what services are procuring so they can check compliance with the “No Contract, No Order” regime. Procurement training is also already provided to teams on request and there is a dedicated Procurement team page on the Council’s website.

The Council also maintain a Procurement Pipeline based on the contracts register which provides a forward look of potential contract opportunities and highlights when existing contracts are due to expire.

The pipeline enables proper planning of procurement processes to ensure the Council is maximising on contract opportunities.

The Council received feedback from local businesses in 2023 that the Council’s high procurement requirements acted as a barrier for them to bid for work directly. The Council recognised this and acknowledged that it would investigate ways to encourage bids within a risk-managed framework.

Improving economy, efficiency and effectiveness

This is particularly important given one of the goals of the new Procurement Bill is to open up Council procurements to new entrants such as small businesses and social enterprises so that they could compete for and win more public contracts.

The procurement function has undergone significant change in the last year and a half and improved significantly as is demonstrated by the journey from the internal audit report from June 2022.

There is, however, room for improvement. At present, the procurement team does not report on waivers to committee level. We recommend that the Council report on waivers (in terms of numbers and value of waivers raised) to the Audit, Governance & Standards Committee at least quarterly. This can ensure that senior leadership, Members and the public are aware of the level of waiver use (see improvement recommendation 12).

The Contracts Register is managed on the Proactis system and mirrored on the TechOne system where spend on contracts is visible. Both systems provide alerts to procurement and contract managers when contracts are nearing expiry, typically three to six months before, and the procurement team contact the department to see what they are planning to do. The Council therefore have a reasonable level of assurance that the Contracts Register is kept up to date as it is automatically flagged by the system.

Partnerships

Partnership working is central to the delivery of many local authority services. The Council maintains strong partnership arrangements with key stakeholders and has continued to do so during 2021/22 and 2022/23.

The Council works closely with its statutory partners, commissioned providers, private businesses, community and the voluntary sector to perform its responsibilities.

The most obvious partnership-type arrangement in place at Bromsgrove is the shared services arrangement with Redditch Borough Council. This has been in place for a number of years and continues to serve both authorities well. This was commented on in the LGA Peer Review from March 2023 which noted that the shared service arrangement was *“working well across both councils. It is commendable that whilst each council retains political and democratic sovereignty, people see themselves as working for one organisation and are committed to serving the residents of both Councils.”*

At the request of the Member Support Steering Group a lot of the training is taking place jointly in 2023/24 with Redditch Borough Council. The aim is to achieve efficiency savings and provides opportunities for Members to network with Councillors from another authority. However, where Members did not feel joint training was appropriate, separate sessions are being held (e.g. the Council's Overview and Scrutiny training session is being delivered to Redditch Members only). This indicates there is a positive contribution to engagement and collaboration across both authorities in the shared services structure.

In the Council Plan 2019-23 addendum, the Council acknowledges that it cannot deliver all of its priorities on its

own, considerable support and input from partner organisations is needed if priorities are to be successfully delivered. The Council categorizes its role in delivery of its priorities as either:

- Lead – to be the lead organisation in the delivery of the activity/project that delivers the priority
- Participant – to be involved with partner agencies who will be leading the activity/project that delivers the priority
- Influence – to work collaboratively with partner agencies to persuade them to take a particular course of action

This delineation is helpful for demarcating the Council's responsibilities in particular projects/activities and therefore clearly defining the limitations of their accountability.

Partnership working is a specific area of focus for both Councils, led by the Chief Executive. Both councils bring together organisations from all sectors as community leaders and key members of their local strategic partnerships (LSPs), the Bromsgrove Partnership and the Redditch Partnership, as well as the emerging local 'Collaboratives'.

The LSPs each act as a single body that brings together organisations from the public, private and voluntary and community sectors to improve the quality of life for people in their area. Each provides a forum capable of collaborative leadership and co-ordination to enable the sharing of information, resources, and effort to better understand and meet the needs and aspirations of local communities. The LSPs enable local organisations to come together and address issues that are important to people living, working, and visiting in the areas.

Improving economy, efficiency and effectiveness

Benefits realisation

In our report for 2020/21, we found a significant weakness in the Council's arrangements for managing major projects and ensuring the intended benefits from major projects are realised. Since our report, the Council has made significant progress in their management of projects/programmes.

In October 2022, the Council produced a Project Management Framework. The Framework creates the expectation for each project to have a sponsor, project manager, business case, risk assessment and project reporting. The move came as part of the Council's efforts to reorganize appropriate governance arrangements in order to address the financial challenges and ensure all projects are securing value for money through appropriate management and organisation.

In early 2023, an Audit Task Group was established at Bromsgrove District Council to investigate the reasons behind the issuing of our Statutory Recommendation in October 2022. The Task Group provided recommendations on lessons learned to Bromsgrove District Council. At its Cabinet in June 2023, Bromsgrove gave approval to implement the recommendations of the Bromsgrove Audit Task Group.

One of the recommendations was that a permanent Project Management Office (PMO) be set up at BDC to support the full range of projects at both Councils. The Cabinet resolved that formal reporting of all projects is undertaken on a monthly basis by officers and the information fed into the Quarterly Finance and Performance Reports for Members.

The Cabinet also resolved that a programme office be established to provide oversight and validation of the

delivery of projects across the organisation. The roles of a programme manager and programme officer were established to provide support for the delivery of oversight for ICT and Organisational Change projects across the organisation and a compliance structure was put in place to ensure delivery of projects and management of multiple independencies across projects.

The creation of the Programme Management Office is certainly a step in the right direction due to the fact that the LGA was sceptical of the Council's ability to deliver on its key ambitions (economy, regeneration and skills) considering its lack of capacity in programme and project management. The creation of the Project Management Framework and the Programme Management Office is a clear demonstration of the Council's efforts to invest in this area and address the deficiencies highlighted by the LGA.

Although the finance ledger system issue remains, we have addressed this in our statutory recommendation which remains on the Council. We, however, lift the significant weakness relating to poor project management to recognise the progress the Council has made in this area.

Conclusion

No significant weakness in arrangements identified. The Council's performance management processes have improved though there is room for improvement (see improvement recommendation 9). Procurement has also improved though an improvement recommendation has been raised (see improvement recommendation 10).

Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement Recommendation 9 Performance

The Council must put effort toward improving the presentation and accessibility of the performance monitoring reports and maintaining timely reporting.

The Council should:

- define a suite of key performance indicators against which to measure performance aligned to the strategic objectives;
- explain how those indicators are derived (e.g. statutory obligation)
- for each KPI, outline a performance target which meets the service quality the Council wishes to deliver;
- for each KPI, state performance against this target, how the performance has changed over time and consider benchmarking against NNs as appropriate.

Audit year

2021/22 and 2022/23

Why/impact

The Council clearly have a lot of meaningful data but it is currently not presented in the most accessible format to be able to properly interrogate the information. There are currently limited benchmarks or targets against which to measure performance. The data shows what is happening but does not assess whether this performance is 'good' or 'bad.' The Council should put effort toward determining what quality of service it would like to deliver, put arrangements in to review that regularly and then report against that position. The current performance reports demonstrate a good foundation to build on but there is room for improvement.

Management Comments

Following the Strategic Priority sessions, performance monitoring information will be revised to ensure it relates to the measurement of these priorities. Delivery of indicators is already being developed with the use of Power BI templates, however those tools are only as good as the information being used which will also have its collection processes redefined.

The range of recommendations that external auditors can make is explained in Appendix C.

Improvement recommendations



Improving economy, efficiency and effectiveness

Improvement Recommendation 10

Procurement

The Council should update its Contract Procedure Rules annually.
The Council should report on the number and value of waivers to Audit, Standards & Governance quarterly.

Audit year

2021/22 and 2022/23

Why/impact

The Council has Contract Procedure Rules though these have not been updated since October 2016. At present, the procurement team does not report on waivers to committee level. This can ensure that senior leadership are aware of the level of waiver use.

Management Comments

The procurement and contract rules will be updated by the end of the financial year in order to take account of the changes to procurement rules which need to be implemented on the 1st April 2024.



The range of recommendations that external auditors can make is explained in Appendix C.

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
<p>1 The Council cannot yet produce its 2020/21 draft statement of accounts with long-standing issues with its new ledger system in relation to cash receipting requiring resolution. The Council must ensure that arrangements allow for the successful implementation of cash receipting within its ERP system to allow key elements of financial governance and compliance to be undertaken routinely and in a timely manner. In order to achieve this the Council should:</p> <p>ensure the Council has access to the necessary knowledge and expertise to resolve the remaining key issues with the ERP system in a timely manner to provide management with sufficient assurance over the completeness and veracity of the data included within the system;</p> <p>undertake appropriate testing of the fixes and ensure that appropriate sign-off of these is received prior to running them on live system data; and</p> <p>ensure budget holders and other relevant officers possess the skills and knowledge to appropriately use the ERP system as intended, including relevant training and updates to key documentation and process manuals. Once system issues are properly resolved, the Council must:</p> <p>undertake key control activities such as bank and control account reconciliations on a monthly basis and ensure that these are kept up to date;</p> <p>produce the 2020/21 and 2021/22 draft financial statements, along with high quality supporting working papers;</p> <p>conclude the 2020/21 and 2021/22 RO and CO submissions, and other key Government returns including Whole of Government Accounts; and</p> <p>ensure timely reporting of budget outturns and report publicly on in-year financial monitoring, including updates on the capital programme and savings scheme achievement.</p>	Statutory	Oct 2022	<p>The following Progress has been made:</p> <ul style="list-style-type: none"> • Cash Receipting system issues were corrected by TechOne in November 2022. • Backlog in reconciliations due to the cash receipting timetables to be completed and the Council being up to date by end of the 2023 calendar year • Bromsgrove Audit Task Group ran a review of why the Council was issued with a S24 Statement in February 2023 and came up with a number of recommendations which were accepted by Bromsgrove District Council Audit, Standards & Governance Committee and Cabinet. • The Council were able to upgrade its TechOne System from the version it was on at Go Live to the latest version 23A (which was a5 version upgrade) in July 2023. • Internal Back Office protocols documented and circulated. • Data take on balances for all periods except Period 0 provided to external auditors for review. Council working with previous IT supplier to provide Period 0. Accounts will be provided (as per Audit, Standards & Governance Committee and Cabinet minutes) once Auditors have approved Data Take on Balances. • All key financial returns except RO's/CO's 20/21 and 21/22 (draft 22/23 provided) and WGA now have been provided • Updated finance training provided to Services including the roll out of a new Budget Manager module for inputting forecasts directly on TechOne in September 2023. This will be used for the first time in Q2 monitoring 2023/4 financial year. • Audit, Standards & Governance Committee reviews progress on movement of key financial issues at every meeting (this updated reporting requirement started in January 2023). The same report goes to Cabinet twice a year. • 2022/23 Initial Outturn report delivered in September 2023. 	Partially	Statutory recommendation remains open

Follow-up of previous recommendations

1	Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
	The Council needs to ensure that the Medium-Term Financial Plan presented to Members is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.	Key	Oct 22	<ul style="list-style-type: none"> • New Two Phase process followed for the 2023/4 MTFP. Initial proposals were reviewed by Finance and Budget Working Group and comments fed into Cabinet in October. Proposals were contained in an appendix which set out the savings proposals. Included in the Savings Proposals Document was a feedback form. Proposals were then agreed by Cabinet in December before being approved by Council in January. • Phase 2 of the process had a far more limited time for review but still went through the Finance and Budget Working Group review process with comments fed through to Cabinet and then approval in February. A Robustness statement set out the Risks of the budget, including the present financial crisis the Country is working through. • Overall budget moved to a sustainable position over the three year lifecycle. • Previous years unallocated savings budgets dealt with in Q1 and Q2 2023/4 Finance and Performance Monitoring reports. • Same process is being run for the 2024/25 MTFP Process. 	Partially	MTFP is robust though issues remain surrounding validity of information. These are addressed in Statutory Recommendation 1

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
<p>2 The Council needs to improve management of key projects, such as the financial ledger implementation, to ensure that expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure lessons are learned for future key projects.</p>	Key	Oct 22	<ul style="list-style-type: none"> • Projects Report was approved by Cabinet in July 2023 which approved the formation of a Programme office. The recommendations of that report were that: <ul style="list-style-type: none"> • Formal reporting of all projects is undertaken on a monthly basis by Officers and this information feeds into the Quarterly Finance and Performance Reports for Members. • 2) That a compliance structure is put in place to ensure delivery of projects and management of the multiple interdependencies across projects. This includes: <ul style="list-style-type: none"> • a. A council programme office be established to provide oversight and • validation of the delivery of projects across the organisation. • b. The roles of a programme manager and a programme officer be • established to provide support for the delivery of this oversight, • especially for ICT and Organisational Change projects across the • organisation. • In addition, Bromsgrove Audit Task Group ran a review of why the Council was issued with a S24 Statement in February 2023 and came up with a number of recommendations which were accepted Audit, Standards & Governance Committee and Cabinet at Bromsgrove. These recommendations have fed into the above report. • Internally there has been a Back Office Working Group which has met since July 2022 which reviews cross back-office pressures linked to the implementation of projects to prioritise Council needs. The 4th Tier cross Council working Group, which has been meeting since August 2022, and has representation of all Council departments also forward scans to identify cross cutting projects that require resourcing. 	Yes	Improvement recommendation raised

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
3 The Council should review and implement effective governance arrangements in respect of performance monitoring to allow Members to make informed decisions. In order to achieve this the Council should reinstate public reporting on performance, linking this to the Council Plan and the related strategic objectives, allowing Members to scrutinise performance. This should be done at least twice per year.	Key	Oct 22	<ul style="list-style-type: none"> Quarterly combined Finance and Performance monitoring Reports for Cabinet were relaunched in Q1 2022/23 Financial year. Q1, Q2 and Q3 have all been to Cabinet. The Q4 and Financial outturn reports were separate reports due to timing of Outturn information. The Same process is being followed in the 2023/4 Financial year. 	Yes	Improvement recommendation raised
4 The Council should review and implement effective governance arrangements in respect of risk monitoring to allow Members to make informed decisions. In order to achieve this the Council should make risk management reporting a standing item on the Audit, Standards & Governance Committee agenda, with Members considering the Corporate Risk Register and Risk Management arrangements in an appropriate forum.	Key	Oct 22	<ul style="list-style-type: none"> Risk Monitoring Arrangements were updated following adverse Internal Audit Reports. . Quarterly officer Risk boards were established in April 2022 with each department nominating a representative to attend these boards. Information from those boards feeds into an Overall Quarterly Risk Report to CMT and then this Report being reported to Audit, Standards & Governance Committee. Up to June 2023, for the first year, the report was also reported to Cabinet. As part of this process the definitions of Corporate and Departmental Risks were redefined and a common way of reporting risks used by the whole Council. Assurance rating of Risk Management has now improved to Moderate Assurance 	Yes	Improvement recommendation raised

Follow-up of previous recommendations

Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
5 The Council should ensure timely and relevant financial monitoring reporting is undertaken and presented to the appropriate public forum.	Key	Oct 22	<p>Quarterly combined Finance and Performance monitoring Reports for Cabinet were relaunched in Q1 2022/23 Financial year. Q1, Q2 and Q3 have all been to Cabinet (and initially Challenged by the Finance and Budget Working Group). The Q4 and Financial outturn reports were separate reports due to timing of Outturn information.</p> <p>The Same process is being followed in the 2023/4 Financial year.</p>	Yes	Issues surrounding financial monitoring reports highlighted in statutory recommendation 2
The Medium-Term Financial Plan / Budget setting report should be linked to specific actions which are set out in the Council Plan to make it clearer how investments in services will help to achieve the eight key priorities as set out in the Council Plan.	Improvement	Oct 22	<p>Council Priorities were reviewed in August and September 2023 and will form a report to Cabinet in October 2023. Present 2 Stage MTFP Process, implemented for the 2023/4 MTFP. sets out these links.</p> <p>2022/3 Plan linked to the existing Priorities.</p>	Yes	No
2 The Council needs to improve capital budgeting and ensure that the capital programme is delivered as planned.	Improvement	Oct 22	<p>Capital monitoring integrated with the Quarterly Monitoring Process. Separate Governance Group (Officer led) feeds into Levelling Up Board meetings for the significant spending required to be delivered (from Government Grant) over the next 2 years. Large Projects included in the process set out in Key Recommendation 2 on Project Management, of which the Governance Group is one strand.</p>	No	Improvement recommendation raised
3 The Council should develop a workforce plan / strategy and ensure that this aligns to its financial plans.	Improvement	Oct 22	<p>The new Council workforce Strategy Action Plan was launched in the summer of 2023.</p>	Yes, although capacity constraints remain	Key recommendation raised

Follow-up of previous recommendations

	Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
4	Financial plans presented to Members should include better explanation around the key risks and assumptions as well as sensitivity analysis and modelling different scenarios.	Improvement	Oct 22	This is covered in the 2 Tranche MTFP Process as explained in Key Recommendation 1.	No	Improvement recommendation raised
5	The Council should work with Internal Audit to ensure that proactive fraud prevention work is included in the audit plan, and the work and outcomes are reported to the Audit, Standards & Governance Committee.	Improvement	Oct 22	This is an ongoing item. The Council, through the Internal Audit Service, is part of the National Fraud Initiative scheme and provides yearly data. Matches are then followed up. 15 days of Audit time are allocated to this task. A further 5 days are allocated in 2023/4 to Corporate Anti-Fraud and Corruption work.	No	Improvement recommendation raised
6	The Council needs to ensure that internal and external stakeholders, including service users, are engaged and consulted in the budget setting processes, and that this is documented and reported.	Improvement	Oct 22	This is covered in the 2 Tranche MTFP Process as explained in Key Recommendation 1. There was a consultation feedback form as part of the 2023/4 savings proposals document although a more proactive stakeholder Engagement will happen in the 2024/5 Process. Staff were updated via the Chief Executives Briefings where the Section 151 Officer gave regular Updates. Unions were also updated at the appropriate times at the regular Union Meetings.	Partially	Improvement recommendation raised
7	The Council needs to develop quarterly financial monitoring reports so that performance information is included in order to better explain variances and the financial impact of service decisions.	Improvement	Oct 22	Joint Finance and Performance Reports have been delivered to Members since Q1 of the 2022/23 Financial Year.	Yes	No
8	The Council needs to ensure that budget holders are actively involved in budget monitoring and are aware that it is a key part of their role.	Improvement	Oct 22	For Q2 of the 2023/4 financial year budget managers will move to using TechOne to deliver their quarterly forecasts. To facilitate finance Awareness Training and also specific TechOne training has been provided to budget managers to enable this to work. In 2022/23 Forecasts were delivered via spreadsheets and consolidated into the Quarterly reports that went to Members.	Partially	Improvement recommendation raised

Follow-up of previous recommendations

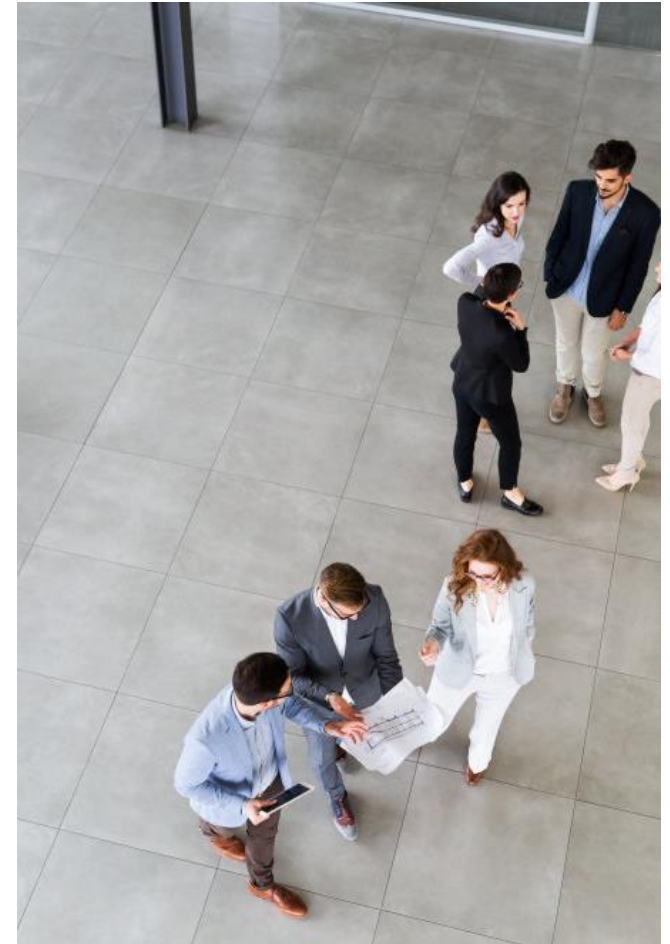
	Recommendation	Type of recommendation	Date raised	Management view of progress to date	Auditor view: Addressed?	Further action?
9	The Council need to put in place arrangements to provide independent assurance over the accuracy on in-year financial reporting and performance information.	Improvement	Oct 22	Audit, Standards & Governance Committee Review the in year savings proposals twice a year, assessing deliverability in year and risk. There are 10 days allocated in 2023/4 for an audit on Corporate Data Quality and Usage.	Yes	Accuracy issue addressed in statutory recommendation
10	The Council needs to significantly enhance the use of benchmarking costs and performance against other similar bodies.	Improvement	Oct 22	The Council are using LG Futures Benchmarking data (RA 2023) to inform decisions on the 2024/5 MTFP Process. The Council has measured its own Corporate Performance through an LGA Peer Review that took place in March 2023.	Partially	Improvement recommendation raised
11	The Council needs to ensure that the recommendations made by the LGA Corporate Peer Challenge in January 2018 and February 2020 are addressed and that it then further improves by learning from exemplar councils across the country.	Improvement	Oct 22	The Council has produced its response to the Peer Review that took place in March 2023 (which took on points from the previous Peer Reviews) in a Report to Cabinet on the 13th June. This contained actions plans around: The Council Plan, Governance and Engagement, Workforce Strategy, Agile Working and Finance Recovery. The Peer Team are returning for a light touch review at the end of the calendar year.	Yes	No
12	The Council should ensure that it has an up-to-date procurement strategy and that this, and any other key policies and strategies, are routinely reviewed and updated.	Improvement	Oct 22	Significant training has been undertaken with Service users in order to ensure they understand procurement compliance requirements. "No Compliance No Order" was implemented in April 2023 on the TechOne systems, meaning that payments will only now be made if they are linked to a requisition.	No	Improvement recommendations raised
13	The Council needs to engage and consult with key stakeholders, where appropriate, to determine local priorities for resources or opportunities for savings.	Improvement	Oct 22	Although a brief Stakeholder questionnaire was included in the 2023/4 Savings Proposals document, more will be done in the 2024/5 MTFP Process.	Yes	No

Opinion on the financial statements for 2021/22 and 2022/23



As noted in our statutory recommendation, the Council has been unable to produce draft financial statements for 2020/21, 2021/22 and 2022/23 and therefore our audit work is outstanding. The Council is now significantly behind its statutory financial reporting responsibilities.

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Appendices

Appendix A – Responsibilities of the local authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

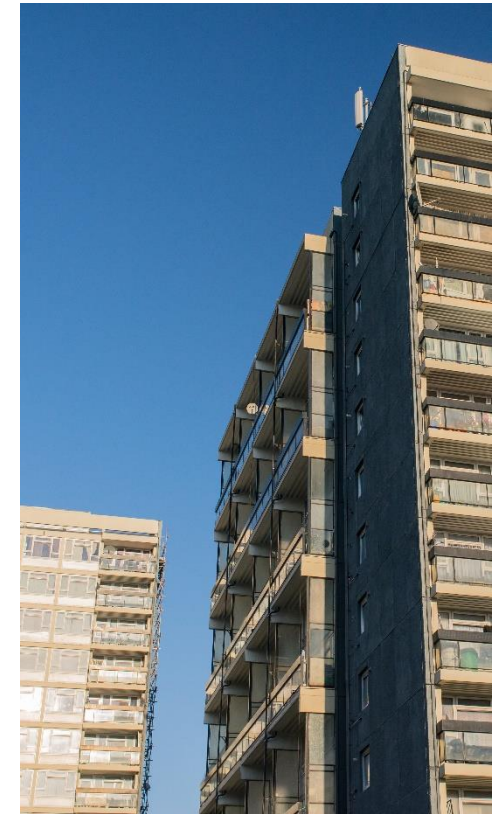
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the local authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the local authority will no longer be provided.

The local authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B – Risks of significant weaknesses, our procedures and findings

As part of our planning and assessment work, we considered whether there were any risks of significant weakness in the local authority's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we identified are detailed in the table below, along with the further procedures we performed, our findings and the final outcome of our work:

Year of audit	Risk of significant weakness	Procedures undertaken	Findings	Outcome
2021/22 and / or 2022/23	Financial sustainability was not identified as a potential significant weakness.	See pages 17 to 28 for more detail.	We have found a significant weakness in the Council's arrangements to secure financial sustainability.	Appropriate arrangements not in place, one statutory recommendation raised and five improvement recommendations raised.
2021/22 and / or 2022/23	Governance was identified as a potential significant weakness due to the previous statutory recommendation.	See pages 29 to 38 for more detail.	We have found a significant weakness in the Council's governance arrangements relating to the flawed ledger implementation.	Appropriate arrangements not in place, one statutory recommendation raised, one key recommendation and five improvement recommendation
2021/22 and / or 2022/23	Improving economy, efficiency and effectiveness was not identified as a significant weakness.	See pages 39 to 44 for more detail.	No significant weakness in arrangements identified but two improvement recommendations raised	Appropriate arrangements in place two improvement recommendations raised.

Appendix C – An explanatory note on recommendations

A range of different recommendations can be raised by the local authority’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the local authority under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	Yes	9 to 10
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the local authority. We have defined these recommendations as ‘key recommendations’.	Yes	15
Improvement	These recommendations, if implemented should improve the arrangements in place at the local authority, but are not a result of identifying significant weaknesses in the local authority’s arrangements.	Yes	24 to 28, 34 to 38 and 43 to 44

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Portfolio Holder Report

Portfolio Holder Report - Leisure, Culture and Climate Change

Introduction and Overview:

At Bromsgrove District Council Portfolio Holders provide an annual update to Council on services within their portfolio remit. These services are delivered in accordance with the Council's Strategic Purposes, as detailed in the Bromsgrove District Council Plan 2019 – 2023.

This report provides an outline of services and activities within the remit of this particular Portfolio Holder. Information is included in relation to the Council's Strategic Purposes, relevant key activities, partnership working, projects and programmes and news stories.

A version of this report, focusing on each Portfolio Holder's remit in turn, will be considered at each meeting of Council (except for the Annual Council meeting).

Whilst services will be contributing information into this report it is worth noting that not all sections of the report will be relevant to all service areas. In this circumstance, some sections may not be completed by all services.

The report will be structured as follows:

- 1) Update on Strategic Purposes
- 2) Partnership working
- 3) Key activities and priorities
- 4) Good news stories and awards (if applicable)
- 5) Other

The Council has the following Strategic Purposes and Priorities:

Strategic Purposes	Council Priorities
Run and grow a successful business	Economic development and regeneration
Work and financial independence	Skills for the future
Living independent, active and healthy lives	Improving health & well being
Affordable and sustainable homes	A balanced housing market
Communities which are safe, well maintained and green	Reducing crime & disorder
The Green Thread runs through the Council Plan	Internal priorities
	Financial stability
	High quality services
	Sustainability

BROMSGROVE DISTRICT COUNCIL

Portfolio Holder Report

1. Update on Strategic Purposes

Leisure and Culture Services

The relevant strategic purposes are:

- Living independent, active, and healthy lives
- Communities which are safe, well maintained and green.
- The Green Thread runs through the Council Plan

The leisure and culture strategy supports the strategic purposes by:

Creating a VISION: Healthy bodies and minds through active, engaged and creative communities

Creating an AIM: To inspire everyone to celebrate our historic past and participate in building a brighter future through 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.

Providing a focus for Key activities

Since the last portfolio holder report the following has been achieved:

Implementation of aspects of The Leisure and Culture strategy. By way of reminder the component parts are the Parks and Open spaces Strategy and four management plans; Arts and Culture strategy and the Built Facility Strategy The Playing pitch strategy will follow in February 2024

In terms of the Arts and Culture Strategy, the following has been achieved in terms of Strategy Recommendations 39, 40 and 42:

- 1 Cultural Compact for North East Worcestershire Annual Conference on 28th March 2023 at Avoncroft Museum with 52 local, regional and national partner organisations represented
- 2 Cultural Compact business, youth and heritage theme group pilot projects delivering:
 - i) Ludic Rooms and HOW College pixel art project bringing to life the Paolozzi Mosaic Masterpieces (over 1000 views of the work in first month),
 - ii) Heritage Trail project with Wythall Transport Museum, Avoncroft Museum and Norton Museum,
 - iii) 700 visitors to the world renowned exhibition “Of All the People of All the World: North East Worcestershire” by Stans Café Theatre at



Portfolio Holder Report

Avoncroft Museum in Easter Holidays

- 3 Cultural Compact Heritage Open Days Festival September 2023 with over 27 activities during the 10-day activity in rural and urban locations across the District. Locations and venues taking part across Bromsgrove included Avoncroft Museum, Bromsgrove Galloper Heritage Community Public Artwork, Bromsgrove Independent Design Centre, Norton Museum, St John's Church, Bromsgrove, St Mark's Church, Finstall and Tardebigge Wharf Guided Local History Walks.
- 4 Just under 1000 people involved in consultation and engagement leading to the launch of the Cultural Compact's first major participation campaign: **ReNEW : Rediscover North East Worcestershire**. Visit the project's holding page for more details and the project's promotional video produced in partnership with residents: www.rediscovernew.co.uk
- 5 ReNEW launch event at HOW College on 27th October 2023 with over 50 in attendance.
- 6 Production of costed activity plans aligned with the ReNEW campaign for submission to Arts Council England and National Lottery Heritage Fund close to completion.
- 7 Secured £33,000 from UK Shared Prosperity Fund towards ReNEW grants scheme with a focus on regenerating redundant spaces across the district through the use of creativity. Launch workshop with 30 participant organisations and individuals at Bromsgrove's DrySpy Public House on 24th November 2023.

Built Facility Strategy:

- 1 Negotiated and secured the first Community Use Agreement with the new owner and operator of the Rylands Leisure Centre. An Advisory Group to monitor community use has been established in line with the agreement with Sport England
- 2 A £5000 UK Shared Prosperity Fund sports grants scheme has been launched in November 2023 to increase community access to sports leisure facilities across the District.

Playing Pitch Strategy

- 1 The Playing Pitch Strategy is scheduled to be considered for endorsement by Bromsgrove District Council in February 2024

Cross Cutting Leisure and Culture Strategy delivery:

BROMSGROVE DISTRICT COUNCIL

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- 1 Holiday Activities & Food funding is a targeted programme aimed at supporting children and young people during the main school holidays who are entitled to free school meals. This funding has supported holiday activities across Bromsgrove with various different providers to deliver activities with a meal or food packages. This is supported by The Children's and Young Peoples Providers Group in Bromsgrove.

Easter - £15,688.00

Summer - £44,523.00

Winter - £15,210.00

- 2 Four Disability Programmes (sailing, football, life skills and cycling) . Working in partnership with Upton Warren Sailing Club, Aztec Upton Warren, the Mayors Community Weekend, the POD in Charford, Rigby Hall School, Sport England, RYA, National Lottery Community Fund and Midland Mencap

2023 funding awarded - £6,321

- 3 Cross departmental working to support the launch of the new Bromsgrove District Council £50,000 Youth Service funding in Autumn 2023

- 4 In partnership with Public Health and Bromsgrove Sports and Leisure Centre delivery of £18,628 physical activity voucher scheme targeting 200 Bromsgrove residents who are physical inactive and struggle with weight gain.

- 5 Health intervention work

- i) Multiple Sclerosis support,
- ii) Finding Freedom with Fibromyalgia project,
- iii) Support for community exercise classes in Wythall, Sidemoor, St Goswalds, Alvechurch, Hillcrest and Rubery
- iv) 200 participants in health walks scheme in Lickey End, Sanders Park, Blackwell, the Oakalls and Wythall
- v) 1000+ people participating in couch to 5k schemes in Central area, Catshill, Alvechurch vi) Walking Football Versus Arthritis for 50+ people in Hagley

In relation to Parks and Events

1. Management plan implementation and a phased approach of delivery from years 2022- 27 for key parks
2. Delivery of Green Fair meeting some objectives of climate change agenda at Sanders Park
3. Improvements to the management of allotments commenced



Portfolio Holder Report

4. Funding secured through the UKSPF fund to provide capital projects across parks with management plans.
5. Lawns Tennis Association funding (£12k) to improve the tennis courts facility at Sanders Park with a new access gate and refreshed surfacing.
6. The delivery of the Light trail at Sanders park
7. Improvements to some play areas across Bromsgrove, this included new equipment, surfacing and removal of unsafe equipment. The Play Audit on the Forward Plan will spearhead further improvements.

Climate Change

Relevant Strategic Purpose 'Communities that are safe, well maintained & green'

Climate Change supports 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.

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.

Members will recall that the Council declared a climate emergency in 2019, affirming that it will place the Climate Emergency at the centre of its decision-making process.

Key activities since last report:

In October 2022, the Council adopted a Carbon Reduction Strategy and Implementation Plan. This is our first Carbon Reduction Strategy which covers the next 3 years and is published on our website. The Strategy sets out how as a Council we will achieve a 50% reduction in carbon dioxide by 2030 and Net Zero by 2040. This is in advance of the Government's target of Net Zero by 2050.

Each of the Council's service areas contributed to the Strategy and Implementation Plan in order to produce 'carbon reduction pathways'. Through this approach carbon reduction will become 'business as usual' and truly embedded throughout the organisation.

BROMSGROVE DISTRICT COUNCIL

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Over the last 12 month our key successes and activities have been:

- Office for low emission vehicles funded electric taxi scheme – estimated Carbon savings of 126 CO₂ tonnes for the wider area, beyond Council operations
- Low carbon heating & Solar PV project at the Artrix Centre - estimated carbon saving of 100 CO₂ tonnes.
- Purchase of 100% green electricity for the Council - estimated carbon saving of 98 CO₂ tonnes.
- First delivery and implementation of hydrotreated vegetable oil (HVO) low carbon fuel for the Council's diesel fleet - estimated carbon saving of 530 CO₂ tonnes per annum and the Council is now using HVO in all its diesel vehicles
- Bromsgrove Zero Carbon District Heat Network study – carbon savings to be achieved when the scheme is operational.
- A Green Fair at Sanders Park as a key event to communicate the message of a low carbon future to the wider community.

Anticipated Activities/Key Milestones For Next Period

Our Carbon Reduction Strategy sets out our actions over the next 3 years to work towards our Net Zero target. Our top 5 future actions are:

- Assess further low carbon fleet fuel options - estimated carbon saving of 349 CO₂ tonnes.
- Seek commercial partners to build out the Bromsgrove District Heat Network - estimated carbon saving of 100 CO₂ tonnes.
- Support Bromsgrove District Housing Trust to apply for funding to improve efficiency of housing stock- estimated carbon saving to the District of 50 CO₂ tonnes.
- Set up a rolling programme of works to improve energy efficiency/ renewable generation in the buildings with the highest consumption - estimated carbon saving of 48 CO₂ tonnes.
- 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 - estimated carbon saving of 36 CO₂ tonnes.

It was acknowledged that given the importance of this area of work additional staffing resources were required at a more strategic level. Consequently, in November 2022 the Council approved a budget bid to fund a Senior Climate Change Officer post. This post will be advertised in February 2023. Following the resignation of our Climate Change Officer at the end of 2022, a further post of Graduate Climate Change Officer will be recruited during 2023.

Our Carbon Reduction Implementation plan will be refreshed every 3 years and reviewed annually. Progress against targets will be reviewed by the Climate



Portfolio Holder Report

Change Working Party. The Strategy will further provide the focus, steer and priority for the Climate change Panel for the next 3 years.

BROMSGROVE DISTRICT COUNCIL

Portfolio Holder Report

2. Partnership Working:

The Council works with a range of partner organisations to meet the needs of residents and businesses in the District. The following section details work delivered within the remit of this Portfolio Holder.

Leisure and Culture Services

Partnership working examples:

The Cultural Compact organisations who have supported the development of our ReNEW campaign include:

Active Herefordshire and Worcestershire, AIR: artsinredditch (local arts forum), Bromsgrove Arts Alive, Bromsgrove Independent Business Club, Bromsgrove Society, Canals and Rivers Trust, Culture Central, GRIN Creative, Friends of St Johns, Heart of Worcestershire College, Herefordshire and Worcestershire Chamber of Commerce, Redditch and Bromsgrove Health Collaboratives, Kingfisher Shopping Centre, Ludic Rooms, Motionhouse Dance Theatre, National Trust, Norton Museum, Redditch BID, Reimagine Redditch Consortium (Creative People and Places Project), Royal Enfield (European region), Royal Shakespeare Company, Rubicon Leisure, Severn Arts, Simon McKewen, Stans Café Theatre , Dry Spy Public House , Heart of England Forest Trust, University of Worcester, Visit Worcestershire, Worcestershire Wildlife Trust, WMCA Cultural Services, Writing West Midlands, Young Solutions.

Anticipated Activities/Key Milestones For Next Period

The key milestones will relate to working through the recommendations in the Leisure and Cultural Strategy and inviting members to approve the Playing Pitch Strategy as detailed in the Forward Plan. In addition, the team will be spending any external funding received.

1. Cultural Compact Annual Conference and Plenary 15th March 2024 at St Johns Church to reflect on progress of ReNEW participation campaign
2. Increasing number of organisations aligning with the ReNEW participation campaign.



Portfolio Holder Report

3. Funding applications to be submitted to Arts Council England and National Lottery Heritage Fund to deliver ReNEW campaign.
4. Roll out of quality standards certification scheme for health intervention projects.
5. Increase of Couch 2 5K schemes with development into Wythall area with alignment with Fun Run in this ward
6. Continued fundraising for various positive activities in communities.
7. Endeavour to increase the number of Community Use Agreements

Climate Change

Partnership working

It is vital that we work closely with partners, in order to reduce the carbon emissions of the district as a whole. It is important that we use our sphere of influence to encourage others to address their own emissions. The council also benefits from partnership working with county, regional and national organisations by seeking out and engaging the support that may be available.

Key activities since last report:

A key partner for the Council has been the West Midlands Net Zero Hub who have supported us in developing our Carbon Reduction Action Plan. I would like to say particularly thanks to Alex Pearson for this work.

We currently work closely on a district level with partners such as 'Everyone Active' who run our sports and leisure facilities. We work closely with Worcestershire County Council to ensure that homes and businesses can benefit from the advice and grants that are made available through the Sustainability Team. The Council is also part of the Joint Worcestershire and Herefordshire Waste Partnership group working towards waste reduction and better waste management across the county. We are also working closely with Worcestershire Regulatory Services to promote Electric Taxis through the licencing system. On a regional level alongside working with the Midlands Net Zero Hub we also work with the West Midlands Combined Authority and Sustainability West Midlands on several carbon reduction projects. On

BROMSGROVE DISTRICT COUNCIL

Portfolio Holder Report

a national level we have recently worked with the Energy Saving Trust to look at carbon reduction options across our vehicle fleet.

Anticipated Activities/Key Milestones and Priorities For Next Period

- Work with Partners to deliver of the actions that require a partnership approach contained in the carbon reduction strategy
- Officers to attend monthly sustainability officers group meetings, organised through the County Council in order to share learning
- Investigate opportunities for carbon reduction with our suppliers and delivery partners
- Ensure that our Carbon Reduction Strategy is aligned with the other Worcestershire Councils and review all plans 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
- We will also continue to explore options with Worcestershire County Council and local businesses to encourage walking and cycling to work.

1. News Stories and Awards

Leisure and Culture Services

Contributions to delivery of arts and culture strategy

1. £35,000 awarded by Arts Council England to support Cultural Compact for North-East Worcestershire

Recommendations from the Cabinet Meeting held on 22nd November 2023

Governance Systems Review Update – Overview and Scrutiny Board

RECOMMENDED that

- 1) The proposed Memorandum of Understanding concerning cross party working be approved, subject to an amendment to point 5 of the Principles section to read as follows: “Recognise *and respect* that each individual Member can contribute to decisions that are taken and *should be given the opportunity* to be involved and able to provide their opinion before a decision be taken”.

Medium Term Financial Plan 2024/5 to 2026/7 – Tranche 1

RECOMMEND that

- 1) That the Play capital works for 2023/4 as set out in 3.38 are approved and added to the Capital Programme.

Treasury Management Strategy Half Yearly Report

RECOMMENDED that

- 1) Council note the position in relation to the Council’s Prudential indicators.

Finance And Performance Monitoring Report Quarter 2 2023/24

RECOMMENDED that

- 1) Changes to the Capital Programme in relation to ICT be actioned, bringing forward Cyber Security linked Tape Drive replacements forward from 2024/5 into 2023/4, and increasing the budget in 2023/4 to ensure the continuation of the Civica OpenRevenues system for the administration of council tax, business rates and housing benefits.

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Overview and Scrutiny Board

20th November 2023

Governance Systems Task Group – Update Report

Relevant Portfolio Holder		Councillor Charlie Hotham, Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted		Yes
Relevant Head of Service		Claire Felton, Head of Legal, Democratic and Property Services
Report Author Claire Felton	Job Title: Head of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk	
Wards Affected		No specific ward relevance
Ward Councillor(s) consulted		N/A
Relevant Strategic Purpose(s)		An Effective and Sustainable Council
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Overview and Scrutiny Board is asked to **RECOMMEND** that:-

- 1) The terms of reference for the Cabinet Advisory Groups be approved;
- 2) The proposed Memorandum of Understanding concerning cross party working be approved; and
- 3) The update in respect of progress with implementing the recommendations made by the Governance Systems Task Group be noted.

2. BACKGROUND

- 2.1 The report details the work that has been undertaken at the Council to implement the recommendations made by the Governance Systems Task Group and which were approved at an extraordinary meeting of Council held on 20th September 2023.
- 2.2 The Overview and Scrutiny Board is invited to consider the update provided and whether to approve the recommendations detailed in the report.

Overview and Scrutiny Board

20th November 2023

3. OPERATIONAL ISSUES

- 3.1 The Governance Systems Task Group completed a review of the Council's governance model in September 2023. The findings detailed in the group's report were subsequently approved at an extraordinary meeting of Council held on 20th September 2023.
- 3.2 Since Council approved the group's recommendations, the Constitution Review Working Group has held a number of meetings to consider progress with the implementation of the actions that were proposed.
- 3.3 At a meeting of the Constitution Review Working Group held on 28th September 2023, Members agreed that meetings of the group should take place approximately once a month to enable Members to ensure that the amendments to the Council's constitution and working practices that are required, following on from the review, will be delivered in time for all such changes to be in place by the start of the 2024/25 municipal year.
- 3.4 At a subsequent meeting of the Constitution Review Working Group, held on 1st November 2023, Members considered initial draft terms of reference for the Cabinet Advisory Groups that had been proposed by the Governance Systems Task Group. Members also considered a draft Memorandum of Understanding for cross party working, which had similarly been proposed by the Task Group.
- 3.5 A number of amendments were requested by Members to these documents and it was agreed that a further meeting of the Constitution Review Working Group should take place to consider the updated versions of the Cabinet Advisory Group terms of reference and Memorandum of Understanding for cross party working. To ensure that this could take place in time for a written update on the subject to be reported to the Overview and Scrutiny Board meeting in November 2023, this additional meeting of the Constitution Review Working Group took place at midday on Wednesday 8th November 2023.
- 3.6 Based on the amendments that had already been made to both documents and which were subsequently suggested at the meeting of the Constitution Review Working Group held on 8th November, the group endorsed the attached terms of reference for Cabinet Advisory Groups and Memorandum of Understanding for cross party working.

Overview and Scrutiny Board

20th November 2023

- 3.7 In addition to this work, it is important to note that a comprehensive review of the Council's constitution is currently being undertaken on behalf of the Council. Findings arising from the Governance Systems Task Group will be taken into account as part of this process, whilst the review also aims to simplify and reduce the current length of the constitution. Any proposed changes to the constitution arising from this process will ultimately need to be determined by Council.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no specific financial implications arising from this report.

5. LEGAL IMPLICATIONS

- 5.1 Review and revision of the Constitution is governed by Article 15 of the Constitution.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 The action proposed in this report supports the strategic purpose "an effective and sustainable Council".

Climate Change Implications

- 6.2 There are no specific climate change implications.

Equalities and Diversity Implications

- 6.3 There are no specific equalities and diversity implications.

7. RISK MANAGEMENT

- 7.1 There is a risk that if the Council does not progress in a timely manner with consideration of the changes to the constitution required as a result of the Governance Systems Task Group, these amendments will not be in place in time for the start of the 2024/25 municipal year as intended.

8. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 1 – Proposed Cabinet Advisory Group Terms of Reference.

Overview and Scrutiny Board

20th November 2023

Appendix 2 – Proposed Memorandum of Understanding concerning cross party working.

Background Papers

Governance Systems Task Group’s final report: [Governance Systems Task Group - report](#)

Minutes of the meeting of the extraordinary Council meeting held on 20th September 2023: [Minutes - Council meeting, 20th September 2023](#)

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Charlie Hotham.	10/11/2023
Lead Director / Head of Service	Claire Felton, Head of Legal, Democratic and Property Services	08/11/2023
Financial Services	Pete Carpenter, Director of Finance and Resources	08/11/2023
Legal Services	Claire Felton, Head of Legal, Democratic and Property Services	08/11/2023

CABINET ADVISORY GROUP

1. Cross Party working is widely recognised as a valuable part of the democratic process and it is important that there is openness and transparency in the way that the Cabinet operates.
2. Bromsgrove District Council will facilitate all member engagement and consultation on decisions to be taken by Cabinet by way of Cabinet Advisory Groups (“CAGs”).
3. CAGs are not formal Committees of the Council. They are informal groups convened to enable all members to be aware of and to contribute to strategic and other items.
4. CAGs are not subject to any of the procedure rules in the Council’s Constitution. The rules on political proportionality also do not apply.
5. CAGs should not attempt to replicate the functional areas covered by the audit and overview and scrutiny committees.
6. Any elected member can attend a CAG meeting. The meetings will be chaired by the relevant Portfolio Holder(s). Officers and other Cabinet Members may attend.
7. CAG meetings can be conducted in person, or in virtual or hybrid format at the discretion of the group.
8. Dates for the CAGs will be included in the calendar of meetings in advance, although additional meetings can be scheduled throughout the year as and when required by the Portfolio Holder.
9. Democratic Services shall arrange meeting times and provide any documentation required in advance of the meeting. A note of the views of members in attendance will be taken and actions reported to the Cabinet Working Group. This will also be referenced in any report to Cabinet.
10. The normal rules relating to access to information apply, in terms of members and officers observing the confidentiality of exempt information.
11. The Code of Conduct applies when attending CAG meetings and declarations of interests will need to be declared as a standing item on the agenda. Some members may not be able to participate in some items due to their personal interests.

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Bromsgrove District Council

Memorandum of Understanding

concerning

CROSS PARTY WORKING

2023

Introduction

- (A) Following the 2023 elections the political representation of the Council changed so that no party held the majority of seats on the Council.
- (B) In recognition of this change a review was carried out to understand which model of governance would best suit no overall control.
- (C) On 20 September 2023 Council resolved to retain the leader and cabinet model of governance on a hybrid basis involving all members, wherever possible.
- (D) All Members including group leaders wish to enter this Memorandum of Understanding to provide for their on-going relationship, aspirations, expectations and continuing collaboration and participation in the decision making at the Council.
- (E) These principles shall be incorporated into the Council's new constitution from May 2024.

Principles

The Parties agree to adopt the following principles to effect good decision making in the Council:

1. Acknowledge that cross party working is a valuable part of the democratic process;
2. Act in good faith and in the spirit of partnership with open and honest conversations;
3. Co operate to achieve effective cross party work;
4. Work collaboratively and collectively to find solutions in the best interests of the community;
5. Recognise that each individual member can contribute to decisions that are taken and should be involved and able to provide their opinion before a decision is taken.
6. Accept that the political proportionality rules shall apply to the allocation of seats on all formal committees and that wherever possible the person presiding full Council, Audit and Overview and Scrutiny Committee meetings should be selected from the political parties not represented on the Cabinet.
7. Accept that where possible the principles of political proportionality shall also apply to any other roles and responsibilities to be allocated [for example outside body appointments, not including ex officio appointments]

TREASURY MANAGEMENT STRATEGY HALF YEARLY REPORT

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

1. **SUMMARY OF PROPOSALS**

- 1.1 This report for 2023/24 presents a half yearly update on the Council’s Capital and Treasury Management Strategies, including all prudential indicators. There is the requirement for progress to reported through Cabinet to Council at the half year pointy.

2. **RECOMMENDATIONS**

Cabinet are asked to Recommend to Council that:

- 1 That Cabinet note the position in relation to the Councils Prudential indicators.

3. **Background**

Introduction

- 3.1 The Authority has adopted the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.
- 3.2 This report includes the new requirement in the 2021 Code, mandatory from 1st April 2023, of quarterly reporting of the treasury management prudential indicators.

Cabinet

22nd November 2023

- 3.3 The Authority's treasury management strategy for 2023/24 was approved at a meeting on the 22nd February 2023. The Authority has 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 risk remains central to the Authority's treasury management strategy.

External Context

- 3.4 **Economic background:** UK inflation remained stubbornly high over much the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to the regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.
- 3.5 Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.2%. However, monthly GDP data showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.
- 3.6 July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.
- 3.7 Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.
- 3.8 The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.

Cabinet

22nd November 2023

- 3.9 Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September MPC meeting, and to then expecting 5.25% to be the peak by the end of the period.
- 3.10 Following the September MPC meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.
- 3.11 The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, the GfK measure hit -21 in September, it is likely this will reverse at some point. Higher rates will also impact business and according to S&P/CIPS survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.
- 3.12 The US Federal Reserve increased its key interest rate to 5.25-5.50% over the period, pausing in September following a 0.25% rise the month before, and indicating that it may have not quite completed its monetary tightening cycle.
- 3.13 Having fallen throughout 2023, annual US inflation started to pick up again in July 2023, rising from 3% in June, which represented the lowest level since March 2021, to 3.2% in July and then jumping again to 3.7% in August, beating expectations for a rise to 3.6%. Rising oil prices were the main cause of the increase. US GDP growth registered 2.1% annualised in the second calendar quarter of 2023, down from the initial estimate of 2.4% but above the 2% expansion seen in the first quarter.
- 3.14 The European Central Bank increased its key deposit, main refinancing, and marginal lending interest rates to 4.00%, 4.50% and 4.75% respectively in September, and hinted these levels may represent the peak in rates but also emphasising rates would stay high for as long as required to bring inflation down to target.

Cabinet

22nd November 2023

- 3.15 Although continuing to decline steadily, inflation has been sticky, Eurozone annual headline CPI fell to 5.2% in August while annual core inflation eased to 5.3% having stuck at 5.5% in the previous two months. GDP growth remains weak, with recent data showing the region expanded by only 0.1% in the three months to June 2023, the rate as the previous quarter.

Financial markets:

- 3.16 Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak.
- 3.17 Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%. The Sterling Overnight Rate (SONIA) averaged 4.73% over the period.

Credit review:

- 3.18 Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days. This stance continued to be maintained at the end of the period.
- 3.19 During the second quarter of the period, Moody's revised the outlook on Svenska Handelsbanken to negative from stable, citing concerns around the Swedish real estate sector.
- 3.20 Having put the US sovereign rating on Rating Watch Negative earlier in the period, Fitch took further action in August, downgrading the long-term rating to AA+, partly around ongoing debt ceiling concerns but also an expected fiscal deterioration over the next couple of years.
- 3.21 Following the issue of a Section 114 notice, in September Arlingclose advised against undertaking new lending to Birmingham City Council, and later in the month cut its recommended duration on Warrington Borough Council to a maximum of 100 days.

Cabinet

22nd November 2023

- 3.22 Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress and although no changes were made to recommended durations over the period, Northern Trust Corporation was added to the counterparty list.
- 3.23 Heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority’s counterparty list recommended by Arlingclose remains under constant review.

Local Context

- 3.24 On 31st March 2023, the Authority had net investments of £6.52m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.23 Forecast £m	31.3.24 Forecast £m
General Fund CFR	16.49	16.59
Investments CFR	13.75	9.47
Total CFR	30.24	26.06
Less: External borrowing**	8.28	18.28
Internal (over) borrowing	21.96	7.78
Less: Balance sheet resources		
Usable Reserves	-13.40	-11.20
Working Capital	-3.10	-3.10
Net New borrowing / (investments)	5.46	-6.52

* finance leases, PFI liabilities and transferred debt that form part of the Authority’s total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

- 3.25 The treasury management position at 31 March 2023 and the change over the six months’ is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.23 Balance £m	Movement £m	30.9.23 Balance £m	30.9.23 Rate %
Long-term borrowing				
- PWLB				
- Other				
Short-term borrowing	3.75	-3.75	0	
Total borrowing	3.75	-3.75	0.00	
Long-term investments				
Short-term investments	1.0	4.70	5.70	5.00%
Cash and cash equivalents				
Total investments	1.00	4.70	5.70	
Net borrowing / (investments)	2.75	-8.45	-5.70	

Borrowing

- 3.26 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 3.27 The Authority has not invested in assets primarily for financial return or that are not primarily related to the functions of the Authority. It has no plans to do so in future.

Borrowing strategy and activity

- 3.28 As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
- 3.29 There was a substantial rise in the cost of both short- and long-term borrowing over the last 18 months. Bank Rate rose by 1% from 4.25% at the beginning of

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April to 5.25% at the end of September. Bank Rate was 2% higher than at the end of September 2022.

- 3.30 UK gilt yields were volatile, mainly facing upward pressure since early April following signs that UK growth had been more resilient, inflation stickier than expected, and that the Bank of England saw persistently higher rates through 2023/24 as key to dampening domestic demand. Gilt yields, and consequently PWLB borrowing rates, rose and broadly remained at elevated levels. On 30th September, the PWLB certainty rates for maturity loans were 5.26% for 10-year loans, 5.64% for 20-year loans and 5.43% for 50-year loans. Their equivalents on 31st March 2023 were 4.33%, 4.70% and 4.41% respectively.
- 3.31 At 30th September the Authority held no loans, a decrease of £3.75m from 31st March 2023, as part of its strategy for funding previous and current years' capital programmes. There are no outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.23 Balance £m	Net Movement £m	30.9.23 Balance £m	30.9.23 Weighted Average Rate %	30.9.23 Weighted Average Maturity (years)
Public Works Loan Board					
Banks (LOBO)					
Banks (fixed-term)					
Local authorities (long-term)					
Local authorities (short-term)	3.75	-3.75	0.00		
Total borrowing	3.75	-3.75	0.00		

- 3.32 The Authority's short-term borrowing cost has increased with the rise in Bank Rate and short-dated market rates. It has no short term debt at the moment

Treasury Investment Activity

- 3.33 The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 3.34 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the half year, the Authority's investment balances ranged between £0.5million and 11 million

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due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.23 Balance £'000	Net Movement £'000	30.9.23 Balance £'000	30.9.23 Income Return %	30.9.23 Weighted Average Maturity days
Banks & building societies (unsecured)					
Banks & building societies (secured deposits)					
Covered bonds (secured)					
Government	1.00	4.70	5.70	5.00%	6
Local authorities and other govt entities					
Corporate bonds and loans					
Money Market Funds					
Total investments	1.00	4.70	5.70		

3.35 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum 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.

3.36 As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

3.37 Bank Rate increased by 1%, from 4.25% at the beginning of April to 5.25% by the end of September. Short-dated cash rates rose commensurately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%. The rates on DMADF deposits also rose, ranging between 5.17% and 5.26% by the end of September

3.38 £5m that is available for longer-term/ short-term investment is invested with DMADF.

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Non-Treasury Investments

- 3.39 The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).
- 3.40 Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.
- 3.41 The Authority does not hold these types of investments presently, although the setting up of the new Housing Company will include a shareholding in a subsidiary and a loan to that Subsidiary.

Treasury Performance

- 3.42 The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 5 below

Table 5: Performance

	Actual £m	Budget £m	Over/ under	Actual %	Benchmark %	Over/ under
Total borrowing	0	0	0			
PFI and Finance leases	0	0	0			
Total debt	0	0	0			
Total treasury investments	5.70	5.00	0.70			
				n/a	n/a	n/a

Compliance

- 3.43 The Interim Director of Finance reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

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Table 6: Investment Limits

	2023/24 Maximum	30.9.23 Actual	2023/24 Limit	Complied? Yes/No
Any single organisation, except the UK Government				
UK Central Government	Unlimited	£5.7m		Yes
Any group of organisations under the same ownership				
Any group of pooled funds under the same management				
Negotiable instruments held in a broker's nominee account				
Limit per non-UK country				
Registered providers and registered social landlords				
Unsecured investments with banks and building societies				
Loans to unrated corporates				
Money Market Funds				
Strategic pooled funds				
Real Estate Investment Trusts				

3.44 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	H1 2023/24 Maximum £'000	30.9.23 Actual £'000	2023/24 Operational Boundary £'000	2023/24 Authorised Limit £'000	Complied? Yes/No
Borrowing	5,500	0	45,000	55,000	Yes
PFI and Finance Leases			1,000	1,000	Yes
Total debt	5,500	0	46,000	56,000	Yes

3.45 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

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Treasury Management Prudential Indicators

3.46 As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

3.47 This new indicator compares the Authority’s actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. 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. It 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 of £2m required to manage day-to-day cash flow.

	31.3.23 Actual	31.3.24 Forecast	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	30.2	26.1	27.3	27.7
Less: Balance sheet resources				
Usable reserves	-13.4	-11.2	-10.8	-10.2
Working Capital	-3.1	-3.1	-3.1	-3.1
Net loans requirement	13.7	11.8	13.4	14.4
Plus: Liquidity allowance	0.2	0.2	0.2	0.2
Liability benchmark	13.9	12.0	13.6	14.6
Existing borrowing	3.7	18.28	18.28	18.28

3.48 Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £18m, minimum revenue provision on new capital expenditure based on a 40 year asset life and income, expenditure and reserves all increasing by inflation of 7% in 2024/5 reducing to 2% ongoing. This is shown in the chart below together with the maturity profile of the Authority’s existing borrowing. Presently borrowing has been delivered through the use of internal resources and the Council has no long term borrowing.

3.49 Whilst borrowing may be above the liability benchmark, strategies involving borrowing which is significantly above the liability benchmark carry higher risk.

2. Maturity Structure of Borrowing:

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3.50 This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	30.9.23 Actual	Complied?
Under 12 months	50%	0%	0%	Yes
12 months and within 24 months	50%	0%	0%	Yes
24 months and within 5 years	50%	0%	0%	Yes
5 years and within 10 years	50%	0%	0%	Yes
10 years and above	100%	0%	0%	Yes

3.51 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.

3. Long-term Treasury Management Investments:

3.52 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 limits are:

	2023/24	2024/25
Limit on principal invested beyond year end	£1.0m	£0.5m
Actual principal invested beyond year end	Nil	Nil
Complied?	Yes	Yes

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

Additional indicators

Security:

3.54 The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating 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.

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	2023/24 Target	30.9.23 Actual	Complied?
Portfolio average credit rating	A	UK Govt	Yes

Liquidity:

- 3.55 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.

	30.9.23 Actual	2023/24 Target	Complied?
Total cash available within [3] months	£5.7m	£2.5m	Yes
Total sum borrowed in past [3] months without prior notice	0	0	Yes

Interest Rate Exposures:

- 3.56 This indicator is set to control the Authority's exposure to interest rate risk. Bank Rate rose by 1.25% from 4.25% on 1st April to 5.25% by 30th September.

Interest rate risk indicator	2023/24 Target	30.9.23 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	500,000	0	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	500,000	0	Yes

- 3.57 For context, the changes in interest rates during the quarter were:

	<u>31/3/23</u>	<u>30/9/23</u>
Bank Rate	4.25%	5.25%
1-year PWLB certainty rate, maturity loans	4.78%	5.69%
5-year PWLB certainty rate, maturity loans	4.31%	5.22%
10-year PWLB certainty rate, maturity loans	4.33%	5.26%
20-year PWLB certainty rate, maturity loans	4.70%	5.64%
50-year PWLB certainty rate, maturity loans	4.41%	5.43%

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

4. **IMPLICATIONS**

Financial Implications

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- 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 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 is undertaken to ensure that income targets are achieved, with Treasury Management activities taking place on a daily basis.

Customer / Equalities and Diversity Implications

- 4.4 The only impact of treasury transaction is in respect of ethical investment linked to the Council's investment counterparties. Presently, the Council has a limited counterparty list based on financial risk to the authority.

5. RISK MANAGEMENT

- 5.1 There is always significant risk in relation to treasury transactions, this is why Councils appoint Treasury Advisors, which in the case of Bromsgrove is Arlingclose. In addition, there is the requirement in this area to provide a yearly Strategy report containing indicators/limits that must be met, a half yearly update and closure report all of which must be reported to full Council.

6. APPENDICES

None

7. BACKGROUND PAPERS

MTFP 2023/4 – February 2023 which contains this year's Asset Strategy, Treasury Management Strategy and MRP Policy.

8. KEY

None

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MEDIUM TERM FINANCIAL PLAN 2024/5 TO 2026/7 – Tranche 1

Relevant Portfolio Holder	Cllr. Charlie Hotham, Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Michelle Howell
Report Author	Job Title: Head of Finance & Customer Services email:michelle.howell@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 will set its budget in two Tranches this year as it did in the 2023/4 Medium Term Financial Plan (MTFP) process. The initial Tranche will be published in the Autumn with approval of options sought at Council in January, with a second Tranche to be considered in January once final settlement figures are known with final budget approval sought in February.

2. RECOMMENDATIONS

Cabinet are asked to Resolve that:

- 1 They endorse the inputs into the Council’s Medium Term Financial Plan as at the start of October, and the associated risks and opportunities.
- 2 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, will be published on the 14th November and any feedback will be considered by Cabinet in January 2023 prior to seeking approval at Council in January 2024.
- 4 Tranche 2 of this process will add further information such as the Local Government Settlement to give a final financial position for the Council.

Cabinet Recommend to Council that:

1. That the Play capital works for 2023/4 as set out in 3.38 are approved and added to the Capital Programme.

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3. Background

Introduction

3.1 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 will be more difficult due to the following factors:

- Starting the process with a £637k overall deficit across the three years of 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.
- 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 October 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 starting position for the 2024/25 MTFP.
- The emerging national picture including expected settlement dates.
- Council Priorities
- Strategic Approach
- The Council's Base Assumptions including Inflation and Grants
- Fees and Charges update.

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- Impact on Reserves and Balances.
- Capital Programme.
- Robustness Statement
- Consultation Details.

The Starting Position for the 2024/25 MTFP

3.3 The Council set a three year MTFP 2023/24 to 2025/26 in February 2023. The plan moved the Council to a sustainable budget position over the three year planning horizon with support from reserves to achieve this of £637k over the three year period.

Bromsgrove Position Statement			
	2023/24	2024/25	2025/26
	£000	£000	£000
Base Budget Position 22/23 MTFP			
Expenditure	11,948	12,077	12,347
Funding	-10,360	-10,864	-10,724
Net	1,588	1,213	1,623
Revised Gap			
	1,588	1,213	1,623
Pressures			
50% Funding for Climate Change Officer	30	30	30
Savings Options			
Environmental Services Partnership	0	-25	-50
Service Reviews	-140	-330	-405
Town Hall	-70	-70	-70
Finance Vacancies	-100	-100	-100
MRP	-100	-100	-100
Pension Fund	-663	-663	-663
Engage Capacity Grid (One Off)	-200	-200	0
10% Increase in Fees and Charges	-382	-389	-390
Total Savings	-1,625	-1,847	-1,748
Revised Position			
	-37	-634	-125
Pressures			
Pay Pressure Year 1	718	718	718
Pay Pressure Future Years (1%)	0	0	155
Transport Pressure	32	33	34
Contracts Pressures	150	155	160
Core Pressures	900	906	1,067
Updated Position			
	863	272	942
Utilities Inflation	702	702	702
Tranche 1 Final Draft Position			
	1,565	974	1,644
Draft Local Government Financial Settlement			
New Homes Bonus	-127		
Services Grant	-68		
Funding Guarantee	-1027		
C Tax Base Reduction	24		
Business Rates/Investment Inc Rebaseline	-517	-200	-200
Future Years Settlements - assumption		-1000	-1000
Settlement Draft Amounts	-1715	-1200	-1200
Additional Pensions Savings	-356	-356	-356
Conversion of 50% of Utilities to a Reserve	-351	-351	-351
Revised Deficit	-857	-933	-263
New Pressures (Known/Ongoing)			
Fleet Refurbishment	129	258	258
SLM Contract Rebasing	400	341	275
Apprentiship Scheme	50	50	50
Data Analyst	25	25	25
Planning Enforcement	25	25	25
WRS Increase	39	50	61
Cost of all out elections	167		
Under Recovery of 22/23 Council Tax	132		
Increased pay award - so 2%	140	140	0
Total	1107	889	694
Revised Draft Position			
	250	-44	431

Table 1 – Opening MTFP Position

The emerging national picture including expected Settlement Dates

- 3.4 Local Government is in uncharted territory. C-19 has changed significantly the way Councils and the people they serve work, or expect to be served, and this needs to be reflected in Service Plans and associated budgets.
- 3.5 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.
- 3.6 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.
- 3.7 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). No further guidance has been issued since the original guidance from DLUHC in July 2023. However, it is now key that all Council returns are made thinking about this point and our records that are accessed by the Government are as up to date as possible.
- 3.8 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. Given the number of Council in financial distress there is a possibility that the Government might be far more prescriptive than in previous years in its funding allocations.
 - Bromsgrove still have accounts unaudited from 2020/21 and will not have the cash receipting backlogs cleared until the end of this calendar year (2023). As such, there is still a degree of uncertainty on the overall figures, until those years accounts have been finalised and audited.

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- 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, with generally only upper tier authorities being close to actual timescales due to the size of their budgets. In light of this, DLUHC are looking to implement deadlines for delivery which will possibly mean significant numbers of Councils, including possibly Bromsgrove, who due to time constraints have not had audits complete might end up with qualified accounts. The Council have written to DLUHC and the LGA over this issue.

3.9 It is understood that the Chancellors Autumn Statement will now not happen until the 22nd November. This means that it is likely the Provisional Local Government Settlement will not take place until the week before most Councils break up for Christmas 2023. It is expected that this year's Local Government Settlement will be multi-year but, would be no longer than 2 years given the impending National Elections. The final Local Government Settlement will be required halfway through January to enable all precepting authorities to deliver their budgets – using this gives the following timetable:

- Initial Tranche 1 Options published – 14th November
- Cabinet discuss initial options – 22nd November.
- Chancellors Statement – 22nd November
- Provisional Local Government Settlement – Late December
- Tranche 1 approved sought by Cabinet 17th January/Council 24th January
- Final Local Government Settlement – Mid January (at the earliest)
- Tranche 2 options ready – Late January
- Tranche 2 options presented to Cabinet – 14th February
- Full Budget approved by Council – 21st February

Timescales are estimated – however the issue is that there is little time for delivery of either Tranche 1 or Tranche 2.

Council Strategic Priorities

3.10 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

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3.11 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.

3.12 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”.

3.13 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

3.14 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.

3.15 The Council must move to financial sustainability over the time scale of the next MTFS and indeed was on course for this before the agreement of the 2023/4 pay award. Given the magnitude of the savings due to this it is not prudent to expect the movement to sustainability to happen by 2024/5. However, the level of reserves and balances presently held suggest that moving to sustainability by 2025/26 would be deliverable without a strain on resources for any emergency situation.

3.16 As such, the strategy must be to move the Council to financial sustainability by the 2025/26 financial year. To get to this position there will be the need for investment, efficiencies and possibly the requirement to fund redundancy (both from reserves and balances). These requirements will be outputs from the Council having to implement changes to the way it operates to continue to become a viable entity going forward.

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3.17 As set out later in the Robustness Statement, in compiling Tranche1 of the budget, assumptions have been made based on the best information held now. 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. Initiatives that will be assessed in Tranche 2 (as more time is required to analyse these individual options) include:

- Ensuring Grants are maximised.
- Ensuring Agency work reflects the income provided for its delivery.
- Reviewing the effectiveness of the Council's largest Contracts.
- Maximising the effectiveness of our refuse fleet
- Reviewing the location and effectiveness of our Depot
- Assessing the Council's leisure and cultural strategy in terms of affordability
- Reviewing recharging mechanisms between the Councils for appropriateness
- Rationalisation of Back Office services as we embrace technology.

3.18 Many of these initiatives will require investment, for which the only present source of funding is reserves (General Fund and Earmarked Reserves). Key areas of investment will be:

- Documentation of Processes
- Investment in automation and robotic processes
- Possible redundancy – through restructures

3.19 However, in any situation, the Council must move to sustainability by the 2025/26 financial year.

The Council's Base Assumptions including Inflation and Grants

3.20 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.

3.21 Tax Base and Corporate Financing underlying assumptions are as follows:

- 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 – It is assumed to be none in 24/5 onwards pending any change that might be announced in the Local Government settlement.

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- Services Grant - It is assumed that Central Government Grants are at similar levels to previous years (as was the case in 2023/4)
 - Pension Fund assumptions – takes account of the latest triennial valuation which was received in September 2022. 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.
- 3.22 Grant support assumptions are as follows (Revenue and Capital). It should be noted that these are budgeted figures and final grant figures will not be confirmed until the time of the final Local Government Settlement.
- The main Revenue Grants are
 - S31 Grant - £1.126m
 - Housing Benefit Administration Grant - £0.148m
 - Housing Benefit Grant - £11.0m
 - Revenue Cost of Collection Grant - £0.119m
 - The Council has £14.492m of Levelling Up Grant to be spent by April 2025 which is match funded by £1.610m of Council funding.
 - The Council has £2.6m of UK Shared Prosperity Fund to spend by April 2025. This is both revenue and capital in nature.
- 3.23 There are significant pressures mounting on the Council (these are all reflected in **Appendix A**).
- The Q1 2023/4 monitoring sets out the issue on the pay award, which has been mitigated in part 2023/4 by the use of the Utilities Reserve. This still leave a £437k deficit for the year.
 - However, the ongoing impact of the new pay award on our ongoing £15.4m employees budget at an average of 7% Increase is £1,078k a year. However, we have already accounted for a pay award of 2% (£308k) reduces this amount to an ongoing £770k a year to resolve.
 - It is also prudent to increase the Councils 2024/5 pay award impact from 2% to 3% given the significant increases that have been offered by the Employers during 2022/3 and 2023/4. The 2025/6 and 2026/7 pay awards are assumed to be 2%.
 - Although inflation is coming down, at this point of time it is also prudent to include a 5% budget for inflationary increases.
 - However, we have the following budgets that were included in the 2023/4 budget but have not been called on yet that could partially mitigate these pressures which include:
 - We are only using 60% of the utilities budget increases this frees up £140k a year
 - We have not called on the circa £180k of inflationary increases to contracts which was added to the base budget.
 - In addition, there is the £351k utilities reserve that will have no calls on it for 2024/5 and 2025/6.

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- We have included as an appendix the impact of a 7% increase in fees and charges (non parking) – this amounts to an additional £273k. This increase is in line with the inflationary increases to salaries which are running at just over 7% and inflation which as of October 2023 was 6.8%. Looking at a sensitivity analysis around this figure (although the increases mean that the Council is just keeping pace with cost increases):
 - If this increase was below inflation at just to 4% this would lead to a savings/Income budget of £156k. However, at this level there would be an ongoing deficit of £117k that would never be recovered.
 - An 8% increase would lead to a savings/income budget of £312k.
 - It should be noted that another district in Worcestershire is looking to increase WRS fees and charges by just under 7%. Given that it is common practice to increase these fees and charges by the same across the County, the increases would be in line with these levels.
 - We have also assumed that inflation on fees and charges will be 2% in 2025/6. This amounts to an additional £101k in 2025/6 and £103k in 2026/7.
- The 2023/4 MTFP made the prudent assumption that not all the 2023/4 local government settlement was included in 2024/5 and 2025/6. This amounted to £515k (a level of £1.2m was assumed not £1.7m). As part of the base 2024/5 MTFP the assumption will be made that the central Government funding levels will be at the same level as previous years. This has reflected the reality of recent funding settlements.
- As part of the 23/4 MTFP, Departments had lists of possible savings areas. These are set out in Appendix B.

3.24 Given these changes, a surplus position of circa £182k is projected for 2024/5, reducing to £53k in 2025/6 and £78k in 2026/7. This is before departmental pressures.

3.25 Departmental pressures are summarised in the following table and amount to £518k in 2024/5 increasing to £543k in 2026/7.

Service Adjustments	2024/25	2025/26	2026/27
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
Planning Enforcement through WRS	72	72	72
Increased Parking Enforcement SLA	93	93	93
NW/WM Increased Charges	39	39	39
Interest Charges on Updated Capital Programme	35	36	36
MRP Increases on Capital Programme	24	46	48

Table 2 Departmental Pressures

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- There is presently a target of £500k for the reclaiming of Benefit overpayments. We now have more accurate information and processes which mean that initial payments are more accurate and the need for recovery of overpayments has diminished. Over the past 2 years the Council has recovered under half of this amount (with many linked to Universal Credit payments) and so it is prudent to reduce this amount to £300k.
- The Government has still not provided guidance on Waste delivery. The Council has a diesel fleet which could use HVO fuel would reduced the Carbon footprint of the fleet and the Council significantly. With alternatives to Diesel (Electric and Hydrogen powered vehicles) being extremely expensive with vehicles 2 to 4 times more expensive than existing vehicles it would be prudent to ensure the fleet used HVO fuel, significantly reducing the Council's carbon footprint. However, HVO fuel at the moment is significantly more expensive than diesel and this would cost an additional £100k a year. The Councils Carbon pledge is to move to this position over time so a £30k increase in budget allows for, prices dependent a 30% use of this 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. This is a shared service and so costs are split with Redditch.
- 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 as they will be shared with Redditch.
- The present pilot scheme on planning enforcement being delivered by Worcester Regulatory Services is regularised as part of the budget at an ongoing cost of £72k a year.
- The Service Level Agreement between the Council and Wychavon District Council for the management and enforcement of on and off street parking increases from £242k to £335k a year, an increase of £93k a year. This is a new 5 year contract which will commence on the 1st April 2024. Future years increases of this contract will increase with CPI.
- The North Worcestershire Water Management Service Level Agreement with Redditch and Wyre Forest is being revised to reflect actual provision. The existing allocations are the existing proportion of costs are Wyre Forest 52% (£105k), Redditch 26% (£66k) and Bromsgrove 22%. (£61k). These will change to 43% Bromsgrove, 32% Wyre Forest and 25% Redditch. This would be a current year budget equivalent of Bromsgrove £100k, Redditch £67k and Wyre Forest £72k.
- The Capital section sets out new items and changes to the Capital programme. These will be addressed in that section. However, there are ongoing additional revenue costs of those schemes that amount to £35k for interest charges and £24k for Minimum Revenue Provision requirements.

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- 3.26 These departmental changes result in an overall £518k pressure in the 2024/5 financial year reducing the overall position to a deficit of £337k and then £465k by 2026/7. The whole revenue budget is summarised in the table on the following page.
- 3.27 To meet strategic priorities, the Council requires more funding. In reviewing the possible areas of savings set out in Appendix A, it was agreed that all need to be assessed as part of the 2024/5 MTFP process although the following three should be prioritised so that their impact could be possibly included in Tranche 2 of the budget:
- Recharges
 - Debt costs – given the slippage in the Capital Programme.
 - Business Rates Re-baselining.

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Table 3 Revised MTFP Position

Bromsgrove Base Position				
	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				
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	-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 HVD Fuel by 100% of Fleet		30	30	30
Increase in HR Establishment		10	10	10
PRA Housing Licence Costs		15	15	15
Planning Enforcement through WRS		72	72	72
Increased Parking Enforcement SLA		93	93	93
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	337	488	465

Fees and Charges update

3.28 The section, looks at the impact of proposed Fees and Charges increases for the 2024/25 Financial year. These increases are shown in detail by service in the Fees and Charges Report which is shown as Appendix C. The table below highlights the possible increase of income if 7% was applied across the board. The 7% has been applied to Contributions and Fees and Charges

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(not parking) budgets and not on SLA Income or lifeline, where charges are set statutorily, and charges across more than one area.

	2024/25	2025/26	2026/27
Existing Budget	-3,786,000	-3,791,000	-3,791,000
7% Increase 24/5	-273,000	-273,000	-273,000
2% Increase 25/6		-101,000	-101,000
2% Increase 26/7			-101,000
Revised Budget	-4,059,000	-4,165,000	-4,266,000

Table 4 Fees and Charges Increases at 7%

- 3.29 The overall impact on the Council’s position is set out in the following section. In setting the base budget levels to apply the increases an assessment has been made on deliverability.

Impact on Reserves

- 3.30 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.
- 3.31 The projected 2024/5 to 2026/7 position, at Tranche 1, has £1,290k of pressures to mitigate. If alternatives are not found in Tranche 2 then the General Fund will be required to support this deficit. Presently the general Fund sits at a value of £4.625m (assuming that it is required to fund this shortfall) at the 31st March 2027. This sum is approximately 10.5% 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 15.9% of gross expenditure.
- 3.32 The analysis in Table 5 sets out the effects on Council General Fund and Earmarked Reserves. Full detail is set out in Appendix D

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Reserves Opening Position	2023/24	2024/25	2025/26	2026/27
General Fund Opening Position	5,800	5,213	5,578	5,090
General Fund Changes	-587	365	-488	-465
General Fund Closing Position	5,213	5,578	5,090	4,625
Earmarked Reserves	6,329	5,502	5,502	5,502

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 £337k deficit figure that will need funding.
 - This results in a closing 24/5 position of £5.578m
- In 2025/6
 - the opening position is £5.578m
 - The present draft budget is a deficit of £488k which will require funding.
 - This results in a closing 25/6 position of £5.090m
- In 2026/7
 - the opening position is £5.090m
 - The present draft budget is a deficit of £465k which will require funding.
 - This results in a closing 26/7 position of £4.625m

Capital Programme

- 3.33 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.
- 3.34 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. There will be the need to add items to the capital programme to include sums for:
- ICT hardware (such as laptops, etc)

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- Property Maintenance budgets (as minimal and significant work is required to ensure energy efficiency compliance).

3.35 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.

3.36 Appendix E sets out the present capital programme as agreed at Council in February. It should be noted that in the original capital programme was in 2025/6 £1.597m of requirements for Barnt Green Millenium Park Toilets. This should have been removed as it was in-correct, and the works had been completed. Spend to date is £1.654m. Of this amount is £0.635m which relates to the Burcot development. This takes total Burcot development spend up to £11.2m of the total £11.6m budgeted costs.

3.37 The table below highlights additional Capital Programme bids, and incorporates bids approved in the Quarter 1 financial monitoring for approval. The revenue budget takes account of these additional costs. Full descriptions are set out in the Savings Proposal document.

	23/4	24/5	25/6	26/7	27/8
Q1 Approves Change - Fleet Replacement Costs	£9,400		£15,000		
Q1 Approved Change - Wheely Bin Increas	£85,000				
Q1 Approved Change - Wild Flowes Machinery	£62,000				
Revised Total	£156,400	£0	£15,000	£0	£0

Table 6 – Capital Programme Changes

3.38 The following table summarised the Play Area requirements known at the moment. As per Council on the 25th October, Members are feeding through further Parks and Open Spaces requirements.

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Leisure Requirements	23/4	24/5	25/6	26/7	27/8
Cotton Pool Sanders Park	£32,500				
Sanders Park Pavilion improvements		£10,000			
Sanders Park refurbishments to café building exterior		£10,000			
BDC Play areas	£35,000	£100,000			
Additional parking as per Engineering team plan Sanders Park		£215,000			
Pathway and parking areas repairs Sanders Park		£14,500			
ClIr request Install height restrictor and bollards / hoops to car park to prevent traveller access		£15,000			
MMP recommendation. Check that the access ramp from Leach Heath Lane is DDA compliant. St Chads	£20,000				
Total	£87,500	£364,500	£0	£0	£0

Table 7 Play Area Audit Requirements

An Initial Risk Assessment

- 3.39 As set out the Strategic Approach and Robustness Statement sections we are budgeting in a time of extreme uncertainty.
- 3.40 As per the Risk Reports that are reported to both Executive and Audit, Governance and Standards and Committees these are:
- Resolution of the approved budget position.
 - Financial process rectification.
 - Decisions made to address financial pressures and implementing new projects that are not informed by robust data and evidence.
 - Adequate workforce planning.
 - The next Pension fund re-valuation which will impact 2026/7 figures.
- 3.41 The core risks of implementation
- 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

Robustness Statement

- 3.42 For Tranche 1, the opinion of the Interim Director of Finance is that the 2024/25 budget estimates contain considerable risk due to the level of

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uncertainty in the Council’s operating environment, making it problematic to develop meaningful assumptions.

3.43 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.

3.44 The MTFP highlights that the current financial position is potentially untenable without some form of intervention or further substantial savings and this will become clearer with the Chancellors Statement in November. Whilst a balanced budget for 2023/24 was approved with the use of reserves and balances in February 2023, the Council is currently forecasting a £0.5m overspend in 2023/24 due to the additional demands placed on it due to the provisional pay award, which in turn is utilising reserves balances to fund these pressures.

3.45 Given all the uncertainty which encapsulates this MTFP, the assumptions have been based on the best available information to the Council at this time. Work will continue in validating all assumptions, robustly challenging estimates, ensuring the delivery of existing saving plans. Updates will be included in Tranche 2 of the MTFS and balanced budget setting process.

Tranche 1 Feedback

3.46 Tranche One is the first Phase of the 2024/25 budget process. The proposals are set out in Appendix C of the Savings Proposal Document. A feedback section is included at the end of that document. Any feedback can then be reported. The draft consultation timetable is in Table 5.

Savings Proposals and MTFP Published	14 th November 2023
Budget Scrutiny Committee	21 st November 2023
Cabinet	22 nd November 2023
Feedback Closing Date	5 th January 2024
Cabinet	17 th January 2024
Council	24 th January 2024

Table 8 Consultation Timetable

3.47 Hard copies of the Savings Proposal Document (Appendix A) can be available on request. The Savings Proposal Document will be published on the website

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and internal intranet (Orb) for residents, businesses and staff to view and provide responses via an online survey. The Council has raised 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 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 – Savings Proposal Document
Appendix B – Possible Savings Areas
Appendix C – Fees and Charges by Service
Appendix D - Reserves

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Appendix E – Existing Capital Programme

6. **BACKGROUND PAPERS**

None.

7. **KEY**

None

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Quarter 2 2023-24 – Financial and Performance Report

Relevant Portfolio Holder	Councillor Hotham – Portfolio Holder for Finance and Governance	
Portfolio Holder Consulted	Yes	
Relevant Head of Service	Michelle Howell Deborah Poole	
Report Authors	Head of Finance and Customer Services michelle.howell@bromsgroveandredditch.gov.uk Head of Business Transformation, Organisational Development and Digital Strategy d.poole@bromsgroveandredditch.gov.uk	
Wards Affected	All Wards	
Ward consulted	Councillor(s)	No
Relevant Purpose(s)	Strategic	All
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) 2, 3 & 6 of Part I of Schedule 12A to the Local Government Act 1972, as amended		

1. RECOMMENDATIONS

The Cabinet is asked to RESOLVE that:

- The current overspend position in relation to Revenue and Capital Budgets for the period April to September and the full year revenue overspend position of £464k after applying £351k from the Utilities Reserve as approved at Quarter 1 be noted.
- The present status of the Asset Strategy.
- There is no change to the procurements over £200k due to be delivered during 2023/4 from those listed in Quarter 1.
- The Q2 Performance data for the Period April to September 2023 be noted.
- The application of £50k from the General Fund for Enforcement Action to be taken at a site in Alvechurch as detailed in Appendix F.

That Cabinet is asked to Recommend to Council:

- Changes to the Capital Programme in relation to ICT are actioned, bringing forward Cyber Security linked Tape Drive replacements forward from 2024/5 into 2023/4, and increasing the budget in 2023/4 to ensure the continuation of the Civica OpenRevenues system for the administration of council tax, business rates and housing benefits as detailed in Appendix F.

2. BACKGROUND

- 2.1 This report presents at Quarter 2 (April – September) 2023/24
- the Council’s forecast outturn revenue monitoring position for 2023/24 based on data to the end of Quarter 2
 - An update on progress on the 2023/24 budget process
 - Procurement pipeline projects (over £50k)
 - The organisations performance against the strategic priorities outlined in the Council Plan Addendum, including operational measures to demonstrate how the council is delivering its services to customers.

3. DETAILED PERFORMANCE

Financial Performance

- 3.1 As part of the monitoring process a detailed review has been undertaken to ensure that issues are considered, and significant savings and cost pressures are addressed. This report sets out, based on the position at the end of Quarter 2, the projected revenue outturn position for the 2023/24 financial year and explains key variances against budget.
- 3.2 The £13.8m full year revenue budget included in the table below is the budget that was approved by Council in February 2023. The table also includes the forecast outturn position for the year.

	2023/24 Approved Budget	2023/24 Forecast Outturn	2023/24 Forecast Variance to Budget
Business Transformation and Organisational Development	1,745,422	1,720,614	(24,808)
Community and Housing GF Services	1,058,122	1,094,576	36,454
Corporate Budgets	1,455,265	1,455,265	-
Corporate Services	1,378,418	1,496,668	118,250
Environmental Services	3,598,710	4,023,426	424,716
Financial and Customer Services	1,214,717	1,559,175	344,458
Legal, Democratic and Property Services	1,727,443	1,681,696	(45,747)
Planning, Regeneration and Leisure Services	1,384,644	1,373,713	(10,931)
Regulatory Client	259,337	231,981	(27,356)
Net Budget	13,822,078	14,637,114	815,036
Corporate Financing	(13,822,078)	(13,822,078)	-
Overall Total	-	815,036	815,036
Utilities Reserve		(351,000)	(351,000)
Overall Total	-	464,036	464,036

Budget Variances

- 3.3 During August and September 2023, budget managers were invited to budget monitoring training which focused on how to predict their

financial position for the 2023/24 financial year, as well as how to input that forecast into the TechOne financial system. This is the first time that budget managers have been asked to directly input their forecast financial positions into the system since the implementation of TechOne, and budget managers have been supported by the Finance Team throughout this process. This is the start of a journey for budget managers, but one that we hope in time will form part of regular financial monitoring reported to Members. A detailed review of the financial position input to TechOne has been undertaken by the Finance management team with some adjustments to assumptions reflected. This has included updating forecasts where they have been inadvertently omitted, updating signage, reviewing the forecast position per nominal code and verifying the salary costs including pay award included in the financial position.

3.4 Overall, the Council is currently forecasting a revenue overspend for 2023/24 in the region of £815k, before the application of £351k from the Utilities Reserve as approved at Quarter 1. This forecast overspend is predominantly due to:

- the implications of the 2023/24 pay award - £1,925 level per pay point plus on costs has been offered by the Employers and was agreed on 1st November 2023. This will be paid in the December payroll and backdated to 1st April 2023.
- temporary and interim staff requirements - whilst there are a number of vacancies within teams across the Council, some posts are being covered by temporary staff and this has therefore resulted in some cost pressures.
- additional fuel and fleet hire costs within the Place and Waste Teams.
- the impact of homelessness and the cost of temporary accommodation costs.

This overspend is offset in part by:

- a forecast underspend against the utilities budget provision due to utilities inflation running at 70%. In the 2023/24 budget we assumed a 100% increase in budget and also set up a reserve for the same amount.
- anticipated additional income across various Waste Services.

This position will continue to be reviewed particularly given the impact of the increasing costs linked to inflation, and further updates will be provided to Members throughout 2023/24.

3.5 As previously reported in the Quarter 1 report, vehicle hire will put a pressure on the revenue budgets this year, as the refurbishment project on the Refuse fleet is requiring vehicles on hire to continue the

work. There have also been issues with the fleet unrelated to the refurbishment project that has resulted in higher rental costs as well. Overall, it is anticipated that this will result in a cost pressure in the region of £300k for the year.

- 3.6 This in-year budget forecast reflects the best information available at the present time, however it is important to note that there are a number of key factors that may impact upon the financial position which are not yet reflected fully within the forecast, including:
- The present cost of living crisis and the impact that this may have upon demand for council services throughout the winter period, including the impact of homelessness and the cost of bed and breakfast temporary accommodation costs.
 - Inflationary increases – general inflation is coming down but is still running at 6.8% and will impact upon transport costs, utilities and contracts in particular.
- 3.7 The full year effect of a £815k overspend will be mitigated in part by the application of £351k from the Utilities Reserve as approved at Quarter 1. **This leaves a £464k overspend position.** The ongoing 2023/24 pay increases position has been reflected as a budget pressure in the 2024/25 MTFP process.
- 3.8 As previously reported, it is important to note that the Council is yet to close its accounts for the 2020/21, 2021/22 and 2022/23 financial years. This could therefore result in adjustments to the actual expenditure/income and forecast outturn positions as reported in the table above. Further updates will be provided to Members throughout the financial year (this work is being led by the Audit Standards and Governance Committee).

Additional Funding Requirements

- 3.9 There are no revenue based additional funding requests in Q2.

Capital Monitoring

- 3.10 A capital programme of £10.9m was approved in the Budget for 2023/24 in March 2023. Many of these schemes are already in partial delivery in the 2022/23 financial year. By approving this list, the Council also agreed sums not spent in 2022/23 (and 2021/22 by default if schemes originated earlier than 2022/23 as sums have been carried forward through to the 2021/22 MTFP Report) to be carried forward into 2023/4. The table also splits amounts by funding Source, Council or third party.

Financial Year	Total Budget £000	Council Funded £000	External Funded £000
2021/22	16,511	12,146	4,366
2022/23	8,126	1,485	6,641
2023/24	10,852	1,694	9,158
2024/25	4,921	2,224	2,697
2025/26	3,156	1,558	1,598

3.11 Included in this funding the Council also have the following Grant Funded Schemes which are being delivered in 2023/24:

- The two Levelling Up schemes – Old Fire Station and Market which are funded via £14.5m of Government Funding, and the Council is funding £1.6m of works.
 - The Market Street budget has reduced in overall terms to £10.4m. Following a set of meetings in July and August an initial £12.2m the estimated spend has been value engineered down to £11.4m – a £1m overspend. The timetable for delivery has been revised and the application went to planning on the 13th October. There is a significant risk that the project will be delivered at least 6 months late. Under the present funding rules the Council would be liable for funding the project, and not the Government, during this period. The Council are in negotiation with DLUHC on a funding extension (as these are now being awarded to New High Street Fund).
 - Windsor Street demolition tenders in process although this may now start in September not June. This is due to “unlawful access” issues to the building. There is additional levels of pollution which are being assessed and new Environment Agency rules are needing to be delivered to in terms of removal of this type of polluted materials.
 - Public realm, though is projected to be underspent by £700k which mitigates a significant amount of the Market Hall £1m overspend.
- UK Shared Prosperity Schemes totalling £2.8m (although it should be noted that these grant funded schemes are a mix of capital and revenue).
- The Burcot Lane development at £10.275m.

3.12 The spend at Quarter 2 is £1.654m (£0.720m Q1) against the overall 2023/24 capital budget totalling £10.851m is detailed in Appendix A. It

should be noted that as per the budget decision carry forwards of £2.843m will be added to this figure to take account of slippage from 2022/23.

3.13 The following changes are requested for approval (allowing for slippage as set out in 3.11 above):

- That in year 3, as per the MTFP Papers the Barnt Green Toilet has been removed.
- ICT have a capital bid for £177,500 at each council in 2024-25 for Server Replacement. We would like to bring £50k of that money forward to this year if possible, as our Tape Backup server/library is beginning to fail quite often and this is the most important part of the Cyber Security attack response, as well as providing day to day backups of our data.

BDC Capital Bid						Capital Implications			
Department	Strategic Purpose	Description	Funding Source I.e. Grant, Borrowing, Reserve, S106	Bid/Saving Form Submitted (Y/N)	Reference as per form	2022-23 £	2023-24 £	2024-25 £	2025- 26 £
ICT	Enabling the Authority	Cisco Network Update		Y	ICT08	5,717	11,574	0	34,877
ICT	Enabling the Authority	Server Replacement		Y	ICT10	83,250	2,000	177,500	18,500
ICT	Enabling the Authority	Laptop Refresh		Y	ICT12	5,000	25,000	150,000	5,000
TOTAL						93,967	38,574	327,500	58,377

- An increase to the capital programme totalling £410k in 2023/24 to ensure the continuation of the Civica OpenRevenues system for the administration of council tax, business rates and housing benefits as detailed in Appendix F. The system is shared between Bromsgrove District and Redditch Borough Councils; therefore, half of this expenditure will be recharged to Redditch Borough Council under the shared service arrangement. The cost to the council, a £205k increase over 5 years at an interest rate of 5.04% is a cost of (MRP £41k interest £10k) £51k per year.

3.14 The detailed Capital Programmes (21/22 to 2025/26) are set out in **Appendix A**.

Earmarked Reserves and their application

3.15 The position as reported to Council in February 2023 as per the 2023/24 – 2025/26 Medium Term Financial Plan is shown in **Appendix B**.

3.16 As was noted in paragraph 3.7 above, £351k of the Utilities Reserve was approved by Council to mitigate the impact of the increased costs arising from the 2023/24 pay award. However, this still leaves £464k to be funded from the general fund to bring the overall position back to break even.

- 3.17 There is the Request to fund £50,000 from the General Fund for Enforcement Action to be taken at a site in Alvechurch as detailed in Appendix F.

Asset Strategy Update

- 3.18 The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 set out the minimum level of energy efficiency required to let non-domestic properties in England and Wales.
- 3.19 The Property Services Team continue to undertake various works across our property portfolio to contribute to improvements in the energy rating and performance of our buildings. Works are necessary at various sites to meet Part 3 of the Regulations, which contains the minimum level of energy efficiency provisions, which is currently set at an energy performance certificate (EPC) rating of at least band E. The Authority recognises the significant increases in energy costs and must act, as Landlord, to install energy efficiency improvements above the current requirement to make energy savings.
- 3.20 Recent works have been undertaken at various sites within the Public Building property portfolio. These include the full LED lighting upgrades at Parkside Offices; the completion of upgrade works to the library space in Parkside are imminent. A successful Listed Building planning application was submitted for the installation of solar PV was submitted for Parkside, with installation works beginning in September 2023.
- 3.21 The minimum level of energy efficiency provisions will mean that, subject to certain requirements and exemptions, from 1 April 2023, as Landlord, we must not continue letting a non-domestic property which is already let if that property has an EPC rating of band F or G. Where a landlord wishes to continue letting property which is currently sub-standard, they will first need to ensure that energy efficiency improvements are made which raise the rating to a minimum of E.
- 3.22 When an EPC is lodged on the EPC register it is then valid for a ten-year period. A new EPC is not required each time there is a change of tenancy, provided it is no more than ten years old. As Landlord, we have the option to have an EPC renewed, which is beneficial where we have undertaken or implemented significant energy saving measures.
- 3.23 The rolling programme of Condition Surveys and Energy Improvement Audits of the Council property portfolio is in progress and is in progress and will continue over the next 2 years. The findings of these surveys are providing essential data to enable us to fully evaluate the extent of works and investment required.

- 3.24 Work continues on the asset register to identify properties that no longer meet the objectives identified in the Asset Management Strategy.
- The Artrix
- 3.25 The Property Services and Facilities Team have been managing the Artrix site as a void premises since the building closed (excluding the time of NHS occupation for delivering Covid vaccinations). The future of the site and its intended use has been unknown, therefore reinstatement works have not been taken, to avoid misdirected spend or allocation of resources.
- 3.26 The Holding Trust has recently been approached by a Theatre provider with a proposal to temporarily relocate a theatre, potentially affected by RAAC, into the Artrix, which would determine the length of any lease agreements. There is a considerable amount of spend required to reinstate the building and ensure that all compliance documentation is current and the building fit for use. The costs of enabling this will be borne in part by the Council and in part by the Artrix Holding Trust and the income that they have or stand to achieve for rental of the building. The services of Framework contractors where possible will require instruction and lead times factoring existing workloads will need to be considered. Initial enquiries have been made and cost estimates are in progress, but due consideration must be given to a realistic timescale for delivery and execution of the required works, offset against the income that will be generated. While the team are working to produce the relevant information and potential programme of works and costs, other works will put on hold across the portfolio to release the resources required to achieve this.
- Reinforced autoclaved aerated concrete (RAAC)
- 3.27 The Property Services team are conducting a desktop study to rule out the presence of RAAC within RBC / BDC properties. Using construction drawings where available and historic knowledge of the buildings we are working through the portfolio; to date, no areas of concern have been identified. The process should be completed shortly and finding will be presented at the next CMT meeting. If any issues are identified, these will be flagged, and the senior management team notified immediately.
- 3.28 If the team suspect the presence of RAAC planks we will seek guidance from a competent structural engineer to assess it and develop a management plan.
- 3.29 Reinforced autoclaved aerated concrete (RAAC) is a lightweight material that was used mostly in flat roofing, but also in floors and walls, between the 1950s and 1990s and it is believed that prominent use was within school construction in these periods.

- 3.30 It is less durable than traditional concrete and there have been problems as a result, which could have significant safety consequences, that is, its liable to collapse.
- 3.31 It is a cheaper alternative to standard concrete, is quicker to produce and easier to install, but has a typical lifespan of 30 years. It is an aerated product and has a 'bubbly appearance', and when exposed to moisture or polluted air over a prolonged period, the strength of the materials can be compromised. The aeration allows the moisture to penetrate the material, which in turn rusts the steel and compromises the integrity of the reinforcing bars. Concern also relates to the internal reinforcement steel, as it does not span the full length of the panels / planks, insufficient to withstand the weight and any additional load.
- 3.32 Because of this, RAAC is often coated with another material, such as bitumen on roofing panels. But this material can also degrade, further compromising the strength and performance of the RAAC.
- 3.33 The Health and Safety Executive states RAAC is now beyond its lifespan and may "collapse with little or no notice".

Procurement

- 3.34 The Q1 Finance and Performance Report set out the initial set of procurements to be delivered by the Council over the next year. Following this initial report:
- On a quarterly basis a report "the Approval to Spend Report" will be provided to Cabinet which sets out the Council's Procurement Pipeline for approval to be included on the forward plan and an analysis of spending over the past 4 years to identify spending with suppliers over the £50k limit to ensure this spending is converted to properly contracted expenditure.
 - That items from the initial pipeline report at the appropriate Key Decision level, as set out in **Appendix C**, are added to the forward plan.
- 3.35 The table in **Appendix C** sets out those procurements (Capital and Revenue) over £50k which are delegated for approval to Cabinet or Officers over the next year. It is proposed that these are added to the forward plan. There are 8 contracts over £50k in value that will be entered onto the forward plan. For full transparency, 4 contracts under the £50k value are also shown as are 6 contracts where the full value is still being evaluated.

- 3.36 As the Council runs a shared service, a number of procurements that impact on Bromsgrove will be procured through Redditch. For reference these are also included in **Appendix D**.

Performance Report

- 3.37 The first section of this report shows the organisations performance against the strategic priorities outlined in the Council Plan Addendum. Additional comments and updates have been provided for the success measures to explain progress/activity. The final section of the report includes some operational measures to demonstrate how the council is delivering its services to customers.

- 3.38 The process of performance reporting will develop iteratively; however this document is a snapshot in time and very much a temperature check of the organisation, the layout comprises:

- Strategic Priorities – success measures
- Operational Measures – by service area
- Financial Data (separate report on this occasion)
- Corporate Projects (by exception)

- 3.39 The Council has an approved Council Plan in place that was completed before the Covid-19 outbreak, the Council then developed the Council Plan Addendum to take the potential shift in priorities brought about by the pandemic into consideration. The current key priorities are:

1. Economic Development and Regeneration
2. Housing Growth
3. Work and Financial Independence
4. Improved Health and Wellbeing
5. Community Safety and Anti-Social Behaviour
6. Green Thread
7. Financial Stability
8. Organisational Sustainability
9. High Quality Services

- 3.40 **Appendix E** sets out the Strategic Priorities and Performance Measures in detail. For the 9 priorities there is data contained in the Appendix on:

- The Performance Measure being used.
- An update on how it is being used.
- Where relevant, contextual information.

- 3.41 In addition, **Appendix E** also sets out Operational Service Measures.

4. FINANCIAL IMPLICATIONS

- 4.1 The financial implications, are set out within this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising as a result of this report.

6. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

- 6.1 The Strategic purposes are included in the Council's corporate plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the district and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes

Climate Change Implications

- 6.2 The green thread runs through the Council plan. The Financial monitoring report has implications on climate change and these will be addressed and reviewed when relevant by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

7. OTHER IMPLICATIONS**Equalities and Diversity Implications**

- 7.1 There are no direct equalities implications arising as a result of this report.

Operational Implications

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

8. RISK MANAGEMENT

- 8.1 The financial monitoring is included in the corporate risk register for the authority.

9. APPENDICES and BACKGROUND PAPERS

Appendix A – Capital Programme

- Appendix B – Reserves Position
- Appendix C – Procurement Pipeline (over £50K)
- Appendix D – Procurement Pipeline (procured in Redditch for Shared Services with Bromsgrove)
- Appendix E - Strategic and Operational Performance Measures
- Appendix F – Supporting Information

10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Charlie Hotham,	17/11/2023
Lead Director / Head of Service	Peter Carpenter, Interim Director of Finance	17/11/2023
Financial Services	Michelle Howell, Head of Finance and Customer Services	17/11/2023
Legal Services		
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

Appendix A – Capital Programme

Cap Proj	Description	Approved budget date	Original approved Budget £	duration (years)	Department	Funding detail	21/22 Spend £	2022/23 Total £	22/23 Spend £	c/f	2023/24 Total £	23/24 Spend Q2 £	2024/25 Total £	2025/26 Total £
	Large Schemes													
	Levelling Up Fund Fund													
	- Government Funded		14,492,401		Planning, Regeneration & Leisure	Grant Funding	1,600,000	5,329,041	126,902	5,202,139	7,563,360			
200072	Market Hall (LUF)	22/23			Planning, Regeneration & Leisure	Levelling Up Fund	0			0		51,079		
200073	Ef - Fire Station	22/23			Planning, Regeneration & Leisure	Levelling Up Fund						14,950		
	- Council Funded		1,610,266			Borrowing	281,000	420,133		420,133	805,133			
										0				
	UK Shared Prosperity Fund		2,825,702							0				
	- Capital Element				Planning, Regeneration & Leisure	Grant Funding		50,000		50,000				
	- Revenue Element				Planning, Regeneration & Leisure Services	Grant Funding		290,499		290,499				
	- Remainder (to be allocated)				Planning, Regeneration & Leisure	Grant Funding		20,000		20,000	680,988		1,784,215	
										0				
										0				
	Schemes Agreed to Continue									0				
200006	Burcot Lane	2019/20	10,275,000		Financial & Customer Services	Public works loan board and grant homes england	1,125,000	4,973,852	7,914,009	-2,940,157	0	634,536	0	0
200007	CCTV	2019/20	120,000		Community & Housing GF Services	Capital Receipts/Borrowi	28,000	0		0	0		0	0
200008	Funding for DFGs	2020/21	750,000		Community & Housing GF Services	Grant income WCC	620,000	913,000	969,792	-56,792	913,000	81,500	913,000	0
200009	Home Repairs Assistance	2018/19	50,000		Community & Housing GF Services	Long Term Debtors	-5,000	50,000	4,088	45,912	50,000	-19,890	50,000	50,000
200010	Energy Efficiency Installation	2018/19	110,000	2	Community & Housing GF Services	Capital Receipts/Borrowi	12,000	110,000	7,810	102,190	0		0	0
200011	Energy Efficiency	2017/18			Community & Housing GF Services	Grant finance	3,000	0		0	0		0	0
200015	Cemetery Extension infrastructure at at North Bromsgrove Cemetery Phase	2017/18			Environmental Services	Capital Receipts/Borrowi	0	6,500	15,576	-9,076	0		0	0
200016	New Finance Enterprise system	2019/20	455,000		Financial & Customer Services	Capital Receipts	1,000	0	13,680	-13,680	0		0	0
200017	OLEV ULEV Taxi infrastructure scheme	2019/20	300,000	1	Community & Housing GF Services	Grants & Contributions	296,000	0	700	-700	0		0	0
200019	Fleet Replacemnet new line	New				Borrowing	380,000	356,000	75,292	280,708	441,000	424,489	1,190,000	1,215,000
200022	Replacement Parking machines	2020/21	120,000		Environmental Services	Capital Receipts/Borrowi	196,000	253,000	123,985	129,015	96,000	203,984	421,000	0
200030	Wheelie Bin Purchase	2018/19	ongoing		Environmental Services	Capital Receipts/Borrowi	102,000	144,000	169,034	-25,034	55,000	136,546	60,000	60,000

Cap Proj	Description	Approved budget date	Original approved Budget £	duration (years)	Department	Funding detail	21/22 Spend £	2022/23 Total £	22/23 Spend £	c/f	2023/24 Total £	23/24 Spend Q2 £	2024/25 Total £	2025/26 Total £
New	Footpaths		ongoing		Environmental Services	Borrowing				0	75,000		75,000	75,000
New	Buildings		Ongoing		Legal and Property	Borrowing				0	100,000		100,000	100,000
200040	Bittell road recreation ground	2020/21	62,000		Planning, Regeneration & Leisure Services	S106 B/2011/0741 - Land at Fiery Hill, Barnt Green / 18k balances	17,000	0		0	0		0	0
200044	Salix	2020/21	615,000		Legal, Democratic and property services	Grants & Contributions	65,000	0	533,193	-533,193	0		0	0
200045	Greener Homes	2020/21	180,000	1	Community & Housing GF Services	Grants & Contributions	-227,000	0	192,053	-192,053	0	93,765	0	0
200057	Hagley Scouts				Planning, Regeneration & Leisure Services	Capital Receipts/Borrowi	35,000	0		0	0		0	0
200026	Rubery Redevelopment works										1,900			
200048	Bromsgrove Sporting					Loan	4,000		46,133	-46,133				
200061	Car Park Improvements - Woodrush High Schools refurb						8,000			0				
							134,000			0				
200026	Rubery Redevelopment Works				Planning, Regeneration & Leisure Services	Capital Receipts/Borrowi	0	0	9,550	-9,550	0		0	0
200029	Sanders Park dda play provision	2017/18	56,080		Planning, Regeneration & Leisure Services	S106 14/0755 Kidderminster Road and S106 13/0422 Meadows first school	0	0		0	0		0	0
200032	New Digital Service	2020/21	57,400	1	Community & Housing GF Services	Borrowing	0	33,668		33,668	33,668		0	0
200033	Bus Shelters	2020/21	18,000		Environmental Services	Borrowing	0	18,000		18,000	0		0	0
200034	Fleet Management Computer System	2020/21	17,000		Environmental Services	Borrowing	0	0		0	0		0	0
200035	Environmental Services Computer System	2020/21	38,200		Environmental Services	Borrowing	0	0		0	0		0	0
200069	Cisco Network Update	22/23		3	Business transformation & Organisational Development	Borrowing	0	5,717	18,573	-12,856	11,574		0	34,877
200070	Server Replacement Est(Exact known Q2 2022)	22/23		4	Business transformation & Organisational Development	Borrowing	0	83,250	0	83,250	2,000	78,451	177,500	18,500
200071	Laptop Refresh	22/23		4	Business transformation & Organisational Development	Borrowing	0	5,000	4,961	39	25,000	7,273	150,000	5,000

Cap Proj	Description	Approved budget date	Original approved Budget £	duration (years)	Department	Funding detail	21/22 Spend £	2022/23 Total £	22/23 Spend £	c/f	2023/24 Total £	23/24 Spend Q2 £	2024/25 Total £	2025/26 Total £
200074	Install Solar panel and Upgrade lighting Sanders Park	22/23	150,000	1	Legal, Democratic and property services	Borrowing	0	150,000			0	-55,014	0	0
200075		22/23			Planning, Regeneration & Leisure Services	S106	0		24,511	-24,511				
200076	Play Area, POS and Sport improvements at Lickey End Recreation Ground in accordance with the S106 Agreement	22/23	37,956	1	Planning, Regeneration & Leisure Services	S106 19/0137/FUL	0	37,956	6,488	31,468	0		0	0
200002	BDC Combined F/Path & Cycle	2018/19	390,000		Environmental Services	Grants & Contributions	0	0		0	0		0	0
	Barnt Green Millenium Park - Toilet				Planning, Regeneration & Leisure Services	S106 B/2011/0741 - Land at Fiery Hill, Barnt Green / 18k balances	0	0		0	0		0	0
	Total		424,000				4,675,000	13,249,616	10,256,330	2,843,286	10,851,723	1,653,569	4,920,715	1,558,377

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Appendix B – Reserves Position

	Balance at 31/3/21 £000	Transfers In 2021/22	Transfers out 2021/22	Balance at 31/3/22	Transf In 2022/23	Transf out 2022/23	Re-baseline 2022/23	Balance at 31/3/23	Transf in 2023/24	Transf out 2023/24	Balance at 31/3/24	Transf in 2024/25	Transf out 2024/25	Balance at 31/3/25	Transf in 2025/26	Transf out 2025/26	Balance at 31/3/26
General Fund Reserve	4,613	367	(495)	4,485		(1,219)	2,682	5,948	100	(687)	5,361	244	0	5,605	200	(431)	5,374
General Fund Earmarked Reserves:																	
Building Control Other	7			7			(7)	0			0			0			0
Building Control Partnerships	82			82				82			82			82			82
Business Transformation	0			0				0			0			0			0
Commercialism	0			0				0			0			0			0
Community Safety	0			0				0			0			0			0
Community Services	271			271				271		(125)	146		(125)	21			21
Economic Regeneration	1,348		(350)	998			(600)	398			398			398			398
Election Services	51			51				51			51			51			51
Environmental Services	49			49				49			49			49			49
Financial Services	4,445		(100)	4,345		(150)	(1,000)	3,195	638		3,833			3,833			3,833
Housing Schemes	488		(142)	346				346			346			346			346
ICT/Systems	197			197				197			197			197			197
Leisure/Community Safety	330			330				330			330			330			330
Litigation Reserve	0			0				0			0			0			0
Local Development Framework	0			0				0			0			0			0
Local Neighbourhood Partnerships	16			16				16			16			16			16
Other	108		(44)	64			(64)	0			0			0			0
Planning & Regeneration	133			133				133			133			133			133
Regulatory Services (Partner Share)	46			46				46			46			46			46
Replacement Reserve (Inc. Recycling)	0			0				0			0			0			0
Shared Services (Severance Costs)	311			311			(311)	0			0			0			0
Utilities Reserve				0			1,053	1,053		(351)	702		(351)	351		(351)	0
Covid-19 (General Covid Grant)	766	411		1,177			(1,177)	0			0			0			0
Covid-19 Sales Fees and Charges	0	576		576			(576)	0			0			0			0
Covid-19 (Collection Fund)	4,641		(1,547)	3,094		(1,547)		1,547		(1,547)	0			0			0
Total General Fund	13,289	987	(2,183)	12,093	0	(1,697)	0	7,714	638	(2,023)	6,329	0	(476)	5,853	0	(351)	5,502

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Appendix E - Strategic and Operational Performance Measures

1. Introduction

The process of performance reporting will develop iteratively, however this document is a snapshot in time and very much a temperature check of the organisation.

2. Background

The performance measures for the current key priorities are shown in the next section.

3. Strategic Priorities and Performance Measures

3.1. Economic Development and Regeneration

3.1.1 Supporting Businesses to Start and Grow

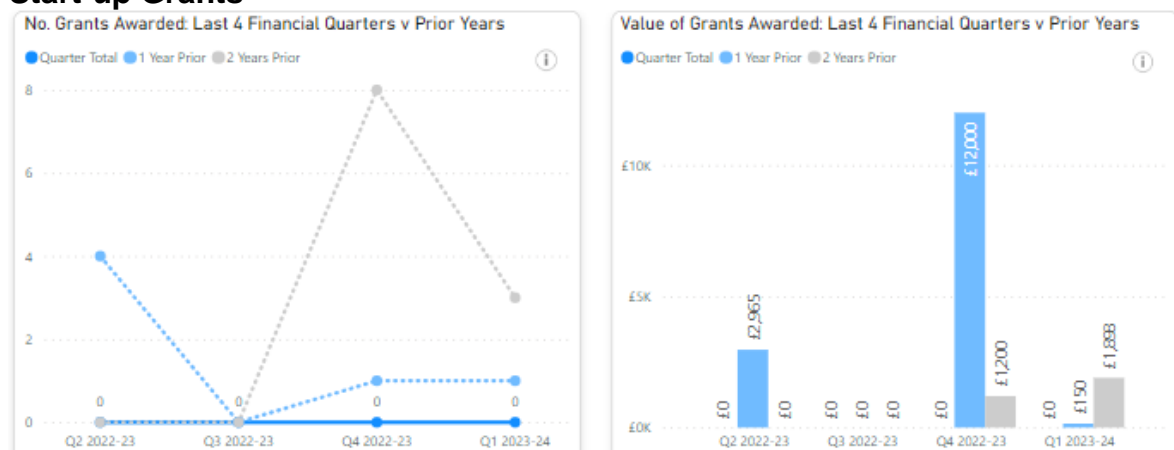
Opportunities in the digital technology sector and green industries are key to the future of Bromsgrove. Local businesses demonstrated their resilience and flexibility during the Covid-19 pandemic. The council supported businesses started during the pandemic as well as existing businesses, that identified growth opportunities. This was achieved via existing business support packages, including sectoral support, as well as helping businesses access new business grants where available.

Performance measure:

- Take-up of start-up business grants and creativity grants programme.

Detailed below are the grants which have been awarded up to quarter 1 2023/24 including two prior years, and the total value.

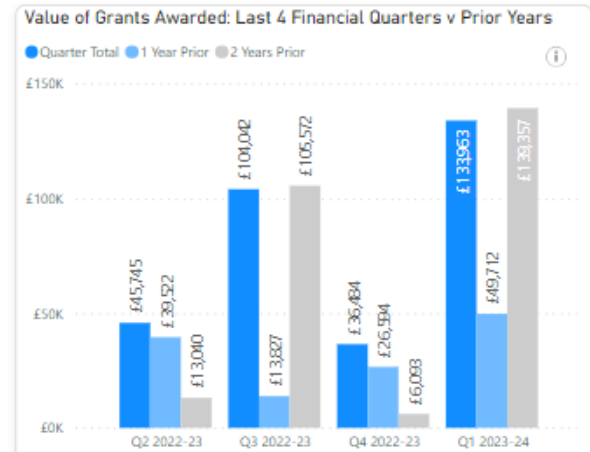
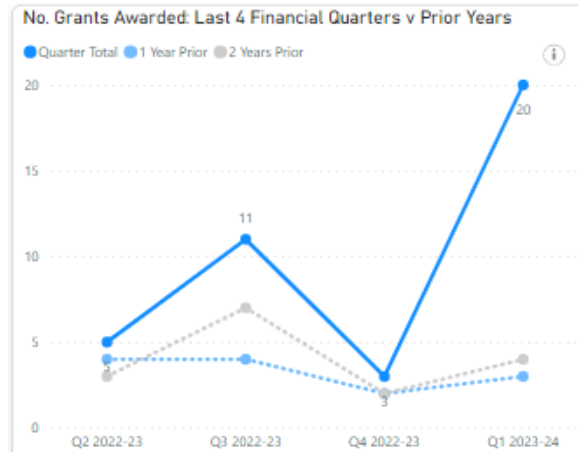
Start-up Grants



Update

The data for the grants measures are currently supplied by a 3rd party and is not yet available for quarter 2. All grants are now funded by the UK Shared Prosperity Fund. The new grants were launched in September 2023 and there is a pipeline of businesses waiting to access them. It is anticipated that the first grant payments will be made in Q3 of 2023/24

Growth Grants



Update

The data for the grants measures are currently supplied by a 3rd party and is not yet available for quarter 2. All grants are now funded by the UK Shared Prosperity Fund. The new grants were launched in September 2023 and there is a pipeline of businesses waiting to access them. It is anticipated that the first grant payments will be made in Q3 of 2023/24.

3.1.2 Regenerating our Town and Local Centres

The pandemic has emphasised both the economic and wellbeing importance of local centres to our residents. Funding has been secured to support the development of sites in Bromsgrove town centre and a strategy has been prepared to ensure all of the centres in Bromsgrove District will be as vibrant and viable as possible.

Performance Measure:

Former Market Hall Project

- RIBA Stage 4 Technical Design
- PCSA Contractor 2 stage Tender Procurement
- Planning application – Determination target date February 2024

Update

RIBA Stage 3 complete. Planning Submission 13th October 2023. RIBA Stage 4 kick off meeting. Start of Contractor Tender process.

Performance measure:

Windsor Street Project

Project consists of the acquisition, demolition, decontamination and remediation of this key abandoned/ brownfield site, which has been vacant for 5 years.

- Updated Remediation Strategy
- Appointment of Project Management Team
- Appointment of Main Works Contractor

Update

Currently in discussions with the Environmental Agency to agree updated Remediation Strategy. Appointment of Project PM team and tender process for Main Works contractor.

3.1.3 Improved Integrated Transport (Bromsgrove)

New innovations can help provide new and more sustainable methods of getting around. Improved transport can help to increase user satisfaction and increase efficiency whilst also helping to reduce the impact on the environment. Working with Worcestershire County Council (WCC) and other partners will enable new, better integrated and more sustainable modes of transport across the district.

Performance measure:

- Increased number of sustainable transport projects being progressed or implemented across the district.

Update

Officers are working with Worcestershire County Council to establish a full pipeline of sustainable schemes. To better inform the list of schemes funding has been secured by WCC for a Local Cycling and Walking infrastructure Plan (LCWIP), planning officers have reviewed the brief for this work and discussed with WCC.

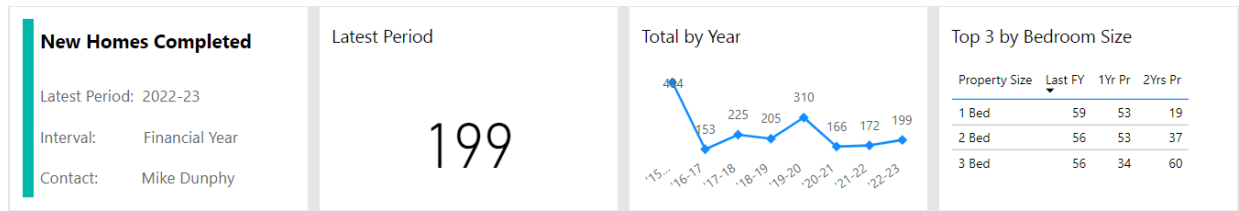
Actions: Will be liaising with WCC appointed consultants. An inception meeting for this work will take place in November with consultation in April 2024 and adoption in autumn 2024.

3.2 Housing Growth

During 2023/24 we will accelerate the pace of affordable housing development, wherever possible. We will work to enable the building of market value housing and the creation of additional income for the Council.

Performance measure:

- Number of new homes built - total and affordable (annual measure)

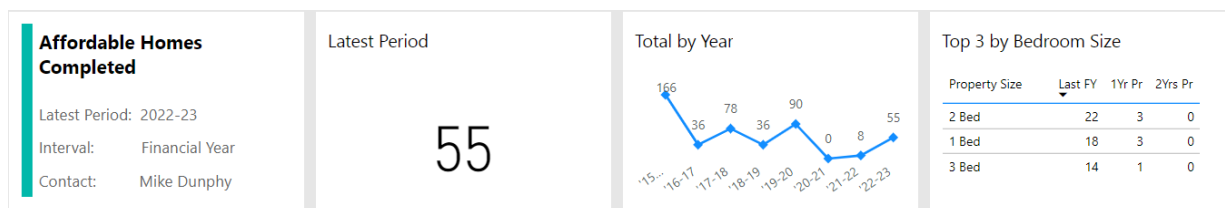


The final data for the 2022/23 is:

- Total Homes Built (including affordable) -199 (net)
- Total affordable homes built - 55 (net)

Performance measure:

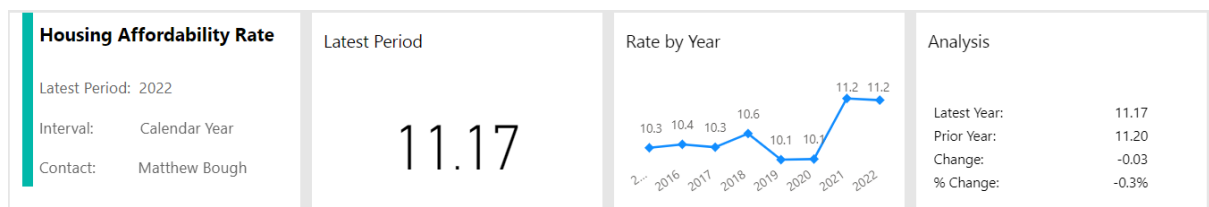
- Affordable Homes Completed (annual measure)



There are 498 affordable housing commitments as of 1 April 2023, reflecting the number of strategic sites which have gained consent but not started construction.

Performance measure:

- Local housing affordability rate (annual, calendar year, 1 year lag)



Update

The data in the table above has been extracted from the Office for National Statistics (ONS) house price statistics for small areas, annual survey of hours, and earnings.

The affordability measure, using this data, indicated that the ratio in England is currently 9.05. The affordability ratio relates to workplace-based income which uses the median earnings of those employed in Bromsgrove. When looking at the data (year ending Sept 2022) Bromsgrove has a work based median at £29,285. The median house price in Bromsgrove is relatively high at £327,000. This causes a significant difference in the affordability ratio in Bromsgrove.

House prices over the last year have also risen well above the normal expected rate. This will push more households into needing affordable housing. The council is working with developers to secure the maximum provision of affordable housing on developments and RPs to bring forward affordable housing. A “First Homes” policy with a local connection criteria was approved by Council in October 2022 to ensure these discounted homes are provided for local applicants in the first instance.

Performance measure:

- Number of homeless approaches
- Number of threatened with homelessness preventions.
- Number of homeless applicants housed.

NB* These figures do not relate to each other and should be considered on their own.

	Number of homeless approaches	Number of threatened with homelessness preventions	Number of homeless applicants housed
July	32	11	11
August	18	8	12
September	32	5	4

Update

Homelessness pressures have remained similar to the last quarter. The ability to prevent homelessness and obtain housing in the PRS still remains an area that is impacting on homelessness in line with the national picture due to the cost of living and mortgage costs causing landlords to increase rents or evict tenants.

3.3. Work and Financial Independence

In 2023/24, we will continue to find ways to further support, engage, and empower our residents to maintain / achieve financial independence.

We will provide quality services that help to empower residents through good financial advice, the effective coordination and signposting of services, and partnership working.

Performance measure

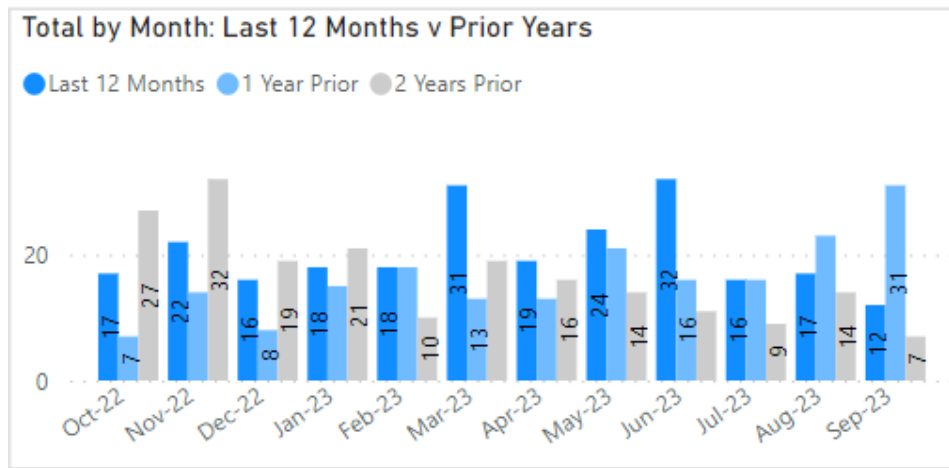
- Number of Financial Independence Team client contacts

This measure records the number of FI Team cases opened.

Update

The top five referral reasons (where a value has been provided) for the last 12 months are:

- 'Under occupancy charge' (51)
- 'Debt' (31)
- 'Other' (21)
- 'Rent advance/deposit' (21)
- 'No value' (20) - excluded from top 5 reasons.
- 'Budgeting issues' (15)



For Q2 2023/24, the top 3 referral reasons were:

- 'Under occupancy charge' (10)
- 'Rent advance/deposit' (8)
- 'Debt' (6)

The Financial Inclusion Team continue to assist residents in the current cost of living crisis. We are always looking for the best way to support residents, be this through internal work or signposting to partners to help maximise income and budgets.

Performance measure

- Number of eligible children accessing nursery funding across the district.

Update

Although data is shared termly (with a lag) from Worcestershire County Council, this has been inconsistent. Work is ongoing to improve the regularity of the supply of data.

Term	% 2-year-olds accessing funding
Summer 2019/20	76%
Summer 2020/21	71%
Summer 2021/22	74%
Spring 2022/23	61.9%
Summer 2022/23	61.4%

Bromsgrove performance has decreased by .5% in comparison to Spring 2023. The County average has decreased for summer term from 77.3% to 75.8%.

We received a list from WCF to contact families who had applied for 2-year-old funding but had not processed their application – due to the delay in receiving this list by the time we contacted families they had already accessed the funding or there were not nursery places available. We used to receive a list from DWP of all eligible children, but due to a change in an information sharing agreement we no longer receive this list to enable us to proactively contact all eligible families. We continue to promote the Childcare Choices on our social media pages and respond to families who contact the service regarding childcare funding. We promote nursery funding at all events and are recently supporting DWP at their childcare events to promote the funding for eligible parents looking to return to work.

3.4. Improved Health and Wellbeing

In 2023/24 we will continue to work with communities to help them identify and develop their strengths. We will look at ways to encourage physical movement into part of people’s normal routines. We will look to catalyse an integrated approach to care.

Performance measure

- Deliver improved outcomes from the actions in the Leisure Strategy

Update

The health outcomes programme in line with Leisure and Culture strategy recommendations is ongoing. The service is currently focusing on key priorities and to build and develop its resources within the team. This will start to take more shape as we move into 2024 and increase our delivery outcomes.

Recommendation: Develop an environmental management strategy for parks and environmental services.

- Project lead identified to progress strategy. Working towards April 2025 completion.

Recommendation: Develop a volunteer plan and a clear approach to working with Friends groups tied to its aspirations for Green Flag Award across its priority parks.

- Green flag award unsuccessful for Sanders Park, working on recommendations for improvement for 2024 submission and scheduled awards over the next 4 years. Plan will be created when officers in post. First Draft April 2024.

Recommendation: Develop a rolling programme of applications to the Green Flag Award.

- Working on applications for awards for Sanders Park, Lickey End Park, King Georges Recreation Ground and St Chads Park.

Recommendation: Engage more regularly with potential partners at a county wide level.

- Officers working with partners to maximise potential of offers within parks and open spaces.

Recommendation: Develop a better understanding of the biodiversity value of the district's green assets.

- Biodiversity plan established, focus and priorities, developing a Biodiversity network with Planning, County Council and 3rd Sector. Commencement February 2024.

Recommendation: Develop a clear marketing plan for green spaces that includes new web pages, social media, and targeted work with key audiences.

- Work started on website development and modernisation. Social media use improved to promote, biodiversity, events, and mental health in respect of Parks and Green Spaces.

Recommendation: Carry out a feasibility study to establish a roadmap for the self-management of allotment sites across the district.

- Action plan implemented, work carried out in the background to move this forward, new tenancy agreements with legal, service level agreements for new formed associations, website information, management of day-to-day issues, bills.

Performance measure

- Number of Community Builders in post.

Update:

- Two community builders remain in post:
 - o Catshill focus has changed to Sidemoor as it was felt there were more opportunities to community build in Sidemoor as there is much less happening in the area in comparison to Catshill – Public Health in agreement with this shift of focus.
 - o Rubery

Asset Based Community Development (ABCD) is an approach built on tried and tested methods from sustainable community development practice. The aim of ABCD approaches is to create the conditions that will enable both place and people to flourish, reduce inequalities, improve quality of life that supports communities to thrive and to reduce or delay the need for long term care and support.

The Bromsgrove and Redditch Shared Learning Network continues to meet, supported by Public Health at Worcestershire County Council, which includes community builders, the voluntary and community sector hosts, relevant BDC and RBC officers. The purpose of the Network is to provide a forum to support and encourage the development of ABCD good practice locally. The most recent meeting fed back on very successful community events including the BDHT summer events in Rubery and Sidemoor; Age UK drop-ins in Sidemoor; and the health bus in Rubery in partnership with others including Social Prescribing, Libraries, Act On Energy.

Community Builders are on fixed term contracts, but funding has been confirmed to extend the posts until end of March 2025. The longer-term aim remains for the voluntary sector services to source other funding by evidencing impact through community stories and Ripple Effect Mapping.

Action: As above as well as embedding the understanding of the approach through the district collaboratives and continuing to evidence outcomes and impact on communities.

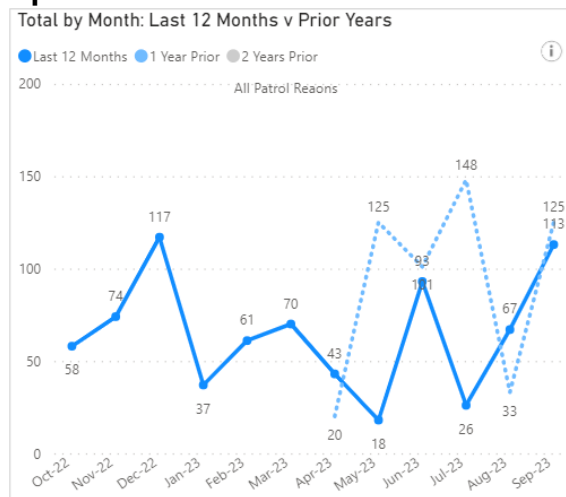
3.5. Community Safety and Anti-Social Behaviour

Working with Community Safety partners we will implement crime prevention projects and promote community safety services to reduce the hazards and threats that result from the crime, violence, and anti-social behaviour. We will also promote and support victim services that are in place to help and encourage recovery from the effects of crime.

Performance measure

- Number of young people engaged through Detached/Outreach youth work.

Update



Jul 2023 – 49 young people were engaged during routine patrols in Bromsgrove Central and Sanders Park. Issues discussed included signposting to existing youth provision, concerns about perceptions of drug dealing and respecting the local area.

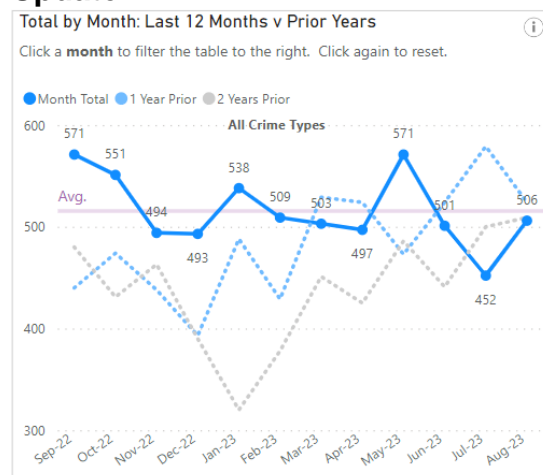
Aug 2023 – Young people were engaged during routine patrols in Catshill South and Bromsgrove Central. Discussions included where to access youth mental health support services, and signposting to existing youth provision. During one patrol a group of predominately female young people recognised workers from a school community safety event and engaged well with the team. Youth workers were able to provide information and signposting to various health services for young people. During another patrol reassurance conversations were held with young people following the collapse of one of their friends. Ambulance and Police attended, and youth workers were able to engage and support the young people who witnessed the incident.

Sep 2023 – Young people were engaged during routine patrols in Catshill North. This month youth workers resumed joint patrols with the Street Pastors during their Night-Time Economy (NTE) patrols in Bromsgrove Central. 20 young people were engaged during one patrol, which was the most for quite some time in the NTE. Advice and signposting to taxi services was provided to encourage the young people to go home and discussions took place about the risks to young people in the adult environment. Intell reports about ASB in Sidemoor led to engagement with 31 young people. Subjects discussed included the risks of alcohol and substance misuse, and personal safety.

Performance measure

- Levels of crime. (Data extracted from 'data.police.uk' below – there is a lag in data reporting.)

Update



Crime Type	Total	% of Total	v 1 Mth Prior	v 1 Yr Prior	12 Mth. Avg.
Violence and sexual off...	2,436	39.4%	19 ↑	-25 ↓	203.0
Shoplifting	636	10.3%	-6 ↓	243 ↑	53.0
Other theft	627	10.1%	8 ↑	22 ↑	52.3
Criminal damage and a...	580	9.4%	21 ↑	52 ↑	48.3
Vehicle crime	518	8.4%	7 ↑	32 ↑	43.2
Public order	498	8.1%	4 ↑	-80 ↓	41.5
Burglary	419	6.8%	10 ↑	61 ↑	34.9
Other crime	141	2.3%	-1 ↓	39 ↑	11.8
Drugs	136	2.2%	2 ↑	14 ↑	11.3
Possession of weapons	74	1.2%	-4 ↓	-4 ↓	6.2
Robbery	65	1.1%	-3 ↓	10 ↑	5.4
Bicycle theft	33	0.5%	-3 ↓	8 ↑	2.8
Theft from the person	23	0.4%	0 →	-1 ↓	1.9
Total	6,186	100.0%	54	371	515.5

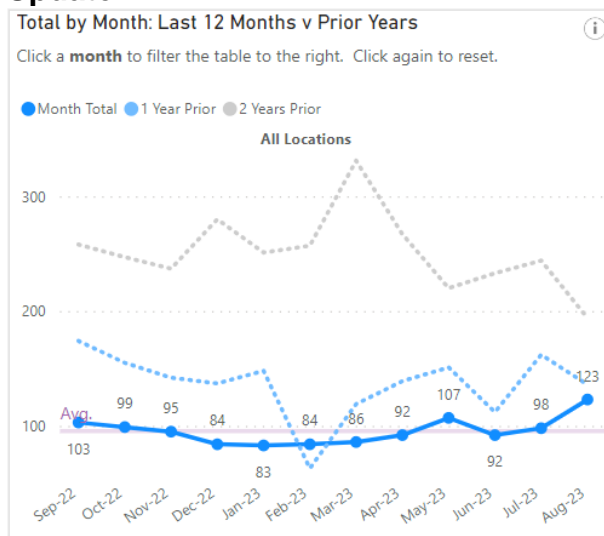
At the time of report creation, the Police.UK website included data up to and including August 2023, as shown in the chart/table above.

Unfortunately, NWCSP analysis of Crime data for Quarter 2 (July-Sept) is not available due to a system issue.

Performance measure

- **ASB** (Data extracted from 'data.police.uk' below – there is a lag in data reporting.)

Update



At the time of report creation, the Police.UK website included data up to and including August 2023, as shown in the chart/table above.

Unfortunately, NWCSP analysis of Crime data for Quarter 2 (July-Sept) is not available due to a system issue.

Performance measure

- Number of crime risk surveys carried out

Update

	No. Surveys 2022/23	No. Surveys 2023/24
Q1	8	12
Q2	8	19
Q3	5	
Q4	8	

Jul 2023 – Crime prevention advice and signposting was provided following ASB reports in Bromsgrove Central, Cofton and Sidemoor. Crime prevention advice was provided follow reports of a Neighbourhood Dispute in Rock Hill.

Aug 2023 – Crime prevention surveys were conducted following reports of Neighbourhood Disputes in Alvechurch South and Catshill North. Crime prevention advice, site visits and liaison with partner agencies took place following reports of ASB in Sidemoor, Wythall West, Bromsgrove Central, Rubery North and Catshill North.

Sep 2023 – Detailed crime prevention recommendations were provided for Planning Applications in Marlbrook and Cofton. Crime Prevention surveys were conducted following reports of ASB in Hagley East. A site visit was conducted, and the area scheduled for further discussion at the Safer Bromsgrove Group meeting.

3.6 SLM Leisure (Everyone Active)

Update

For SLM Leisure there is a lag in the data; as a result, Quarter 1 data and comments can be found below; Q2 information will be available for the Q3 report.

Q1 saw another slight gain in gym memberships and the brand continues to grow. The introduction of General Introductions will hopefully help new members integrate into the gym and give them an insight to the different classes that we have on offer. The Introductions were put in place to aid retention and enhance the enjoyment of the customers visit.

The Swim Scheme as expected took the major impact of the pool closure. The numbers have shown an increase as the pool lesson were re-introduced in May. We continue to promote the lessons and hope that the numbers return quickly. All clubs returned following the closure apart from one (DO3):

Category	Quarter Total	Same Quarter Previous Year	Difference
Total no. of visits including EA cards and non-card holders	107,496	110,756	-3,260
EA Cards added in this period	1,398	1,703	-305
Total EA Cards to date	68,441	61,987	6,454
No. of Gym members	2,871	2,536	335
Swimming Lessons – children enrolled on scheme	0	1,625	-1,625
Swim Lesson Occupancy	88%	84%	3%
RIDDOR Reportable Events			0

Bromsgrove Leisure Centre	2021/22	+/- %	2022/23	+/- %	2023/24
1st Quarter Apr- Jun	78,285	0%	110,756	41%	107,496
2nd Quarter Jul-Sep	97,510	108%	110,754	14%	0
3rd Quarter Oct-Dec	92,559	42%	98,881	7%	0
4th Quarter Jan - Mar	113,610	0%	114,271	1%	0
Totals	381,964	241%	434,662	14%	107,496

3.7. Green Thread

There continues to be a focus on innovation as we play our part in the response to climate change and biodiversity challenges. Working with partners across the region, including the LEPs and the Waste Partnership, we will explore the possibilities of modern technologies to our fleet but also how innovative technology can help us deliver greener and more efficient systems internally. We also need to maintain work around waste minimisation and maximising recycling, particularly around recycling quality and the implications of the new Environment Act.

Performance Measure:

- Have an agreed and funded plan and capital replacement programme for the Council's fleet subject to any budget constraints.

Update

Nottingham City Council, through their government funding grant to undertake a review of its fleet, has provided external consultancy services to the council. Officers have been working with Nottingham City Council and received a copy of their findings. As a consequence, these have been applied to create a funded Capital replacement programme which is subject to ongoing financial review. It is anticipated that, within the fleet replacement programme, small volumes of the Housing Fleet will switch to all electric based on the feasibility of infrastructure being installed at the Crossgates House/Redditch Depot site. This is part of a review to be shortly commenced by our new partner that is reviewing our car parks and depots to provide Electric Vehicle Charging points.

Performance Measure:

- Introduce vegetable derived diesel into the councils' vehicles to reduce carbon emissions subject to any budget constraints.

Update

Whilst the cost of Hydrogenated Vegetable Oil (HVO) has seen a severe increases due to external influences such as the war in Ukraine these costs have stabilised. As part of the 'Greening the Fleet' review which seeks to reduce the Carbon Footprint created by the Council's fleet finances are being reviewed to allow use of HVO more widely across Environmental Services Fleet.

Performance measure

- Households supported by the Council's energy advice service

Period	Households
2019/20 (09/19-03/20 only)	31
2020/21	41
2021/22	90
2022/23 (part year)	385

Period	Households
Q1 2023/24	137
Q2 2023/24	145

Update

Due to issues with data gathering, the data for 2022/23 only covers part of the year.

In the 2nd quarter of 2023/24 a total of 145 households received energy advice and guidance from Act on Energy. A range of advice and support is provided and in quarter 2 this included a number of referrals to Severn Trent Big Difference Scheme and Step Change Debt Management Service. In addition, one-to-one advice was given at a number of events including Bromsgrove carnival in July, BDHT fun days in August and on the Rubery Health Bus.

3.8. Financial Stability

Council resources will continue to be constrained. We will continue to work on ensuring our people, assets and financial resources are focused on the priorities and activities that most effectively deliver wellbeing and progress for our population.

Performance measure (included as an earlier section of this Report)

- Financial performance – actuals consistent with budget (overspend mitigated)
- Levelling Up Fund Project delivered within budget.

3.9. Organisational Sustainability

The Council will work to maximise the use of digital infrastructures, including cloud technologies, to enhance its support for customers. Ensuring the Council's infrastructure can securely process the increased demand placed on it by the expanding use of Internet of Things devices will be key to its digital success.

Performance measure

- Number of corporate measures accessible through the dashboard.

Update

The organisation continues to move from the current legacy dashboard to a new Power BI dashboard. Power BI is an interactive data visualisation software product with a primary focus on business intelligence. There are currently 33 strategic measures available via the dashboards. Work is also being undertaken on a number of operational measures with accident data being the most recent to be in the testing phase.

Performance measure

- % of staff able to work in an agile way.

Update

This new measure is aligned with the ongoing agile project; we are continuing to work to devise an effective method of data capture. The Agile Policy has now been launched across the organisation but is currently unable to be reported upon.

Action: Review is needed moving forward on how this can be reported and tracked as part of the establishment review/CHRIS21.

3.10. High Quality Services

Council people are key to its success. We need to recruit, retain, and motivate the right employees, with the right knowledge, skills, and attitude to deliver excellent services and customer care.

Performance measure

- % Of employees who undertake management training.

This is a new measure and the first time it has been included in this report in any meaningful way. The mandatory manager training is targeted at staff with management responsibility and therefore staff generally wouldn't undertake it.

Update

82.5% of 4th and 5th tier managers who have undertaken **some** mandatory training

86.87% of 4th and 5th tier managers who have some or all mandatory training still to do

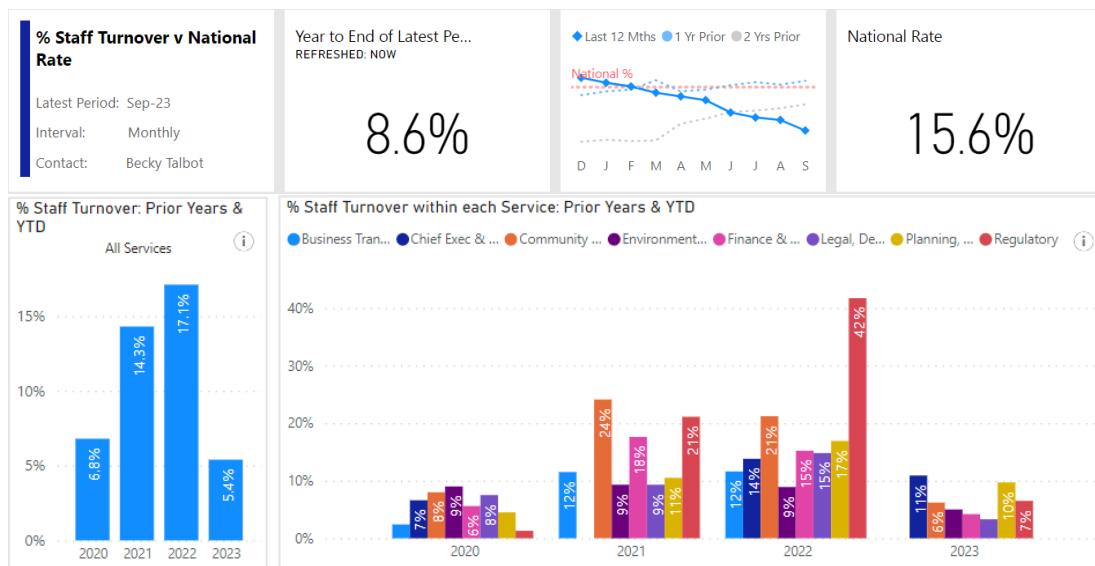
14.63% of staff who are 4th or 5th tier managers

12.07% of staff who have undertaken mandatory manager training

NB – Not all 5th tier posts have line management responsibility and there are staff below 5th tier who do have line management responsibility. There is currently no easy way of identifying these roles from CHRIS21.

Performance measure

- **Staff turnover rates in relation to national rates**



Update

Since January 2023, it can be seen there has been a continued improvement in turnover rates which brings the authority under the national average. We will be launching a process for exit interviews before the next quarterly report cycle. We will utilise this data to further understand context and undertake necessary actions.

Performance measure

- Customer satisfaction with service delivery, measured through the Community Survey.

The percentage of respondents who say they are satisfied with service delivery is:

Year	Satisfied
2021	47.4%
2022	38.6%

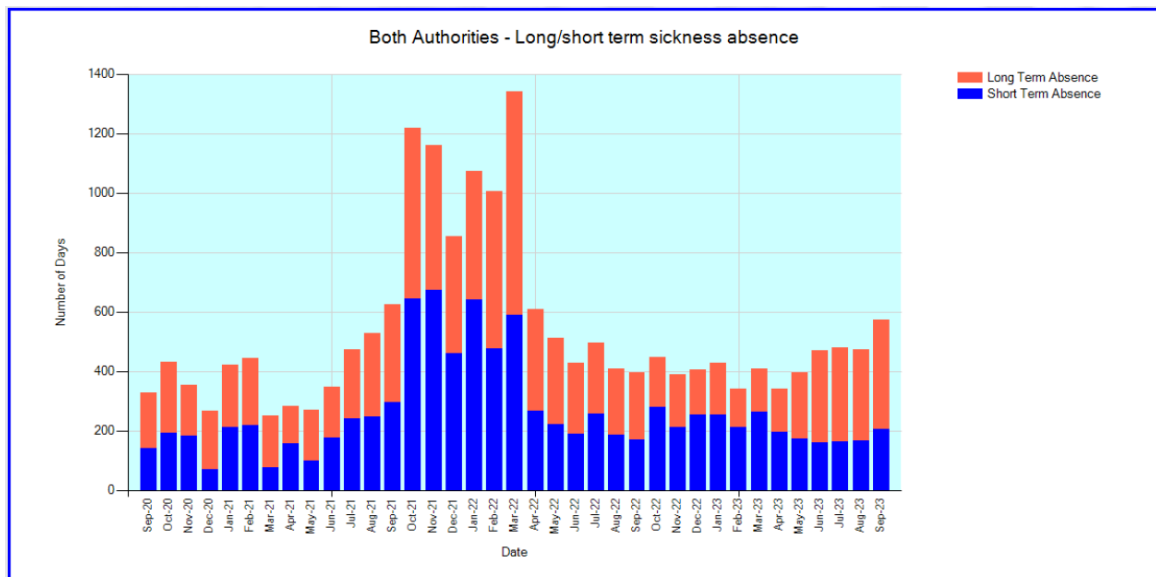
Update

This is an annual measure. Data is extracted from the annual community survey. 2021 was the first year the public were asked about their level of satisfaction with the way the council delivers its services. National satisfaction with LA's, according to the Local Government Chronicle is currently at 40%.

The 2022 survey was carried out in October/November 2022. The 2023 survey is live as at the time of this report creation.

4. Operational Measures

- **4.1 Corporate Performance measure** Sickness absence



Update

We are undertaking a fundamental review of the data source, data capture and data calculation, to utilise the increased functionality of PowerBI which will enhance both the overview and more in-depth analysis for this measure and in turn enable actions from the understanding gained. System issues have hindered the speed of progress; however progress is being made.

Actions:

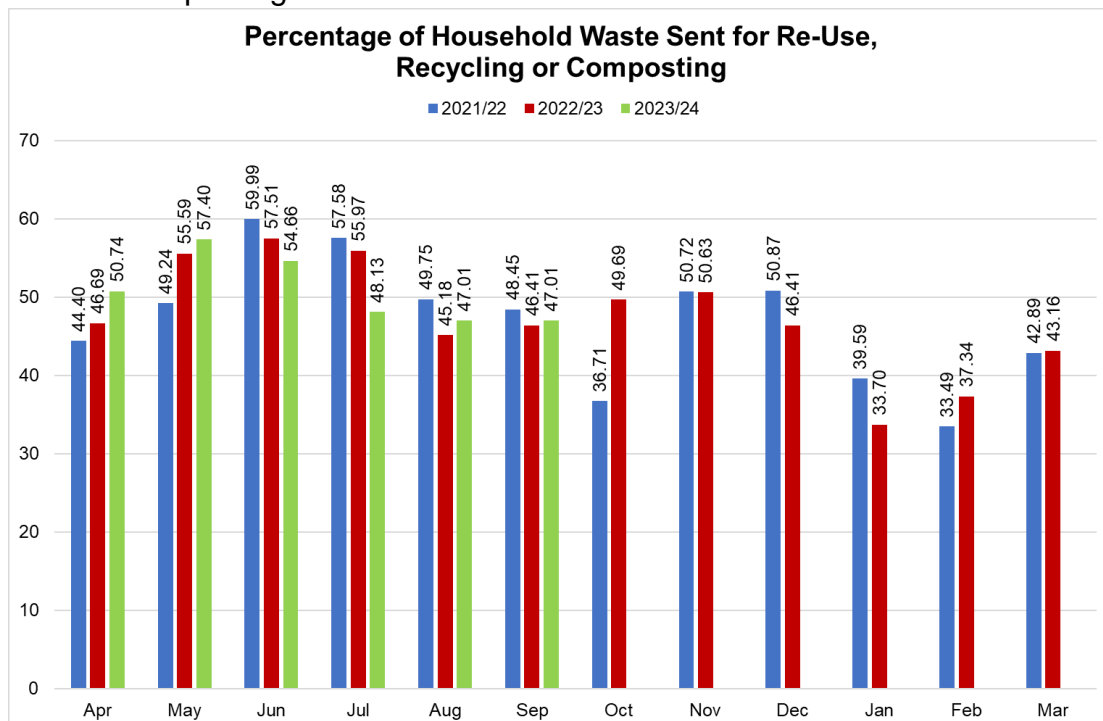
- Review data source, to include training where needed.
- Review of the absence reasons reported under in comparison to national data.
- Review of how the data is analysed and presented to managers.

4.2 Environmental Services

Domestic Waste Collection

Performance Measure:

- Percentage of Household Waste sent for re-use, recycling & composting.



This is a National Indicator measuring the percentage of household waste arisings which have been sent by the Authority for reuse, recycling, and composting, and is used in the national league tables ranking Local Authority performance. In 2021/22 Bromsgrove was ranked 173rd, increasing from 175th in 2020/21 (2022/23 rankings not yet published).

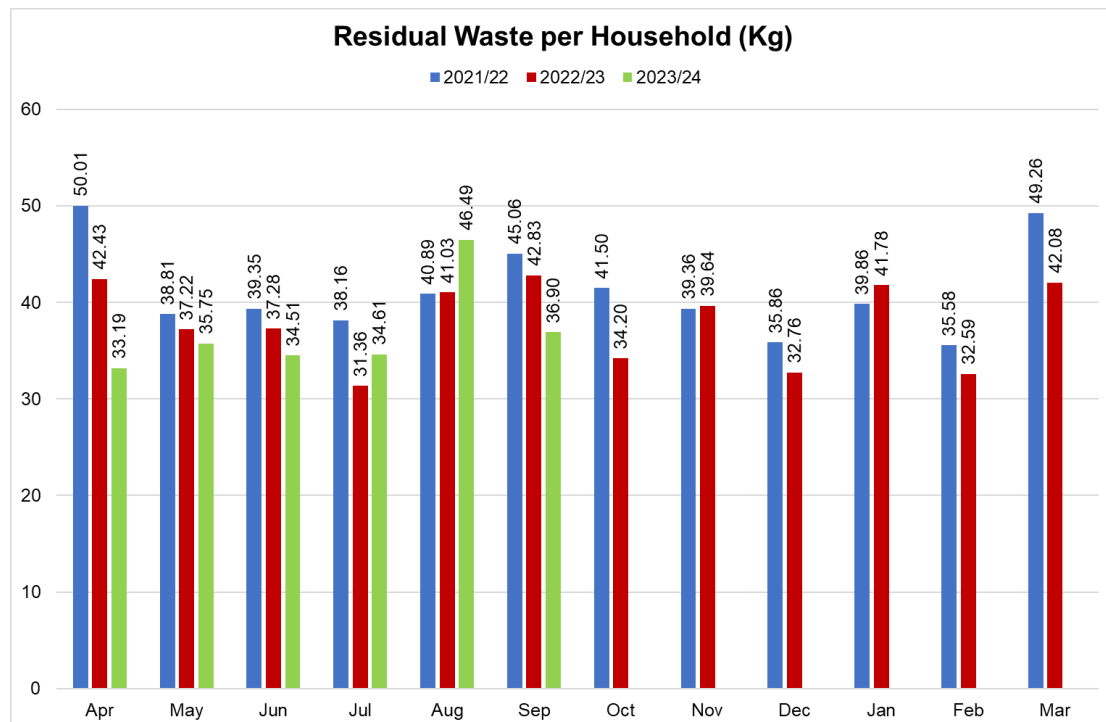
During Qtr 1 it was identified that Dry recycling tonnages actually dropped slightly, but mirrored a noticeable drop in Residual Waste Tonnages which is believed to be related to the cost of living on households which has changed spending habits as households try to avoid unnecessary waste due to the cost of food and goods.

Dry Recycling rates remained consistent during Qtr 2, but Garden waste tonnages were higher than usual over the summer as a result of the damp weather, and boosts our performance.

Actions:

Discussions are being had with our neighbouring Worcestershire Authorities about how we can increase our resources collectively to support more proactive engagement with residents to educate on waste reduction and effective use of our services, as we still have regular contamination of our recycling with non-recyclable items. Work is also on-going to consider the future of waste collection services alongside new legislative requirements that will see the introduction of a weekly food waste collection and potential changes to how we manage both residual waste and dry recycling. New banners have been affixed to the side of our refuse collection fleet to highlight the issue of food waste as part of a joint campaign with Worcestershire County Council, and have resources available via our website to support households in using our services and reducing waste: <https://www.worcestershire.gov.uk/lets-waste-less> .

Performance Measure: Residual Waste per household (kg)



This measures non-recyclable waste thrown away per household and shows a marked reduction per household in Qtr 1 when compared with the previous two years, which is a positive trend for sustainability but may be due to financial pressures on households as much as greater awareness of the environmental benefits of reducing our waste. During Qtr 2, we saw increases linked to the Summer period, that may be linked to more people staying at home rather than taking holidays, as the same trend of increased residual waste was seen across all the Worcestershire LA's.

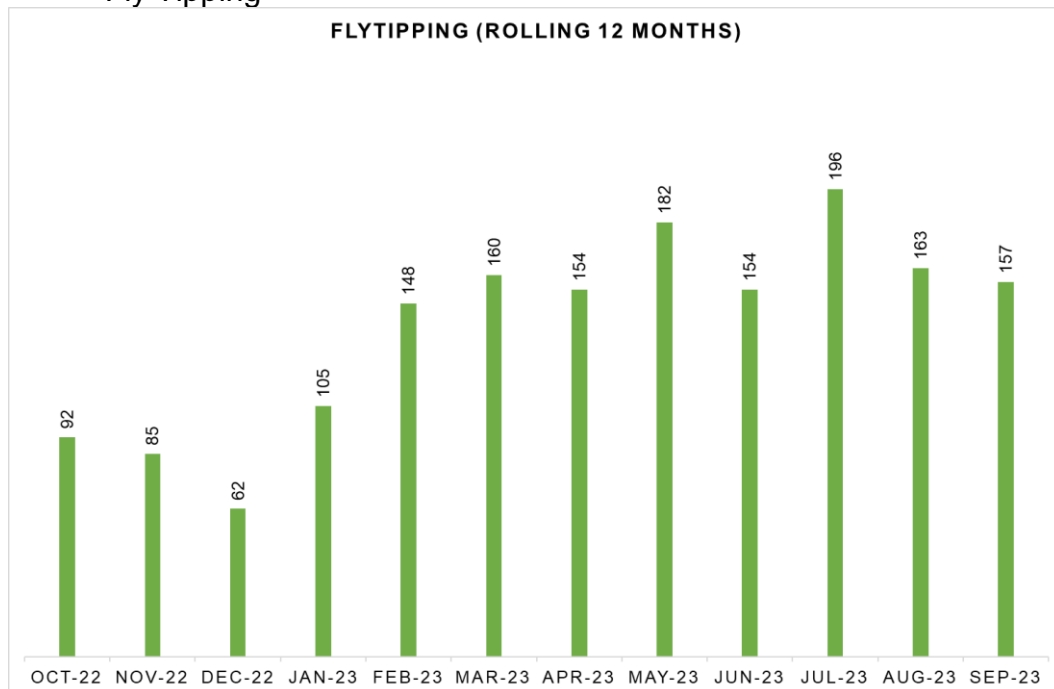
Waste Composition Analysis was carried out across the district to sample waste during 2022, and identify what is being thrown away in our residual waste to support discussions on the future of our services, and any

communication/education campaigns we may need to implement to support further recycling. In the samples taken, up to 18% of the residual waste put out for collection could have been collected as recycling, and up to 35% of the residual waste was food waste (45% of that was still in its packaging unused). This information is being considered as part of the wider Task and Finish project to consider future options for how we collect our residents waste in the future.

Actions: As per comment on percentage of household waste sent for recycling and reuse.

Performance Measure:

- Fly Tipping



This overview reflects the number of fly tips identified across the District requiring resources to remove and indicates the scale of the problem and any trends resulting from enforcement and education actions. The detailed data is used to identify patterns of behaviour and geographic locations that can be targeted with signage and cameras to identify those responsible and deter behaviour or support further enforcement action against those who continue to illegally dump their waste.

Actions:

Our Enforcement Officer is currently updating our signage to support the work to deter this across the District, and cameras are still being deployed in hotspot areas to identify those responsible. Fixed penalty notices will be issued using an invoice reference linked to the FPN to support payments.

4.3 Finance and Customer Services (inc Revenues & Benefits)

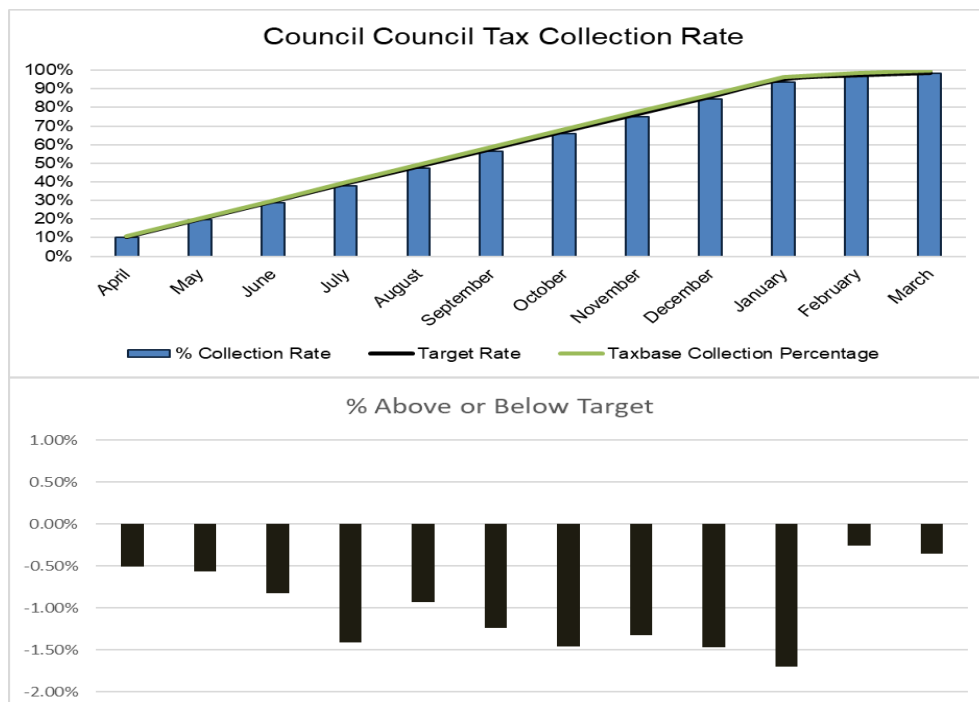
Performance measure

- Council Tax Collection Rate

The data remains as Quarter 4 2022/23 data. Revenues cannot accurately produce the updated information due to batch scheduling having stopped working within Civica-OpenRevenues; this issue is being progressed and is within the escalation process.

The OpenRevenue system includes software titled "Civica Automation" - which is batch scheduling tool that is able to automate linear tasks. There was an issue with one of the process maps in April and the process maps have been switched off by systems admin/internal ICT.

The process map that is switched off is the one which runs the reports which we use to profile collections rates. This remains a priority and currently progressing with ICT and third party system provider.

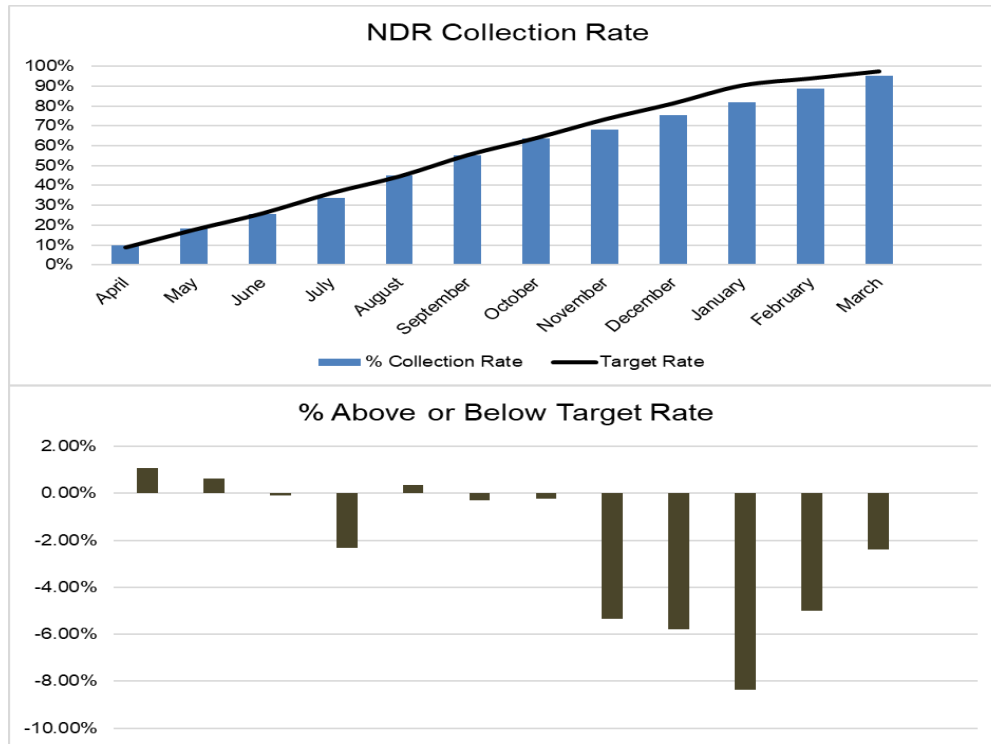


Performance measure

- NDR Collection Rate

The data remains as Quarter 4 2022/23 data. Revenues cannot accurately produce the updated information due to batch scheduling having stopped

working within Civica-OpenRevenues; this issue is being progressed and is within the escalation process.



Performance measure

- Revenues Processing

Month	Completed Items	Comp. < 7 Days	Comp. < 14 Days	Comp. < 21 days	Comp. < 28 Days	Comp. > 28 days	Outstand -ing
Apr-22	2550	527	313	280	718	712	1869
May-22	2337	464	192	172	92	1417	2044
Jun-22	2773	509	268	157	137	1702	2031
Jul-22	2906	552	240	190	362	1562	1605
Aug-22	2345	529	215	208	804	589	1421
Sep-22	5143	1080	483	481	1458	1641	1424
Oct-22	2716	954	297	239	511	715	1798
Nov-22	2807	818	299	249	264	1177	1639
Dec-22	2284	853	292	182	106	851	1536
Jan-23	3121	1185	333	310	198	1095	1228
Feb-23	3271	1652	249	187	327	856	941
Mar-23	4059	2277	748	377	359	298	912
Apr-23	2608	1166	426	238	416	362	740
May-23	2273	1223	227	117	304	402	846
Jun-23	2417	1392	182	163	90	590	1080

Jul-23	2922	1378	290	292	272	690	1005
Aug-23	2969	1517	366	611	190	285	637
Sep-23	2648	1443	594	325	76	210	677

Update

The Covid-19 Business Support Grants, Council Tax Energy Rebates, and Energy Bill Support Scheme – Alternative Funding schemes is no longer impacting on the workload for the Revenue Service. Some reconciliation work remains to be completed for these schemes, but there is no longer any day-to-day processing impact. This has enabled a reduction to the outstanding work items.

It is anticipated that the impact of inflation and rising interest rates will cause an increase in customer contact with regards to the payment of their council tax.

Actions

Available resources will be reviewed to ensure that they are sufficient to meet the ongoing demand on the service.

Performance measure

- Online Customer Interactions

Due to a server migration in early October, the report is not able to be produced due to the settings having to be re-established.

Customer Services

Performance measure

- Revenues Calls (shared service)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Jul 2023	2671	0.63	05:20	5.7	08:43
Aug 2023	2759	0.41	04:41	6.7	08:29
Sep 2023	2594	0.33	04:03	6.4	08:11

Update

The service met expectations with regards to answering calls during the quarter with an average queue fewer than 1 person and an average call answering time between 4-6 minutes.

Performance measure

- Number of Web Payments

Update

Date	Number of payments
Jul 2023	1326
Aug 2023	1141
Sep 2023	1158

Performance measure

- Customer Service calls (Switchboard)

Date	Calls Answered	Avg in Queue	Avg Wait (mm:ss)	Avg Logged in	Avg call length (mm:ss)
Jul 2023	804	0.02	00:56	1.35	00:55
Aug 2023	800	0.02	00:44	1.72	00:58
Sep 2023	799	0.01	00:38	1.8	00:56

Update

The service met expectations with regards to answering calls during the quarter with an average queue close to zero and an average call answering time under 1 minute

4.4 Planning, Regeneration and Leisure Services

The Leisure and Cultural Strategy has been formally endorsed. Its recommendations have been prioritised for delivery and delivery has commenced.

Performance measure

- Total number of planning applications determined in quarter (all types)

Period	Number Determined
Quarter 1, 2022/23	191
Quarter 2, 2022/23	137
Quarter 3, 2022/23	138
Quarter 4, 2022/23	165
Quarter 1, 2023/24	165
Quarter 2, 2023/24	138

Update

Determination rates reflected those in September to December 2022 and were lower than the last 2 quarters.

Performance measure

- Speed of decision making for ‘major applications’ (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on major applications is 60%)

Period	% Determined ‘on time’
Quarter 1, 2022/23	82.1%
Quarter 2, 2022/23	81.5%
Quarter 3, 2022/23	81.8%
Quarter 4, 2022/23	86.1%
Quarter 1, 2023/24	86.0%
Quarter 2, 2023/24	90.2%

Update

The 2-year rolling assessment has improved this quarter. The assessment of speed remains well in excess of government targets.

Performance measure

- Speed of decision making for ‘non-major applications’ (over a rolling 2-year period) (Governmental targets for determining applications in time (or within an agreed extension of time) on non-major applications is 70%)

Period	% Determined ‘on time’
Quarter 1, 2022/23	77.7%
Quarter 2, 2022/23	78.6%
Quarter 3, 2022/23	78.9%
Quarter 4, 2022/23	81.3%
Quarter 1, 2023/24	80.6%
Quarter 2, 2023/24	82.7%

Update

The 2-year rolling period for speed showed an improvement relative to the last quarter and remains well in excess of government requirements.

5. Corporate Project Oversight & Monitoring

The table below provides a summary as of 20th October 2023. The focus point being that the overall RAG status has moved from 50% Green as stated in the Q1 report to 35%, this is partially due to the 2040 Vision project not being actively worked on due to the prioritisation of LUF, a delay in in the Local Plan and officer time being focused on the Levelling Up activities as well as other uncertainties within projects.

A full review of current projects, project sponsors and leaders, will be undertaken at Q3 to ensure accurate monitoring moving forward.

All Projects (Number)	Overall Status RAG		Time Status RAG		Scope Status RAG		Budget Status RAG	
	No.	%	No.	%	No.	%	No.	%
Red	1	5%	1	5%	1	5%	1	5%
Amber	12	60%	11	55%	9	45%	4	20%
Green	7	35%	8	40%	10	50%	7	35%

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 22ND NOVEMBER 2023, AT 6.00 P.M.

PRESENT: 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

Observers: Councillor P. M. McDonald and Councillor S.T. Nock

Officers: Mrs. S. Hanley, Mr P. Carpenter, Mr. G. Revans, Ms. N Cummings, Ms. A. Delahunty, Mrs. J. Bayley-Hill and Mrs J. Gresham

46/23 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

47/23 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

48/23 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE CABINET HELD ON 18TH OCTOBER 2023**

The minutes from the Cabinet meeting held on 18th October 2023 were submitted for Members' consideration.

RESOLVED that the minutes from the Cabinet meeting held on 18th October 2023 be approved as a true and accurate record.

49/23 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 16TH OCTOBER 2023**

The Chairman of the Overview and Scrutiny Board provided a verbal update in respect of the Board meeting held on 16th October 2023; and in doing so explained that there were no recommendations to Cabinet made at that meeting. He did explain, however, that a Task Group to investigate the topic of Community Supermarket / Food Bank provision in the District had been established and was due to hold its first meeting in December 2023.

Cabinet welcomed the work that was being undertaken by the Board in this area. It was understood that a list of food banks had been provided to the Board in order to undertake the investigation. Members were informed that this had been provided by Officers and would be updated regularly by the Bromsgrove Partnership.

There was a brief discussion regarding the 'poor' rating that had recently been given to the Hillcrest Mental Health Ward. It was noted that there had been discussions regarding this at a recent Worcestershire County Council, Health Overview and Scrutiny Committee meeting, where an alternative provision was discussed. Further updates in respect of this would be available soon.

Following the verbal update, the Principal Democratic Services Officer presented the update report for the Governance Systems Review, which had been considered at the Overview and Scrutiny Board meeting on 20th November 2023. During the presentation the following was highlighted for Members' attention:

- The update highlighted the work undertaken at the Council to implement the recommendations made by the Governance Systems Task Group and approved at the Council meeting held on 20th September 2023.
- It had been agreed that the Constitution Review Working Group (CRWG) would meet on a monthly basis in order to ensure that all changes would be delivered by the start of the municipal year 2024/25. Thus far, the CRWG had discussed the draft Terms of Reference for Cabinet Advisory Groups (CAGs) and the draft Memorandum of Understanding for cross party working.
- It had been agreed that the term "Cabinet Advisory Groups" (CAGs) would be used instead of Cabinet Advisory Panels.
- That the CAGs were separate to the scrutiny function that was already in place at the Council and that these groups would not duplicate the work of the Overview and Scrutiny Board.
- That it would be up to the relevant Portfolio Holder to call a CAG meeting throughout the municipal year on a topic at an early stage of discussion.
- Included in the draft calendar of meetings for the 2024/25 municipal year were several dates for the CAG meetings which could be used if necessary. However, extra meetings could potentially be held on an ad hoc basis where required.

Members were informed that there had been general agreement from the Board at its meeting on 20th November 2023 in respect of the

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recommendations included in the report. However, some slight amendments had been agreed. These were as follows:

- 1) The terms of reference for the Cabinet Advisory Groups be approved, subject to addition of Paragraph 12 which would read as follows: “Memorandum of Understanding also applies”; and
- 2) The proposed Memorandum of Understanding concerning cross party working be approved, subject to an amendment to point 5 of the Principles section to read as follows: “Recognise and respect that each individual Member can contribute to decisions that are taken and should be involved and able to provide their opinion before a decision is taken”.

Cabinet generally supported the amended recommendations that had been made. Two slight amendments were suggested as follows in italics below:

- 1) The terms of reference for the Cabinet Advisory Groups be approved, subject to addition of Paragraph 12 which would read as follows: “the Memorandum of Understanding also applies *when taking part in Cabinet Advisory Groups*”; and
- 2) The proposed Memorandum of Understanding concerning cross party working be approved, subject to an amendment to point 5 of the Principles section to read as follows: “Recognise and respect that each individual Member can contribute to decisions that are taken and *should be given the opportunity* to be involved and able to provide their opinion before a decision is taken”.

The Chairman of the Board stated that he was happy with the suggested amendments. He also noted that the meetings of CAGs would be at the request of the relevant Portfolio Holder and were not designed to undermine the role of the Portfolio Holder.

On being put to the vote it was

RESOLVED that

- 1) The terms of reference for the Cabinet Advisory Groups be approved, subject to addition of Paragraph 12 which would read

as follows: “Memorandum of Understanding also applied *when taking part in a Cabinet Advisory Group*”; and

RECOMMENDED that

- 2) The proposed Memorandum of Understanding concerning cross party working be approved, subject to an amendment to point 5 of the Principles section to read as follows: “Recognise and respect that each individual Member can contribute to decisions that are taken and *should be given the opportunity* to be involved and able to provide their opinion before a decision be taken”.

50/23

HOMELESSNESS PREVENTION GRANT AND DOMESTIC ABUSE GRANT

The Cabinet Member for Health and Wellbeing and Strategic Housing presented the Homelessness Prevention Grant and Domestic Abuse Grant for Members’ consideration.

In doing so the following was highlighted:

- This was an annual report that provided Members with information regarding the allocation of the Homelessness Prevention and Domestic Abuse Grant available in 2024/25. In total there was £339,261 available to allocate to organisations to provide a package of support and services to prevent homelessness and support those who became homeless. Included in this allocation was a £35,000 Domestic Abuse Grant. The report was being considered earlier than usual by Members. This was due to the increased costs incurred by the organisations carrying out support work in this area and the cost of living crisis.
- During the funding round a bid from BEAM had been received for £20,000 to support individuals into the private rented sector. However, the Council had considered that rentals in the private sector to households on benefits were out of range due to the Local Housing Allowance Rate being frozen at 2020 levels and landlords increasing rents significantly when re-letting due to the cost of living crisis and having to meet increased mortgage repayments. The BEAM scheme was seen as a duplication of a service already provided by the Council and BDHT Housing Options team and therefore the bid had not been selected for the municipal year 2024/25.

- A bid from CCP for a Rough Sleeper Outreach Service was still under consideration whilst a potential different way of delivering the service was being explored.

Following the presentation of the report, the Strategic Housing Manager explained that there had been a slight amendment to the report regarding the current challenges being faced by voluntary organisations. The amendment was noted as follows:

“These are voluntary organisations and without this funding it was unlikely this support would be offered or available which in turn would lead to increase direct revenue costs for the Council. Their prevention role was crucial in helping people remain in their existing accommodation wherever possible. This was even more relevant due to affordability issues in the private rented sector and mortgages for first time buyers being more difficult to access due to the increase in interest rates, in addition there had been less churn in social housing, so few properties were becoming available and social housing options were very limited”.

Cabinet was further informed that St Basil’s had been unsuccessful in their supported housing procurement. This would look to be resolved by them in six to twelve months’ time and Worcestershire County Council (WCC) were working with them to resolve this issue. It was confirmed that Worcestershire Childrens’ First were providing the support in this area.

Members queried the anticipated underspend of £23,500 that had been noted in the report. Officers explained that these monies were anticipated to be received as a result of the housing benefits that were received back to the Council through the use of the ‘Crash Pad’ service.

In terms of the allocation of £35,000 for those who suffered domestic abuse some Members queried whether this allocation was enough, particularly in light of the need to remove those who suffered domestic abuse from their property to ensure safety.

It was clarified that due to the implementation of the Domestic Abuse Act 2021 the preference was to keep those who suffered domestic abuse in their own property and remove those who perpetrated the abuse. Extra funding had been allocated at a County level in order to do this.

Officers provided information regarding the current pressures experienced on service providers due to a lack of accommodation for

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homeless and rough sleepers. In particular it was noted that BDHT were working hard with young people and looking for alternative ways to provide help due to the change in needs that were currently being experienced, this included engaging with rough sleepers in more rural areas.

It was confirmed that last year there were zero rough sleepers within the District. It was thought that this would be the case following this year's rough sleeper count. Officers explained that if it were more than zero this year it would not be significantly higher.

Following the consideration of the report the Strategic Housing Manager was thanked for all of her hard work in this area and particularly in the strong partnership work she and the team undertook.

RESOLVED that

- 1) the initiatives in the table below be approved to receive allocation of funding 2024/25.

Homelessness Grant Allocation	2024/25 £ (up to £303,963)
Housing Agency Agreement Top Up	52,475
Young Persons Pathway Worker – support to prevent homelessness for under 25's and Crash Pad to provide a unit of emergency accommodation for young people.	53,512
Worcestershire Strategic Housing Partnership Co-ordinator – contribution towards county-wide development and delivery of housing initiatives in partnership with other agencies	9,500
Single Person and Childless Couples Homelessness Prevention Service	18,347
NewStarts - Provide Furniture and Volunteering Opportunities for Ex-Offenders – supports tenancy sustainment and provides future employment opportunities/reduces risk of reoffending	10,000
GreenSquare Accord Housing Related Support – helping ex-offenders remain housed/seek employment	25,320
St Basils Foyer – provides stable accommodation/support for young people - 14 units – fully occupied during last financial year	10,492
Rough Sleeper outreach and prevention service targeting rough sleepers and those at risk of rough sleeping.	29,941
North Worcestershire Basement Project - Support for young people at risk of homelessness	26,667
Step Up – Private Tenancy Scheme	23,000
Sunrise Project intensive support	44,667
Total committed expenditure	303,921
Underspend	£ 42

- 2) That delegated authority be granted to the Head of Community and Housing Services following consultation with the Portfolio Holder for Strategic Housing to use any unallocated Grant during the year or make further adjustments as necessary to ensure full utilisation of the Grants for 2024/25 in support of existing or new schemes.

51/23

TREASURY MANAGEMENT STRATEGY HALF YEARLY REPORT

The Interim Director of Finance presented the Treasury Management Strategy Half Yearly Report for Cabinet's consideration.

Members were informed that the report set out the state of the economic climate as advised by the Council's Treasury advisor Arlingclose.

The Council currently had no long term debt, predominantly due to the previous transfer of housing assets to BDHT. It was also confirmed that there was no short term borrowing. Officers confirmed that debt was quite expensive now and that a 20 year £5m debt would cost £530,000 per annum.

In terms of investments, it was explained that short term investments were made using amounts from the Council Tax and Business rates cash flow. It was clarified that all investments that were made were ethical.

Cabinet was informed that difficult decisions would need to be made as interest rates moved back to 'normal'.

Following the consideration of the report, Members expressed an interest in how the Council considered investment management organisations to manage its investments. The Interim Director of Finance explained that this was discussed with Arlingclose and that there were a range of investment management organisations that were used. It was confirmed that investments were not currently made outside of the UK.

RECOMMENDED that

Council note the position in relation to the Council's Prudential indicators.

52/23

MEDIUM TERM FINANCIAL PLAN - TRANCHE 1 BUDGET UPDATE INCLUDING FEES AND CHARGES

The Interim Director of Finance presented the Medium Term Financial Plan (MTFP) - Tranche 1 Budget Update including Fees and Charges. During the presentation the following was highlighted for Members' consideration:

- The Council's budget would be set in two tranches for the 2023/24 financial year as it had been in 2022/23. The final Council Tax Resolution would be approved by Council in February 2024. It was noted that the process would be more difficult in the 2023/24 financial year due to several factors including:
 1. the £637,000 overall deficit across the three years of the 2023/24 MTFP.
 2. The Council still needed to close its Accounts for the 2020/21 financial year.
 3. The loss of key staff.
 4. The cost of living crisis.

Some wider factors included:

1. The war in Ukraine and the impact of inflationary increases.
2. Climate Emergencies and associated costs to implement policies linked to these declarations.

Clarification was provided on some of these factors including the national shortage of audit resources to complete the closure of Local Authority accounts. It was estimated that currently there were 900 outstanding audits still to be carried out across the UK between the 2015-16 and 22-23 financial years.

It was anticipated that Central Government would have to look at Local Government funding in a different way going forward, potentially being more prescriptive, in light of the number of Local Councils who had issued S114 Statements as a result of being in significant financial difficulties.

Members were informed that there would be no service related savings during this tranche of the budget. These would be looked at more closely

once the Local Government Settlement had been confirmed on 19th December 2023 (the present expected date).

A number of assumptions had been made within the report: the increase of Council Tax by 2 per cent, no increase in Business Rates, an increase in properties as a result of the Local Plan of 150k houses (year 1), 200 (year 2) and 150 (year 3), no New Home Bonus funding pending any announcement within the Local Government Settlement, other Government Grants and pension fund assumptions are as previous years allocations.

Further assumptions were reported to Members, and it was detailed that the Staff Pay Award costs were approximately £770,000 more and that it was prudent to increase the Councils 2024/5 pay award impact from 2 per cent to 3 per cent given the significant increases that have been offered by the Employers during 2022/3 and 2023/4. The 2025/6 and 2026/7 pay awards were assumed to be 2 per cent.

In terms of inflation, it was explained that it was also prudent to include a 5 per cent budget for inflationary increases to contracts.

Officers informed Cabinet that some of these pressures could be partially mitigated as currently only 60 per cent of the additional Utilities budget was being utilised.

Fees and Charges were discussed, and it was highlighted that the proposed Fees and Charges increase for 2024/25 would be 7 per cent (in line with inflation) returning to 2 per cent for the financial years 2025/23 and 2026/27.

The Departmental Pressures were summarised for Members and in doing so they were informed that a target of £500,000 for reclamation of benefit payments had previously been set. However, due to more accurate information and improved processes the need for recovery had decreased.

In addition to this, it was highlighted that there was still no Government guidance on waste delivery in the future. This presented a potentially huge cost to the Council as it would possibly need to move to an electric or hydrogen fleet or increased use of Hydrogenated Vegetable Oil (HVO) to fuel the fleet vehicles. It was confirmed that this form of fuel was more expensive than diesel. This and other 'Green' targets would certainly put pressure on future budgets.

Further Departmental Pressures included:

- Formalising the present pilot scheme on planning enforcement being delivered by Worcester Regulatory Services (WRS) within the Budget. This would equate to an ongoing cost of £72k a year.
- An increase of £93,000 a year to continue the Service Level Agreement (SLA) between the Council and Wychavon District Council (WDC) for the management and enforcement of on and off street parking increases.
- The result of a review of allocation of resources within the North Worcestershire Water Management (NWWM) SLA with Redditch and Wyre Forest would result in an increase from £66,000 per annum to £100,000 per annum.

Tranche 2 of the Budget would look to identify and fill any gaps within the Budget. This could include looking at the Commercial fees and charges, parking fees and new allowable increases in Planning fees. In order to meet the Strategic Priorities of the Council more funding was certainly required. It was reported that the following priorities would also be looked at in Tranche 2:

- Recharges.
- Debt costs – given the slippage in the Capital Programme.
- Business Rates Re-baselining.

It was noted that the Capital Programme, as agreed at Council in February 2023, had been included in an appendix to the report. It included the information on Play and Parks improvement works. Members were informed that the £1.597m requirements for the Barnt Green Millenium Park Toilets had also been included. Officers explained that this was incorrect as the works had been completed and the costs should have been removed.

Following the presentation of the report the areas highlighted below were also discussed:

- The contents of the Chancellor's Autumn Statement which had been released on the day of the meeting.
- The use of Task and Finish contracts within the Council's operations and the potential risk to the Council. Although it was noted that refuse collectors operated a task and finish model of working this question had been raised at a meeting of the Audit, Standards and Governance Committee and had been addressed by Officers and a full response provided at that time. It was noted

that the External Auditors had also raised this with relevant Officers previously. Officers undertook to look at this further if necessary.

- The complicated and idiosyncratic way Local Government Budget were presented. These were explained to Members for future reference. Officers confirmed that there would be a detailed glossary and explanation of terms included in the Tranche 2 Budget papers.
- The consultation period for Tranche 2 of the Budget – this was noted as February 2024. It was confirmed that Parish Councils would be able to take part in the consultation prior to the finalisation of Tranche 2.
- Leisure requirements – it was queried where the Play Area cost and requirement information had been gathered. It was confirmed that this had been provided by Officers following work undertaken as a result of several Questions and Motions considered at Full Council meetings. However, it was clarified that some of these improvements would be funded by the UK Shared Prosperity Funding (UKSPF) received previously.

The Leader invited Councillor P. McDonald to speak in his role as Chairman of the Overview and Scrutiny Board. Members were informed that this report had been considered the previous evening by the Finance and Budget Working Group (FBWG) on behalf of the main Board. During this meeting there had been several detailed discussions regarding the Planning Enforcement proposal, and the proposed increase in costs in respect of NWWM and the Parking SLA with WDC.

Councillor McDonald stated that he and other Members were not aware that WRS had been carrying out enforcement duties on behalf of the Council's Planning Department. It was raised that this should be a Planning function and therefore carried out in-house.

Officers explained that there was a national shortage of Planning Officers and Members were assured that numerous methods had been utilised to try to recruit and retain Planning Officers. This included apprenticeships, career graded roles, training and agile and remote working provision. However, the problem of retention and recruitment still remained partly due to the higher salaries available in the private sector.

Some Members felt that given the current situation in shortage of Planning Officers the formalisation of utilising WRS was the best way forward. They were not a third party provider and offered expertise in a

complex area. The WRS Officers were able to triage enforcement matters to ensure the most expedient resolution to Planning enforcement matters resulting in a better and cost efficient service for residents. It was requested that the date the initial use of WRS Officers for Planning Enforcement had been agreed be provided to Members. Officers undertook to provide this information.

There was a very detailed discussion regarding the Parking SLA and Members had raised concerns. Councillor McDonald felt that some of the financial information included within the report should have been considered on confidential papers due to commercial sensitivity. Although this concern was noted it was clarified that none of the figures were confirmed at this point as this was part of the Budget building process. It was further reiterated by Officers that full details of any changes to the SLA could not be given at this time, as these were Departmental Pressures that had not yet been agreed. There would be a detailed report presented to Members later in the year once further discussion had been carried out and the information within that detailed report would be presented accordingly.

The Interim Executive Director provided Members with a detailed overview of Parking Enforcement within the District. Highlighting the following areas:

- The £242,000 costs for under the SLA had not been increased for a number of years. Therefore, any increase was in line with inflationary costs.
- If there were not the full number of Civil Enforcement Officers (CEOs) available to carry out parking enforcement, then costs were not paid in full by the Council. Recruitment of new CEOs was currently underway to and due to the increase in grade following a job evaluation process it was hoped that the recruitment round would be successful.
- Bromsgrove District Council carried out On-Street Traffic Regulation Orders (TROs) enforcement under an agency agreement with WCC.
- WDC carried out on and off street enforcement and ticketing within the Districts car parks. Car park income generated approximately £1m per annum and income from Penalty Charge Notices (PCNs) generated approximately £100,000. All income generated from PCNs was used for enforcement costs. This income, however, did not cover the full cost of enforcement. Discussions were ongoing with Senior Officers at WCC to see if there was the potential for WCC to bridge at least some of the

financial gap between the income of PCNs and the cost of enforcing TROs for the Council.

- Notice periods for the cessation of the agency contract with WCC was two years and one year for the WDC. Although there was some discussion regarding the contractual obligations it was felt that nothing could be actioned at the current time.
- Alternative providers could be approached to provide an enforcement service for the Council; however, this could lead to more targeted enforcement to gather income in a more commercial manner. It was noted that the relationship between WDC had been good over a ten year period and that they had provided the back office software needed for parking enforcement.

Some Members expressed that they felt that enforcement was not carried out efficiently, with CEOs driving long distances between areas within the District to carry out enforcement. Although it was stated that sometimes CEOs did not even get to the outer areas within the District. It was agreed that a review was certainly needed to look at the operating model for the future.

Members stated that the perception of residents within the District was that the enforcement service provided by the Council was below standard even though some of the enforcement tasks were undertaken on behalf of WCC.

Following the robust discussion, it was requested that a report be submitted to the Overview and Scrutiny Board to investigate this matter in more detail. This would provide an opportunity for Board Members to look at a breakdown of data including costs paid to WDC if not all CEOs were available to carry out duties and the cost of enforcement for both on and off street parking. It was suggested that information on specific areas within the District that had been enforced and the last time fees were increased should also be investigated.

This would be a time critical investigation with extremely tight deadlines due to the contract end date in March 2024.

Members then revisited the issues that had been highlighted earlier in the meeting regarding NWWM. Members were in agreement that NWWM provided a service that benefitted the District, particularly in more recent years. Members stated that it was hard to disagree with the increase in costs if the allocation of resources had been reviewed and it had been determined that NWWM were spending more time within the

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District than in previous years. Members queried how often the allocation data was reviewed and Officers confirmed that it would be reviewed on a two yearly basis going forward, to better understand resource needed across Bromsgrove. A more detailed appendix to the MTFP would be provided in respect of this matter for Members' consideration when the Tranche 2 budget was considered in February 2024.

RESOLVED that

- 1) The Council's Medium Term Financial Plan as at the start of October, and the associated risks and opportunities be endorsed.
- 2) These inputs had 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, would be published on 14th November 2023 and any feedback be considered by Cabinet in January 2023 prior to seeking approval at Council in January 2024.
- 4) Tranche 2 of this process would add further information such as the Local Government Settlement to give a final financial position for the Council.

RECOMMENDED that

- 5) That the Play capital works for 2023/4 as set out in the report be approved and added to the Capital Programme.

53/23

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

There was no urgent business on this occasion.

54/23

FINANCE AND PERFORMANCE MONITORING REPORT QUARTER 2 2023/24 (REPORT TO FOLLOW)

The Interim Director of Finance presented the Finance and Performance Monitoring Report Quarter 2 2023/24 for Members' consideration.

Included in the report were details of the full year revenue budget of £13.8m which was approved by Full Council in February 2023. It was confirmed that training for budget managers had been undertaken.

Currently the Council was forecasting a revenue overspend of £815,000, which would be mitigated in part by the application of the £351,000 from the Utilities Reserve approved at Quarter 1. This resulted in a £464,000 overspend. Members were informed that the overspend had predominantly been as a result of additional pressures including the staff pay award, fuel and fleet costs and the increased cost of temporary accommodation.

In terms of the Capital Programme, Members were reminded that a £10.9m programme had been approved in March 2023 and that many of the schemes were in partial delivery in the 2022/23 financial year.

Some updates were provided to Members regarding some of the Capital projects including Windsor Street. It was explained that there had been some additional levels of pollution identified at this site which needed to be assessed under new Environment Agency (EA) rules. The Council was currently holding discussions with the Department for Levelling Up, Housing & Communities (DLUHC) to resolve these issues in terms of time and cost. However, it was noted that the EA were carrying out countrywide investigations as a result of the change in rules which might impact on the timing of the Windsor Street site.

Cabinet was informed that there were some proposed changes to the Capital Programme included in the report that required approval. These included the proposal to bring forward £50,000 of the £177,500 capital bid for an ICT server replacement to this municipal year. It was explained that this was an important project for the Council as the cyber security linked tape drive replacements would improve cyber security and help to prevent impacts of any future cyber security attack. An increase to the Capital Programme of £410k in 2023/24 also required approval to ensure the continuation of the Civica OpenRevenues system for the administration of Council Tax, Business Rates and Housing Benefits. A decrease in cost for year 3 of the Barnt Green toilet works as highlighted in the MTFP report also required approval.

Cabinet was informed that the Energy Efficiency Strategy continued to be progressed across the property portfolio and that Housing Property Services had carried out a desktop study to rule out any presence of

Reinforced Autoclaved Aerated Concrete (RAAC) in Council properties. It was noted that so far, no RAAC had been identified.

It was reported that work had been undertaken in order to get The Artrix in a position to open for use by a theatre provider.

The procurement pipeline which included Capital and Revenue procurements over £50,000 was briefly discussed and the Interim Director of Finance explained that he was currently in the process of organising an all-Member session to clarify the procurement process. Further details regarding this session would be available shortly.

Following the presentation of the report, Members thanked the Interim Director of Finance and the Head of Finance and Customer Services for all their hard work pulling this comprehensive report together.

Following consideration of the report there were some comments and questions from Members. The Cabinet Member for Planning, Licensing and WRS stated that he had arranged to meet with the Assistant Chief Fire Officer to discuss the issues identified at the Windsor Street site. It was stated that this meeting and any information needed to be shared with relevant Members and partners as soon as possible.

Some queries were raised in respect of the Performance Indicators contained within Appendix E of the report. However, it was decided that as there was currently a review of performance measures underway a discussion regarding these would be more appropriate during the review process.

RESOLVED that

- 1) The current overspend position in relation to Revenue and Capital Budgets for the period April to September and the full year revenue overspend position of £464,000 after applying £351,000 from the Utilities Reserve as approved at Quarter 1 be noted.
- 2) The present status of the Asset Strategy.
- 3) There was no change to the procurements over £200,000 due to be delivered during 2023/4 from those listed in Quarter 1.
- 4) The Quarter 2 Performance data for the Period April to September 2023 be noted.
- 5) The application of £50,000 from the General Fund for Enforcement Action to be taken at a site in Alvechurch.

Agenda Item 14

Cabinet
22nd November 2023

RECOMMENDED that

- 1) Changes to the Capital Programme in relation to ICT be actioned, bringing forward Cyber Security linked Tape Drive replacements forward from 2024/5 into 2023/4, and increasing the budget in 2023/4 to ensure the continuation of the Civica OpenRevenues system for the administration of council tax, business rates and housing benefits.

The meeting closed at 20:36

Chairman

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Bromsgrove District Council – 6th December 2023 Member Questions

- 1. From Councillor E. Gray**
Question for the Portfolio Holder for Environmental Services and Community Safety

“Would the Cabinet Portfolio Holder agree that in the interests of shoppers, residents and Bromsgrove businesses, at least the first half-hour of parking should be FREE and thereafter a “Pay on Foot” model, paying on exit, should be adopted across the District?”

- 2. From Councillor P. McDonald**
Question for the Portfolio Holder for Finance and Enabling

“Would the Cabinet Member for Finance and Enabling inform me how many additional staff have been employed since May 2023 in the area of Leisure and Cultural Services?”

- 3. From Councillor S. Evans**
Question for the Portfolio Holder for Economic Development and Regeneration

Could you please confirm the budget for the levelling up fund awarded to Bromsgrove and how we are currently tracking against this?

- 4. From Councillor R. Hunter**
Question for the Leader of the Council

Could the leader please confirm if it is this Council’s policy to exempt people receiving council tax support from bailiff enforcement action over non-payment of council tax?

- 5. From Councillor S. Robinson**
Question for the Portfolio Holder for Planning, Licensing and WRS

Could you please set out the consequences of Bromsgrove not having a five year land supply and explain what the Council is doing to remedy this situation?

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NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor H. Jones:

“After hearing the devastating news, that two innocent, healthy puppies had been killed and dumped within our district, I call upon this council to commit to prioritise the promotion to support a publicity campaign to reminding dog owners and breeders of their responsibilities, in the hope we can stop anymore uncalled-for deaths of an animal. Within this campaign we also need to remind residents that they should only buy animals from a reputable source and the steps they should take to ensure the animals they buy are healthy and have been well cared for. The campaign should also emphasise the need for the public to report any situations they identify where people may be breeding dogs illegally, or in circumstances that put the health of animals in jeopardy. WRS has “dog related issues” as one of its key priorities and, whilst they do their best to proactively identify illegal breeders and sales, more help from the public would not go amiss.”

NOTICE OF MOTION

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor S. Evans:

“This Council supports improving connectivity for rail users travelling from Bromsgrove Train Station so that they can travel to destinations such as Cheltenham, Bristol and Cardiff with ease.

This Council therefore resolves to support the campaign for greater connectivity from Bromsgrove Train Station, as campaigned for by organisations such as BARRUP, and calls on the Leader of the Council to write to CrossCountry Trains to request that their service, which currently runs between Nottingham and Cardiff, stops at Bromsgrove train station to improve connectivity between our area and popular destinations, putting Bromsgrove on the map and increasing tourism to our town whilst allowing residents to travel with ease.”

NOTICE OF MOTION

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

“In light of the late finish to the last Full Council meeting on Wednesday 25th October 2023 and bearing in mind that some Councillors have full time jobs and that paid staff have to be in attendance after their days work, it is therefore proposed that all council meetings shall not continue after 9pm.”

NOTICE OF MOTION

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

“We call upon the Cabinet to work to modernise our bus shelters by introducing 'Live Time'. The new system will tell waiting passengers exactly when the next bus is due by monitoring and reporting on its progress in real-time. It helps make services more efficient, which means a better service.”

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

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

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By virtue of paragraph(s) 2, 3, 6a, 6b of Part 1 of Schedule 12A of the Local Government Act 1972.

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